Versalis Annual Report 2025

eni

Versalis Mission

To lead sustainable chemistry, driving change to create value for people.

Eni Mission

	We are an energy company.
13 15	*We actively support a socially equitable energy transition aimed at conserving our planet*
7 12	*and promoting efficient and sustainable energy access for all.*
9	*Our work is based on passion and innovation,*
	on the strength and development of our skills,
5 10	*on equal dignity for all, recognising diversity as a key resource for human development,*
	on the responsibility, integrity and transparency of our actions.
17	*We believe in long-term partnerships with the countries and communities in which we operate, designed to achieve long-term shared prosperity.*

Governance

Our company is managed and controlled by Eni with a Corporate Governance System designed to ensure effective compliance with the principles of integrity and transparency. In accordance with Eni guidelines and without prejudice to the remit of the Versalis Annual General Meeting, the system assigns management responsibility to the Board of Directors and oversight/supervisory functions to the Board of Statutory Auditors, whilst the statutory audit is performed by an independent firm of auditors.

All members of the Board of Directors meet the independence requirements specified by applicable legislation and Corporate Governance Code recommendations.

Directors promote company interests, making objective decisions and avoiding potential conflicts of interest, in line with the Eni Code of Ethics that Versalis follows to the letter.

Corporate Bodies

Annual general meeting

BOARD OF DIRECTORS (1)

CHAIRMAN
Marcello Poidomani

CHIEF EXECUTIVE OFFICER
Adriano Alfani (2)

NON-EXECUTIVE DIRECTORS
Cristiana Argentino
Grazia Fimiani
Massimo Laurenti

BOARD OF STATUTORY AUDITORS (1)

CHAIRMAN
Marco Seracini

STANDING AUDITORS
Angelo Cremonese
Valeria Pichiorri

ALTERNATE STATUTORY AUDITORS
Roberto Colussi
Maria Francesca Talamonti

SUPERVISORY COMMITTEE (3)

Enrico Mezzetti **CHAIRMAN**
Gianni Berton
Alessandro Galli

FIRM OF EXTERNAL AUDITORS (4)

PriceWaterhouseCoopers S.p.A.

(1) Appointed by the AGM on 30th April 2025 for the three-year term 2025-2027 and, therefore, up until the date of the AGM convened to approve the 2027 Financial Statements;
(2) Appointed Chief Executive Officer by the Board of Directors on 30th April 2025 for the entire duration of its term of office;
(3) Appointed by the Board of Directors on 28th July 2025 for a three-year term and, therefore, until 27th July 2028;
(4) Appointed by the AGM on 30th April 2025 for the three-year term 2025-2027 and, therefore, up until the date of the AGM convened to approve the 2027 Financial Statements.

Contents

Disclaimer

In particular in the 'Performance forecast' section, the Annual Report contains forward-looking statements that, by their nature, involve risks and uncertainties because they rely on the occurrence of future events and developments. Actual results could differ materially from forecasts due to a variety of factors, including management's ability to execute industrial plans and the success of business negotiations, the future trend in demand, raw material supply and prices, actual operating performance, general macroeconomic conditions, geopolitical factors such as international tensions and sociopolitical instability and changes to the economic and regulatory framework in many of the countries where Versalis does business, successful development and application of new technology, modified stakeholder expectations and other changes to business conditions, competitor moves.

Letter to stakeholders

Dear Stakeholders,

The European chemical industry's structural weakness continued into 2025. This difficult period is attributable to an ongoing, sharp decline in European industry competitiveness, especially in the basic chemicals sector, compared to other geographical regions, resulting in an influx of imported products, a macroeconomic outlook marked by sluggish demand and an uncertain geopolitical context.

This situation of widespread difficulty within the sector has led to numerous capacity cutbacks/plant closures in Europe and a sharp drop in new investments. The need for measures to support industrial competitiveness led to the involvement of the European Commission that in July presented an action plan to strengthen the chemical industry. As part of this measure, the Critical Chemicals Alliance has been launched, an association of member states and industry players that will address the key challenges facing the European market: the high cost of energy and raw materials and the absence of trade defence policies.

In 2025, we continued activities associated with the chemical industry transformation plan. We carried out several portfolio restructuring operations; one of the most important was the shutdown of the Brindisi and Priolo crackers. In addition, we continued with the conversion projects at the Priolo and Brindisi sites. At Priolo, Eni and Q8 are to build a biorefinery with a capacity of 500,000 tonnes per annum that uses Ecofining™ technology to produce HVO diesel and SAF (biojet fuel). Work is scheduled for completion by year-end 2028. The new products will help to achieve an emissions reduction of at least 65% relative to the fossil fuel comparator. At Brindisi, the Eni Storage Systems joint venture is to develop a manufacturing facility with an annual capacity exceeding 8 GWh for aqueous lithium iron phosphate batteries primarily intended for stationary energy storage systems, including production of the cathode material. Plans for battery recycling at the site are also under consideration.

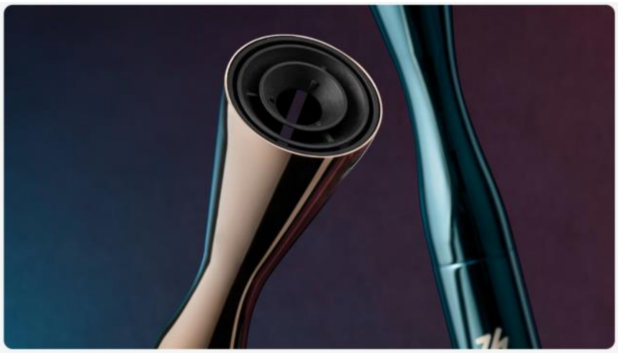
We are also maintaining our commitment to develop the three platforms forming the basis of the Versalis transition: the first regards biochemicals and is handled by Novamont; the second platform concerns the circular economy and the third specialisation, where Finproject will be responsible for compounding development.

In 2025, the Biochemicals platform achieved further development after making full use of the synergies created by centralising research and development at Novamont and the merger by absorption of Matrìca. Furthermore, the Ager-Bi biodegradable plant protection product was launched in Italy and its introduction to African countries is also planned.

In March, we brought Porto Marghera's new mechanical recycling facility into service, consolidating the Versalis transition towards more circular models and repurposing post-consumer plastic streams. Once fully operational, the facility will have an annual capacity of up to 20,000 tonnes of recycled crystal polystyrene (r-GPPS) and expanded polystyrene (r-EPS) for use in the Versalis Revive® range with post-consumer plastic content (PCR) ranging from a minimum of 35% up to 100%. This investment improves competitiveness, reaping the benefits of integrated logistics with the Mantua, Ferrara and Ravenna sites. We are also working on specific agreements designed to strengthen the recycling value chain; we have signed a strategic agreement with Veritas to develop an integrated short supply chain producing high-quality recycled *plastic, concentrating on the recovery of locally generated expanded polystyrene waste.*

As regards chemical recycling, in June we opened the Hoop® demonstration plant in Mantua. It employs proprietary technology to convert mixed plastic waste into feedstock for across-the-board application, complementing mechanical recycling and representing a strategic step in the transition towards more circular models. This development complements the agreement signed with Acea Ambiente to build integrated industrial value chains and evaluate various types of recycling technology, including the aforementioned Hoop® chemical recycling technology. Furthermore, the partnership with Prysmian will enable repurposing of plastic waste from cable insulation by means of dedicated chemical recycling at the Mantua facility, helping to create an exemplary circular value chain.

Portfolio specialisation is another key strategic priority in our transformation process and covers our entire polymer range. We aim to focus development on sectors where customers request not just materials, but solutions designed to meet specific product and process requirements. The added value lies in our ability to deliver innovation that will also support decarbonisation, whilst improving in-use performance.



Developed in our capacity as Official Supporter, a major source of pride for our company is the recognition obtained by the Essential Olympic and Paralympic Torches for the Milano Cortina 2026 Winter Olympics that received an Honourable Mention at the Compasso d'Oro International Award 2025 for their ability to combine design, sustainability and technology. Also manufactured using recycled materials and powered by an Enilive bio-LPG burner, the torches are a tangible example of our desire to combine innovative solutions, design and greater environmental responsibility in products of high symbolic and practical value.

The forthcoming challenges can only be tackled with the help of all internal and external stakeholders. As a result, we renew, on a daily basis, our commitment to ensuring a safe workplace with the highest environmental quality standards for our staff and fellow workers. We therefore extend our thanks to everyone whose assistance and tireless dedication are guiding the company towards the future.

Company profile

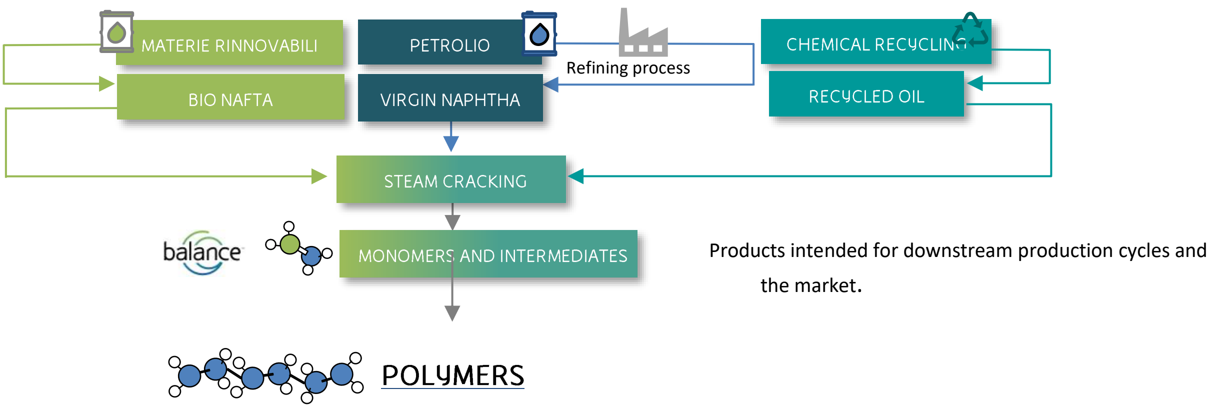
Versalis manufactures and markets chemicals (basic chemicals, polyethylene, styrenics and elastomers) and renewable chemicals, whilst also developing innovative, complementary technology for plastic recycling.

Through Novamont, leading player in the circular bioeconomy sector and biodegradable and compostable bioplastics market, the group markets a range of sustainable, bio-based products and solutions (in particular, bioplastics, biolubricants, bioherbicides, etc.) for use in packaging, agriculture and industry.

Through Finproject, a leading manufacturer of ultralight products, the group offers products for higher added-value markets, serving sectors such as the luxury footwear, design and furnishing industries, those connected with energy transition, such as wire & cable, the safety and automotive industries.

Versalis also offers innovative solutions for the oilfield-chemical design, manufacture and supply sector, focusing on production and refining processes at oil and gas facilities.

CONVENTIONAL CHEMICAL PRODUCTION CYCLE USING THE MASS BALANCE APPROACH



POLYETHYLENE

Bags, greenhouse, industrial packaging, food packaging and mulch film, irrigation pipe, lamination film, toys, flexible containers, bottles and vials, caps/stoppers, compounds for everyday products and the automotive industry.

ELASTOMERS

Tyres, footwear, adhesives, construction tubing, electrical cables, automotive components, seals and gaskets, household appliances, engineered products, plastic and bitumen modifiers, carpet backing, paper coating and moulded foam.

STYRENICS

Building insulation, materials for electrical and electronic equipment, household goods, industrial and food packaging, components for small and large domestic appliances, automotive components, sports equipment, furnishings, pipes and fittings, lighting, medical and pharmaceutical products and toys.

COMPOUNDING

PVC and polyolefin foam compound manufacturing

MOULDING

Moulding of polyolefin foam for the footwear industry and ultralight items.

Versalis materials undergo a multistage manufacturing cycle. Virgin naphtha, a feedstock derived from oil refining, is thermally cracked during the steam cracking process. The constituent molecules are broken down into simpler ones: monomers (ethylene, propylene, butadiene, etc.) and aromatic compound mixtures. These are then converted into more complex molecules: polymers. More specifically, the polymer families obtained are: polyethylene, styrenics and elastomers used by converters to manufacture a wide range of everyday products with countless end uses.

CIRCULAR ECONOMY SCHEMES

For us, the transition towards a circular economy represents a key lever in addressing current environmental challenges, capable of separating economic growth from the use of finite, non-renewable resources. On the basis of such an approach, business and manufacturing processes are reappraised, minimising the use of natural resources, reducing and repurposing byproducts (manufacturing/production waste, scraps, emissions, discharges) by recycling or recovery and extending the useful life of products and assets through reuse or conversion.

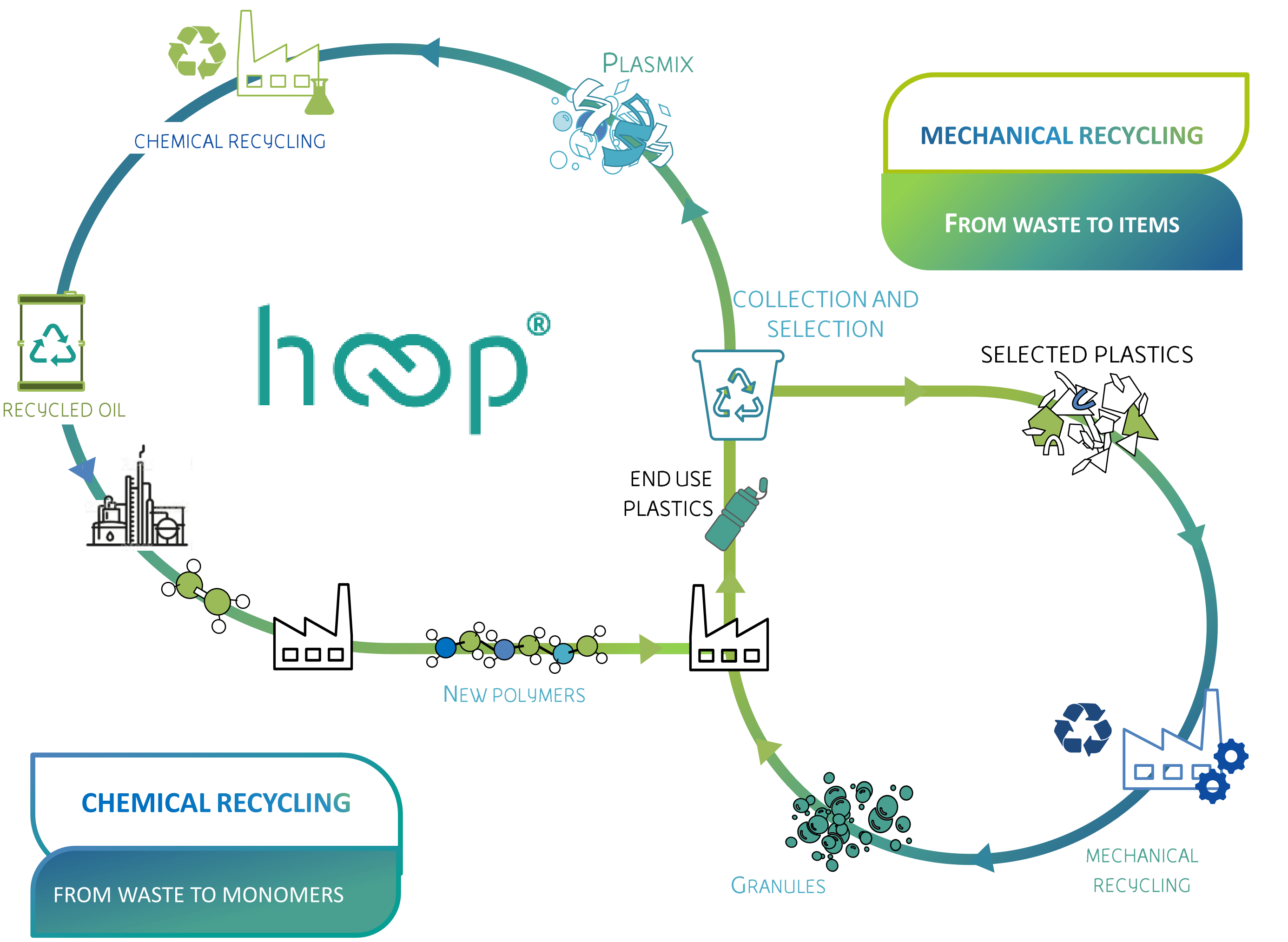
Versalis is actively developing complementary solutions for recycling plastic and rubber. We leverage existing technology by promoting the use of secondary raw materials and innovative sustainable products, also through research and development of integrated technology platforms and partnerships with various players in the value chain.

Versalis is developing recycling technology that enables our products to achieve full circularity.

Already developed on an industrial scale, mechanical recycling provides economic and energy-saving benefits, but its limitations are apparent when handling certain types of plastic waste, such as mixed waste. So, to achieve full product circularity and maximise the value of all types of plastic waste, we are, at the same time, developing other innovative technology, such as chemical recycling.

The Hoop® chemical recycling project is designed to convert sorted post-consumer mixed plastic into feedstock to produce new polymers, serving as a complement to mechanical recycling. In Mantua, Versalis has started construction of a demonstration plant that uses Hoop® technology, the sole Italian project to receive a grant from the 2023 EU Innovation Fund for the demonstration of innovative low-carbon technology.

INTEGRATED PLASTIC RECYCLING PLATFORM



RENEWABLE CHEMICALS

Assisted by Novamont, the group develops biointermediates, biochemicals and other bioproducts (e.g. bioplastics, biopesticides, biolubricants, cosmetic ingredients) whose biodegradability and compostability in various environments enables us to offer sustainable solutions, combining product quality and performance with efficient use of resources.

Innovative green chemicals stem from a circular bioeconomy model based on the conversion of disused or unprofitable industrial sites and a locally-based agricultural supply chain not competing with food crops.

In particular, compostable bioplastics are designed to help reduce the amount of organic waste sent to landfill by enabling conversion to valuable resources such as compost, soil conditioner and fertiliser.

Our biolubricants and bioherbicides are also designed to minimise the possible risk of their environmental release.

END-USE EXAMPLES FOR BIODEGRADABLE AND COMPOSTABLE PRODUCTS

Food packaging, coffee pods/capsules, organic waste bags, shopping bags, produce bags, compostable tableware, biofillers for the automotive industry, personal hygiene and care products, giftware, mulch mats.

Biolubricants, advanced biofuels, disinfectants, organic weedkillers, cosmetic and pharmaceutical bioproducts, plant protection products, ingredients for animal feedstuffs.

mater-bi

In January 2026, Novamont unveiled important changes to the brand positioning and communications strategy for its biodegradable and compostable materials.

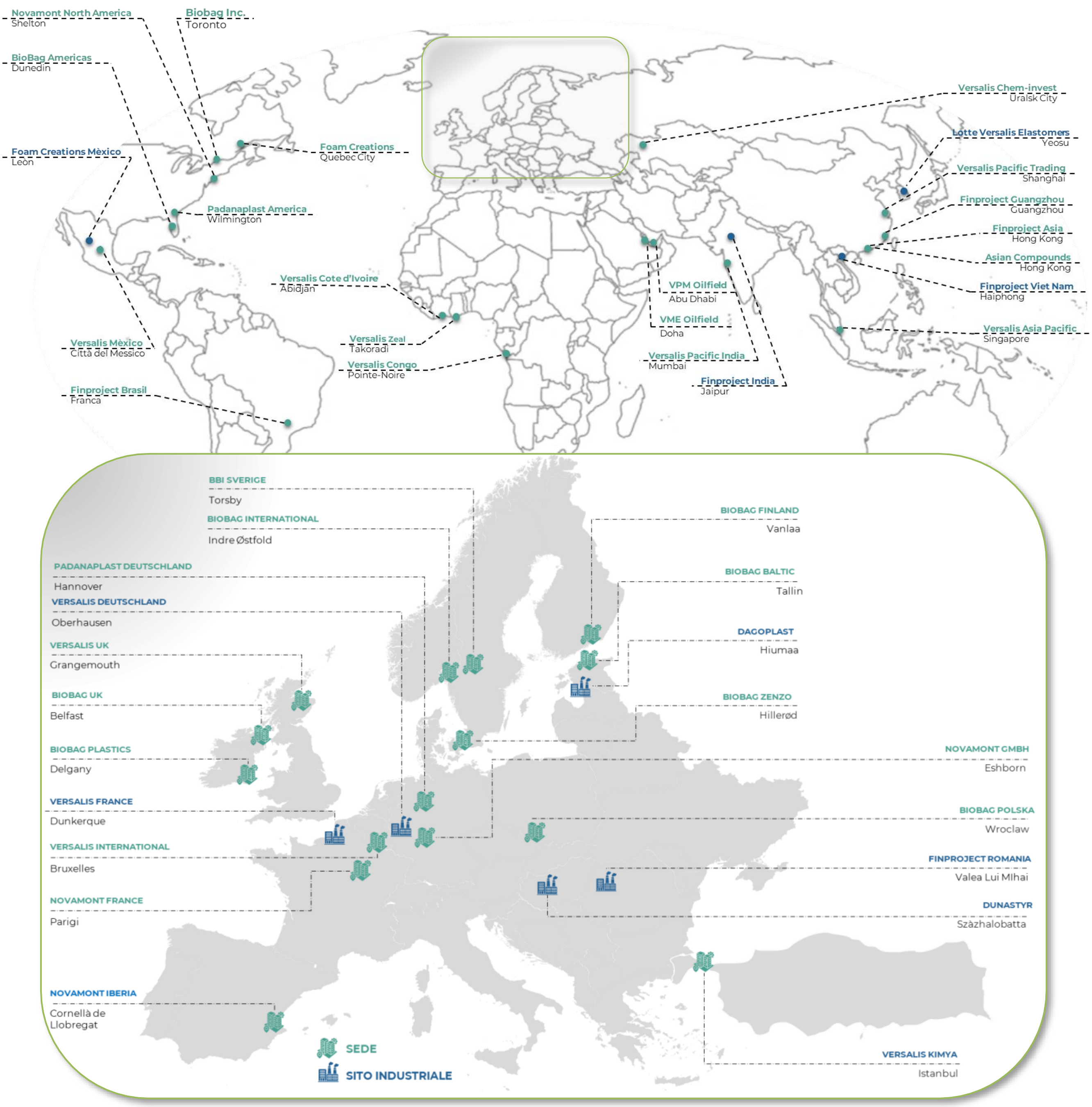
Such operation takes the form of a rebranding project and new communication campaign.

The rebranding and new campaign stem from the need to strengthen Mater-Bi's identity and recognition as a distinctive material offering value, quality and innovation, the result of Novamont's ongoing technological development and know-how, as well as increasingly efficient use of natural resources.

Mater-Bi's repositioning aims to epitomise and communicate the value of the supply chain, local projects emphasising the importance of separate organic waste collection, the various recycling options and the innovative uses currently under development, highlighting their performance and environmental value.

Versalis in the world

Versalis conducts its business by means of 27 industrial sites and a global sales network that makes widespread and effective customer support possible, the result of an integrated system with a product range capable of meeting market demand. Worldwide, Versalis is present in the Asia-Pacific region, with manufacturing sites in India and Vietnam, as well as offices in Shanghai, Mumbai and Singapore. It also operates in South Korea through Lotte-Versalis (LVE), a joint venture with Lotte Chemical. Furthermore, the group is established in the North American and Mexican markets, in particular with its compounding and biochemicals business. The group also operates in the African and Middle East markets with its Oilfield Chemicals business in Congo, Ivory Coast, Qatar and the United Arab Emirates through the VPM joint venture.



Italian operations

In 2025, Versalis Italian operations regarded the conventional chemicals sector at the Priolo, Brindisi, Ferrara, Mantua, Porto Torres and Ravenna industrial sites.

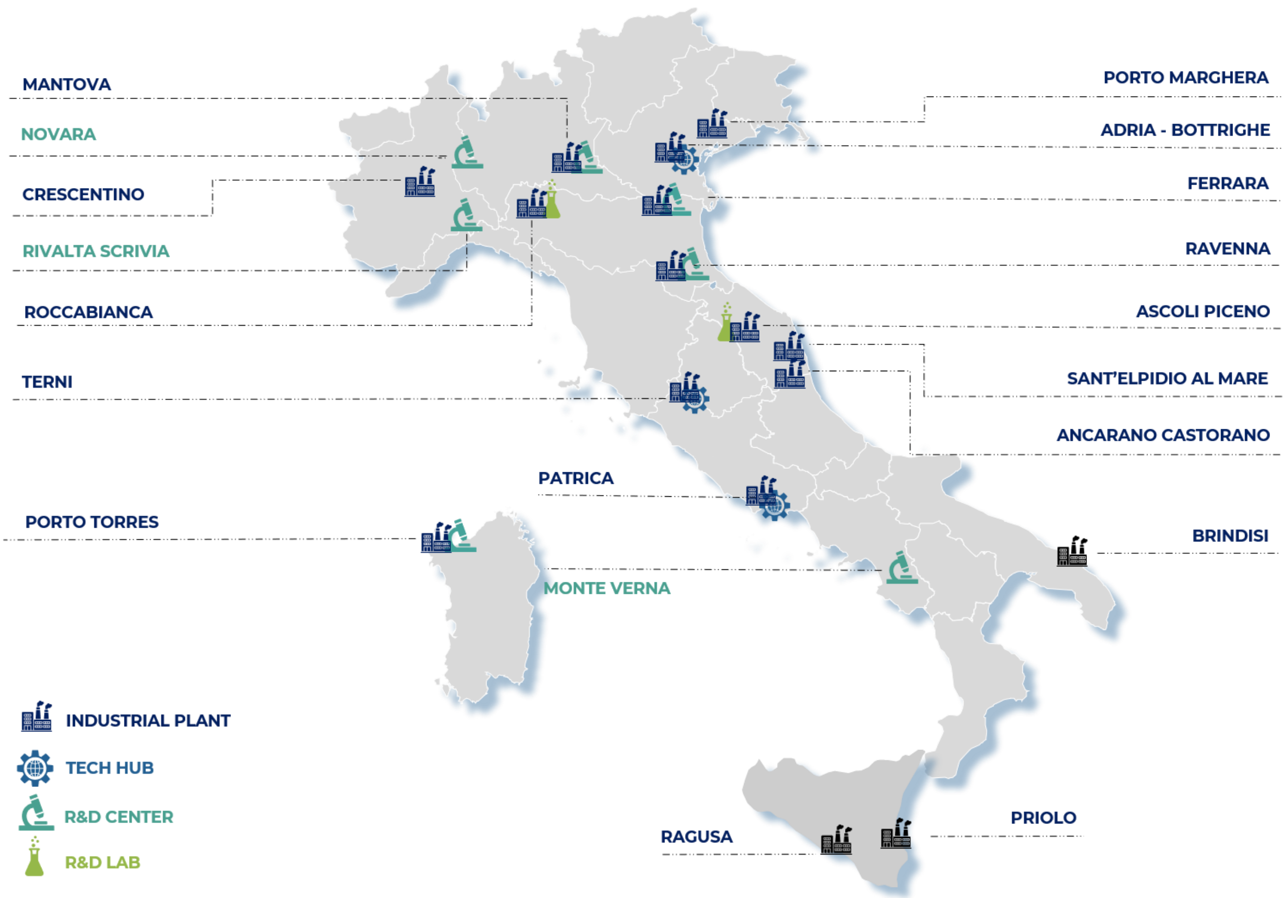
An advanced mechanical recycling plant for post-consumer plastics is under construction in Porto Marghera.

The industrial facility in Priolo-Ragusa will concentrate on new products for the bio-based and circular supply chain, as well as consolidating centralised management of safety, maintenance and contract administration.

The Finproject Group's Italian manufacturing facilities are located in Ascoli Piceno, Roccabianca, Sant'Elpidio a Mare, Ancarano and Castorano.

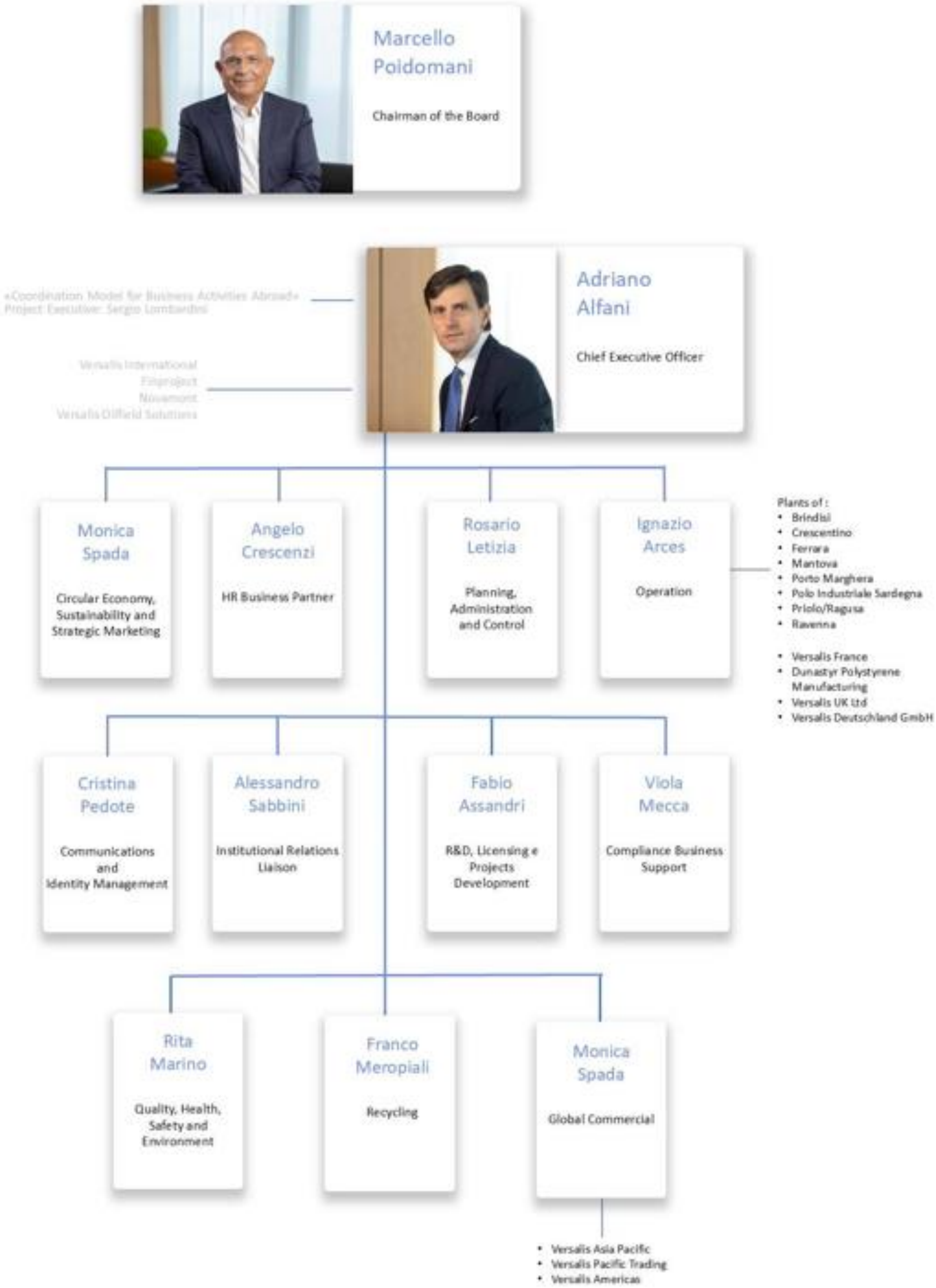
As regards the biochemical business, the group is represented by Novamont S.p.A. that operates in Bottrighe di Adria, Patrica, Porto Torres and Terni. Versalis S.p.A. also has a specialised facility in Crescentino producing ethanol from waste plant-based feedstock (lignocellulosic biomass).

The 7 research centres are: Mantua Basic Chemicals and Plastics Research Centre, Novamont Research Centres in Novara, Monte Verna and Porto Torres, Rivalta Scrivia Biochemical R&D and Research Centre, Ravenna and Ferrara Elastomer Research Centres. The Finproject research laboratories in Roccabianca and Ascoli Piceno conduct research and development of silane-based and peroxide cross-linking technology. The Terni, Bottrighe and Patrica technology hubs are test facilities located at Novamont industrial sites.



Organisational structure

The following units report to the Chief Executive Officer, Adriano Alfani: Circular Economy, Sustainability & Strategic Marketing; HR Business Partner, Planning, Administration and Control, Operations; Communication and Identity Management; Institutional Relations; Quality, Health, Safety and Environment, R&D, Licensing and Project Development, Compliance Business Support; Recycling and Global Commercial.



Highlights

PERSONAL SAFETY

Throughout 2025, Versalis maintained its ongoing personal safety commitment. 12 injuries were recorded, 9 involving employees and 3 contractors, arising from episodes mainly attributable to behavioural factors. Using the same consolidation scope, the number of injuries is down by 6 compared to 2023 (4 employees and 2 contractors).
Over the course of the year, it should be noted that 37 out of 41 sites achieved the 1 year zero recordable injury milestone.

CIRCULAR ECONOMY AND GREEN CHEMICAL SCHEMES

In March, Versalis opened a new manufacturing plant in Porto Marghera for plastics derived wholly or in part from mechanically recycled feedstock. The materials produced are used in the Versalis Revive® range with post-consumer plastic content (PCR) ranging from a minimum of 35% up to 100%. This project marks a further advance in the company's transformation process, designed to promote a circular, environmentally sustainable economy through technological innovation and repurposing plastic.
In June, we opened a demonstration plant at our Mantua facility for chemical recycling of mixed plastic waste using our proprietary Hoop® technology. Serving as a complement to mechanical recycling, this technology enables conversion of mixed plastic waste into feedstock also suitable for food contact and pharmaceutical packaging.
In order to consolidate its strategic and supply-chain partnerships, in July Versalis signed a Memorandum of Understanding with Acea Ambiente with a view to developing joint ventures aimed at recycling post-consumer and post-industrial plastic. As part of the agreement, chemical recycling solutions using Hoop® technology will be evaluated.
Similarly, in September an agreement was signed with Veritas, an Italian multiutility, to repurpose post-consumer and post-industrial plastic. The two companies will work in tandem to analyse and select waste and secondary raw material streams originating from Veritas plants with a view to assessing their suitability for Versalis recycling processes. The aim is to develop an integrated short supply chain producing high-quality recycled plastic, including by way of new investments, starting with the repurposing of expanded polystyrene waste, such as fish trays, for use as feedstock in the new Versalis facility in Porto Marghera.
Furthermore, in December, Versalis and Prysmian entered into a partnership to enable repurposing of plastic waste from cable insulation: Prysmian will collect its manufacturing waste and scrap cables from its customers, whilst Versalis will utilise its Hoop® technology to convert them into feedstock for new polymers that Prysmian will in turn use to manufacture high-performance cables.

CHEMICAL INDUSTRY TRANSFORMATION PLAN AND CONVERSION SCHEMES

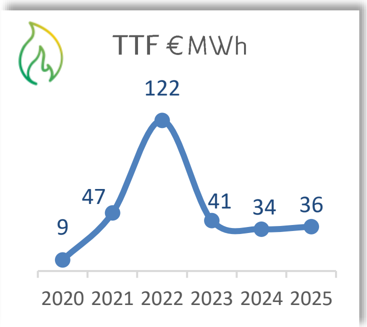
During 2025, Versalis continued its implementation of the transformation plan, announced by Eni in October 2024. This entails, on the one hand, restructuring the basic chemicals segment with the shutdown of the Brindisi and Priolo crackers and, on the other hand, expansion of new circular-economy-based, bio-based and specialty chemical platforms. These are developing markets in which Versalis is consolidating its position, including with the assistance of Novamont and Finproject.

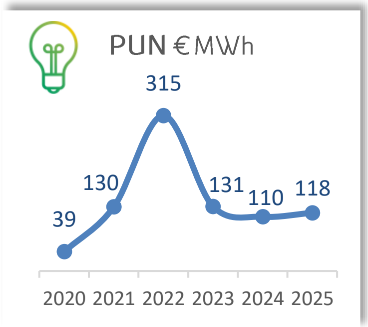
Important measures taken include shutdown of the Priolo cracking and aromatics plants and site conversion. In October, Eni announced that it had begun the Environmental Impact Assessment process for a project to build a new biorefinery and a plant for chemical recycling of plastics using Hoop® technology. The new biorefinery will have a capacity of 500,000 tonnes per annum and comprises an Ecofining™ plant, along with auxiliary units for biomass pretreatment and hydrogen production. Work is scheduled for completion by year end 2028. The facility will have an annual processing capacity of 40,000 tonnes.

In line with the transformation plan and optimisation strategy for its industrial portfolio, in March, Versalis shut down the steam cracker in Brindisi. In September, as part of the conversion of the Brindisi site, Eni Storage Systems, a joint venture set up by Eni and Fib (subsidiary of the SERI Industrial Group), took over development of the existing project to manufacture stationary lithium batteries in the industrial area. The JV aims to establish a hub with an annual capacity exceeding 8 GWh, producing batteries primarily intended for stationary energy storage systems. The project is currently at the engineering stage, whilst undergoing economic, financial and permit feasibility studies. These activities are scheduled for completion by end of first quarter 2026 before moving directly to the execution stage. The project consolidates the partnership between Eni and Seri Industrial that will lead to integrated management of the Brindisi site and the facility that Fib is building in Teverola, in the province of Caserta. Brindisi will also focus on production of cathode active material and assembly of batteries in Battery Energy Storage Systems (BESS), serving both the Brindisi and Teverola facilities. Plans for battery recycling at the Brindisi site are also under consideration. Along with the production of cathode active material, this service would also be made available to other players in the sector.

In order to tackle the weakness of the chemical industry and safeguard sustainable chemical development, we have developed an important plan to expand new, more sustainable **circular-economy-based chemical** (developing complementary mechanical and chemical recycling processes in order to make full use of end-of-life plastics and reach all market applications, forming an integral part of the national collection chain, one of the most advanced in Europe), **bio-based** (offering a product catalogue complete with all sustainable solutions, both biobased and circular, and a full product range, in particular bioplastics, biolubricants and bioherbicides for use in the packaging, agricultural and other industrial sectors) and **specialty** (to steer the company's future towards new technology, solutions and products for higher value-added markets) **platforms** in keeping with the European decarbonisation strategy. Furthermore, in July 2025, we transferred the Oilfield Chemicals Business Unit to the new company Versalis Oilfield Solutions S.r.l. The operation is designed to consolidate Versalis' position in the oilfield services sector, introducing key expertise and strategic activities into a single, focused and operationally efficient entity. Versalis oilfield operations include research and development of advanced chemical formulations, outsourcing their production and marketing solvents and additives for the oil drilling industry. The new entity can rely on improved operating synergy and a dedicated structure capable of accelerating growth and optimising the commercial and technological effectiveness of its product range.

Versalis at a glance



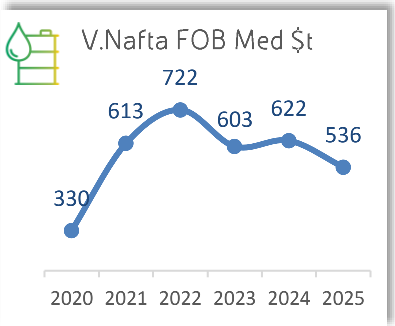


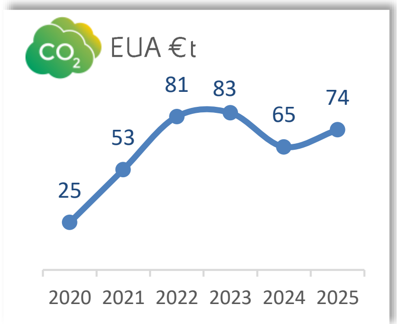
KEY FINANCIAL DATA

(€ million)	2025	2024	2023
Operating revenues	3,534	4,257	4,236
Operating profit/(loss)	(1,425)	(1,005)	(1,404)
Net profit/(loss)	(1,485)	(771)	(1,288)
Net cash flow from operating activities	(708)	(489)	(692)
Technical investments	182	210	187
Total assets	3,482	3,985	3,824
Net worth	(605)	(316)	(147)
Net debt (surplus)	2,341	2,581	2,457
Net capital employed	1,736	2,265	2,310

KEY PERFORMANCE AND SUSTAINABILITY INDICATORS

		2025	2024	2023
Current employees	(headcount)	7.304	7.389	7.793
Injury frequency index	(injuries/hours worked x 1,000,000)	0,60	0,94	0,59
Direct GHG emissions	(millions of tonnes of CO_2eq)	1,4	1,9	1,93
Gross R&D costs	(€ million)	47	52	46
Production	(millions of tonnes)	4.105	5.685	5.663
Plant utilisation rate	(%)	49	50	52





Consolidated group structure

The following chart illustrates the Versalis Group's scope of consolidation. Companies are consolidated on a line-by-line basis. Percentages refer to the parent company stake in each subsidiary. During 2025, the companies **Asian Compounds Ltd**, **Finproject Asia Ltd**, **Finproject Guangzhou Trading Co. Ltd**, **Versalis Pacific (India) Private Limited** and **Versalis Zeal Ltd** were excluded from the consolidation scope on the grounds of immateriality, whilst Tecnofilm S.p.A. (subsequently merged with Finproject S.p.A. and backdated to 1st January 2025 for tax and accounting purposes) was included. Furthermore, on 24th June 2025, Versalis S.p.A. transferred the Oilfield Chemicals Business Unit to the new company **Versalis Oilfield Solutions S.r.l.** On 27th October 2025, **Novamont S.p.A.** completed the takeover of **Matrìca S.p.A.**, this becoming legally effective as of 1st November 2025 and backdated to 1st January 2025 for tax and accounting purposes. Being under business control, the above-mentioned operations have had no effect on the group's consolidated financial statements.

[1] *Dunastyr Polystyrene Zrt è detenuta al 1,83% da Versalis International SA*
[2] *Versalis SpA detiene un'azione di Versalis México*
[3] *Finproject India è detenuta allo 0,01% da Finproject SpA*

Operating performance

In 2025, the economy recorded moderate growth, although this was down on 2024, mainly driven by domestic demand in many advanced economies, whilst international trade and investments remain weak, especially in Europe, with risks associated with geopolitical tensions and inflation. Forecasts suggest a return to normal for the rate of inflation and a possible cut in lending rates by the central banks, but the situation remains uncertain.

The global economy growth rate fell (from 3.2% in 2024 to 3.0% in 2025). For 2026, a GDP of 3.0% is forecast. In 2025, although continuing to show modest growth (1.3%), the Euro Area Economy (EU 27) recorded a slight increase over 2024 due to higher exports and the European Central Bank's decision to cut interest rates.

In 2025, the Middle East economy 2025 was characterised by transformation opportunities (investments in strategic sectors, consumption-led growth and falling inflation for importing countries) and important challenges that have determined growth of around 2.4% compared to 2024. Regional stability is still affected by political tensions.

In 2025, the US economy recorded a moderate rise in GDP (down 1.9% compared to 2024), curbed slightly by tariffs and trade policies. Compared to 2024, we witnessed a slackening job market and persistent inflationary pressures.

In 2025, the Far East economy recorded the same growth rate as 2024 (3.9%), bearing in mind global trade tensions and increased US tariffs.

In 2025, the Italian economy recorded a modest increase in GDP (0.5%), mainly driven by domestic consumption and, partly, by investment, despite slacker foreign trade. Inflation is falling, but has risen sharply in some sectors.

In 2025, the European chemical sector was faced with an extremely difficult situation, characterised by a fall in output (around 1.5%) for the fourth year running, despite a slight upturn in demand and lower energy prices than in previous years. The main problems remain higher energy costs than in the USA, strong international competition (especially from China) and the need for urgent supporting measures as regards energy, regulatory simplification and environmental transition. A business by business analysis shows that the benchmark cracker's unit contribution margin reached 390 €/tonne, marking a significant increase on 2024, mainly due to the fall in the price of virgin naphtha.
During the year, polyethylene's performance gradually worsened due to a deteriorating European economic situation.
As regards styrenics, demand dropped off, especially in the Appliances and Construction segments.
In 2025, profitability of the elastomer business was helped by the fall in the price of butadiene, whilst selling prices are little much changed compared to 2024.

ANNUAL PERFORMANCE

In 2025, Versalis Group revenues from core operations total 3,534 million euro, compared to 4,257 million euro in 2024, recording a 17% fall. This drop is mainly attributable to the shutdown of the Brindisi and Priolo plants, as well as falling revenues from polyethylene sales.

Sales volumes total 2,719,000 tonnes, down by 450,000 tonnes compared to 2024 (14.2%). This downturn involves both intermediates (olefins, aromatics and phenol derivatives) and polymers that fell 16.7% and 13.9%, respectively.

The compounding business achieved sales of 70,000 tonnes, up 9.4% on the previous year. Oilfield Solutions sales, amounting to 25,000 tonnes, have also risen, whilst there was a slight fall in biochemical sales, amounting to 110,000 tonnes (-5.2%).

Average unit prices are 4% lower than 2024, reflecting the weakened European market.

Total output amounted to 4,105,000 tonnes; a fall of 1,580,000 tonnes compared to 2024. This decline is mainly attributable to lower intermediate output (1,347,000 tonnes), in particular olefins, following shutdown of the Brindisi and Priolo crackers.

As regards individual production sites, lower output is recorded at Priolo (733,000 tonnes), Brindisi (655,000 tonnes), Ravenna (133,000 tonnes) and Ragusa (73,000 tonnes), whilst the Dunkerque site shows an improvement (66,000 tonnes).

The average plant utilisation rate, calculated against rated capacity, is 49%, 1.3% lower than in 2024.

Revenues

(€ million)	2025	2024	2023	Abs Chg	% change
Intermediates	1.183	1.530	1.497	(347)	(22,7)
Polymers [(a)]	1.633	1.977	2.152	(344)	(17,4)
Biochemicals	279	316	83	(37)	(11,6)
Moulding & compounding	267	254	276	13	5,0
Oilfield chemicals	90	78	97	12	15,4
Other revenues [(b)]	82	102	131	(20)	(19,6)
TOTAL REVENUES	**3.534**	**4.257**	**4.236**	**(723)**	**(17,0)**

(a) The Polymers BU also includes recycling revenues.

(b) Third party products sold with agency contracts via foreign trading companies and other revenues for services.

(thousands of tonnes)	2025	2024	2023	Abs Chg	% change
Intermediates	2.504	3.851	3.877	(1.347)	(35,0)
Polymers	1.314	1.555	1.658	(241)	(15,5)
Biochemicals	207	206	57	1	0,5
Petrochemical production	**4.025**	**5.612**	**5.592**	**(1.587)**	**(28,3)**
Moulding & Compounding	73	69	71	4	5,8
Chemical and mechanical recycling	7	4		3	75,0
Total output	**4.105**	**5.685**	**5.663**	**(1.580)**	**(27,8)**
Consumption and losses	(2.359)	(3.106)	(3.247)	747	24,0
Changes in inventories	973	590	701	383	64,9
Total availability	**2.719**	**3.169**	**3.117**	**(450)**	**(14,2)**
Intermediates	1.432	1.720	1.651	(288)	(16,7)
Polymers	1.071	1.244	1.350	(173)	(13,9)
Oilfield chemicals	25	14	21	11	78,6
Biochemicals	110	116	28	(6)	(5,2)
Petrochemical sales	**2.638**	**3.094**	**3.050**	**(456)**	**(14,7)**
Moulding & Compounding	70	64	67	6	9,4
Chemical and mechanical recycling	11	11			0,0
Total sales	**2.719**	**3.169**	**3.117**	**(450)**	**(14,2)**

Revenues from polymers, totalling 1,633 million euro, have fallen by 17.4%, reflecting lower sales volumes (-173,000 tonnes) and average selling prices (-3%).
In the **polyethylene** business, the decline in sales volumes is attributable to falling LDPE, LLDPE and HDPE sales (-12%) and a sharp fall in EVA volumes (37.21%).
The **elastomers** sector has recorded lower sales across the board (17.4%). Average prices show a 5% increase.
Turning to **styrenics**, falling demand has led to lower sales of the main polymers (ABS, SAN, GPPS, HIPS, EPS) amounting to 7.5%. On the other hand, there was an increase in styrene sales volumes (+30.1%).
Polymer output, totalling 1,314,000 tonnes, has fallen by 15.5% compared to 2024, the sectors affected being styrenics (-7%), elastomers (-20.6%), polyethylene (-18.3%) and EVA (-30.7%).

Revenues from the **Oilfield Chemicals** business, totalling 90 million euro, recorded a 15.4% increase compared to 2024. Such increase is mainly due to the growth in sales volumes and stable selling prices.

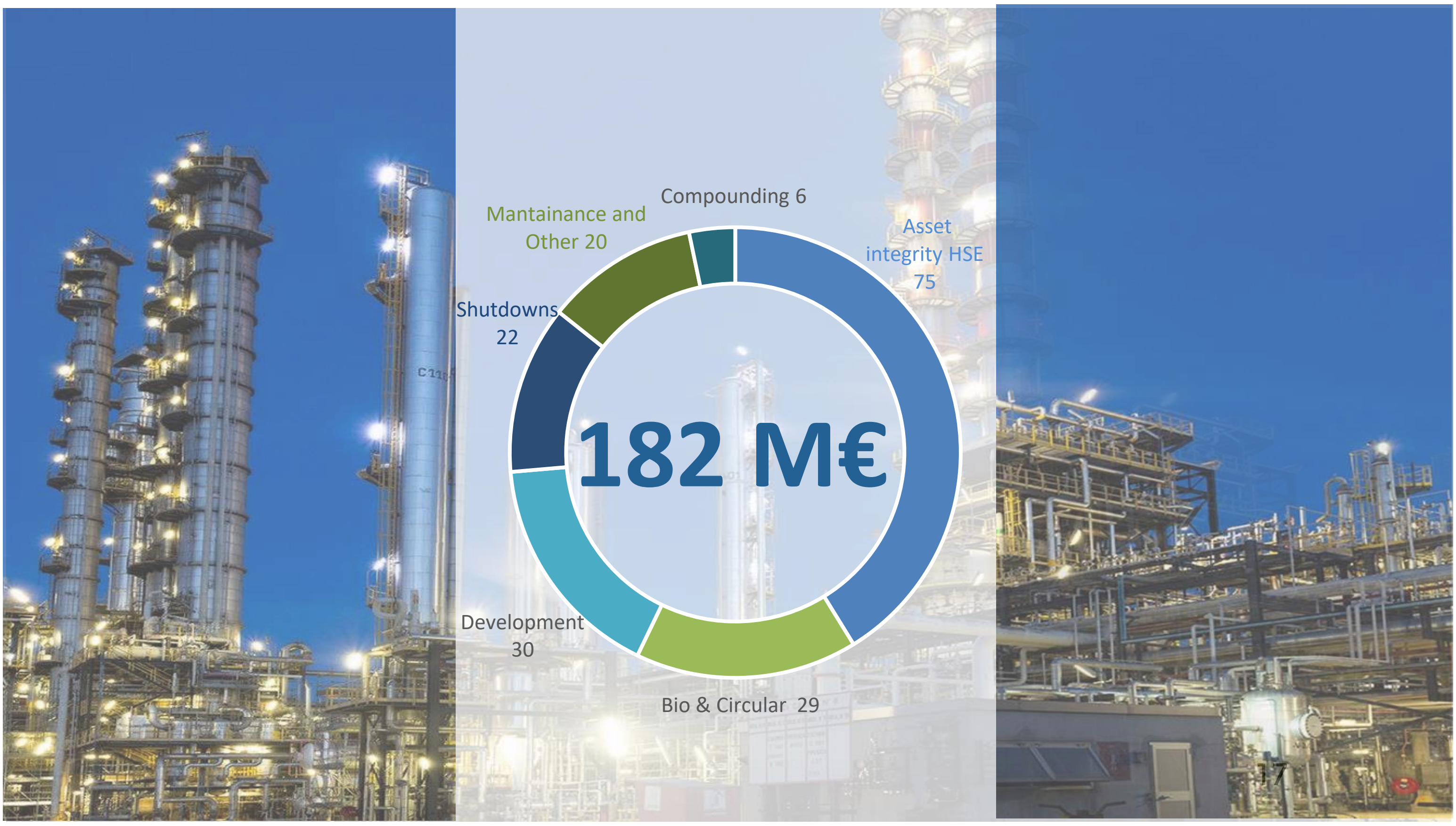
Biochemical revenues totalling 279 million euro are generated for the most part from within the Novamont reporting boundary (271 million euro) and by Crescentino (8 million euro). The Novamont group has recorded a drop in sales volumes compared to 2024.

A breakdown of revenues from **Moulding & Compounding**, totalling 267 million euro, shows moulding sales of 83 million euro, compounding of 72 million euro and wire & cable of 112 million euro.

Capital expenditure

(milions of euros)	2025	2024	2023	Abs. Chg
Olefines	17	22	32	(5)
Aromatics	8	34	8	(26)
Derivatives	2	6	4	(4)
Styrenics	5	8	3	(3)
Elastomers	31	19	29	12
Polyethilene	18	7	16	11
Bio chemistry	7	12	5	(5)
Circular economy	22	36	25	(14)
Compounding	5	6	7	(1)
Industrial services	61	51	43	10
Staff and financial costs	6	9	15	(3)
Totale	**182**	**210**	**187**	**(28)**

Net investments for the reporting period in tangible and intangible fixed assets, totalling 182 million euro, mainly concern: (i) facility upgrades to enable compliance with safety, environmental and asset integrity regulations (75 million euro); (ii) routine and periodic maintenance at the Ferrara, Ravenna, Priolo and Dunkerque facilities (20 million euro); (iii) circular economy compatibility upgrades for the Porto Marghera mechanical recycling project (10 million euro) and Mantua chemical recycling pilot plant (11 million euro) and (iv) development of a strategic project to upgrade the SOL and NEOCIS production facilities in Ravenna (30 million euro).



Versalis Group performance review

INCOME STATEMENT

(€ million)	**2025**	2024	2023	Abs Chg
Operating revenues	3.534	4.257	4.236	(723)
Other revenue and income	339	546	152	(207)
Operating expenses	(4.983)	(5.520)	(5.282)	537
Depreciation, amortisation and impairment	(315)	(288)	(510)	(27)
Operating profit/(loss)	**(1.425)**	**(1.005)**	**(1.404)**	**(420)**
Net finance (income) expenditure	(78)	(68)	(59)	(10)
Net gains/(losses) on equity investments	(4)	9	(56)	(13)
Pre-tax profit (loss)	**(1.507)**	**(1.064)**	**(1.519)**	**(443)**
Income taxes	22	293	231	(271)
Tax Rate (%)	*1,5*	*27,5*	*15,2*	*(26,1)*
Net profit/(loss)	**(1.485)**	**(771)**	**(1.288)**	**(714)**

| Net loss

The Versalis Group ended the financial year by posting a net loss of 1,485 million euro (compared to a loss of 771 million euro in 2024), formed by an operating loss of 1.425 million euro, net financial expenses of 78 million euro and net losses on equity investments of 4 million euro.

The operating loss has worsened by 420 million euro mainly due to:

- reduced revenues relating to the recovery of environmental costs (246 million euro) accepted by other operators jointly responsible for remediation projects. This reduction is due to the fact that in 2024, the extraordinary one-off effects were reported of an agreement to reimburse half the costs previously incurred for remediation work relating to episodes that took place before Versalis S.p.A. acquired certain industrial sites and to share any future costs;
- lower **intermediates** contribution margin following the reduction in volumes arising from the chemical sector transformation plan that has led to the shutdown of the Priolo and Brindisi crackers;
- greater impact of investment **write-downs** relating to: (i) in addition to the CGUs already fully written down as a result of the impairment test, (ii) the Ferrara facility's polyethylene business, (iii) the site undergoing conversion in Brindisi and (iv) the licences no longer benefiting the Versalis research plan; these write-downs have been partially offset by the impairment loss reversal for Priolo wastewater treatment assets, since this is an ongoing investment required before construction of the biorefinery can begin.

These negative effects have been partially offset by:

- improved profitability of the **polyethylene** business despite lower output and sales volumes caused by slack demand in the appliances and packaging sectors and growing pressure from imports;
- improved performance by the **styrenics** business following a slight increase in the spread caused by falling raw material prices.

Income statement analysis

Operating revenues

(€ million)	2025	2024	2023	Abs Chg
Olefins	722	978	879	(256)
Aromatics	225	261	307	(36)
Derivatives	236	291	311	(55)
Oilfield chemicals	90	78	97	12
Elastomers	486	561	570	(75)
Styrenics	429	524	630	(95)
Polyethylene	718	892	952	(174)
Biochem	279	316	83	(37)
Moulding & Compounding	267	254	276	13
Site and services	82	102	131	(20)
	3,534	4,257	4,236	(723)

Operating revenues have fallen by 723 million euro, due mainly to lower sales volumes for intermediates (16.7%), polymers (13.8%) and biochemicals (5.2%) and a 4% reduction in average unit prices compared to 2024. On the other hand, higher sales were recorded by the Oilfield Chemicals business (78.6%) and Compounding business (9.4%).

Other revenue and income

Other revenue and income is down by 207 million euro compared to 2024, mainly as a result of a reduction in proceeds from other operators for an equal share of environmental costs (246 million euro). This reduction is the result of the extraordinary one-off effects, recognised in 2024, of an agreement to reimburse half the costs previously incurred for remediation work relating to episodes that took place before Versalis acquired certain sites. We must add to these effects: lower recovery of third-party and Eni Group intercompany receivables (9 million euro), reduced revenues relating to liquidated damages (9 million euro) and reduced proceeds relating to the disposal of tangible fixed assets (4 million euro). These effects have been partially offset by increased revenues from the sale of carbon credits by Versalis S.p.A. (43 million euro) and Versalis France (21 million euro).

Operating expenses[1]

(€ million)	2025	2024	2023	Change	% change
Costs for raw materials, factory supplies, consumables, goods, and change in inventories	2,571	3,044	3,124	(473)	(15.5)
Service costs	1,410	1,523	1,449	(113)	(7.4)
Costs for use of leased assets	30	29	40	1	3.4
Net allocations to provisions for contingent liabilities	191	194	91	(3)	(1.5)
Other net sundry expenses	281	226	90	55	24.3
Net impairments (reversals) of trade and other receivables	4	8	(5)	(4)	(50.0)
Payroll	496	496	493		
	4,983	5,520	5,282	(537)	(9.7)

Operating expenses have fallen by 537 million euro (9.7%), as shown in the table above.

[1] Service costs and other net expenses are shown net of the amounts drawn from provisions.

The 15.5% fall in the **cost of raw materials, factory supplies, consumables and goods for resale** and change to inventories is mainly due to lower purchase volumes, such effect being partially offset by the increase in raw material prices.

Service costs have fallen by 7.4%, mainly as a result of the drop in utility prices and consumption, as well as lower maintenance, logistics, design and project management costs. These effects have been only partially offset by lower investment service charges and higher general and environmental service charges.

The decrease of 3 million euro in **net provisions** is mainly due to a reduction in allocation to the environmental liability provision of 74 million euro following revised forecasts. These effects have been partially offset by: (i) greater decommissioning provision, in particular, in 2025, provision of 90 million euro was made for the Priolo site (including asbestos removal charges) and, in 2024, 40 million euro for the Ragusa site; (ii) asbestos removal provision for other sites (5 million euro); (iii) greater allocation to the Novamont S.p.A. litigation/dispute provision (16 million euro) and (iii) greater net allocation to the employment dispute and litigation provision (one million euro).

Net other expenses have risen by 55 million euro, mainly due to an increase in the costs incurred for purchasing carbon credits (59 million euro), such effect being partially offset by a reduction in liquidated damage payouts (2 million euro).

Employment costs mirror those of the previous reporting period.

Depreciation, amortisation and impairment

(€ million)	2025	2024	2023	Change
Tangible assets	53	58	67	(5)
Amortisation and depreciation of right-of-use assets	5	4	5	1
Intangible assets	59	63	33	(4)
Depreciation and amortisation	**117**	**125**	**105**	**(8)**
Impairments (reversals)	**198**	**163**	**405**	**35**
	315	**288**	**510**	**27**

Depreciation of tangible fixed assets is 5 million euro lower than in the previous reporting period, mainly due to the result of the impairment test that had led to tangible fixed asset write-downs totalling 161 million euro.

Amortisation of intangible assets is 4 million euro lower than in the previous reporting period, mainly due to the result of the impairment test that has led to write-downs.

In 2025, impairments mainly concerned non-operational sites or investments in CGUs already fully written down in 2024 and considered irrecoverable also as a result of the 2025 impairment test.

Tangible fixed asset write-downs totalling 162 million euro mainly concerned the following CGUs: Intermediates (38 million euro), elastomers (36 million euro), polyethylene (20 million euro), styrenics (7 million euro), Biotech Crescentino (2 million euro), fixed assets at sites undergoing decommissioning in Brindisi (75 million euro) and the Porto Marghera logistics hub (9 million euro). Write-downs of one million euro have also been applied to prototypes for which a licence was issued. These effects have been partly offset by the impairment loss reversal for the Priolo wastewater treatment (26 million euro).

Intangible asset write-downs totalling 36 million euro mainly concerned the Brindisi site (22 million euro) and licences (14 million euro).

For further details, please refer to the note on impairment losses on tangible and intangible assets and right-of-use assets in the Notes to the consolidated financial statements.

Net financial (income) expenditure

(€ million)	**2025**	2024	2023	Change
Financial income (expense) arising from net indebtedness	(59)	(70)	(53)	11
Financial income (expense) on receivables and securities used in operating activities			5	
Income (expense) on derivative contracts	(12)	6	(4)	(18)
Exchange differences	(7)	(1)	(3)	(6)
Other financial income (expense)	(5)	(8)	(6)	3
Financial expense booked to balance sheet assets	5	5	2	
	(78)	**(68)**	**(59)**	**(10)**

Net financial expenses of 78 million euro show an increase of 10 million euro, mainly as a result of the increase in foreign exchange losses. These effects have been partly offset by lower borrowing costs.

Derivatives do not meet formal hedge accounting requirements as specified in IFRS 9 and therefore changes to fair value are charged to the income statement.

Net gains (losses) on equity investments

(€ million)	**2025**	2024	2023	Abs Chg
Effect of accounting for equity investments using the equity method	(4)	(12)	(58)	8
Gain/(loss) on disposal of equity investments		21		(21)
Net other gains/(losses)			2	
	(4)	**9**	**(56)**	**(13)**

Net losses on equity investments of 4 million euro mainly refer to the valuation of the jointly controlled company Lotte Versalis Elastomers using the equity method that has produced losses of 3 million euro and the net effects of the valuation of the equity investments held by Finproject S.p.A. and BioBag International in subsidiaries excluded from the consolidation scope on the grounds of immateriality (one million euro).

Income taxes

(euro millions)	**2025**	2024	2023	Change
Pre-tax result				
Italy	(1,374)	(1,042)	(1,277)	(332)
Abroad	(133)	(22)	(242)	(111)
	(1,507)	**(1,064)**	**(1,519)**	**(443)**
Income taxes				
Italy	(28)	(255)	(238)	227
Abroad	6	(38)	7	44
	(22)	**(293)**	**(231)**	**271**

Please see the heading 'Income taxes' in the Notes to the Consolidated Financial Statements for further details regarding changes to the tax rate.

RECLASSIFIED BALANCE SHEET[2]

(€ million)	31/12/2025	31/12/2024	Abs Chg
Non-current assets			
Property, plant and equipment	519	548	(29)
Right-of-use assets	26	29	(3)
Intangible assets	697	780	(83)
Equity investments	121	115	6
Finance receivables and securities used for operating activities		1	(1)
Payables relating to investing activity	(13)	(30)	17
	1.350	1.443	(93)
Net working capital			
Inventories	911	1.121	(210)
Trade receivables	370	442	(72)
Trade payables	(553)	(661)	108
Tax assets/(liabilities) after offsetting provisions	363	334	29
Provisions	(568)	(418)	(150)
Other operating assets/(liabilities)	(82)	68	(150)
	441	886	(445)
Employee benefit provision	(55)	(64)	9
NET INVESTED CAPITAL	**1.736**	**2.265**	**(529)**
Net worth	(605)	(316)	(289)
Net debt (cash)	2.341	2.581	(240)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**1.736**	**2.265**	**(529)**

Non-current assets

Details follow of the main changes to items listed under non-current assets.

Property, plant and equipment, amounting to 519 million euro, is 29 million euro lower, mainly due to impairment of stay-in-business capital for fully written down CGUs totalling 162 million euro and current year depreciation (53 million euro). These effects have been partly offset by investments during the reporting period (160 million euro) and consolidation with effect from January 2025 of the company Tecnofilm S.p.A. (15 million euro) that was subsequently merged with Finproject S.p.A.

Right-of-use assets totalling 26 million euro mainly regard the use of land and buildings (24 million euro) and plant and machinery (2 million euro).

Intangible assets, amounting to 697 million euro, are down by 83 million euro, mainly as a result of amortisation for the reporting period (59 million euro) and impairment losses (36 million euro). These effects have been partly offset by capital expenditure during the reporting period (22 million euro).

Equity investments, amounting to 121 million euro, have risen by 6 million euro, mainly due to the 21 million euro increase in the value of the stake in Lotte Versalis Elastomers (following a 29 million euro capital increase) that has been partially offset by the loss of 3 million euro when accounted for using the equity method and foreign exchange losses of 5 million euro. This increase has been partially offset by the decrease arising from consolidation of the subsidiary Tecnofilm S.p.A. (17 million euro) and the effect of the valuation of the stakes held by BioBag International SA and Finproject S.p.A. in subsidiaries excluded from the consolidation scope on the grounds of immateriality (loss of one million di euro).

[2] For details of the method employed to prepare reclassified statements, please refer to the review of consolidated operating performance and financial position.

Net payables relating to investing activities of 13 million euro have fallen by 17 million euro mainly as a result of the reduction in investment liabilities of Versalis S.p.A. (18 million euro) that have been partially offset by the higher indebtedness of Versalis France SA (one million euro).

Net working capital

Details follow of the main changes to items listed under net working capital.

The reduction in **inventories** of 210 million euro is mainly attributable to finished products and raw materials and a rise in impairment provisions following revaluation of warehouse stocks to market value. These effects have been partially offset by a rise in inventories of semi-finished goods.

Trade receivables have fallen by 72 million euro mainly due to lower turnover caused by the decline in sales volumes.

Trade payables have fallen by 108 million euro mainly as a result of lower indebtedness to Eni Group companies and third parties arising from raw material purchases.

The increase in **tax assets (after offsetting provisions)** of 29 million euro is mainly due to: (i) an increase in net deferred tax assets (32 million euro), (ii) the decrease in income tax liabilities (11 million euro) and (iii) in deducted withholding tax payable (one million euro). These effects have been partially offset by lower net VAT credits receivable from the Italian (5 million euro) and foreign (8 million euro) tax authorities and a reduction in other tax credits (2 million euro).

The 150 million euro increase in **provisions** is mainly due: to the increase: (i) of 94 million euro in decommissioning provision for the Versalis S.p.A. Priolo and Porto Marghera sites, (ii) of 43 million euro in Versalis SpA's environmental liability provision and (iii) of 16 million euro in Novamont SpA's other litigation provision; These effects have been partially offset by a 5 million euro reduction in Versalis UK's closure and restructuring provision.

The 150 million euro adverse change to **other operating assets/(liabilities)** was mainly due to: (i) the decrease in other non-current receivables (51 million euro) following recovery of environmental costs and (ii) collection of current receivables relating to the surrender of tax loss carry forwards by Versalis UK to Eni UK (36 million euro), a reduction in Versalis S.p.A. third-party receivables (21 million euro), prepaid expenses (10 million euro) and patent receivables (6 million euro) and bigger advances for Novamont S.p.A. (5 million euro) as part of its involvement in the RUNFASTER4EU project funded by the European Union.

Statement of Comprehensive Income

(€ million)	2025	2024
PROFIT (LOSS) FOR THE YEAR	(1,485)	(771)
Other items of comprehensive profit (loss):		
Measurement of defined benefit plans	1	
Foreign currency translation differences	(10)	(2)
Reclassification of fair value measurement provision to the Income Statement		
TOTAL PROFIT (LOSS) FOR THE YEAR	(1,494)	(773)

Net worth

(€ million)	
Shareholders' equity at 31 December 2024	(316)
Total comprehensive loss for the year	(1,494)
Shareholders' contribution	1,200
Change in employee benefits	4
Sale of R&D Novara BU to Eni SpA	
Exchange rate differences and other changes	1
Shareholders' equity at 31 December 2025	(605)

Net worth remains negative at -605 million euro, worsening by a further 289 million euro compared to 2024, mainly as a result of the comprehensive loss for the reporting period that was partly offset by the 1,200 million euro shareholder contribution received from Eni S.p.A.

Net debt

(€ million)	31.12.2025	31.12.2024	Abs. Change
Short-term financial payables	431	227	204
Medium/long term financial payables	2,025	2,452	(427)
Lease liabilities	57	62	(5)
Cash and cash equivalents	(170)	(159)	(11)
Financial receivables of working capital not used in operating activities	(2)	(1)	(1)
Net financial indebtedness (income)	2,341	2,581	(240)

The reduction in **net debt** of 240 million euro is mainly attributable to the shareholder contribution (1,200 million euro) that has been partially offset by negative free cash flow of 938 million euro. For further details, please see the review of the reclassified cash flow statement.

Reconciliation of Versalis S.p.A. profit/(loss) and net worth with consolidated figures

	Result for the period		Shareholders' equity	
(€ million)	2025	2024	31.12.2025	31.12.2024
As per Versalis Spa annual financial statements	(1,202)	(637)	78	74
Surplus shareholders' equity of annual financial statements, including results for the year with respect to carrying value of investments in consolidated companies	(266)	(53)	(992)	(691)
Consolidation adjustments for:				
- adjustments for uniformity of accounting principles	(31)	(89)	442	435
- deferred and prepaid income taxes	13	11	(128)	(6)
- elimination of intragroup profits	1	(3)	(5)	(128)
As per consolidated financial statements	(1,485)	(771)	(605)	(316)

RECLASSIFIED CASH-FLOW STATEMENT[3]

In 2025, negative net cash flow from operating activities of 708 million euro was recorded. Capital expenditure (182 million euro), equity investments (29 million euro) and other net movements relating to investing activities (19 million euro outflow) have generated a negative free cash flow of 938 million euro, financed by both credit facilities provided by parent company Eni S.p.A. and the latter's 1,200 million euro contribution to partially cover carried-forward losses.

(€ million)	**2025**	2024	Abs Chg
Net profit (Loss) for the year	**(1,485)**	**(771)**	**(714)**
Adjustments to reconcile profit (loss) with cash flows from operating activities:			
Depreciation, amortisation and other non-monetary items	313	294	19
- net gains on disposal of assets		(24)	24
- dividends, interest, and taxes	37	(223)	260
Change in working capital	499	87	412
Dividends received, taxes (paid) collected, interest (paid) received	(72)	148	(220)
Net cash flow from operating activities	**(708)**	**(489)**	**(219)**
Capital expenditure	(182)	(210)	28
Investments in subsidiaries, consolidated companies and business units	(29)	(51)	22
Divestments and partial disposals of fixed assets and consolidated investments		31	(31)
Change in receivables and payables related to investing activities	(19)	(6)	(13)
Change in receivables and payables related to disinvesting activities			
Free cash flow	**(938)**	**(725)**	**(213)**
Change in short- and long-term financial debt	(234)	94	(328)
Reimbursement of liabilities for leased assets	(7)	(5)	(2)
Change in finance receivables not used for operating activities		8	(8)
Exchange rate differences and other changes	(10)	2	(12)
Cash flow from shareholder contribution	1,200	600	600
NET CASH FLOW FOR THE PERIOD	**11**	**(26)**	**37**
Free cash flow	**(938)**	**(725)**	**(213)**
Exchange rate differences on financial payables and receivables and other changes	(4)	2	(6)
Repayment of lease liabilities	(7)	(5)	(2)
Change in finance payables and receivables on acquired companies			
Change in finance payables and receivables on divested companies		10	(10)
Changes in net debts included in cash flow from operating activities	(18)	(3)	(15)
Other changes in net debt	1	(1)	2
Cash flow from shareholder contribution	1,200	600	600
CHANGE IN NET DEBT BEFORE LEASE LIABILITIES	**234**	**(122)**	**356**
Repayment of lease liabilities	7	5	2
Lease contracts signed in the period and other changes	(1)	(7)	6
Change in liabilities for leased assets	**6**	**(2)**	**8**
CHANGE IN NET DEBT AFTER LEASE LIABILITIES	**240**	**(124)**	**364**

[3] For reconciliation with the statutory statement, please see the 'Reconciliation between the reclassified financial statements presented in the Directors' Report and statutory financial statements'.

Reconciliation between the reclassified financial statements presented in the Directors' Report and statutory financial statements

Items of the reclassified balance sheet (where not expressly indicated, the component is obtained directly from the statutory accounts) (€ million)	reference notes to consolidated fin. statements	31/12/2025 Partial values from statutory fin. statements	31/12/2025 Values from reclassified statement	31/12/2024 Partial values from statutory fin. Statements	31/12/2024 Values from reclassified statement
Non-current assets					
Property, plant and equipment	(see note 7)		519		548
Right-of use assets	(see note 8)		26		29
Intangible assets	(see note 9)		697		780
Investments accounted for using the equity method	(see note 11)		118		112
Other equity investments	(see note 18)		3		3
Finance receivables and securities used for operating activities			0		1
Net payables relating to investing activities	(see note 18)		(13)		(30)
Total non-current assets			**1.350**		**1.443**
Net working capital					
Inventories			911		1.121
Trade receivables			370		442
Trade payables			(553)		(661)
Tax assets (liabilities) after offsetting provisions, comprising:			363		334
- current income tax liabilities	(see note 19)	(2)		(13)	
- other current tax liabilities	(see note 20)	(14)		(16)	
- deferred tax liabilities	(see note 24)	(19)		(24)	
- share of Group VAT payable	(see note 18)	(14)		(11)	
other non-current tax liabilities		(1)			
- assets for current income tax	(see note 5)	7		6	
- assets for other current taxes	(see note 6)	18		35	
- prepaid tax assets	(see note 14)	377		350	
other non-current tax assets		1		1	
- share of Group VAT receivable	(see note 3)	10		6	
Provisions for contingent liabilities			(568)		(418)
Other operating assets (liabilities), comprising:			(82)		68
- other receivables	(see note 3)	92		164	
- other (current) assets	(see note 6)	5		11	
- other receivables and other assets (non current)	(see note 15)	155		216	
- payments on account and advances, other payables	(see note 18)	(296)		(288)	
- other (current) liabilities	(see note 20)	(29)		(26)	
- other debts and other liabilities (non current)	(see note 25)	(9)		(9)	
Total Net working capital			**441**		**886**
Employee benefit provision			**(55)**		**(64)**
NET CAPITAL EMPLOYED			**1.736**		**2.265**
Net worth			**(605)**		**(316)**
Net debt					
Financial debts and obligations, composed of:			2.456		2.679
- long-term financial liabilities	(see note 21)	1.588		2.231	
current portion of long-term debt	(see note 21)	437		221	
- short-term financial liabilities	(see note 16)	431		227	
Lease liabilities			57		62
- long-term lease liabilities		53		56	
- current portion of long-term lease liabilities		4		6	
to be deducted:			(172)		(160)
Cash and cash equivalents		(170)		(159)	
Financial receivables of working capital not used for operating activities		(2)		(1)	
Total net debt			**2.341**		**2.581**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			**1.736**		**2.265**

Reclassified statement of cash flows

Items of the reclassified cash flow statement and confluences/reclassifications of items in the statutory accounts (€ million)	**2025** Partial values from statutory stat.	Values from reclassified statement	**2024** Partial values from statutory stat.	Values from reclassified statement
Net profit (loss)		**(1,485)**		**(771)**
Adjustments to reconcile profit (loss) with cash flows from operating activities:				
Amortisation, depreciation and other non-monetary components		313		294
- depreciation and amortisation	117		125	
- net impairments of tangible and intangible assets	198		163	
- effect of measurement at equity	4		12	
- exchange differences from alignment	1		(3)	
- economic effects on securities and financial receivables				
- expense and income from remeasurement of lease liabilities	1			
- change in employee benefits provision	(8)		(3)	
Net gains on disposal of assets				(24)
Dividends, interest, and taxes		37		(223)
- interest income	(5)		(5)	
- interest expense	63		75	
- income taxes	(21)		(293)	
Change in working capital		499		87
- inventories	218		(8)	
- trade receivables	83		64	
- trade payables	(109)		(69)	
- provisions for contingent liabilities	147		152	
- other assets and liabilities	160		(52)	
Dividends collected, taxes reimbursed (paid), interest (paid) received		(72)		148
- dividends received	1			
- interest received	5		5	
- interest paid	(63)		(71)	
- income tax received (paid), inclusive of reimbursed tax credits	(15)		214	
Net cash flow from operating activities		**(708)**		**(489)**
Technical investments		(182)		(210)
- tangible assets	(160)		(192)	
- intangible assets	(22)		(18)	
Investments in subsidiaries, consolidated companies, and business units		(29)		(51)
- non-consolidated equity investments	(29)		(52)	
- companies entering the consolidation perimeter and business units			1	
Divestments and partial disposals of fixed assets and consolidated investments				31
- tangible assets			4	
- intangible assets			9	
- companies leaving the consolidation perimeter and business units			18	
Other changes relating to investing activities		(19)		(6)
- change in payables and receivables related to disinvesting activities				
- changes in payables and receivables related to investing activities	(19)		(6)	
Free cash flow		**(938)**		**(725)**
Change in short- and long-term borrowings		(234)		94
- long-term borrowings	14		571	
- repayments of long-term financial debt	(447)		(311)	
- change in short-term borrowings	199		(166)	
- repayments of lease liabilities		(7)		(5)
Change in financial receivables not instrumental in operating activities				8
- financial receivables not used in operating activities-investment				
- financial receivables not used in operating activities-divestment			8	
- change in the consolidation perimeter cash		(4)		
- foreign currency translation differences		(6)		2
Shareholder contribution cash flow:		**1,200**		**600**
- net inflow (outflow) of shareholder contribution from/to third parties	1,200		**600**	
Net cash flow for the period		**11**		**(26)**

Versalis S.p.A. performance review

INCOME STATEMENT

(€ million)	**2025**	2024	2023	Abs Chg
Operating revenues	2.261	2.875	3.123	(614)
Other revenue and income	296	522	111	(226)
Operating expenses	(3.551)	(4.005)	(4.000)	454
Depreciation, amortisation and write-downs	(194)	(174)	(360)	(20)
Operating profit (loss)	**(1.188)**	**(782)**	**(1.126)**	**(406)**
Net financial income (expense)	(45)	(51)	(44)	6
Net gains (losses) on equity investments	31	(47)	(227)	78
Profit (loss) before tax	**(1.202)**	**(880)**	**(1.397)**	**(322)**
Income taxes		243	227	(243)
Net profit (loss)	**(1.202)**	**(637)**	**(1.170)**	**565**

Net loss

Versalis S.p.A. ended the financial year by posting a net loss of 1,202 million euro (compared to a loss of 637 million euro in 2024), formed by an operating loss of 1,188 million euro, net financial expenses of 45 million euro and net gains on equity investments of 31 million euro.

The operating loss has worsened by 406 million euro mainly due to:

- reduced revenues relating to the recovery of environmental costs (246 million euro) accepted by other operators jointly responsible for remediation projects. This reduction is due to the fact that in 2024, the extraordinary one-off effects were reported of an agreement to reimburse half the costs previously incurred for remediation work relating to episodes that took place before Versalis S.p.A. acquired certain industrial sites and to share any future costs;
- lower **intermediates** contribution margin following the reduction in volumes arising from the chemical sector transformation plan that has led to the shutdown of the Priolo and Brindisi crackers;
- greater impact of investment **write-downs** relating to: (i) in addition to the CGUs already fully written down as a result of the impairment test, (ii) the Ferrara facility's polyethylene business, (iii) the site undergoing conversion in Brindisi and (iv) the licences no longer benefiting the Versalis research plan; these write-downs have been partially offset by the impairment loss reversal for Priolo wastewater treatment assets, since this is an ongoing investment required before construction of the biorefinery can begin.

These negative effects have been partially offset by:

- improved profitability of the **polyethylene** business despite lower output and sales volumes caused by slack demand in the appliances and packaging sectors growing pressure from imports;
- improved performance by the **styrenics** business following a slight increase in the spread caused by falling raw material prices.

Income statement analysis

Unless specifically mentioned hereafter, the reasons for the most significant changes to items in the Versalis S.p.A. income statement are specified in the Notes to the Versalis S.p.A. financial statements.

Operating revenues

(€ million)	**2025**	2024	2023	Abs Chg
Olefins	434	619	604	(185)
Aromatics	225	261	307	(36)
Derivatives	236	291	311	(55)
Oilfield chemicals	36	46	54	(10)
Elastomers	429	474	464	(45)
Styrenics	411	514	598	(103)
Polyethylene	387	559	650	(172)
Bio-chemicals	8	8	8	
Site and services	95	103	127	(8)
	2.261	**2.875**	**3.123**	**(614)**

Operating revenues have fallen by 614 million euro, due to lower intermediate and polymer sales volumes following the shutdown and redevelopment of certain sites and the increase in products imported from American and Middle Eastern competitors. Average unit selling prices are in decline.

Other revenue and income

Other revenue and income is down by 226 million euro compared to 2024, mainly as a result of a reduction in proceeds from other operators for an equal share of environmental costs (246 million euro). This reduction is the result of the extraordinary one-off effects, recognised in 2024, of an agreement to reimburse half the costs previously incurred for remediation work relating to episodes that took place before acquisition. We must add to these effects: (i) lower recovery of third-party and group intercompany receivables (16 million euro), (ii) reduced revenues relating to liquidated damages (9 million euro) and (iii) and reduced proceeds relating to the disposal of tangible fixed assets (4 million euro). Such effects have been partially offset by increased revenues from the sale of carbon credits (43 million euro), increased licensing and royalty revenue (4 million euro) and higher grants received for renewable energy production (1 million euro).

Operating expenses

(€ million)	**2025**	2024	2023	Abs Chg	% change
Costs for raw materials, factory supplies, consumables, goods, and change in inventories	1,655	2,008	2,276	(353)	(18)
Service costs	1,187	1,298	1,254	(111)	(9)
Costs for use of leased assets	24	23	35	1	4
Net allocations to provisions for contingent liabilities	174	192	50	(18)	(9)
Other net sundry expenses	213	174	61	39	22
Net impairments of trade and other receivables		7	(3)	(7)	...
Payroll	298	303	327	(5)	(2)
	3,551	**4,005**	**4,000**	**(454)**	**(11)**

Operating expenses have fallen by 454 million euro compared to 2024, as shown in the table above.

The 18% fall in costs relating to **purchases of raw materials**, **factory supplies, consumables and goods for resale and change to inventories** is mainly due to the lower quantities of raw materials purchased following permanent shutdown of the steam crackers. This effect was partly offset by using finished goods inventories to meet sales demand.

Service costs have fallen by 9%, mainly due to a reduction in utility purchases, as well as lower maintenance, transport and logistics costs following the shutdown of several production facilities.

The decrease of 18 million euro in **net provisions** is mainly due to a reduction in allocations to the environmental liability provision of 74 million euro following revised forecasts. These effects have been partially offset by: (i) greater decommissioning provision, in particular, in 2025, provision of 90 million euro was made for the Priolo site (including asbestos removal charges) and, in 2024, 40 million euro for the Ragusa site; (ii) asbestos removal provision for other sites (5 million euro) and (iii) greater net allocation to the employment dispute and litigation provision (one million euro).

Net other expenses have risen by 39 million euro, mainly due to an increase in the costs incurred for purchasing carbon credits (40 million euro) and higher charges for business dealings, this being offset by lower charges for previous reporting periods following true-ups (7 million euro) and liquidated damage payouts (2 million euro).

Employment costs

Employment costs are down by 5 million euro as a result of a reduction in the average number of employees.

Depreciation, amortisation and impairment

(€ million)	**2025**	2024	2023	Abs Chg
Tangible assets	5	13	37	(8)
Intangible assets	2	5	3	(3)
Amortisation/depreciation	7	18	40	(11)
Impairment losses (reversals of impairment losses)	187	156	320	31
	194	**174**	**360**	**20**

Depreciation of tangible fixed assets is 8 million euro lower than in the previous reporting period, mainly due to the results of the impairment test.

Amortisation of intangible assets is 3 million euro lower than in the previous reporting period, mainly due to the handover of the Rivalta Research Centre to the subsidiary Novamont S.p.A.

Tangible and intangible asset impairment losses totalling 187 million euro refer to: (i) stay-in-business capital expenditure of 72 million euro on CGU fixed assets already fully written down in 2024, (ii) fixed assets at the non-operational sites of Brindisi (97 million euro) and Porto Marghera (9 million euro); (iii) write-down of Polyethylene CGU following impairment test (20 million euro) and (iv) write-down of Versalis S.p.A. licences no longer offering benefits (14 million euro). These write-downs have been offset by the impairment loss reversal for the Priolo wastewater treatment plan, since this is an ongoing investment required before construction of the biorefinery can begin (26 million euro). For further details, please refer to the note on impairment losses on tangible and intangible assets and right-of-use assets in the Notes to the consolidated financial statements.

Net financial (income) expenditure

(€ million)	**2025**	2024	2023	Abs Chg
Finance income (expenditure) related to net debt	(41)	(53)	(43)	12
Financial income (expenditure) on receivables and securities used for operating activities			5	
Gains (losses) on derivative	(1)	1		(2)
Exchange rate differences	(4)	1	(3)	(5)
Other finance (income) expenditure	(4)	(5)	(5)	1
Capitalised borrowing costs	5	5	2	
	(45)	**(51)**	**(44)**	**6**

Net financial expenditure of 45 million euro has fallen by 6 million euro, mainly due to lower borrowing costs. This effect has been partly offset by higher foreign exchange losses and higher derivative losses.

Net gains (losses) on equity investments

(€ million)	**2025**	2024	2023	Abs Chg
Dividends	42	21	51	21
(Additions) Use of equity investment provision	(11)	(84)	(294)	73
(Additions) Use of JV funding provision			14	
(Additions) Use of loss coverage provision		12	2	(12)
(Losses) Gains on equity investment disposals		4		(4)
Equity investment losses			(53)	
	31	**(47)**	**(280)**	**78**

Net gains on equity investments of 31 million euro mainly refer to dividends received by the subsidiaries Versalis UK (18 million euro), Versalis International SA (14 million euro) and Finproject S.p.A. (10 million euro).

These effects were partially offset by the impairment provision made after adjusting the stake in the subsidiary Dunastyr to its value in use (11 million euro).

Income taxes

(€ million)	**2025**	2024	2023	Abs Chg
Proceeds from tax consolidation group	(1)	(4)	(224)	3
Foreign taxes	1	1	1	
Prior year taxes (tax consolidation group)		(2)		2
Current taxes		***(5)***	***(223)***	***5***
Deferred taxes	8	(2)	(1)	10
Deferred tax assets	(8)	(236)	(3)	228
Net deferred tax assets		***(238)***	***(4)***	***238***
		(243)	**(227)**	**243**

Higher income taxes than in 2024 totalling 243 million euro are due to the fact that in 2024, previous write-downs of deferred tax assets had been reversed as considered recoverable under the terms of the National Tax Consolidation Regime by offsetting future taxable income expected to be generated by Versalis S.p.A. subsidiaries falling within the scope of said National Tax Consolidation Regime.

RECLASSIFIED BALANCE SHEET[4]

(€ million)	31/12/2025	31/12/2024	Abs Chg
Non-current assets			
Property, plant and equipment	126	139	(13)
Intangible assets	50	77	(27)
Equity investments	1.414	1.249	165
Finance receivables and securities used for operating activities			
Payables relating to capital expenditure	(11)	(29)	18
	1.579	1.436	143
Net working capital			
Inventories	591	778	(187)
Trade receivables	215	376	(161)
Trade payables	(428)	(490)	62
Tax assets (liabilities) after offsetting provisions	265	264	1
Provisions	(517)	(381)	(136)
Other operating assets (liabilities)	44	122	(78)
	170	669	(499)
Employee benefit provision	(49)	(58)	9
NET INVESTED CAPITAL	**1.700**	**2.047**	**(347)**
Net worth	78	74	4
Net debt	1.622	1.973	(351)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**1.700**	**2.047**	**(347)**

Unless specifically mentioned hereafter, the reasons for the most significant changes to items in the Versalis S.p.A. income statement are specified in the Notes to the Versalis S.p.A. financial statements to which reference should be made.

Non-current assets

Property, plant and equipment, amounting to 126 million euro, has fallen by 13 million euro compared to the previous reporting period as a result of current year depreciation (5 million euro) and net write-down of 151 million euro following (previously commented) impairment test. These effects have been partly offset by capital expenditure during 2025 of 143 million euro.

Intangible assets, amounting to 50 million euro, have fallen by 27 million euro compared to the previous reporting period as a result of current year amortisation (2 million euro) and net write-down of 36 million euro following (previously commented) impairment test. These effects have been partly offset by capital expenditure during 2025 of 12 million euro.

Equity investments, amounting to 1,414 million euro have risen by 165 million euro, mainly due to: (i) the increase in its stakes in the companies Novamont S.p.A. (80 million euro) and Versalis Deutschland (7 million euro) and in the joint venture Lotte Versalis Elastomers (29 million euro) and (ii) the transfer of the Oilfield Chemicals Business Unit to the subsidiary Versalis Oilfield Solutions S.r.l. (47 million euro).

Net payables relating to capital expenditure of 11 million euro have fallen by 18 million euro mainly due to the decrease in liabilities towards Eni Group Rewind companies for the costs of building the CR62 wastewater treatment plants at the Priolo site (11 million euro) and third-party suppliers for engineering studies (6 million euro).

[4] For details of the method employed to prepare reclassified statements, please refer to the review of consolidated operating performance and financial position.

Net working capital

The 187 million euro fall in **inventories** is due to the decrease in weighted average inventory cost and lower stock levels. The reduction mainly regards finished goods and raw materials. These amounts are already stated net of the respective provision, either a write-down to reflect net realisable value or write-off if unfit for sale amounting to 132 million euro (120 million euro in 2024).

Trade receivables have fallen by 161 million euro mainly due to the fall in year-on-year turnover caused by the decline in sales volumes.

Trade payables have fallen by 62 million euro mainly as a result of lower indebtedness to group companies due to falling virgin naphtha purchases, this being slightly offset by the increase in payables to third-party suppliers for ethylene purchases.

Tax assets (after offsetting provisions) are virtually unchanged compared to 2024 and regard deferred tax assets recoverable under the terms of the Regulations governing the National Tax Consolidation Regime by offsetting future taxable income expected to be generated by Versalis S.p.A. subsidiaries falling within the scope of said National Tax Consolidation Regime.

The 136 million euro increase in **provisions** is mainly due to: (i) additional decommissioning provision of 90 million euro for the Priolo facility (including asbestos removal charges of 20 million euro) and (ii) net allocation of 43 million euro to the environmental liability provision.

The 78 million euro reduction in **other operating assets** is mainly due to the decrease in non-current receivables following recovery of environmental costs (65 million euro), patent and licence receivables (6 million euro), Eni Group intercompany receivables (8 million euro), third-party receivables (6 million euro) and lower prepaid expenses relating to the fee received by Forever Plast when signing the plastic recycling development agreement. These effects have been partially offset by the increase in third-party payables for carbon credit purchases (20 million euro).

Net worth

(€ million)	
Net worth as at 31 December 2024	**74**
Net loss	(1,202)
Shareholder contribution	1,200
Provision for business combination under common control	
Employee defined benefit plans - IAS 19	6
Net worth as at 31 December 2025	**78**

Net worth has risen by 4 million euro to 78 million euro, mainly as a result of the 1,200 million euro contribution Versalis S.p.A. received from the sole shareholder, this being offset by the 1,202 million euro operating loss.

Net indebtedness

(€ million)	**31/12/2025**	31/12/2024	Abs Chg
Short-term borrowings	444	387	57
Medium/long-term borrowings	1,200	1,604	(404)
Short-term finance receivables	(4)	(13)	9
Medium/long-term finance receivables		(5)	5
Cash and cash equivalents	(18)		(18)
Net debt	**1,622**	**1,973**	**(351)**

Net debt is down by 351 million euro and mainly regards negative net cash flow from operating activities (-551 million euro), cash requirements for capital expenditure (155 million euro) and equity investments (126 million euro) and other net movements relating to investing activities (18 million euro outflow), such effects being partially offset by the shareholder contribution received (1,200 million euro).

There is a net decrease in financial liabilities following repayment of the loan received from the parent company (400 million euro) and reduction in the **operating loan receivable** from the previously jointly controlled Matrìca, now incorporated into Novamont.

For further details, please see the Reclassified Statement of Cash Flows Review.

RECLASSIFIED STATEMENT OF CASH FLOWS[5]

(€ million)	**2025**	2024	Abs Chg
Net profit (loss) for the year	**(1,202)**	**(637)**	**(565)**
Adjustments to reconcile profit (loss) to			
net cash flow from operating activities:			
- depreciation, amortisation and other non-cash items	199	241	(42)
- net gains on asset disposals		(8)	8
- dividends, interest and taxes	(3)	(213)	210
Change in working capital	449	106	343
Dividends received, taxes refunded (paid), interest (paid) received	6	179	(173)
			-
Net cash flow from operating activities	**(551)**	**(332)**	**(219)**
Capital expenditure	(155)	(185)	30
Equity investments in consolidated subsidiaries and business divisions	(126)	(125)	(1)
Disposals	1	16	(15)
Other changes relating to investing activities	(18)	(3)	(15)
Free cash flow	**(849)**	**(629)**	**(220)**
Change in current and non-current borrowings	(346)	(57)	(289)
Change in current and non-current finance receivables	13	89	(76)
Changes to net debt included in net cash flow from operating activities		(2)	2
Cash flow from shareholder capital contribution	1,200	600	600
NET CASH FLOW FOR THE REPORTING PERIOD	**18**	**1**	**17**
Exchange rate differences on financial payables and receivables and other changes		(1)	1
Cash flow from shareholder capital contribution			
CHANGE IN CASH AND CASH EQUIVALENTS	**18**	**0**	**18**

Negative net cash flow from operating activities (now -551 million euro) has worsened compared to the previous year, mainly as a result of the higher operating loss, partly offset by lower cash outflows arising from working capital movements (449 million euro), due to lower trade receivables, in line with falling sales volumes, lower inventories caused by purchasing cutbacks and collection of non-current receivables relating to recovery of environmental costs. Capital expenditure (155 million euro), equity investments (126 million euro) and net movements relating to investing activities (-18 million euro) have generated a negative free cash flow of 849 million euro, financed by the 1,200 million euro contribution from parent company Eni S.p.A. to partially cover carried-forward losses.

[5] For reconciliation with the statutory statement, please see 'Reconciliation between the reclassified financial statements presented in the Directors' Report and statutory financial statements'.

Reconciliation of reclassified financial statements

Reclassified balance sheet line items (unless otherwise stated, each item is obtained direct from the statutory statement) (€ million)	Ref. in notes to financial statements	**31/12/2025** Subtotals from statutory statement	**31/12/2025** Reclassified statement values	31/12/2024 Subtotals from statutory statement	31/12/2024 Reclassified statement values
Non-current assets					
Property, plant and equipment			126		139
Intangible assets			50		77
Equity investments in subsidiaries, affiliates and joint ventures		1.413	1.414	1.248	1.249
and other equity investments		1		1	
Payables relating to capital expenditure	(see note 17)		(11)		(29)
Total non-current assets			**1.579**		**1.436**
Net working capital					
Inventories			591		778
Trade receivables			215		376
Trade payables			(428)		(490)
Net tax assets (liabilities), comprising:			265		264
- other current tax liabilities	(see note 19)	(8)		(10)	
- share of Group VAT payable	(see note 17)	(12)		(11)	
- Tax Consolidation Group receivables	(see note 3)	1		3	
- current tax assets	(see note 5)	2		3	
- deferred tax assets	(see note 13)	272		272	
- share of Group VAT receivable	(see note 3)	10		6	
- non-current receivables relating to refund claims		-		1	
Provisions			(517)		(381)
Other assets (liabilities) for the reporting period, comprising:			44		121
- other receivables	(see note 3)	101		135	
- other (current) assets	(see note 6)	1		1	
- other (non-current) receivables and other assets	(vedi nota 14)	155		216	
- advances and prepayments, other payables	(see note 17)	(203)		(217)	
- other (current) liabilities	(see note 17)	(10)		(14)	
Total net working capital			**170**		**668**
Employee benefit provision			**(49)**		**(58)**
NET INVESTED CAPITAL			**1.700**		**2.046**
Net worth			**78**		**74**
Net debt					
Borrowings and bonds, comprising:			1.645		1.991
- long-term financial liabilities	(see note 19)	1.200		1.604	
- current portion of long-term debt	(vedi nota 19)	412		219	
- short-term financial liabilities	(see note 16)	33		168	
To be deducted:					
Cash and cash equivalents	(see note 1)		(18)		
Finance receivables and securities not used for operating activities			(5)		(18)
- Other current financial assets		(5)		(13)	
- Other non-current financial assets				(5)	
Total net debt			**1.622**		**1.973**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			**1.700**		**2.047**

Reclassified statement of cash flows

Items of the reclassified cash flow statement and mapping/reclassification of the statutory line items (€ million)	2025 Subtotals from statutory statement	2025 Reclassified statement	2024 Subtotals from statutory statement	2024 Reclassified statement
Net profit/(loss)		**(1,202)**		**(637)**
Adjustments to reconcile profit (loss) to net cash flow from operating activities:				
Depreciation, amortisation and other non-cash items		199		241
- amortisation/depreciation	7		18	
- net tangible and intangible asset impairment losses	187		156	
- write-downs (reversals) of equity investments	11		73	
- exchange differences	2		(2)	
- change to employee benefit provision	(8)		(4)	
Net gains on asset disposals				(8)
Dividends, interest and taxes		(3)		(213)
- dividends	(42)		(21)	
- interest received	(1)		(4)	
- interest paid	40		55	
- Income taxes			(243)	
Change in working capital		449		106
- Inventories	186		(28)	
- trade receivables	108		77	
- trade payables	(56)		(55)	
- change in provisions	136		169	
- other assets and liabilities	75		(57)	
Dividends received, taxes refunded (paid), interest (paid) received		6		179
- dividends received	42		3	
- interest received	2		5	
- interest paid	(40)		(55)	
- Income taxes received including reimbursed tax credits	2		226	
Net cash flow from operating activities		**(551)**		**(332)**
Capital expenditure		(155)		(185)
- tangible assets	(143)		(168)	
- Intangible assets	(12)		(17)	
Equity investments in consolidated subsidiaries and business divisions		(126)		(125)
- equity investments	(127)		(126)	
- business divisions	1		1	
Disposals		1		16
- tangible assets			4	
- Intangible assets			6	
- equity investments	1		6	
Other changes relating to investing activities		(18)		(3)
- change in receivables and payables relating to investing activity	(18)		(3)	
Free cash flow		**(849)**		**(629)**
Change in current and non-current borrowings		(346)		(59)
- new non-current borrowings	4		404	
- repayment of non-current borrowings	(217)		(309)	
- Increase (decrease) in current borrowings	(133)		(154)	
Change in current and non-current finance receivables		13		89
- finance receivables not used for operations	13		89	
Cash flow from shareholder capital contribution:		1,200		600
- net capital contributions (repayments)	1,200		**600**	
Net cash flow for the reporting period		**18**		**1**

Risk and uncertainty factors

The main business risks for Versalis, mitigated by management actions, can be categorized as market risk, country risk, operational risk, risks related to key counterparties and trade unions and, from a longer-term perspective, climate change risk. A description of risks and their handling techniques is set hereafter. Please see Notes to the Consolidated Financial Statements for a description of financial and legal risks.

Market risk

The global chemical industry faces a series of challenges and opportunities that are profoundly affecting its development. This sector is essential to a wide range of industries and features of its market dynamics include excess capacity and competitive pressure exercised by producers having greater economies of scale or other cost advantages and broader geographical diversification.

In 2024, management implemented a strategic business transformation process aimed at reducing the portfolio share of commodity segments characterised by weak fundamentals and exposed to the volatility of oil & gas margins, turning instead to green and recycled chemicals, while also increasing specialisation in high value-added polymers characterised by greater stability and attractive growth prospects.

The 2026-2030 Strategic Plan targets higher production of specialist polymers, especially those used for compounding. Whilst challenging, management considers these objectives to be achievable. Development of the biochemicals business, in particular, biodegradable, compostable starch-based plastics, is heavily influenced by both ongoing changes to European directives and regulations and their transposition into national legislation and the market shift towards the use of (i) reusable bags and (ii) paper bags, two competing materials experiencing strong growth, as well as other starch-based polyesters currently marketed by low-cost competitors. The latter are based mainly in China that has notable installed capacity and a domestic regulatory framework falling short of EU legislation, whilst Food & Vending bags lack the renewable content requested by said EU legislation. The legislation in question specifies gradual development of new municipal biowaste processing facilities, in accordance with the Waste Framework Directive, thus promoting growth in the bag sector. The sector is expanding in the USA, as well as in Mexico. In California, the plastic bag ban became law in January 2025. Novamont operates in this market and is ready to seize the opportunity.

The polymers business has implemented a challenging growth strategy to manufacture and sell circular products (obtained from mechanical and chemical recycling). Achievement of these targets will depend on regulatory developments (e.g. delegated acts of the Packaging and Packaging Waste Regulation (PPWR)), the arrival of new market competitors or product positioning relative to virgin polymers, as well as the industrial and commercial progress that Versalis can make.

In a context where the outlook for the European chemical industry remains unpromising with no significant signs of an upturn in demand, the Versalis Transformation Plan represents a de-risking lever, gradually helping to reduce exposure to adverse market conditions and falling demand. As the supply portfolio continues to expand, we will also witness a gradual reduction in the operational risk of dependence on key business counterparties and plant unavailability following shutdown of complex and obsolete facilities, along with lower CO_2 emissions.

Country risk

Country risk refers to the possibility that political developments, social unrest, economic crises, internal conflicts, revolutions, protests, strikes, and other forms of civil disorder may temporarily or permanently prevent Versalis from operating viably in certain countries, bearing in mind that it generates 46% of its revenues in Italy and 91% within the European Union.

Friction between the United States and China remains one of the main global risk factors, directly affecting supply chains and trade flows. Relations between the two powers continue to deteriorate, affecting chemical trading and logistics costs, as highlighted by S&P Global in its analysis of tensions already having an impact on other global market segments.

At the same time, conflicts in the Middle East – exacerbated in 2025 by the escalating conflict in the area and the worsening security landscape along key oil and gas transit routes – are increasing systemic risks. The chemical industry is directly affected by instability along energy trade routes and price volatility spikes in its main feedstocks, oil and gas. Regional tensions are already redesigning the market dynamics of base products such as ethylene, methanol and polymers.

In addition, refinery closures and the progressive energy transition are limiting conventional feedstock supplies, placing further pressure on raw material costs and availability.

The weakness of the global economy, including China's persisting property slump, continues to curb demand for chemicals. The industry has to contend with consumption uncertainty and sluggish investment cycles, whilst Chinese industrial policies aim to consolidate technological self-sufficiency and achieve carbon neutrality before 2060, thus altering chemical manufacturing's competitive geography.

International tensions (from the prolonged Russia-Ukraine war to escalating Middle Eastern conflicts) are increasing the risk of global shock: supply disruptions, sanctions, currency volatility, financial uncertainty and falling business and consumer confidence. According to the most important geopolitical-risk analyses of 2025, these elements are critical factors that will continue to condition global strategic planning and investments.

Despite these challenges, the chemical industry has continued to invest in innovation and digitalisation. New technology has enabled it to improve production-process efficiency and develop more sustainable products. Digitalisation has also facilitated supply chain management and a reduction in running costs, offering new opportunities for chemical businesses all over the world.

In agreement with Eni, Versalis has taken the necessary steps to ensure its business is conducted in accordance with applicable regulations, providing continuous monitoring of the developing penalty framework in order to guarantee that its activities comply with imposed restrictions at all times.

Local stakeholder relations

Local stakeholders are playing an increasingly important role, especially when considering the current transformation process.

Therefore, working in close cooperation with the relevant Eni departments, relations with the relevant authorities, the media, trade unions and other stakeholder categories are closely monitored at all Versalis operating sites.

As customary and in line with the Eni stakeholder engagement model, all local stakeholders are promptly informed about company strategy, the various implementing stages and consequent local impacts, thus fostering and strengthening mutual-trust and participation-based relationships that can help to implement corporate strategies.

Active, transparent engagement is therefore a linchpin of the Versalis approach with great care taken to mitigate potential critical issues, while leveraging the positive effects of the transformation process over time.

Climate change risk

Compared to the overall industrial landscape, the chemical sector is of strategic importance to the EU economy, underpinning more than 96% of all goods produced in Europe and supplying essential materials to several strategic value chains. Being energy intensive and fossil-feedstock reliant, it is considered a 'hard to abate' sector that is also required to assess and manage responsibly the risks associated with climate change of which there is growing awareness amongst the public, financial community and Governments around the world.

Back in 2019, by implementing the European Green Deal, the European Commission set itself the ambitious target of transforming the European Union into the first climate-neutral continent by 2050, thus achieving a just and inclusive transition (with an emission reduction target of 55% by 2030 compared with 1990 levels), with access to more secure and sustainable clean energy, a modernised industry, an increasingly circular economy, biodiversity protection, sustainable, resilient and smart mobility and a fair and healthy food system.

Nevertheless, these worthy environmental objectives have highlighted various economic and social sustainability challenges; the transition requires key enabling factors and targeted actions in order to be fully achieved. To protect the competitiveness of European industry, the Commission has recently published numerous measures and schemes relating to the chemical sector, including, the latest one, the Clean Industrial Deal (February 2025). The deal outlines concrete actions that can turn decarbonisation into a powerful growth driver for European industries, particularly energy-intensive industries and the clean-tech sector. Actions taken include a reduction in energy prices, creation of quality jobs and establishing conditions that enable businesses to flourish. More specifically, in 2026, presentation is scheduled of the Industrial Decarbonisation Accelerator Act that will strengthen demand for EU-made clean products, introducing, in public and private procurement, criteria for sustainability, resilience and European manufacturing (Made in EU). These policy tools are supported by an extensive framework of related European Regulations and Directives including carbon pricing taxation schemes, already implemented in several countries, considered to be a cost-effective way of reducing emissions whilst limiting the overall burden on society. At present, almost all Versalis direct GHG emissions are covered by the European Emissions Trading System (ETS) that requires each business to purchase emission allowances on the open market after exceeding the free allocation specified by current legislation.

In the medium term, a significant increase in compliance costs is likely. We envisage that these charges will be offset by the benefits that Versalis expects to obtain from gradual scaling back of its basic chemicals business, in line with the emission reduction targets notified to the market. Further benefits will arise following gradual implementation of the measures specified in the medium/long-term plan that aims to build a more sustainable business portfolio and cut emissions.
Against this backdrop, the aim of the Versalis decarbonisation strategy is to establish integrated circularity, biochemical and specialisation platforms by developing the complementary products and solutions needed to achieve emission reduction targets.
As previously stated, the transition of the plastics industry also calls for specific enabling factors, including regulatory ones, to develop markets for innovative and increasingly sustainable products.
There are three very important regulatory instruments: the Single-Use Plastics Directive[6] (2019) that aims to prevent and reduce the impact of certain plastic products on the environment, revision of the law on packaging by issuing a European Regulation[7] (2025), and the adoption of EU-wide harmonised criteria to determine when plastic waste ceases to be waste (End Of Waste) downstream from recycling processes (scheduled for 2026).
The Single-Use Plastics (SUP) Directive was transposed in Italy on 30th November 2021 by Legislative Decree No. 196/2021, entering into force on 14 January 2022. This Decree: (i) prohibits the placing on the market of all products made from oxo-degradable plastic and some single-use plastic products (plates, cutlery and straws), exempting biodegradable and compostable products with increasing percentages of renewable raw material; (ii) requires a reduction in consumption by 2026 of certain types of paper/plastic cup and rigid food containers, (iii) sets recycled content targets for PET beverage bottles (25% from 2025) and all plastic bottles (30% from 2030), (iv) excludes from the scope of the Decree plastic linings/coatings weighing less than 10% of total product weight and not functioning as a main structural component of the finished products. In May 2024, the European Commission opened an infringement procedure against Italy, specifying its failure to correctly transpose 14 provisions of Directive (EU) 2019/904, including (i) exclusion from the scope of the Decree of plastic linings/coatings weighing less than 10% of total product weight and (ii) exclusion of biodegradable and compostable plastics from list of prohibited products. A Commission decision to continue with the infringement procedure is liable to affect the markets in which Novamont operates.
Conversely, the new Regulation on packaging and packaging waste (Regulation (EU) 2025/40) acknowledges the benefits of using biodegradable and compostable materials by specifying (i) the obligation with effect from 12th February 2028, across the Union, to use these materials for permeable hot beverage bags and sticky labels; (ii) the possibility for Member States to introduce national regulations covering non-permeable hot beverage pods, lightweight and very lightweight carrier bags, (iii) as well as, once again with reference to national soil, maintain any compostability requirements in force prior to 12 August 2026, excluding them from the prohibition measures covering single-use plastics that will come into force in 2030. Furthermore, with effect from 2030, the Regulation introduces additional environmental-sustainability and circularity requirements for packaging over its entire life cycle, including the minimum percentage of recycled content recovered from post-consumer plastic waste and in the plastic part of non-compostable packaging, this varying according to plastic type (PET and other than PET) or use (sensitive and non-sensitive applications). It is expected that packaging compostability and recycled-content obligations will benefit Versalis' business.
Amongst the measures designed to boost the single market for European secondary raw materials and improve the supply of recycled plastic, in 2025, the European Commission launched a public consultation

[6] Directive (EU) 2019/904 on the reduction of the impact of certain plastic products on the environment.
[7] Regulation (EU) 2025/40 on packaging and packaging waste, amending Regulation (EU) 2019/1020 and Directive (EU) 2019/904, and repealing Directive 94/62/EC.

regarding a draft Regulation on harmonised End-of-Waste (EoW) criteria for plastics to determine when plastic waste ceases to be waste downstream from mechanical and solvent-based recycling processes. As part of the permitted means of achieving end-of-waste status, the draft regulation does not allow the use of chemical recycling processes. Although this draft proposal is still at the discussion stage and therefore subject to modification, it excludes chemical recycling from its scope and this could have an adverse effect on Versalis' business by creating additional red tape.

Operational risk and associated HSE risks

Given the nature of its business, the Versalis Group faces industrial and environmental risks and, in most of its countries of operation, must comply with environmental-protection and industrial-safety laws and regulations. For example, in Europe, the Versalis Group owns and operates industrial facilities where the risk of accident is high and as a result, it has implemented conduct rules and standards meeting the requirements of the EU Seveso III Directive.

The breadth of Group operations results in a wide range of operating risks such as explosion, fire, harmful gas emissions, toxic substance releases and production of non-biodegradable waste.

These events could damage or destroy facilities, causing harm to people or the surrounding area. Furthermore, since industrial activities may be carried out in environmentally sensitive areas, each site requires a specific approach that minimises the impact on the ecosystem in question, biodiversity and human health.

Environmental protection regulations specify measures that include monitoring air, water and soil pollutants and ensuring their compliance with emission limits, as well as proper management of waste and by-products. Regulations covering biodiversity protection and conservation of species, habitats and ecosystem services demand that operators comply with increasingly stringent inspection, environmental monitoring and prevention requirements. Achieving compliance with industrial regulations represents a significant expense in both the current and future reporting periods.

As regards industrial and environmental risk assessment and management, Versalis embraces the highest possible standards, acting in accordance with industry best practices. Over time, Versalis has obtained Management System Certification to ISO 14001 and OHSAS 18001 (now ISO 45001). In developing and managing their activities, Business Units comply with applicable laws and regulations in their countries of operation and, at the same time, follow special procedures to assess industrial and environmental risks.

Each business unit deals with environmental emergencies at site level using its own team that is issued with a response plan for each potential scenario specifying details of the necessary damage limitation actions and the persons/departments charged with their implementation.

Most Versalis products are covered by the REACH Regulation concerning their registration and authorisation. Compliance by both the company and its suppliers is a prerequisite to manufacture and placing on the market. Indeed, Versalis meets the requirements of the Regulation and expects its suppliers to do likewise starting from the tender pre-qualification process.

The integrated approach to health, safety and environmental issues is supported by the application, throughout Business Units and Eni companies, of an HSE Management System that follows the methodology set out in Eni's own HSE Management System Model. Based on an annual cycle of planning, implementing, monitoring, reviewing and setting new targets, it is geared towards risk prevention and systematic HSE performance monitoring as part of a continuous improvement process that also includes both in-house and external auditing.

As regards environmental risk, at present, Versalis expects to incur no significant expenditure in achieving environmental compliance, taking into account the measures already implemented, existing insurance policies and previous risk provisions. However, Versalis cannot entirely rule out the possibility of incurring, even substantial, additional costs or liabilities since, given current knowledge, it is not possible to predict the effects of future developments, taking into account, amongst other things, the following aspects: (i) possible discovery of new contamination; (ii) the findings of current or future site characterisation work and other effects arising from application of Environment Ministry Decree No. 152/2006; (iii) the effects of new environmental protection laws and regulations; (iv) the effects of advances in environmental remediation technology; (v) the possibility of claims, disputes and litigation and the difficulty in predicting their consequences, also as regards the responsibility of other parties and possible compensation for damages.

Cybersecurity

Group operations rely heavily on IT systems, including those belonging to third parties, to provide across-the-board support to all corporate processes. These systems are exposed to the risk of malfunction, viruses, unauthorised access and data breaches that could cause operational, financial and reputational loss or damage.

More specifically, the cybersecurity risk is considered high in that: the Eni Group is a particularly attractive target for cybercriminals due to its sector of operation and the current geopolitical situation and cyberattacks, also carried out using artificial intelligence, are steadily rising (e.g. spear phishing, malware, deep fake, etc.).

As a result, for Versalis, cybersecurity risk management, with the assistance of Eni's specialist departments, is a top priority and aims to protect IT systems, networks, software and data, ensuring confidentiality, integrity and availability of information, in particular:

- Confidentiality: ensure that information is protected from unauthorised access. Disclosure of confidential information or a breach of employee and customer sensitive date could cause the group to suffer financial loss and reputational damage, as well as serious legal consequences (e.g. fines and penalties) due to its failure to comply with regulatory and/or contractual obligations;
- Integrity: ensure that information is protected against unauthorised modification and/or deletion. If the quality of corporate information is compromised, it can have far-reaching consequences on various aspects of company operations and sustainability and potentially cause the Group to suffer reputational damage and financial loss;
- Availability: ensure that information and services are available and accessible to authorised users at all times. System downtime could have a significant effect on the business, especially if critical systems are involved. Generally speaking, IT system faults could slow down production or digitalisation plans and hinder technological innovation, thus increasing costs for digital projects and reducing the expected benefits.

Business outlook

2025 saw a continuation of the critical issues facing the European chemicals market, marked by falling demand for conventional polymers as a result of the macroeconomic downturn and higher imports from the USA and Middle East due to the declining competitiveness of European manufacturers against a backdrop of overcapacity. The continuing difficulties facing the Versalis Group are mainly due to its reliance on the conventional chemicals sector. 2025 witnessed implementation of the Restructuring Plan announced at the end of October 2024 with the shutdown of the basic chemical facilities in Brindisi and Priolo. This will be followed by a second phase in which these sites will undergo conversion backed by investments totalling two billion euro over the next five years.

The plan focuses on three main platforms. The first regards the biochemicals sector in which we have strengthened our market position quite considerably after acquiring a 100% stake in Novamont; the second platform is the circular economy and the third product specialisation.

Whilst consolidating the three platforms, conversion projects are underway at basic-chemical sites to enable use by other Eni group businesses. For example, there are plans to build a biorefinery at the Priolo site using part of the existing cracker infrastructure, along with a manufacturing facility in Brindisi for stationary energy storage batteries.

The biochemicals platform is enjoying robust development, assisted by Novamont that recently launched Ager-Bi, a rapidly biodegradable plant protection product, on the Italian market and is also planning its introduction to important African countries. Novamont's industrial and technological structure will allow the creation of important synergies with the Versalis biochemicals platform, for example in the biointermediates field.

As regards the mechanical recycling project at Porto Marghera, the first production lines came into service in 2025 with a ramp-up scheduled over the coming years. Turning to chemical recycling, besides the Mantua demonstration plant based on our proprietary Hoop® technology that was opened in 2025, we are planning an industrial-scale facility in Priolo that will be opened in time to meet the demand generated by the entry into force of new EU regulations governing recycled content in packaging.

Specialisation will continue through both investments in compounding, building on the results already achieved following the takeover of Finproject and Tecnofilm, and development of specialty conventional polymers. We aim to move into sectors where customers seek solutions to specific product or process requirements and the added value lies in our ability to provide them and offer innovation, whilst also addressing decarbonisation.

Other information

Related-party transactions

Related-party transactions carried out by Versalis S.p.A. and other businesses falling within the scope of consolidation mainly involve exchange of goods and services, borrowing and lending activities with the parent company Eni S.p.A. and the latter's direct or indirect subsidiaries, as well as with its own unconsolidated subsidiaries and affiliates and other State-owned or -controlled companies. Under the provisions of applicable legislation, the company has implemented in-house procedures to ensure substantial and procedural transparency and fairness of related-party transactions that said company or its subsidiaries have performed.

Total figures for commercial and financial related-party transactions, a description of the major transaction types and details of their impact on net worth, operating income and cash flows are disclosed in the notes to financial statements (consolidated and individual).

Treasury shares and shares or stakes in parent companies

Pursuant to the provisions of section 40(2)(d) of Legislative Decree No. 127/91, we certify that Versalis S.p.A. and its subsidiaries neither hold, nor have been authorised by their respective shareholder meetings to purchase, shares in Versalis S.p.A. or Eni S.p.A.

Branches

In accordance with the provisions of section 2428 of the Italian Civil Code, we confirm that Versalis S.p.A. has no branches.

Glossary

Acrylonitrile-butadiene-styrene (**ABS**) is an amorphous polymer produced by emulsion or bulk polymerisation of acrylonitrile and styrene in the presence of polybutadiene. Its most important properties are impact resistance and toughness.

Compounding is a specialised activity involving the production of semi-finished materials in granular form obtained by combining two or more chemicals.

COP stands for Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC).

PAE means party-appointed expert, i.e. a professional instructed by one the parties to provide expert evidence for the purpose of proceedings.

CAE means court-appointed expert, a witness instructed by the court to provide expert evidence for the purpose of proceedings.

RAD stands for Risk Assessment Document, the document that the employer, pursuant to Legislative Decree 81/08, the Consolidated Safety-At-Work Act, is required to draw up in order to assess all risks to which its workers are exposed.

Elastomers are natural or synthetic polymers that, unlike plastics, can, within certain limits, return to their original shape after deformation once the stress is removed. The most important synthetic elastomers include low-cis polybutadiene (LCBR), polybutadiene (BR) marketed under the Europrene **Neocis**® trademark, styrene-butadiene rubber (SBR), ethylene-propylene rubber (EPR), thermoplastic rubber (TPR), nitrile rubber (NBR).

EPDM (Ethylene-Propylene Diene Monomer) is a synthetic rubber obtained by copolymerisation of ethylene, propylene and a third monomer, diene, a compound containing two double bonds.

Expanded polystyrene (**EPS**) is an innovative, tough, versatile, lightweight, recyclable and tough material.

EVA stands for ethylene-vinyl acetate, a plastic formed by combining ethylene with vinyl acetate.

GPPS stands for general purpose polystyrene, also known as crystal polystyrene. Highly transparent, but brittle, it is used extensively for food packaging applications and the manufacture of display stands.

High-density polyethylene (**HDPE**) is a thermoplastic polymer produced by ethylene polymerisation. It is one of the most widely processed and used polymers, holding the largest share of global polymer consumption.

Linear low-density polyethylene (**LLDPE**) is a substantially linear polymer.

Moulding refers to the technique of shaping polyolefin foam to produce ultralight products.

S-SBR is a family of rubber grades marketed under the Europrene® and Agon® **SOL** R trademarks and used to manufacture high-performance tyres.

Oilfield chemicals refer to a range of innovative chemical solutions and services for the Oil & Gas industry.

Olefins are a group of chemically highly reactive hydrocarbons and thus used as feedstocks for intermediates and polymer synthesis.

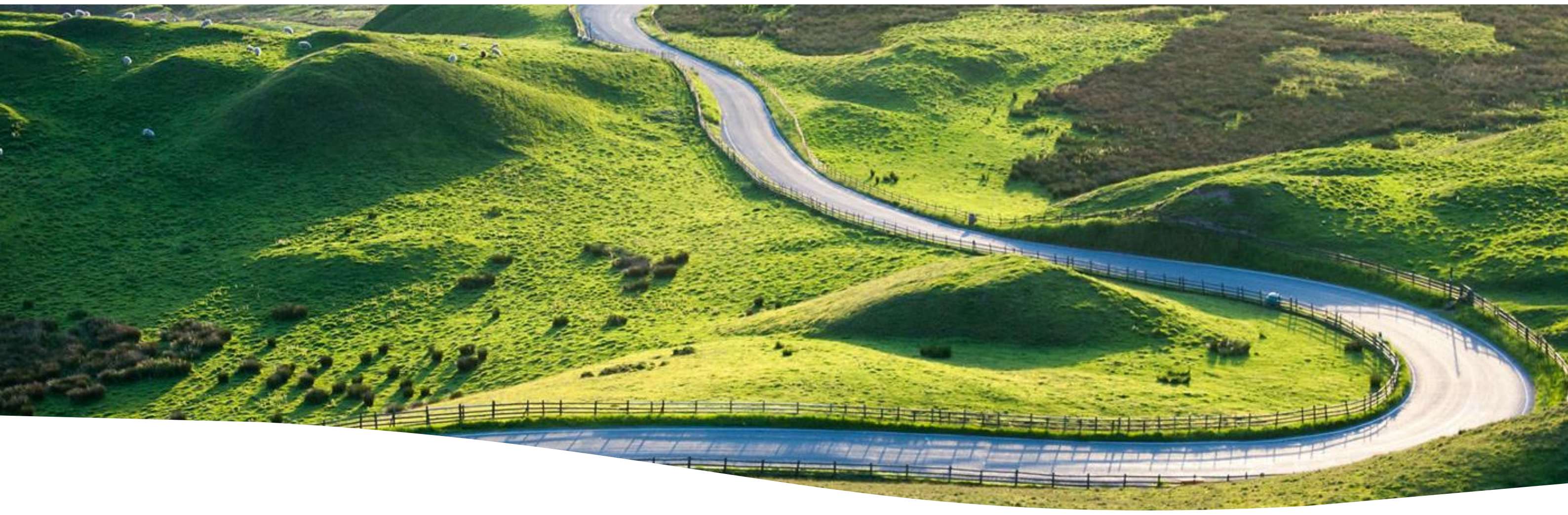
Plasmix is the collective term for various mixed plastics materials that are currently not recycled, but can be used as feedstock in Eni's new circular-economy businesses.

Polyethylene is an ethylene-derived basic plastic used to produce a wide range of products, such as packaging film, vials, containers and compounds for civil and automotive applications.

SAN stands for styrene-acrylonitrile, also termed styrene-acrylonitrile copolymer.

Styrenics are highly versatile, lightweight, recyclable plastics with good mechanical properties and excellent insulating capacity used to produce industrial and food packaging, household appliances, electrical and electronic equipment and automotive components.

A **Groundwater Treatment Plant** provides remediation by forming part of an integrated groundwater interception system. As a rule, this comprises a number of barrier/pumping wells that convey water to the treatment plant for purification before reuse.



Commitment to sustainable development

A feature of the Versalis commitment to sustainable development is its growing awareness of the need to minimise risks and create opportunities across all activities though empowerment, health, safety & environmental protection, circular-economy projects, respect for and promotion of human rights, practising transparency and fighting corruption.

Staff

The Group business model is based on in-house skills and competencies, an asset in which Versalis continues to invest to ensure it is sufficient to meet business requirements, in line with its long-term strategy. Business performance forecasts, strategic priorities and the challenges posed by changes in technology and the job market in general implicate a serious commitment to increase the value of human capital over time.

As at 31 December 2025, permanent employees of companies included within the scope of consolidation total 7,304.

2023	Permanent employees	2024	2025
5,173	Italy	5,024	**4,923**
2,620	Overseas	2,365	**2,381**
7,793		**7,389**	**7,304**

The reasons for the net decrease of 85 staff compared to the situation as at 31 December 2024 are set out hereafter. More specifically, the increase is due to:

- 1,413 new hires, 7.6% of whom are graduates (1,390 permanent, 7.6% of whom are graduates, and 23 temporary, 1 of which is a graduate, whilst the rest hold a diploma);

and decreases relate to:

- 1,488 people leaving their employment for ordinary reasons (retirement, resignation and mutual termination agreement, expiry of temporary contract);
- 10 employees representing the net balance of intercompany transfers within the Eni Group.

The breakdown by employee category is as follows:

2023	Permanent employees	2024	2025
137	Senior managers	127	**107**
4,167	Middle managers and white collars	4,044	**4,011**
3,489	Blue collars	3,218	**3,186**
7,793		**7,389**	**7,304**

The breakdown of the permanent workforce by age group is as follows:

Age group	Total	%
< 30	909	12.4
30-39	1,487	20.4
40-49	2,024	27.7
50-59	2,190	30.0
> 60	694	9.5
	7,304	**100.0**

As at 31 December 2025, the current number of employees of companies included within the scope of consolidation totals 7,282.

Current employees	2024	2025
Senior managers	132	118
Middle managers and white collars	4,053	3,995
Blue collars	3,212	3,169
	7,397	**7,282**

The current number of employees is obtained by subtracting permanent employees seconded to other companies and adding those seconded from other companies.

178 permanent employees of Versalis S.p.A. and its subsidiaries have been seconded to other Eni Group companies and other entities or are on extended leave, whilst 156 have been seconded to Versalis S.p.A. and its subsidiaries from other Eni Group companies.

Training

In 2025, the training programme in Italy and at foreign subsidiaries involved more than 219,000 man-hours. Training was delivered by in-house staff and external suppliers with the assistance of Eni Corporate University S.p.A.

Throughout 2025, Versalis employees belonging to the Eni Faculty continued their lecturing activities, both in training projects run by Eni Corporate University and in-house courses.

During 2025, the following activities took place:

- an upskilling/reskilling plan for staff from sites affected by the chemical sector transformation process involving a total of 35 staff and 4,883 training hours. The aim is to help refresh professional skills and match them to evolving production and organisational requirements;
- considerable training and awareness-raising projects covering environmental, health, safety and quality issues, totalling more than 140,000 hours, including more than 4,900 hours on permit-to-work training and more than 2,000 hours on supervisor refresher courses;
- artificial intelligence courses totalling more than 7,400 hours;
- code of ethics, Legislative Decree No. 231 (or foreign equivalent) and anti-corruption compliance training both in Italy and abroad, as well as e-learning training courses, designed to provide staff with compliance knowledge, especially of sustainability and Human Rights issues, with a view to promoting and implementing the in-house procedures, guidelines and regulations that ensure Versalis conducts its business in compliance with the law (more than 4300 hours);
- heavy involvement in the new skills fund that, despite only being launched in October 2025, has already provided almost 10,800 hours of training.

Incentive and remuneration systems

In addition to a merit-based policy reflecting roles and responsibilities, Versalis S.p.A. has consolidated a variable incentive scheme for senior and middle managers linked to performance assessment following assignment of individual targets commensurate with the company's general objectives. In 2025, performance assessment covered nearly all senior and middle managers, as defined by their operational and managerial responsibilities. The incentive policy considers results achieved and contribution delivered. Furthermore, it was confirmed that the incentive system for the European sales force would continue throughout 2025. Finally, a long-term incentive scheme operates for top executives capable of affecting results in accordance with Eni Group practices and policies.

Safety

Versalis' commitment to Health, Safety & Environment (HSE), as well as preventive measures to ensure workplace safety and protect local communities from industrial risks arising from its activities, also regards specific financial resource allocation. 2025 end-of-year figures are as follows:

- 255 million euro reporting period expenses (255 million euro in 2024);
- 24 million euro for capital expenditure (24 million euro in 2024).

The strong, ongoing HSE commitment continued following renewal of the Safety and Environment Agreement, an actual contract between Versalis and third-party service contractors specifying tangible, measurable and continuously monitored improvement actions.
For some time, Versalis has been recording injury figures, using specific indicator to summarise accidents involving its own and contractor staff. 2025 recorded the following results:

	2024	**2025**
No. of disabling injuries	18	12
frequency rate	0.94	0.60
severity rate	0.037	0.036

In 2025:

- The employee injury frequency rate (employee injuries/hours worked x 1,000,000) is 0.69
- The contractor injury frequency rate (contractor injuries/hours worked x 1,000,000) is 0.44
- The fatality index (fatal injuries/hours worked x 1,000,000) is 0

In 2025, 12 injuries were recorded, 9 involving employees and 3 contractors.
Compared to 2024, the number of reported injuries has fallen.
Figures confirm that human behaviour and performance continue to be the main causes of injury, accounting for 71% of the total (compared to 75% in 2024).
Following analysis of the accidents recorded in 2024, the launch of the Ogni Azione Conta (Every action counts!) programme during 2025 has enabled a continuous safety performance improvement pathway to be established. The programme comprises an action plan split into four main areas:

- communication campaigns;
- skill enhancement projects;
- process monitoring improvement measures;
- safety KPI analysis.

Top Management also organised Road Shows at all operating sites in order to promote safety culture and raise awareness about the use of Stop Work Authority.
Over the course of the year, it should be noted that 37 out of 41 sites achieved the 1 year zero recordable injury milestone.
As per the HSE 2024-2028 five-year plan, in 2025, we successfully concluded the (renewal/maintenance) activities requested for SA8000, ISO 14001, ISO 45001 and EMAS certification.
Actions to safeguard and promote the health of workers and communities living near industrial sites (including preventive measures) are an essential part of Versalis policies and play a key role in achieving high sustainability performance.
Worker health and safety measures are arranged and organised in an Integrated Management System with a strong focus on prevention, in which health checks are combined with regular risk factor measurement, performed using both environmental and/or personal survey campaigns and simultaneous biomonitoring campaigns.
In particular, when dealing with the risks from exposure to chemicals, carcinogens and mutagens, environmental measurements and determination of exposure using personal samplers are supplemented by monitoring of specific biological exposure indicators (where available) in order to ascertain the dose the worker has actually absorbed through all exposure routes.
Health promotion schemes continued into 2025, encompassing, for example, flu vaccination and cardiovascular disease prevention campaigns, PSA and tetanus antibody tests, no smoking and healthy-lifestyle awareness campaigns.
As Versalis focuses on doing business in foreign markets, its internationalisation process has catalysed new medical-emergency-management and healthcare projects, both domestic and global, developing specific health protocols that consider the risk in a particular country linked to the journey, climate, any infectious diseases and respective vaccinations, defining special awareness and training programmes and guaranteeing standard and emergency medical care, including possible medical repatriation.
Special attention has been paid to the organisation of multi-year shutdowns, therefore, specific plans have been implemented that include initial screening and regular check-ups, rules defined for each working moment (including breaks), suitable areas for coordination meetings, etc.
Finally, effective cooperation between all Business Units enables consistent emergency management throughout Eni, both in terms of regulatory compliance and behavioural rules.

Environmental responsibility

Ongoing changes to both national and international environmental regulations and their integration with health and safety issues result in the need for continuous monitoring, active membership of trade associations and/or relevant scientific bodies, as well as continuous professional development to facilitate compliance and adaptation measures. 2025[8] HSE expenditure amounted to 298 million euro (310 million euro in 2024).

Environmental expenditure was 177 million euro (195 million euro in 2024), including soil and groundwater management activities.

[8] After deducting fines, insurance and taxes totalling 7.5 million euro.

Safety expenses amounted to 89 million euro (88 million euro in 2024), occupational hygiene, product safety and health expenditure was 9 million euro (8 million euro in 2024), whilst the HSE function cost a total of 24 million euro.

As regards greenhouse gas emissions monitoring and reporting, 2025 ended with a provisional total of CO_2 emissions subject to emissions trading of 1.35 million tonnes, approximately 29% lower than the 2024 figure.

2025[9] results can be summarised as follows:

- free allocations issued in 2025: 1.71[10] million tonnes of CO_2;
- estimated 2025 emissions: 1.42 million tonnes of CO_2;
- surplus: 0.29 million tonnes of CO_2.

As of 2021, the Emissions Trading System (ETS) has moved to Phase IV with new rules covering the issue of free allocations based on the results of 2014-2018 baseline data collection, definition of benchmarks and regular verification of activity levels recorded by installations as from 2019. Following review of the ETS Directive in May 2023 and a change to the date for issuing free allowances (June of the following year) and compliance activities (September of the following year), at present, the 2025 free allocation procedure for Versalis sites has not been completed. As regards events affecting emissions that occurred in 2025, we must mention the shutdown of the Brindisi and Priolo steam cracking plants and the closure of the Ragusa production facility.

Turning to soil and groundwater remediation, characterisation work specified in the plans submitted and approved has been duly completed or is progressing according to schedule.

Groundwater pumping systems are operative at the Brindisi, Gela, Ferrara, Mantua, Porto Marghera, Priolo, Ravenna and Sarroch sites.

The remediation authorisation process has been completed at the following sites: Brindisi, groundwater and soil, Gela, groundwater and soil, Porto Marghera, groundwater and soil, Priolo, groundwater and soil (limited to areas south of the Vallone della Neve and the saturated soil of the D2 and internal D3 areas), Ferrara, groundwater and surface matrices (soil and seepage water), Ravenna, groundwater and soil, Sarroch, groundwater (the soil process is complete except for some specific areas). At the Mantua site, remediation schemes have been approved, but only for some specific areas and supernatant removal. At the Ragusa site, the process is complete, following approval of the risk analysis and conclusion of the subsequent monitoring requested by the joint planning conference.

Authorised work has either been completed or is in progress. Applications to make changes to authorised projects have been submitted as and when necessary.

As regards the Porto Torres facility, the soil and groundwater situation is monitored and handled by Eni Rewind, since Versalis holds only surface rights at the site.

The authorisation process for some areas at the Mantua and Priolo sites has not yet been completed. Once these applications have been processed, the remediation authorisation process for all Versalis Italian sites will be complete, subject to approval of any changes to authorised projects.

[9] Including Novamont.

[10] It should be noted that on 14 January 2026, the ETS Committee published Decision No. 2/2026 granting the Versalis Porto Marghera site a final allocation of 317,364, 86,588 and 9,375 free allowances for 2023, 2024, 2025, respectively. In view of the current operating setup and regulatory assessments that could lead the National Competent Authority to request the surrender of free allowances allocated to steam cracking and aromatics plants for 2023 and 2024, in order to mitigate the associated risk by ensuring that sufficient allowances remain available in the EU ETS register to cover any such surrender, we have set aside 384,177 free allowances allocated to these plants with the following breakdown: (Year 2023: 317,364 - 11,502 = 305,862/Year 2024: 86,588 - 8,273 = 78,315).

Versalis has entrusted Eni Rewind, the Eni environmental company, to perform the remediation work at the following sites: Brindisi, Ferrara, Gela, Mantua, Porto Marghera, Priolo, Ravenna and Sarroch.

Circular Economy

The Versalis process of transformation towards an increasingly sustainable industrial model, capable of supporting chemical industry revitalisation, whilst at the same time tackling current environmental challenges, is closely linked to circularity. Indeed, besides concentrating on specialisation, corporate strategy includes development of business platforms based on circular economy and bioeconomy principles, including through new product development.
In line with the Eni Strategic Plan, Versalis remains strongly committed to developing innovative recycled-polymer solutions, as well as biochemicals and bioplastics, with a view to establishing a market for these innovative, increasingly sustainable products, by means of.

- Feedstock diversification;
- Development of complementary mechanical and chemical recycling technology for plastic and rubber.

Versalis supports the circular transition, including by means of integrated-technology-platform development, takeovers, partnerships and cooperation with various supply-chain and academic players and research projects, also with the aim of specialising and diversifying its portfolio.

Feedstock diversification

Versalis continues its commitment to seek new opportunities for feedstock diversification by using renewables, such as biomass, and secondary raw materials.

To this end, following the takeover of Novamont, a leading international player in the manufacture of biodegradable and compostable biobased plastics and development of biochemicals and bioproducts, it is maintaining the promise to develop state-of-the-art solutions by expanding into other areas of application.

In addition, production of bioethanol obtained from lignocellulosic biomass continues at the ISCC EU-certified facility in Crescentino (Vercelli). The production process at Crescentino utilises Proesa® proprietary technology to convert biomass into sugars for subsequent fermentation to produce bioethanol.

Versalis has also renewed ISCC PLUS certification at all Italian and European sites for monomers, intermediates, polymers and elastomers produced using sustainable feedstock. The Versalis subsidiary Finproject has also renewed its ISCC PLUS certification at 3 Italian sites and others in Romania, Vietnam, India and Mexico.

ISCC PLUS is a voluntary certification scheme run by ISCC (International Sustainability & Carbon Certification) enabling the manufacture of sustainable products using the mass balance approach by verifying process and product sustainability and traceability requirements.

This certification allows Versalis to market a range of sustainable products whose performance is guaranteed identical to conventional products, making them available for immediate customer use. Given the name Balance®, this range comprises products originating from bionaphtha or recycled oil, i.e. pyrolysis oil obtained from chemical recycling of mixed plastic. Obtained from vegetable oil or biobased waste such as used cooking oil or other types of organic waste, bionaphtha is sourced by utilising synergies found within Eni (Porto Marghera and Gela biorefineries).

As a result of specific partnerships, during 2024, the number of applications for the Balance® product range has been increased. For example, with Crocco (S.p.A. SB)[11], we have reached a manufacturing agreement for food packaging film made from Balance® (CA - circular attributed[12]) that will be mass produced for supermarket chains. This enables us to create a film using recycled feedstock, whilst ensuring unchanged technical performance and food contact material compliance.

Recycling technology development

Versalis is committed to developing complementary mechanical and chemical recycling technology for plastics and rubbers through in-house research and in partnership with associations, consortia and supply chain players.

As far as mechanical recycling technology is concerned, Versalis is tackling one of the circular economy's technological challenges: to give new life to waste plastic by recycling, obtaining innovative products for use in a variety of high-quality applications. Indeed, in developing the Versalis Revive® range, the Company offers a product family with different base polymers (styrenics, polyethylene and elastomers) containing mechanically recycled plastic and rubber, thus also making a tangible contribution towards achieving European circularity targets. The Porto Marghera (Venice) industrial site is undergoing conversion following completion of the first recycling facility in 2024 with opening scheduled for early 2025. As a result, this conversion will enable an annual reduction in CO_2 emissions exceeding 600,000 tonnes.

Based on the understanding with Forever Plast, supplementing the previous agreement with Ecoplastic[13], this new hub will enable further expansion of the Versalis Revive® product portfolio, including in high-value applications such as food packaging.

This fast-growing product family currently comprises:

- Versalis Revive® PE: low- and high-density polyethylene-based grades and compounds containing up to 100% (*Plastica Seconda Vita* (PSV or second life plastic) certified) recycled plastic from municipal post-consumer packaging and commerce and industry supply chains. The main applications are packaging and agriculture.
- Versalis Revive® PS: in partnership with Forever Plast S.p.A., this range of products is obtained by recycling post-consumer plastic and includes up to 100%-recycled rigid polystyrene grades and compounds (*Plastica Seconda Vita* (PSV or second life plastic) certified). Applications include thermal insulation, homeware and packaging, including food packaging.
- Versalis Revive® EPS: produced in association with COREPLA (National Consortium for Plastic Packaging Collection, Recovery and Recycling) expanded polystyrene containing up to 80%-recycled post-consumer waste (*Plastica Seconda Vita* (PSV or second life plastic) certified) supplied by the Italian sorted municipal waste circuit. The main applications are as insulation in the building sector and production of protective packaging.
- Versalis Revive® ESBR: SBR (Styrene-Butadiene Rubber) elastomers with an ELT (end-of-life of tyre) content of up to 17%.
- Versalis Revive® DVC: 100%-recycled elastomers thanks to a partnership with Turin company AGR, owner of post-consumer elastomer devulcanisation[14] technology.

11 Leading high-tech player in the flexible packaging sector focused on achieving the most ambitious sustainability levels.

12 Products made from recycled oil (r-Oil), the pyrolysis oil obtained from chemical recycling of mixed plastic waste.

13 Ecoplastic, Italian company belonging to the De Berg Group specialising in the recovery, recycling and conversion of styrenic polymers.

14 Devulcanisation: selective cleavage of chemical bonds allowing solid rubber items, usually crumbs, to be returned to a vulcanisable and remouldable form ready for reuse in the production of new products, such as tyres or gaskets.

- Versalis Revive® ABS: dense copolymers containing 70% secondary feedstock (*Plastica Seconda Vita* (PSV or second life plastic) certified). The high purity level of the recycled ABS and use of specific Versalis virgin styrenics create a compound suited to a wide range of applications.

Furthermore, in 2024 Versalis expanded the Revive family by introducing Refence™, an innovative range of polystyrene-based polymers containing recycled material, suitable for food contact and used in applications such as yogurt pots, fish and meat trays and other types of rigid foam packaging. The range is manufactured using new NEWER™ technology as a result of a co-development agreement with Forever Plast. NEWER™ enables decontamination of recycled polymers in accordance with Regulation (EU) 2022/1616 on recycled plastic materials and articles intended to come into contact with food; the technology was issued with an NOL (No Objection Letter) by the American Food and Drug Administration (FDA).
Alongside advanced mechanical recycling, development of new proprietary technology continued with the construction and precommissioning, commissioning and start-up of the Hoop® demonstration plant at the Versalis facility in Mantua with rated capacity of 6000 tonnes/year.
Development of the project for chemical recycling of plastic using Hoop® technology is strategic to achieving full plastic circularity and the EU has also acknowledged its importance: indeed, of 41 projects selected out of 239, it was the sole application to receive a grant under the terms of the 2023 third call for large-scale projects by the EU Innovation Fund for the demonstration of innovative low-carbon technology.

Moulding and compounding sustainability

By following circular economy principles, the Finproject Group has chosen to focus on sustainability and social responsibility as part of its strategic objectives:

- XL EXTRALIGHT® - partnership with Versalis to develop new materials using Balance products and in turn produce items marketed under the XL EXTRALIGHT® Organix 3.0 brand containing 30% bio-circular feedstock (Versalis Balance);
- XL EXTRALIGHT® SUSTAINABLE+, items made using 51% production waste and byproducts and having GRS (Global Recycled Standard) certification confirming 40% recycled content;
- ISCC Plus compounds and items made from bio-circular attributed materials (Versalis Balance) and available from all Finproject Italian and foreign sites;
- COGEGUM - some specific grades have *Plastica Seconda Vita Sottoprodotti* (PSVS) certification to confirm recycled content from in-house by-products;
- POLIDIEMME - development of new E-mobility materials containing recycled feedstock.

The entire XL EXTRALIGHT® production cycle is designed and engineered to minimise waste and residues and also employs clean alternative energy from proprietary solar power plants.
Every component of an XL EXTRALIGHT® product is analysed and tested to the highest safety standards, resulting in materials formulated to be entirely free from phthalates, harmful solvents and heavy metals. Finproject S.p.A.'s market leadership was finally acknowledged in 1997 with UNI EN ISO 9001 certification, issued for the first time to a European company from this sector.
Finproject has continued with this commitment and since 2022 its sites have been certified to standards UNI EN ISO 14001 and UNI EN ISO 45001 (occupational health and safety), confirming the desire to protect the environment and increase safety at work by implementing a continuous improvement system for corporate sustainability.
The company is also involved in compound formulation projects with recovery and reuse of waste and residue from its own production cycle, introduction of and compliance with severe prevention rules ensuring product and workplace safety and ongoing research into formulations and production processes.

In 2007, Finproject obtained the Green Compound Mark issued by the PVC Information Centre's Compound Group. This confirms the Chemical Industry's commitment to comply with and support Health, Safety and Environmental Sustainability Policies.

In September 2024 Finproject replaced the Green Compound Mark with VinylPlus® Supplier Certification acknowledging the excellent sustainable development performance achieved by members of the PVC supply chain.

Novamont sustainability

The Novamont sustainability profile is marked by a systemic approach to the circular bioeconomy in which scientific innovation, local regeneration and development and transparency combine to form a measurable industrial model. The company is a certified B Corporation and focuses design and development on biodegradable and compostable solutions that do not generate persistent microplastics, with particular regard to Mater Bi: for this family of materials, Novamont has developed carbon footprint calculation tools verified by an independent body and its system is certified compliant with ISO 14067. In addition, selected products have undergone EPD verification and received Ecolabel certification. Sustainability-related supply chain traceability is bolstered by EcoVadis supplier assessment ratings and membership of Open-es, schemes that increase the integration of ESG metrics into procurement processes and support shared improvement pathways.

As regards applied innovation, in 2025, R&D activities continued for the TERRIFIC flagship European project coordinated by Novamont that is developing eight bio-based packaging solutions. 2025 also witnessed the launch of RUNFASTER4EU, another European flagship project that aims to utilise oilseed crops (safflower, cardoon, rapeseed) grown on marginal land to produce cosmetics, bioplastics, feedstuffs and biostimulants. At the same time, operational supply chains for high-barrier paper-based packaging, laminates and coatings are being strengthened. We also work alongside distributors and industrial partners to reduce the impact of packaging and promote industrial composting. In the agricultural sector, the company is making progress with its Ager Bi nonanoic-acid-based, rapidly biodegradable formulations that can be used for Integrated Pest Management. It has also demonstrated the compliance of its Mater-Bi mulch films with the strict criteria of Regulation (EU) 2019/1009 on fertilising products, thus enabling their classification as soil improvers, whilst turning to lubricants, Matrol Bi fluids offer superior safety and performance in sensitive environments.

Suppliers

Versalis applies supplier qualification and selection criteria to assess the ability to meet company standards regulating ethical conduct, health, safety, environmental protection and human rights. Versalis achieves this undertaking by promoting its values amongst suppliers and involving them in the risk prevention process. To this end, as part of its procurement process and with the support of Eni specialist departments, Versalis: (i) arranges for all suppliers to undergo qualification and due diligence processes to assess their professionalism, technical capabilities, ethical conduct, commercial soundness and financial solidity, as well as minimise the inherent risks of working with third parties; (ii) asks all suppliers to give a formal undertaking to comply with the principles of its Code of Ethics (such as protecting and promoting human rights, adherence to safe working practices, environmental protection, fighting corruption, legal and regulatory compliance, integrity (showing honesty and fairness in business dealings), compliance with antitrust and competition laws); (iii) monitors compliance with such undertakings to ensure that Versalis suppliers maintain their qualification status over time; (iv) should critical issues emerge, requests steps be taken to improve their operating models or, when failing to meet the minimum standards of acceptability, restricts or excludes their eligibility to participate in the tendering process.

Technological innovation

Carrying on from previous years, during 2025, research and technological innovation activities were conducted, on average, by around 280 employees with the aim of improving products and processes in existing business lines and developing proprietary technology. In addition to the decarbonisation sector, the company continues to view green and circular chemistry as key strategic drivers.

The most noteworthy results are set out hereafter.

|Biochemicals

Novamont views research and development as the driving force behind company growth in keeping with its mission and longstanding commitment to innovation and the creation of integrated sustainable models. During the year, results of great importance for the company's short-, medium- and long-term development were achieved. More specifically, Novamont S.p.A. strengthened its patent portfolio by filing new national and/or international patent applications for:

- new processing methods for biodegradable polymer compounds with excellent properties used in applications with high potential for development
- new single and multilayer films for the food packaging and agricultural sectors
- new thermoformed items for high value-added applications
- new products made from biodegradable polyester foam developed in partnership con Finproject, a leading manufacturer of foamed products
- innovative uses of agricultural biomass in value-added applications
- new processes for upcycling biomass derived from agricultural and industrial by-products in partnership with parent company Versalis
- new high value-added products obtained from biomass derived from agricultural and industrial by-products
- process innovation regarding polyester manufacturing with optimised performance for use in high value-added sectors
- new processes for the reuse of post-consumer bioplastics in polymer manufacturing
- new applications for the biochemicals produced at Novamont biorefineries
- new starch-based compounds and, in partnership with a leading additive manufacturer, new uses and applications for these compounds.

In 2025, Novamont S.p.A. continued to perfect its Mater-Bi grades, obtaining more cost-effective products with enhanced physicochemical properties, improved home compostability and better processability in customer manufacturing operations.
New plant-based sources and agricultural and/or industrial waste and residues were also validated as a source of renewable feedstock, thus optimising supply-chain flexibility and resilience. Work continued on the following activities:

- development of new Mater-Bi grades with high renewable content and improved processability;
- development of new Mater-Bi grades for bonding with paper and transparent film to produce laminates;
- working alongside selected partners, optimisation and implementation of blockchain and integrated AI technology to improve supply chain traceability;
- joint project with Finproject to develop foam products for the footwear industry that has led to pilot-scale production of materials used for prototypes that are sent to leading manufacturers for validation;
- in partnership with a leading additive manufacturer, validation of selected Mater-Bi grades in aqueous dispersion as additives for formulations used in high value-added applications. These activities involved leading international manufacturers of agricultural inputs;
- development of co-products of the monomer production process in various sectors, including cosmetics and personal care products, biocides, plasticisers, agrochemicals and lubricants, that have yielded particularly promising results in the animal feed sector following a partnership with a leading manufacturer.

More specifically, in the agricultural product sector, let us highlight the completion of technical validation of AGER-Bi for the uses authorised in Italy and ongoing scouting of several new agricultural applications, along with successful registration of the AGER-Bi formulation as a tobacco plant growth regulator in Mozambique, whilst validation tests continue in tobacco-growing areas in South America, Asia and Africa.
2025 witnessed the continuation of the joint project between the Novamont Research Units in Novara, Piana di Monte Verna Bottrighe and Rivalta Scrivia, their respective engineering departments and the Crescentino facility. The aim is to adapt and develop Novamont proprietary technology at said facility with a view to utilising the various components of a biomass obtainable from an innovative processing method for an agrifood by-product developed by an important European partner. The activity has led to the creation and pilot-scale production of a number of products of particular interest to various sectors (agriculture, food and feed). One product is already being produced on an industrial scale and the necessary pre-marketing steps are being undertaken.
In 2025, optimisation work continued on selective substrate oxidation processes of interest to Novamont using both fermentation and chemical synthesis. More specifically

- development continued of an acid monomer (FDCA) production process for use in polyester manufacturing with laboratory-scale validation and patenting of a number of innovative solutions designed to reduce running costs at the planned industrial facility.
- a step-up in activities relating to industrial scale-up of the production process for an innovative acid monomer used to manufacture new grades of polyester. These activities are an integral part of the Terrific Flagship Project, co-financed by CBE-JU (Circular Bio-based Europe Joint Undertaking), and involved the Novara and Piana di Monte Verna research centres and the Bottrighe facility.
- ongoing partnership with Versalis to develop the oxidative cleavage of vegetable oils with a special focus on new catalyst evaluation.

The Patrica facility continues to optimise the production process for the continuous biodegradable polyester plant that is already commercially operational. In addition, it has conducted feasibility trials with a view to using this process in a continuous production plant for new types of polymers. It has also continued to optimise process yields for Mater Bi grades, especially during plant start-up and shutdown. The Terni facility has validated the mechanical recyclability of industrial process waste generated by partners who use Novamont bioplastics. It has also assisted research and development by conducting numerous production scale-up trials for new polyesters, new Mater-Bi grades and new biolubricants.

Besides taking part in the Terrific project, in 2025, the Bottrighe facility conducted research and development activities with the main aim of improving production processes for diols and analytical methods for their characterisation and to assist scouting and validation of alternative or complementary feedstocks to glucose syrup.

Pilot-scale trials continued of new processes to upcycle by-products of biotechnological processes, transforming them into value-added products.

There was a continuation of activities relating to integrated biorefineries, a topic of strategic interest to the company, and, in particular, coordination and accreditation work with regional, national and EU authorities and stakeholders from SPRING (Italian Circular Bioeconomy Cluster), Bio-based Industries Consortium (BIC) and Circular Bio-based Europe Joint Undertaking (EPC-JU).

In 2025, 10 new Research and Development Projects applied for EU funding. 2 of these were approved and a decision on another is pending, whilst the others are going through the submission process.

40 projects were in progress during the course of the year. 9 of these are new projects, including the RUNFASTER4EU flagship project coordinated by Versalis, and 6 were successfully concluded.

The completed projects have led to significant developments in certain areas of great interest to Novamont research, such as using waste-derived sugars to produce bio-based 1,4 butanediol and the oilseed press cake of drought-tolerant crops such as cardoon and safflower to produce biostimulants.

Polymers

In line with the Versalis product portfolio's specialisation and sustainability objectives, during 2025, **polyethylene** research activities focused on reducing the environmental impact of products and processes.

More specifically, laboratory-scale development continued of LLDPE grades containing a PFAS-free polymer processing aid. Industrial trials continued in this field along with application tests at customer premises of materials produced using PFAS-free PPAs. At the same time, we have also developed fully PPA-free LLDPE grades that meet the application requirements of customers that previously used formulations containing fluorinated additives.

During 2025, we developed improved versions of Pharmalene® LDPE grades used in the pharmaceutical and medical sectors.

Work continued on perfecting Versalis Revive® PE grades, i.e. products containing secondary feedstock produced by mechanical recycling, and the use of these recycled materials has enabled their introduction into various applications, some of an extremely critical nature, where in the past, recycled content prevented achievement of required performance. Tangible examples are the use of Versalis Revive® PE for low-voltage cable insulation and production of food-grade and shrink-wrap packaging. A Revive® PE grade has also been tested as a component of low-voltage power cable sheathing.

During 2025, styrenics research mainly focused on developing more sustainable products and technology and product/process efficiency with a view to improving performance, also in terms of regulatory compliance.

More specifically, as regards sustainability, following implementation of new NEWER™ decontamination technology at Forever Plast, processes were monitored and the respective regulatory compliance documents

drafted. This state-of the art technology enables production of recycled food-grade polystyrene, ensuring high safety and quality standards. It has given rise to the new Refence™ PS product range.
As regards conventional polymers, we have been heavily involved in the qualification of alternative feedstocks, thus ensuring uninterrupted production and full compliance with increasingly stringent product safety regulations.
In 2025, agreements were signed to develop new 3D printing materials with prestigious partners from the home furnishing, architecture and medical sectors with a view to revamping our product portfolio. The various prototypes developed include an ABS grade certified flame-retardant by the Fire Service and used to construct the wainscoting for a paediatric department waiting room at a hospital in Emilia-Romagna, a coloured HIPS grade used to build the Versalis booth at Ecomondo and coloured transparent SAN grades for lighting components.

Elastomers

In 2025, elastomer research mainly regarded the development of new grades offering greater sustainability and with particular focus on recycling and sustainable mobility. Another important aspect of this activity concerned optimisation of production processes and products themselves with the aim of increasing quality and competitiveness.
As part of the tyre sector portfolio, new high-performance rubber grades have been developed, designed to reduce energy dissipation in line with the latest requirements of the electric-vehicle tyre market. At the same time, we are perfecting new materials with improved ageing stability, thus helping to extend tyre lifespan.
The introduction of these new grades allows a significant reduction in a tyre's carbon impact throughout the life cycle, leading to reduced fuel consumption and lower energy demand when preparing compounds.
Turning to compound specialties, we have developed an industrial prototype of a new EPDM grade specially designed for TPV compounds. As regards advanced mechanical recycling of end-of-life elastomer products by studying new chemical agents, we have managed to improve the thermomechanical devulcanization processes, thus increasing the recycled material's efficiency and quality. As confirmation of the results obtained, we have produced an initial pilot-scale REVIVE DVC prototype that offers better performance than the Revive DVC grades developed in the past.

Circular materials

As part of the plan to generate value for all stakeholders, Versalis has confirmed its commitment to a sustainable, circular chemical industry.
More specifically, as regards the Hoop® Project (advanced chemical recycling of non-mechanically recycled mixed plastic waste), in 2025, the Hoop® demonstration plant with rated capacity of 6000 tonnes/year was opened at the Versalis facility in Mantua. Upgrading of proprietary technology also continued with activities focused on developing state-of-the-art monitoring systems to optimise process yields.
Process design for the first industrial-scale implementation of Hoop® technology is under development and will incorporate the experience gained from running the demonstration plant.
Laboratory-scale tests using pyrolysis were also conducted on cross-linked plastic sheaths for power cables. Following the positive results obtained, an agreement has been signed with the world's largest manufacturer of power and telecommunications cables to set up a value chain that recycles plastic cable sheaths using Hoop® technology with the aim of creating a closed loop. As regards development of the new mechanical recycling hub in Porto Marghera, in 2025, successful performance tests were conducted on the first two lines.
Sustainable compounds: prototype ABS-based compounds containing ELT-derived materials have been developed at pilot scale with the dual aim of reducing the carbon footprint and enhancing the mechanical properties of the polymer matrix. Remaining at pilot scale, a Revive PS ICE prototype has been produced for

the refrigeration sector. This contains secondary feedstock from sorted waste treated using Newer® decontamination technology, resulting in a sustainable material suitable for food-contact applications.

|Moulding and compounding

Research activities conducted in 2025 were aimed at studying and perfecting new compounds and related manufacturing technology.
The most noteworthy results regard:

- study of a compound whose polymer matrix is a Novamont material and which can be expanded and cross-linked using Finproject technology, together with an assessment of the biodegradability of the resulting moulded product
- development of compounds meeting the requirements for GRS (Global Recycled Standard) certification, used to mould footwear components, whose reclaimed pre-consumer material content is at least 20%
- completion of product engineering of a compound used to mould a two-tone, dual-density sole for the safety footwear sector that requires an anti-static, oil-resistant outsole combined with a midsole delivering excellent comfort and rebound
- working in synergy, Versalis research centres completed the competitor benchmarking study and began formulating new compounds with a view to improving specific properties
- completion of product engineering of compounds formulated with new chemicals in order to obtain PFAS- and DCP-free materials with the same technical performance
- study to optimise the shelf life of XLPO grades containing 50% post-consumer secondary feedstock so that it is identical to that of standard insulation products for EV charging cables.

| Specialty Oilfield Chemicals

In 2025, research in the field of oilfield chemicals focused on developing new asphaltene aggregation inhibitors, in particular, for reservoir applications using functionalised polymers that enable adsorption onto carbonate rock formations.
Another research sector where sizeable investments have been made regards environmentally friendly kinetic hydrate inhibitors and anti-agglomerants, resulting in performance improvement and, at the same time, biocompatible functional structures.
We have introduced new corrosion inhibitors and combined additives (asphaltene inhibitors and demulsifiers).
We tested the marine biodegradability of glutaraldehyde-based biocides.
As regards well stimulation, we have formulated and marketed new solvents and special scale removers that work on asphaltenes and calcium carbonate deposits under extremely testing conditions. New corrosion inhibitors for high-temperature applications were selected.
Projects designed to increase sustainability within the sector have enabled the study of new ester solvents and their practical applications.

|New materials and technology for the green transition

Achieving a truly sustainable transition is becoming ever more reliant on developing innovative materials and technology capable of reducing the environmental impact of industrial processes. To this end, in 2025, our company significantly extended its research activities into both Carbon Capture & Utilization (CCU) and development of new high-performance recyclable materials.

During 2025, we continued our partnership with universities to provide PhD courses in CCU technology, including through national programmes. At the same time, new lines of research were started in our laboratories with a view to speeding up development of the catalytic technology under consideration. More specifically, there has been a step-up in activities regarding the conversion of CO_2 into strategic chemicals for the value chain. For both technology platforms, new test set-ups have been designed and implemented up to micropilot scale with a view to earlier validation of results under conditions closer to real-world application. These advances help to build a technology portfolio that supports future decarbonisation of industrial processes.

Turning to materials, in 2025, a new technology platform was developed for cross-linkable polymer resins designed to facilitate both repair and recycling, overcoming the traditional limitations of the thermoset resins currently used in composites. This led to a patent being filed, confirming the validity of the results obtained. In order to speed up development still further, new partnerships have been established with universities and industrial players with the aim of evaluating the application of these materials in high-potential sectors such as wind power and pleasure craft.

R&D grants and subsidies

In 2025, funding continued of research, development and product engineering projects regarding green chemicals, circularity and sustainability:

- Partly financed by a grant from the EU Innovation Fund, the **SC-HOOP** project regards a chemical-recycling demonstration plant in Mantua employing HOOP® technology for which Versalis has allocated a budget of 28.4 million euro. It will receive a lump sum contribution of 16.2 million euro upon reaching its environmental targets in terms of GHG savings. The project started in 2023 and is scheduled to run for 76 months. In 2025, a second progress report was issued upon reaching the WP2 milestones relating to plant start-up at 75% capacity. Completion of the reporting process will trigger payment of an instalment of approximately 4.2 million euro during first half 2026.
- The **GAIA** project has received a grant from the Ministry of Enterprise and Italian Exports Industrial Transition Fund following issue of an approval decision on 9 May 2025. The project aims to reduce the annual amount of river water withdrawn by the Mantua production site to meet its requirements, specifying eligible costs of 5.1 million euro and a grant of 2.0 million euro.
- December 2025 witnessed the conclusion of the **MOST** (National Centre for Sustainable Mobility) project funded by the University and Research Ministry National Recovery and Resilience Plan (National Leaders). The project involved research into thermochemical recycling of polymers and upcycling of waste streams, yielding direct benefits for the circular value chain of materials used in sustainable mobility. Its overall cost was around 1.7 million euro, this being offset by a grant of around 0.8 million euro. At year-end 2025, the University and Research Ministry approved the first instalment of the grant, amounting to 0.3 million euro, and this will be paid in 2026.
- In 2025, Versalis signed the Grant Agreement with CBE JU to fund the **RUNFASTER4EU** project for bio-based feedstocks under the terms of the Horizon Europe-CBE JU programme. The project has a five-year term and Versalis has allocated a budget of 8 million euro, in return receiving a grant of 4.8 million euro. In July 2025, pre-financing representing 45% of the grant was paid out (approx. 2.2 million euro). Following the handover of the Versalis S.p.A. Rivalta Research Centre to Novamont S.p.A. and the latter's takeover of Matrìca, the first Amendment to the Grant Agreement is being drafted and will results in a change to how the budget is split between the three companies. The Project aims to generate value from underused and/or abandoned lands by producing plant-based feedstock (oils and residual biomass) that, by using advanced biorefining processes, can be converted into high value-added, bio-based products

such as cosmetic formulations, biostimulants, animal feedstuff ingredients, bioherbicides, dielectric fluids, bioplastics and non-isocyanate polyurethanes (NIPUs) for green walls.

- In first-half 2025, Versalis provided CINEA with the initial progress report for the European **NATURAL POWER LIFE** close-to-market project regarding green chemicals funded by the EU under the terms of the LIFE programme. This three-year project was launched in 2023 and Versalis has allocated a budget of 1.4 million euro, in return receiving a grant of 0.9 million euro. Following consideration of the report, in 2025, a second pre-financing instalment of around 0.4 million euro was paid.
- Funded by the Ministry of Enterprise and Italian Exports as part of the Sustainable Growth Fund, the **BIOCHAIN** project was completed in 2024. In May 2025, the Technical Expert and the Bank conducted the final audit. Eligible costs total 16.8 million euro with overall funding of 13.5 million (this figure comprises a grant of 3.3 million euro and a subsidised loan of 10.2 million euro). In 2025, Versalis received around 3 million euro of the grant and the remaining 10% (0.3 million euro) will be paid by the Ministry of Enterprise and Italian Exports after formal checks have been completed.
- Funded by the Ministry of Enterprise and Italian Exports as part of the Innovation Agreement Scheme, the **POLIRIN** project ended in August 2025. In 2025, the grant was received following submission of the initial progress report (approx. 0.7 million euro). Costs included in the final progress reports total 4 million euro and should result in entitlement to a grant of around 1.4 million euro that the Ministry is still considering.

During 2025, Novamont projects continued as scheduled with the following of particular interest:

- **National Biodiversity Future Center (NBFC)** Project funded by the University and Research Ministry and coordinated by the National Research Council following the call for proposals relating to 'Strengthening research structures and supporting the creation of 'national R&D leaders' on some Key Enabling Technologies'. The project began on 1 September 2022 and is scheduled to last for 44 months. Novamont is mainly involved in developing and promoting new business models and alternative value chains designed to deploy and obtain value from low-impact renewables/residual biomass, as well as study soil and water biodiversity and the relationship between biodiversity in these environments and best practices that utilise bio-based products capable of drastically reducing the presence of water, soil and air pollutants.
- **Innovation, digitalization and sustainability for the diffused economy in Central Italy (VITALITY)** Project funded by the University and Research Ministry and coordinated by Aquila University following the call for proposals relating to 'Building and strengthening Innovation Ecosystems, establishing Local R&D Leaders'. The project began on 1 July 2022 and is scheduled to last for 46 months. Novamont's involvement regards developing processes to convert waste products into polymers, monomers and innovative bio-based materials for industrial use.
- **Innovative circular-bioeconomy technology for use in the agrifood sector (TELLUS)** Project funded by the Ministry for Economic Development and coordinated by Novamont following the call for proposals relating to 'Innovation agreements' (regulated by Director General Decree dated 18/03/2022). The project began on 1 August 2023 and will last for 36 months. By using extremozymes, it aims to convert renewable feedstock under testing operating conditions into bio-based products for the Novamont supply chain. More specifically, Novamont is involved in the selection and preparation of biomass derived from agroindustrial by-products to obtain sugars and monomers and test their suitability for use in the production of biostimulants and bio-based materials for packaging and agricultural applications.
- **Turning carbon of complex organic urban waste streams into value-added products (CIRCULAR BIOCARBON)** Flagship Project funded by the BBI-JU 2019 Annual Work Programme. The aim is to build a biorefinery that converts OFMSW to bioproducts, including bioplastics. Company involvement in the

project mainly regards purification of biopolymers and their use in bioplastic formulations for applications such as mulch film and food waste bags.

- **Next generation circular biobased flagship packaging solutions: a catalyst for the green transition (TERRIFIC)** Flagship Project coordinated da Novamont and funded by the CBE -JU 2024 Annual Work Programme. The Project aims to demonstrate the technical and financial feasibility of flagship packaging solutions by fulfilling high performance requirements, including improved mechanical and barrier properties, enhanced food safety and longer shelf life across the entire value chain, whilst improving circularity and resource efficiency.

per il Consiglio di amministrazione

l'Amministratore delegato

Adriano Alfani

Consolidated financial statements

Balance Sheet

		31.12.2025		31.12.2024	
(euro)	Notes	Total	*of which with related parties*	Total	*of which with related parties*
ASSETS					
Current assets					
Cash and cash equivalents	(1)	170	*100*	159	*54*
Other financial assets	(2)	2		1	
Trade and other receivables	(3)	472	*128*	612	*189*
Inventories	(4)	911		1.121	
Income tax assets	(5)	7		6	
Other assets	(6)	23		46	*3*
		1.585		**1.945**	
Non-current assets					
Property, plant and equipment	(7)	519		548	
Leasing right of use	(8)	26		29	
Intangible assets	(9)	697		780	
Investments in subsidiaries, associates, and joint ventures	(11)	118		112	
Other equity investments	(12)	3		3	
Other financial assets	(13)			1	
Prepaid tax assets	(14)	377		350	
Other assets	(15)	157		217	
		1.897		**2.040**	
TOTAL ASSETS		**3.482**		**3.985**	
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Current financial liabilities	(16)	431	*429*	227	*219*
Long-term current financial liabilities	(17)	437	*436*	221	*216*
Trade and other payables	(8)	4		6	
Other liabilities	(18)	875	*280*	983	*357*
	(19)	2		13	
Non-current liabilities	(20)	45		49	*2*
Long-term financial liabilities		**1.794**		**1.499**	
Long-term leasing liabilities					
Provisions for risks and charges	(21)	1.588	*1.577*	2.231	*2.220*
Provisions for employee benefits	(8)	53		56	
Other liabilities	(22)	568		418	
	(23)	55		64	
TOTAL LIABILITIES	(24)	19		24	
SHAREHOLDERS' EQUITY	(25)	10		9	
Share capital (A)		**2.293**		**2.802**	
Legal reserve		**4.087**		**4.301**	
Employee share ownership plan reserve	(26)				
Other capital reserves		200		200	
RES. FOR BUSINESS COMB. UNDER COMMON CNTRL.					
Reserves for employee defined benefit plans		865		(217)	
Profit (Loss) carried forward		(185)		472	
Profit (Loss) for the year		(1.485)		(771)	
TOTAL SHAREHOLDERS' EQUITY		**(605)**		**(316)**	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**3.482**		**3.985**	

(a) Fully paid-up share capital represented by 200,000,000 no-par shares

per il Consiglio di amministrazione

l'Amministratore delegato

Adriano Alfani

Income statement

	2025		2024	
(€ million)	Total	*of which with elated parties*	Total	*pf which with related parties*
REVENUES				
Operating revenues	3,534	*338*	4,257	*372*
Other revenue and income	339	*277*	546	*249*
Total revenues	**3,873**		**4,803**	
OPERATING EXPENSES				
Purchases, services and other expenses	(4,483)	*(1,587)*	(5,016)	*(1,839)*
Net reversals (impairments), trade and other receivables	(4)		(8)	
Payroll	(496)		(496)	
OTHER OPERATING INCOME (EXPENSE)				
DEPRECIATION, AMORTISATION AND IMPAIRMENTS	**(315)**		**(288)**	
WRITE-OFFS				
OPERATING PROFIT (LOSS)	**(1,425)**		**(1,005)**	
FINANCIAL INCOME (EXPENSE)				
Financial income	30	*5*	77	*5*
Financial expense	(96)	*(64)*	(151)	*(72)*
Derivatives	(12)	*(12)*	6	*6*
	(78)		**(68)**	
GAINS (LOSSES) ON EQUITY INVESTMENTS				
Effect of measurement at equity	(4)		(12)	
Income (expense) on equity investments			**21**	
	(4)		**9**	
PROFIT (LOSS) BEFORE INCOME TAXES	**(1,507)**		**(1,064)**	
Income taxes (34)	22		293	

Statement of comprehensive income (losses)

(€ million)	2025	2024
PROFIT (LOSS) FOR THE YEAR	**(1,485)**	**(771)**
Other items of comprehensive profit (loss):		
Items not reclassified to profit and loss		
Remeasurement of defined benefit plans	1	
Tax effect		
Items that may be reclassified to profit and loss		
Foreign currency translation differences	(10)	(2)
Change in fair value of investments measured at fair value with effects to OCI		
Stake pertaining to equity accounted investments		

per il Consiglio di amministrazione

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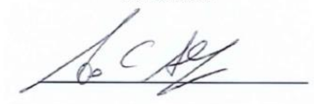

Statement of changes in shareholders' equity

(€ million)	Share capital	Legal reserve	Exchange rate effect reserve	Consolidation reserve	Reserve for defined benefit plans	combinations under common control	Other capital reserves	Profit (loss) from prior years	Profit/(loss) for the year	Total
Balances at 31 December 2023 (a)	**300**		**(19)**		**2**		**977**	**(119)**	**(1.288)**	**(147)**
Loss for the year 2024									*(771)*	**(771)**
Remeasurement of defined benefit plans net of the tax effect										
Foreign currency translation differences			*(2)*							**(2)**
Change in value of investments measured at fair vaue with effects to OCI										
Total comprehensive loss for o2024 (b)			**(2)**						**(771)**	**(773)**
Transactions with shareholders										
Allocation of 2022 profit (loss)				(60)				(1.228)	1.288	
Share capital reduction and coverage of losses	(100)						(977)	1.077		
Payment of the sole shareholder							508	92		**600**
Total transactions with shareholders (c)	**(100)**			**(60)**			**(469)**	**(59)**	**1.288**	**600**
Change in the consolidation perimeter and other changes					1	1		2		4
Total other changes (d)					**1**	**1**		**2**		**4**
Balances at 31 December 2024 (e=a+b+c+d)	**200**		**(21)**	**(60)**	**3**	**1**	**508**	**(176)**	**(771)**	**(316)**
Profit (Loss) for the year 2025									(1.485)	**(1.485)**
Remeasurement of defined benefit plans net of the tax effect					*1*					**1**
Foreign currency translation differences			*(10)*							**(10)**
Total comprehensive loss for the year 2025 (f)			**(10)**		**1**				**(1.485)**	**(1.494)**
Transactions with shareholders										
Allocation of 2024 income (loss)				(123)				(648)	771	
Share capital reduction and coverage of losses						(1)	(508)	509		
Payment of the sole shareholder							1.073	127		**1.200**
Total transactions with shareholders (g)				**(123)**		**(1)**	**565**	**(12)**	**771**	**1.200**
Change in the consolidation perimeter and other changes			(1)	(1)	4			3		**5**

per il Consiglio di amministrazione

l'Amministratore delegato

Adriano Alfani

Statement of cash flows

(€ million)	Notes	2025	2024
Profit (Loss) for the year		(1.485)	(771)
Adjustments to reconcile loss with cash flows from operating activities:			
Depreciation and amortisation	(31)	117	125
Net impairments of tangible and intangible assets	(31)	198	163
Economic effect of measurement of equity investments	(33)	4	12
Exchange differences from alignment		1	(3)
Change in provisions for employee benefits	(23)	(8)	(3)
Expenses/income from remeasurement of lease liabilities		1	
Net gains on disposal of assets			(24)
Interest income	(32)	(5)	(5)
Interest expense	(32)	63	75
Expense (income) relating to discontinued operations			
Current, deferred, and prepaid income tax for the period	(34)	(21)	(293)
Changes in working capital:			
- inventories	(4)	218	(8)
- trade receivables	(3)	83	64
- trade payables	(18)	(109)	(69)
- provisions for contingent liabilities	(22)	147	152
- other assets and liabilities		160	(52)
Cash flow from working capital		*(636)*	*(637)*
Dividends received		1	
Interest received		5	5
Interest paid		(63)	(71)
Income tax received (paid), net of reimbursed tax credits		(15)	214
Net cash flow from operating activities		**(708)**	**(489)**
of which with related parties	*(35)*	*(1.045)*	*(870)*
Investments:			
- tangible assets	(7) e (8)	(160)	(192)
- intengible assets	(9)	(22)	(18)
- equity investments and business units	(11) e (12)	(29)	(51)
- change in payables related to investing activities	(18)	(19)	(6)
Cash flow from investments		*(230)*	*(267)*
Divestments			
- tangible assets			4
- intengible assets			9
-companies that left the consolidation perimeter			18
Cash flows from divestments			*31*
Net cash flow from investing activities		**(230)**	**(236)**
of which with related parties	*(35)*	*(48)*	*(42)*
Increase (decrease) in financial debt	(16)	(234)	94
Reimbursment of leasing debts		(7)	(5)
Change in financial receivables not instrumental in operating activities			8
Cash flow from shareholder contribution		1.200	600
Exchange differences from translation - Cash		(5)	
Exchange differences from alignment - Cash		(1)	2
Change in the consolidation perimeter - Cash		(4)	
Net cash flow from financing activities		**949**	**699**
of which with related parties	*(35)*	*985*	*750*
Net cash flow for the period		**11**	**(26)**
Cash and cash equivalents at year start	(1)	159	184
Cash and cash equivalents at year end	(1)	**170**	**159**

per il Consiglio di amministrazione
l'Amministratore delegato
Adriano Alfani

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Significant accounting policies, estimates and judgements

Basis of preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (hereinafter IFRS or IAS)[15] as issued by the International Accounting Standards Board (IASB) and adopted by the European Commission.

For the group parent company Versalis SpA, following the net loss for the year of 1,202 million euro, the conditions set forth in Article 2446 of the Italian Civil Code are met. These financial statements were prepared using the going concern concept because the directors believe, in line with conditions of prior years and the current year, that the company can benefit from the constant financial support of Eni SpA, responsible for management and coordination of Versalis SpA. In this regard, on February 4, 2026, Eni SpA issued the Company with a Support Letter that restates Eni's policy to provide its subsidiaries, directly or indirectly, with the necessary funds to fulfil their obligations, confirming the required financial support, including possible capitalisations, to guarantee the going concern status of Versalis SpA and its associates for at least 12 months from the date of approval of the respective 2025 annual financial statements. Moreover, the chemical sector transformation and relaunch plan promoted by Eni SpA, with expenditure of around 2 billion euro allocated in the coming years, is tangible proof of the parent company's future support for the sector.

The consolidated financial statements were prepared by applying the historical cost method, taking account of value adjustments where appropriate, with the exception of those items that must be measured at fair value under IFRS.

The consolidation principles and measurement criteria set down below were applied consistently to all presented reporting periods, unless otherwise stated.

In view of their magnitude, the values of the captions in the financial statements and in the notes are expressed in millions of euros, except where otherwise indicated.

Significant accounting estimates and judgements

Application of generally accepted accounting policies for preparation of the annual and interim financial statements requires management to make estimates based on complex and/or subjective judgements, on past experience, and on assumptions deemed to be reasonable and realistic considering the information known at the time of estimation. The use of said accounting estimates affects the carrying values of assets and liabilities, the disclosure of contingent assets and liabilities at the financial statements date, as well as the amount of revenue and expenses in the reference period; the actual results may differ from the estimates due to the characteristic uncertainty of the assumptions and the conditions upon which the estimates are based. Critical accounting estimates in the financial reporting process, involving significant recourse to subjective opinions and assumptions concerning intrinsically uncertain topics, are illustrated in the description of the associated accounting policy. Changes in the conditions upon which judgements and assumptions are based may have a significant impact on subsequent results.

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15 The IFRS include also the International Accounting Standards (IAS), which remain in force, and also the interpretative documents prepared by the IFRS Interpretations Committee, previously called the International Financial Reporting Interpretations Committee (IFRIC) and still earlier designated the Standing Interpretations Committee (SIC).

Significant accounting estimates and judgements formulated to consider the impact of climate risks

The effects of initiatives to limit climate changes and the potential impact of the energy transition impact the accounting estimates and significant opinions formulated by Company Management for preparation of the consolidated financial statements at 31 December 2025. In particular, the global push towards a reduced emission intensity economy, carbon pricing schemes, technological evolution of the green and circular chemicals sector, and changes in consumer preferences may, in the medium to long term, lead to a structural decline in demand and a rise in operating costs.

The Carbon Neutral strategy defined by Eni, in line with the matters predicted by scenarios compatible with the drive to keep global warning within the threshold of 1.5 °C, is composed of a series of actions and initiatives aimed at reaching carbon neutral conditions in 2050 by net elimination of all Scope 1, 2 and 3 GHG emissions associated with the portfolio of products on the market. Scenarios adopted by management take into account policies, regulatory requirements and current and expected developments in technology, and set out a development path of the future chemicals system on the basis of an economic and demographic framework, analysis of existing, and announced policies and technologies, identifying those which can reasonably reach maturity within the considered time horizon. Price variables reflect the best estimate by management of the fundamentals of the various markets, which incorporate the ongoing and reasonably expected decarbonization trends, and are subject to continuous benchmarking with the views of market analysts and industry peers. Such scenarios represent the basis for significant estimates and judgements relating to: (i) assessment of the intention to develop fitting industrial projects and (ii) assessment of the recoverability of non-current assets.

Principles of consolidation

Subsidiaries

The consolidated financial statements comprise the financial statements of Versalis SpA and those of its subsidiaries, whether directly or indirectly controlled.

In this regard, an investor controls an undertaking when it is exposed to, or has the right to participate in, the variability of its economic returns, and is able to influence said returns through the exercise of its decision-making power over it.

Subsidiaries are entered in full in the consolidated financial statements (line-by-line method), on the basis of consistent accounting policies, from the date on which control is obtained until the date that control ceases. making the appropriate eliminations of intercompany transactions (see also “Intragroup transactions”); the portions of accrued equity and profit or loss attributable to non-controlling interests are stated in specific captions of the financial statements.

Taking into account the lack of any material impact[16] on the representation of the financial position and performance of the Group[17], the scope of consolidation does not include some subsidiaries that are immaterial, individually and in the aggregate, and subsidiaries whose consolidation produces no significant effect.

[16] According to IFRS, information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

[17] Investments in subsidiaries not consolidated line by line are measured as described in the accounting policy for “The equity method of accounting”; for further information, see the annex “List of companies owned by Eni SpA as of December 31, 2023”.

In the presence of holdings acquired after the assumption of control (acquisition of non-controlling interests), the eventual difference between acquisition cost and carrying value of the corresponding portion of equity acquired is recognised in Group equity (under Profit (Loss) carried forward); likewise, the effects deriving from the disposal of non-controlling interests without loss of control are recognised in equity accruing to the Group (under Profit (Loss) carried forward). Disposal of holdings that results in the loss of control is recorded as follows in the income statement: (i) the eventual difference between the consideration received and the consolidated net assets transferred; (ii) the effect of alignment with the related fair value of the eventual residual investment that is retained; (iii) an estimate of the fair value of eventual additional considerations, to be settled in cash on the occurrence of specific contractually defined conditions, (iv) eventual values recognised in other components of comprehensive profit related to the ex-subsidiary for which transfer to the income statement will be carried out[18].

The value of the eventual retained investment, aligned with the related fair value at the date of loss of control, represents the reference value for subsequent measurement according to the applicable measurement criteria.

Interests in joint control agreements

Joint control is the sharing of control of an agreement on a contractual basis that exists exclusively when, due to decisions concerning significant assets require the unanimous consent of all the parties sharing control.

A joint venture is a jointly controlled agreement in which the parties holding joint control enjoy rights on the net assets of the agreement. Investments in joint ventures are measured at equity as described in the section entitled "The equity method of accounting".

Investments in associates

An associate is a company over which Versalis exercises significant influence, construed as the power to participate in the determination of the related financial and management choices without exercising control of joint control. Investments in associates are measured at equity as described in the section entitled "The equity method of accounting".

Consolidated companies, unconsolidated subsidiaries, joint ventures and associated companies are distinctively indicated in the annex entitled Companies and equity investments of Versalis SpA at 31 December 2025, illustrating also the change in the perimeter of consolidation that occurred in the year.

[18] Conversely, eventual values recorded in other components of comprehensive profit related to the ex-subsidiary, for which transfer to the income statement is not envisaged, are recorded in another caption of equity.

The equity method of accounting[19]

Under the equity method, investments are initially recognised at cost, allocating said cost to the investee's identifiable assets/liabilities; any excess of the cost of the investment over the share of the net fair value of the investee's identifiable assets and liabilities is accounted for as goodwill, not separately recognised but included in the carrying amount of the investment. If this allocation is provisionally recognised at initial recognition, it can be retrospectively adjusted within one year from the acquisition date, to reflect new information obtained about facts and circumstances that existed at the acquisition date. Subsequently, with the aim of reflecting the Group's share of the investee's net assets and the related changes, the carrying amount is adjusted to reflect: (i) the investor's share of the profit or loss of the investee after the date of acquisition; and (ii) the investor's share of the investee's other comprehensive income. Distributions received from an equity-accounted investee reduce the carrying amount of the investment.

As a general rule, distributions received from investments measured at equity are recognised by the investee as a reduction of the carrying value of the investment. An investment may distribute a dividend greater than the investment's carrying value in the financial statements of the investee. In this case, the investee:

- reduces the carrying value of the investment to zero, as far as possible;
- checks the existence of legal or implicit obligations to return the dividend received or to make payments on behalf of the investment. In this situation the surplus distribution is recognised as a liability in the balance sheet;
- in the absence of a legal or constructive obligation, recognises the difference with respect to the carrying amount of the investment as income in the income statement under other income (expenses) from investments.

In applying the equity method, consolidation adjustments are considered (see also the accounting policy for Subsidiaries). Losses arising from application of the equity method in excess of the carrying amount of the investment, recognised in profit and loss within Income (expense) from equity investments, reduce the carrying amount, net of the related expected credit losses (see below), of any financing receivables towards the investee for which settlement is neither planned nor likely to occur in the foreseeable future (the so-called long-term interest), which are, in substance, an extension of the investment in the investee.

The investor's share of any losses of an equity-accounted investee that exceeds the carrying amount of the investment is recognised in a special provision to the extent that the investor is committed to fulfilling the legal or implicit obligations of the investee, or otherwise, to cover its losses.

Moreover, in the presence of objective evidence of impairment (e.g. major breaches of contracts, significant financial difficulty, probable default of the counterparty, etc.), recoverability of the carrying value of the net investment, resulting from the application of the aforementioned measurement criteria, is tested for impairment by comparing it with the related recoverable amount, determined by adopting the criteria indicated in the accounting policy for Impairment of non-financial assets. When the reasons for the write-downs recorded no longer apply, investments are revalued to the extent of the write-downs made, with the effect charged to the income statement under other income (expenses) on equity investments.

The sale of equity interests with loss of joint control or significant influence over the investee, determines recognition in profit and loss of: (i) any gain or loss calculated as the difference between the consideration

[19] When no significant effects are produced in relation to the financial situation and economic result, joint ventures, associates, and non-significant subsidiaries excluded from the scope of consolidation are measured at cost, adjusted to take account of eventual impairments.

received and the corresponding transferred share; (ii) any gain or loss recognised as a result of the remeasurement of any investment retained in the former joint venture/associate at its fair value; and [20](iii) any amount related to the former joint venture/associate previously recognised in other comprehensive income which may be reclassified subsequently in profit and loss.[21] The value of the eventual retained investment, aligned with the related fair value at the date of loss of joint control or significant influence, represents the reference value for subsequent measurement according to the applicable measurement criteria.

Business combinations

Business combinations are recognised in accordance with the acquisition method. The consideration transferred in a business combination is determined at the date of assumption of control and is equal to the fair value of the transferred assets, the liabilities incurred, and eventual capital instruments issued by the acquiree. The consideration transferred also includes the fair value of any assets or liabilities resulting from contingent considerations, contractually agreed and dependent upon the occurrence of specified future events.

At the control acquisition date, the equity of the investee companies is determined by attributing the related fair value to the single identifiable elements of assets and liabilities[22], unless another measurement basis is required by IFRS. The eventual difference between the consideration transferred and the fair value of the net assets acquired, if positive, is booked to goodwill.

Any non-controlling interests are measured as the proportionate share in the recognised amounts of the acquiree's identifiable net assets at the acquisition date, excluding the portion of goodwill attributable to them (partial goodwill method).

In a business combination achieved in stages, the purchase price is determined by summing the acquisition-date fair value of previously held equity interests in the acquiree and the consideration transferred to obtain control. The difference between the fair value of the previously held investment and the related carrying value is recognised in profit and loss. Furthermore, on obtaining control, any amount recognised in other comprehensive income related to the previously held equity interests is reclassified to the profit and loss account, or in another item of equity when such amount may not be reclassified to profit and loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination is formed, the provisional amounts recognised at the acquisition date shall be retrospectively adjusted, within one year from the acquisition date, to reflect new information obtained about facts and circumstances that existed as of the acquisition date.

[20] If the residual investment continues to be measured at equity, in that it is classified as a jointly controlled subsidiary or associate, the retained amount is inadequate in relation to the fair value measurement amount.

[21] Conversely, eventual values recorded in other components of comprehensive profit related to the ex-joint venture or associate, for which transfer to the income statement is not envisaged, are recorded in another caption of equity.

[22] Fair value measurement principles are described in "Fair value measurements".

Significant accounting estimates and opinions: investments and business combinations

The assessment of the existence of control, joint control, or significant influence over an investee, and, in the case of joint operations, the assessment of the existence of enforceable rights to the investee's assets and enforceable obligations for the investee's liabilities require that company management make complex judgements on the basis of the characteristics of the investee's structure, arrangements between parties and other relevant facts and circumstances of relevance for the assessment. Significant accounting estimates by management are required also for measuring the identifiable assets acquired and the liabilities assumed, in a business combination, at their acquisition-date fair values. In the allocation process, also at the time of initial recognition of investments measured at equity, Versalis adopts the measurement techniques generally used by market participants, taking account of the available information. The Company uses external appraisals for the most significant acquisitions.

Intragroup transactions

Unrealised profits arising from transactions between consolidated companies are eliminated, as are receivables, payables, income, expenses, guarantees, commitments and risks among consolidated companies.[23] Unrealised profits with companies measured at equity are eliminated for the part related to the Group. In both cases, intragroup losses are not eliminated because they represent an effective lower value of the transferred asset.

Foreign currency translation

The financial statements of foreign operations having a functional currency other than the euro, which is the parent's functional currency as well as the reporting currency of the Consolidated Financial Statements, are translated into euro using the spot exchange rates on the balance sheet date for assets and liabilities, historical exchange rates for equity and average exchange rates for the income statement and the statement of cash flows.

Exchange differences resulting from translation of the financial statements of equity investments operating in a currency other than the euro, deriving from application of different exchange rates for assets and liabilities, for the balance sheet and for the income statement, are posted in the equity caption "Cumulative currency translation differences" for the part accruing to the Group.[24] The currency translation differences provision is recognised in profit and loss at the time of the full disposal or at the time of loss of control, joint control, or significant influence over the investee. At the time of partial divestment, without loss of control, the portion of exchange differences concerning the investment portion transferred is attributed to the equity of minority interests. On a partial disposal that does not involve loss of control or significant influence, the proportionate share of cumulative exchange differences attributed to the divested portion of the investment is booked to profit and loss. The repayment of capital made by a subsidiary having a functional currency other than the euro, without a change in the ownership interest, results in recognition of the corresponding portion of exchange differences in profit and loss.

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10 Exchange differences associated with intragroup monetary assets are not eliminated.

24 The portion held by non-controlling interests of the exchange differences resulting from translation of the financial statements of subsidiaries having a functional currency other than the euro, is recognised in the equity caption "Non-controlling interests".

The main foreign exchange rates used to translate the financial statements into the parent’s functional currency are shown below:

(currency amount for 1 euro)	Average exchange rate 2025	Exchange rate at 31 December 2025	Average exchange rate 2024	Exchange rate at 31 December 2024
US Dollar	1.13	1.18	1.08	1.04
Pound Sterling	0.88	0.87	0.85	0.83
Hungarian Florint	397.84	384.90	395.30	411.25
Chinese Renmimbi	8.12	8.22	7.79	7.59
Korean Republic Won	1,605.13	1,693.65	1,474.98	1,530.08

Material accounting policies

The material accounting policies used in the preparation of the Consolidated Financial Statements are described below.

Tangible assets

Tangible assets are recognised at cost and carried at purchase price or production cost including the directly attributable ancillary costs necessary to make the assets ready for use. For assets that necessarily take substantial time to prepare for their intended use, the purchase price or construction cost comprises the borrowing costs incurred in the period to prepare the asset for use that would have been avoided if the expenditure had not been made. Remeasurement of tangible assets for financial reporting purposes is not permitted, even via the application of specific legal provisions. Tangible assets are depreciated/amortised on straight-line basis throughout their working life, construed as an estimate of the period in which the asset will be used by the enterprise.

When the asset is composed of several significant parts having different working life, amortisation/depreciation is applied to each component of the asset. The value subject to amortisation is represented by the carrying value minus the presumed net realisation on disposal at the end of the asset's useful life, if significant and reasonably measurable. Any changes made to the amortisation schedule, deriving from a revision of the asset's useful life, the residual value, or the means of obtaining economic benefits from the asset, are recognised prospectively.

Costs for improvements, modernisation, and transformation of tangible assets are recognised in balance sheet assets when it is deemed possible that they increase their expected future economic benefits. Assets acquired for safety or environmental reasons are likewise recognised in balance sheet assets, although not directly increasing the future economic benefits of the existing assets, they are necessary for running the business.

Replacement costs of identifiable parts in complex assets are capitalised and depreciated over their useful life; the residual carrying amount of the part that has been replaced is charged to profit and loss.

Non-removable leasehold improvements are depreciated over the earlier of the useful life of the improvements and the lease term. Expenditures for ordinary maintenance and repairs, other than replacements of identifiable components, which reintegrate, and do not increase the performance of the assets, are recognised as an expense in profit and loss in the year in which they are incurred. The carrying amount of tangible assets is derecognised on disposal or when no future economic benefits are expected from their use or disposal; the arising gain or loss is recognised in profit and loss.

Leases

A contract is, or contains, a lease, if the contract confers the right to control the use of an identified asset for a period of time in exchange for a consideration; such right exists if the contract assigns the right to manage the asset and substantially obtain all the economic benefits deriving from its use to the lessee.

At the date on which the asset is made available for use (commencement date), the lessee recognises an asset for its right to use the underlying leased asset (hereinafter also right-of-use asset) and a liability representing its obligation to make lease payments during the lease term (hereinafter also referred as lease liability). The lease term is established considering the binding period of the contract, together with, if reasonably certain, periods covered by the extension options, i.e. options connected to non-exercise of the contract's early termination options.

The lease liability is initially recognised at the present value of the following lease payments that are not paid at the commencement date: (i) fixed payments, less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate;[25] (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. Said effective value is calculated by adopting the implicit interest rate of the lease, or when the latter cannot be readily determined, the lessee's incremental borrowing rate. The latter is determined considering the term of the leasing contracts, the frequency of the contractual lease payments, the currency in which the lease is held, and the features of the lessee's economic environment (reflected in the country risk premium assigned to each country where Versalis operates).

After initial recognition, the lease liability is measured on an amortised cost basis and is remeasured, normally, as a matching entry to the carrying amount of the related right-of-use asset, to reflect changes to the lease payments due, essentially due to: (i) modifications in the lease contract not accounted as a separate lease; (ii) changes in indexes or rates (used to determine the variable lease payments); or (iii) changes in expectations concerning the exercise of contractual options.

The right-of-use asset is initially measured as the sum of the following components: (i) the amount of the initial measurement of the lease liability; (ii) any initial direct costs incurred by the lessee; (iii) any lease payments made at or before the commencement date, less any lease incentives received; and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. After the initial recognition, the right-of-use asset is adjusted, *inter alia*, by any accumulated depreciation[26], any accumulated impairment losses.

If the amortisation charges of the right-of-use asset and the accrued interest payments on the lease liability are directly associated with the realisation of assets, they are capitalised on said assets.

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25 Otherwise, the other types of variable payments (e.g. leasing charges based on use of the leased asset) are not included in the carrying value of the lease liability and are instead recognised in profit and loss as operating costs incurred during the term of the leasing contract.

26 Amortisation is applied on a straight-line basis, starting from the commencement date and up to termination of the useful life of the right-of-use asset. Nevertheless, if the lease transfers ownership of the underlying asset to the lessee by the end of the lease term, or if the cost of the right-of-use asset reflects the lessee's intention to exercise a purchase option, the right-of-use asset is depreciated on a straight-line basis throughout the useful life of the underlying asset.

Significant accounting estimates and judgements: leasing operations

With reference to lease contracts, management makes significant estimates and judgements related to: (i) determining the lease term, considering all facts and circumstances that generate an economic incentive, or not, to exercise any extension and/or termination options; (ii) determining the lessee's incremental borrowing rate; (iii) identifying and, where appropriate, separating non-lease components from lease components, where an observable stand-alone price is not readily available, taking into account also the analysis performed with external experts; (iv) identification of the variable payments and their characteristics for the purpose of the estimate for inclusion, or non-inclusion, in measurement of the lease liability.

Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance, controlled by the Company and able to produce future economic benefits, and goodwill.

Intangible assets are initially recognised at cost as determined by the criteria described in the accounting policy for "Tangible assets" and they are never remeasured for financial reporting purposes. Remeasurement of intangible assets is not permitted, even via the application of specific legal provisions.

Intangible assets with finite useful lives are amortised on a straight-line basis over their useful life; the amortisation is carried out in accordance with the criteria described in the accounting policy for "Tangible assets".

Goodwill and intangible assets with indefinite useful lives are not amortised. The criteria stated in "Impairment of non-financial assets" are applicable to recoverability of the carrying value of goodwill and other intangible assets. The costs connected with the acquisition of new customers are recognised in balance sheet assets, on the condition that their recoverability is demonstrated. The carrying value of intangible assets related to said contractual costs is amortised on a straight-line basis consistent with the transfer to the customer of the goods and services referred to and is subjected to recoverability testing.

The costs related to the activity of technological development, including costs for the development of Carbon, Capture and Storage (CCS) projects preceding construction of the physical infrastructure, are recognised in balance sheet assets when: (i) the cost attributable to the development activity can be measured reliably; (ii) intention is present plus the availability of financial and technical resources to make the asset available for use or sale; and (iii) it can be demonstrated that the asset is able to generate future economic benefits.

The carrying amount of intangible assets is derecognised on disposal or when no future economic benefits are expected from their use or disposal; the arising gain or loss is recognised in profit and loss.

Impairment of non-financial assets

Recoverability of non-financial assets (tangible assets, intangible assets, and right-of-use assets) is tested when events or changes in circumstances lead to the conviction that the carrying value in the financial statements cannot be recovered.

The recoverability assessment is performed for each cash generating unit (CGU) represented by the smallest identifiable group of assets that generate cash inflows largely independent of the cash inflows generated by other assets or asset groups.

CGUs may include corporate assets, i.e. assets that do not generate independent cash inflows, attributable on the basis of reasonable and consistent assumptions. Corporate assets not attributable to a specific CGU are allocated to a broader aggregate composed of multiple CGUs. Right-of-use assets, which generally do not generate independent cash inflows, are allocated to the CGU to which they refer; right-of-use assets that cannot be specifically attributed to a CGU are considered as corporate assets. In relation to goodwill, the test is performed, at least annually and anyway when events occur that lead to presume an impairment, on the level of the smallest aggregate on the basis of which company management assesses, directly or indirectly, the return on the investment that includes the goodwill in question.

Recoverability is assessed by comparing the carrying value with the associated recoverable value, represented by the higher of fair value, net of disposal costs, and the value in use. This latter amount is determined by discounting the expected cash flows deriving from use of the cash generating unit and, if significant and reasonably determinable, from its disposal at the end of the associated useful life, net of disposal costs.

Events that can result in impairment of non-financial assets are, for example, changes in group business plans, changes in commodity prices leading to unprofitable performance, or reduced capacity utilisation of the plants. Determination as to whether and how much an asset is impaired involves management estimates on highly uncertain and complex matters such as future commodity prices, the effects of inflation and technology improvements on production costs, production profiles and the outlook for global or regional market supply-and-demand conditions.

With reference to commodity prices, management uses the price scenario adopted for economic and financial projections and for valuation of investments over their entire life. In particular, for the cash flows associated with oil, natural gas and petroleum product prices (and prices derived from them), the price scenario is approved by Eni's Board of Directors and it is based on assumptions relating to the evolution of market fundamentals and, in the short-medium term, it also considers the forecasts of market analysts and, when sufficiently liquid and reliable, the survey of forward prices inferable from the market.

For impairment test purposes, cash outflows expected to be incurred to guarantee compliance with laws and regulations regarding CO2 emissions (e.g. Emissions Trading System).

For determination of value in use, the estimated future cash flows are discounted using a rate that reflects a current market assessment of the time value of money and of the risks specific to the asset that are not reflected in the estimated future cash flows. In particular, the discount rate used is the Weighted Average Cost of Capital (WACC) adjusted, as indicated below, by the specific country risk of the CGU subject to measurement. Measurement of the specific Country risk to be included in the discount rate is defined based on the information provided by external providers. WACC values are differentiated considering the risk associated with the business in which the asset operates. In particular, for the Versalis group a WAAC has been defined for a new operating sector, Biochemi, to be used in conjunction with that of conventional chemicals. Creation of a new sector is motivated in the different risk profile of the two businesses: extremely high for conventional chemicals, reduced for Biochemi, with the consequence that use of the WACC refers to conventional chemicals. The new Biochemi sector includes production of biodegradable and compostable bioplastics (Novamont), chemical and mechanical recycling.

The calculation method to be used remains unchanged with respect to the one that is used for Eni and for the other sectors. WACC of Biochemi will therefore consider the specific nature of the business by means of the beta parameter calculated starting from a panel of comparable listed companies.

The value in use is determined net of the tax effect as this method produces values substantially equivalent to those obtainable by discounting pre-tax cash flows at a pre-tax discount rate derived, iteratively, from the after-tax measurement result.

When the carrying amount of the CGU, including attributed goodwill, determined while taking account of any impairment loss of the non-current assets belonging to the CGU, exceeds its recoverable amount, the excess is recognised as an impairment loss and attributed by priority to goodwill until reaching its amount; any remaining excess with respect to goodwill is allocated to the other assets of the unit pro rata on the basis of the carrying amount of the assets in the CGU, up to the related recoverable amount.

When the reasons for the impairments carried out are no longer applicable, the assets are remeasured and the adjustment is recognised in profit and loss; the impairment reversal is carried out for an amount that is equal to the lesser of recoverable value and the carrying amount inclusive of previously applied impairments and reduced by the depreciation amounts that would have been recognised if the impairment had not been carried out. Goodwill impairment losses are not subject to value reversal.

Grants related to assets

Government grants related to assets are recognised by deducting them in calculating the carrying amount of the related assets when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants that will be received.

Inventories

Inventories, including compulsory stocks, are measured at the lower of purchase or production cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, minus the estimated costs of completion and the estimated costs necessary to make the sale or, in reference to inventories of crude oil and petroleum products (i.e. virgin Naphtha) already included in binding sale contracts, the contractual sale price. Inventories deriving from purchases carried out in the prospect of re-selling in the near future and obtaining economic benefits deriving from price fluctuations are measured at fair value net of the costs of sale, with recognition of the effects in profit and loss. Materials and other supplies held for use in the production process are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above the incurred cost.

The cost for chemical inventories is determined by applying the weighted average cost on an annual basis.

Financial instruments

Financial assets

Financial assets are classified in the following categories, on the basis of both contractual cash flow characteristics and the entity's business model for managing them: (i) financial assets measured at amortised cost; (ii) financial assets measured at fair value with recognition of the effects in profit and loss.

At initial recognition, a financial asset is measured at fair value; trade receivables that do not have a significant financing component are measured at their transaction price.

After initial recognition, financial assets whose contractual terms give rise to cash flows that are solely payments of principal and interest are measured at amortised cost if they are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows (hold to collect business model). For financial assets measured at amortised cost, interest income determined using the effective interest rate, foreign exchange differences and any impairment losses are recognised in profit and loss (see the accounting policy for "Impairment of financial assets").

Financial assets representing debt instruments not measured at amortised cost are measured at fair value with effects recognised in profit and loss (hereinafter FVTPL); this category includes financial assets held for trading. Interest income on financial assets held for trading contributes to the fair value measurement of the instrument and is recognised in Finance income (expense) under Net finance income (expense) from financial assets held for trading.

When the purchase or sale of a financial asset is under a contract whose terms require delivery of the asset within a given number of days, as established generally by regulatory bodies or by market convention (e.g. purchase of securities on regulated markets), the transaction is booked at the settlement date.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits, as well as financial assets originally due, generally, up to three months, readily convertible to a known cash amount and subject to an insignificant risk of changes in value.

Impairment of financial assets

The expected credit loss model is adopted for the impairment of financial assets that are debt instruments but are not measured at FVTPL.

In particular, the expected credit losses are generally measured by multiplying: (i) exposure to the counterparty's credit risk net of any collateral held and other credit enhancements (Exposure At Default, EAD); (ii) the probability that the counterparty defaults (Probability of Default, PD); and (iii) the percentage estimate of the exposure that will not be recovered in case of default (Loss Given Default, LGD), considering past experience (historic series of recovery capacity) and the range of recovery tools that can be activated (e.g. extrajudicial and/or legal proceedings, etc.).

With reference to trade and other receivables, Probabilities of Default of counterparties are determined by adopting the internal credit ratings already used for credit worthiness and are periodically reviewed using, *inter alia*, back testing analyses. For customers without internal credit ratings, the expected credit losses are measured by using a provision matrix, defined by grouping, where appropriate, receivables into adequate clusters to which expected loss rates are applied, defined on the basis of their historical credit loss experiences, adjusted, where appropriate, to take into account forward-looking information on credit risk of the counterparty or clusters of counterparties.

Considering the characteristics of the reference markets, financial assets with more than 180 days past due or, in any case, with counterparties undergoing litigation, restructuring or renegotiation, are considered to be in default. Counterparties are considered to be undergoing litigation when judicial/legal proceedings aimed to recover a receivable have been activated or are to be activated. Impairment losses of trade and other receivables are recognised in profit and loss, net of any impairment reversal, within the line item of the income statement Net (impairment losses) reversals of trade and other receivables.

The recoverability of financial receivables related to operating activities, granted to associates and joint ventures, which in substance forms part of the entity's net investment in these investees, is evaluated considering also the underlying industrial operations and the macroeconomic scenarios of the countries where the investees operate.

Significant accounting estimates and judgements: impairment of financial assets

Measuring impairment losses of financial assets requires management evaluation of complex and highly uncertain elements such as, for example, probabilities of default (PD) of counterparties, the existence of any collateral or other credit enhancements, as well as the expected exposure that will not be recovered in case of default (so-called Loss Given Default or LGD). Further details on the main assumptions relating to the impairment of financial assets are given in note 3 – "Trade and other receivables".

Minority interests

Investments in equity instruments that are not held for trading are measured at fair value with recognition of the effects in the equity reserve that contains the other components of comprehensive income, without subsequent transfer of fair value changes to profit and loss on derecognition of these investments; conversely, dividends from such investments are recognised in profit and loss.

Financial liabilities

At initial recognition, financial liabilities, other than derivative financial instruments, are measured at their fair value, minus directly attributable transaction costs, and are subsequently measured at amortised cost.

Derivative financial instruments and hedge accounting

Derivative financial instruments are assets and liabilities recognised and measured at fair value.

With reference to the defined risk management objectives and strategy, the qualifying criteria for hedge accounting requires: (i) checking the existence of an economic relationship between the hedged item and the hedging instrument in order to offset the related value changes and that the effects of counterparty credit risk do not dominate the economic relationship between the hedged item and the hedging instrument; and (ii) definition of a hedge ratio consistent with the entity's risk management objectives, under a defined risk management strategy, performing appropriate rebalancing actions where necessary. Further to changes in risk management objectives, removal of the previously defined conditions for qualification as hedge accounting, or activation of rebalancing operations, the hedging relationship is discontinued prospectively, entirely or partly.

When derivatives hedge the risk of changes in the fair value of the hedged items (fair value hedge, e.g. hedging of the variability in the fair value of fixed interest rate assets/liabilities), the derivatives are measured at fair value through profit and loss; accordingly, hedged instruments are adjusted in profit and loss to reflect changes in the fair value attributable to the hedged risk, independently of a predicted different measurement criterion generally applicable to the instrument type. When derivatives hedge the exposure to the variability of cash flows of the hedged instruments (cash flow hedges, e.g. hedging the variability in cash flows of assets/liabilities as a result of exchange rate fluctuations), effective changes in the fair value of the derivatives are initially recognised in the equity reserve for other components of comprehensive income and then reclassified to profit and loss in accordance with the economic effects produced by the hedged transaction. In the case of hedging of future transactions that result in the recognition of a non-financial asset or liability, the accumulated changes in fair value of the hedging derivatives, recognised in equity, are booked to adjust the carrying value of the hedged non-financial asset/liability (so-called "basis adjustment").

In particular, changes in the fair value of non-hedging derivatives on interest rates and on currencies are recognised in profit and loss under Financial income (expense); conversely, changes in the fair value of non-hedging derivatives on commodities are recognised in profit and loss under Other operating income (expense).

The economic effects of transactions relating to the purchase or sale of commodities – entered into for the company's needs for the normal conduct of business and for which settlement occurs via physical delivery of the goods – are recognised on an accrual basis (so-called own use exemption).

Offsetting financial assets and liabilities

Financial assets and liabilities are offset in the balance sheet if the group currently has a legally enforceable right to offset and intends to settle on a net basis (or to realise the asset and settle the liability simultaneously).

Divested financial assets are derecognised in balance sheet assets when the contractual rights granted on obtaining the cash flows associated with the financial instrument reach maturity or are transferred to third parties. Financial liabilities are derecognised when they are extinguished, i.e. when the obligation specified in the contract has been fulfilled, cancelled, or has expired.

Provisions and contingent liabilities

Provisions for contingent liabilities are recognised when: (i) there is a present obligation, legal or implicit, as a result of a past event; (ii) it is probable that fulfilment of the obligation is onerous; and (iii) the amount of the obligation can be reliably estimated.

Provisions are booked at a value representing the best estimate of the amount that the business would rationally pay to extinguish the obligation.

Provisions concerning onerous contracts are booked at the lower of the cost necessary to fulfil the obligation, net of the expected economic benefits deriving from the contract, and the contract termination cost. Where the effect of the time value is material, and the payment date of the obligations can be reasonably estimated, the provision is determined by discounting the expected cash flows, determined by taking account of the financial value of the time and risks associated with the obligation; adjustment of the provision due to the passage of time is recognised in profit and loss under "Finance income (expense)".

The costs that the company expects to incur to pursue restructuring programmes are booked in the year in which the programme is formally defined and the reliable expectation that restructuring will take place is shared by the interested parties.

Provisions are periodically reviewed and adjusted to reflect changes in the estimates of costs, timing and discount rates.

The notes to the financial statements illustrate the potential liabilities represented by: (i) possible, but non probable, obligations arising from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or (ii) present obligations arising from past events, whose amount cannot be reliably estimated or whose settlement will probably not result in an outflow of resources.

Provisions for site decommissioning and restoration

Liabilities connected to decommissioning of tangible assets and site restoration on conclusion of a production activity are recognised as a matching entry against the assets in question.

Adjustment of the provision connected to the passage of time is recognised in profit and loss under "Finance income (expense)". Provisions are measured periodically to consider the updating of costs to be incurred, of binding contractual conditions, of legislative rules, and of the standard practice in the country in which the tangible assets are located. Any changes in the estimate of said provisions are generally booked as a matching entry to the assets to which they refer; in this regard, if there is a change of estimate produces in a higher amount with respect to the carrying value to which the asset refers, the excess is booked to profit and loss.

Provisions for environmental risks

Environmental liabilities are recognised in the presence of current obligations, legal or implicit, connected to environmental remediation and restoration of the state of the soil and aquifers of areas owned or under concession of predominantly disused, closed and dismantled sites or in the process of being restructured. The liability is valued on the basis of the costs that are assumed to be incurred to fulfil the obligation in relation to the situation existing at the balance sheet date, taking account of near certain future technical and legislative developments of which the Company is aware.

Significant accounting estimates and judgements: decommissioning and restoration liabilities, environmental liabilities and other provisions

Versalis incurs significant liabilities connected to obligations to dismantle tangible assets and carry out environmental remediation of the soil and seabed at the end of the production activity. Estimating the amount and timing of future costs of dismantling and restoration is a complex process that requires management to make estimates and judgements in the assessment of liabilities that will be incurred many years into the future for compliance with disposal and restoration obligations, which are frequently not fully defined by laws, administrative regulations, or contractual terms. Furthermore, these obligations are impacted by the constant updating of decommissioning and restoration costs, and the continuous evolution of political and public sensitivity in relation to health and environmental protection.

Site decommissioning and restoration liabilities, considering the uncertainty concerning the eventual abandonment of sites and the related timing of decommissioning and restoration of the assets and the conversion strategies of the plants to obtain low carbon production, are recognised when it is possible to make a reliable estimate of appropriately discounted decommissioning costs. Versalis periodically assesses the emergence of changes, circumstances, or events that could call for recognition of said liabilities. Moreover, Versalis is subject to numerous EU, national, regional and local environmental laws and regulations, including laws that implement international conventions and protocols concerning activities in the hydrocarbons field, products and other activities. With regard to the treatment of ground water, the knowhow acquired concerning contamination trends of the water and the positions of the authorities in charge allow the definition of a predictive model in order to estimate the term of operation of ground water treatment plants and, therefore, the costs that will arise for management and monitoring. Reliable determinability is verified based on available information such as, for example, the approval of or submission of the environmental projects before the relevant administrative authorities or making a commitment to the relevant administrative authorities, where supported by adequate estimates. Although Versalis does not expect that there will any material adverse effect on its consolidated results of operations and financial position as a result of such laws and regulations, there can be no assurance that there will not be a material adverse impact on consolidated results of operations and financial position, taking account, *inter alia*, of the following aspects: (i) possibility of an unknown contamination; (ii) results of ongoing surveys and other possible effects of the application of the statutory laws; (iii) possible effects of future environmental legislation and rules; (iv) effects of possible technological changes relating to future remediation; and (v) the possibility of litigation and the difficulty of determining the related liability, if any, against other potentially responsible parties with respect to such litigations and the possible reimbursements.

In addition to environmental and decommissioning and restoration liabilities, Versalis recognises provisions primarily related to legal and commercial proceedings. These provisions are estimated on the basis of complex managerial judgements related to the amounts to be recognised and the timing of future cash outflows.

Employee benefits

Employee benefits are considerations given by the company in exchange for service rendered by employees or for the termination of employment.

Post-employment benefit plans, including informal arrangements, are classified as either defined contribution plans or defined benefit plans depending on the economic substance of the plan as derived from its principal terms and conditions. Under defined contribution plans, the Company's obligation, which consists in making payments to the State or to a trust or a fund, is determined on the basis of the contributions due; therefore, the associated cost is recognised in profit and loss in the period in question.

The liability related to defined benefit plans, net of any plan assets, is determined on the basis of actuarial assumptions and charged on an accrual basis during the employment period required to obtain the benefits. Net interest includes the interest costs on the liability and interest income on plan assets. Net interest is determined by applying to the liabilities, net of any plan assets, the discount rate used to calculate the present value of the liability; net interest of defined benefit plans is recognised in Financial income (expense).

For defined benefit plans, the changes in value of the net defined liability (remeasurements) deriving from actuarial gains (losses), resulting from changes in the actuarial assumptions used or to adjustments based on experience, and from the return on plan assets excluding amounts included in the net interest, are recognised in the comprehensive income statement. Remeasurements of the net defined benefit liability, recognised in the equity reserve containing other components of comprehensive income, are not reclassified subsequently to profit and loss.

Obligations for long-term benefits are determined by adopting actuarial assumptions. The effects of remeasurements are taken to profit and loss in their entirety.

Liabilities for benefits due to employees for early termination of their employment contract (liabilities for termination benefits) are booked at the earliest date of the following: (a) when the entity can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for restructuring that involves the payment of termination benefits. Such liabilities are measured in accordance with the nature of the employee benefit. In particular, if the termination benefits constitute an improvement of other post-employment benefits, the related liability is measured in accordance with the requirements for said type of benefits. Otherwise, liabilities for termination benefits are determined applying the requirements: (i) for short-term employee benefits, if the termination benefits are expected to be settled entirely before twelve months after the end of the annual reporting period in which the termination benefits are recognised; or (ii) for long-term benefits if the termination benefits are not expected to be settled entirely before twelve months after the end of the annual reporting period.

Share-based payments

In line with its substantially remunerative nature, the cost of labour includes the cost of incentive plans with share-based payment (Management Incentive Plans with Eni shares and Employee Share Ownership Plan). The cost of the share-based incentive plan is measured by reference to the fair value of the equity instruments granted and the estimate of the number of shares that eventually vest; the cost is recognised on an accrual basis pro rata temporis over the vesting period, i.e. the period between the grant date and the settlement date. The fair value of the shares underlying the incentive plan is measured at the grant date, taking into account the estimate of achievement of performance parameters associated with market conditions (e.g. Total Shareholder Return), and is not adjusted in subsequent periods; when the achievement is linked also to non-market conditions, the estimated number of shares expected to vest is adjusted during the vesting period to reflect the updated estimate of these conditions. If, at the end of the vesting period, the incentive plan does not vest because of failure to satisfy the performance conditions, the portion of cost related to market conditions is not reversed to the profit and loss.

Significant accounting estimates and judgements: employee benefits and share-based payments

Defined benefit plans are evaluated with reference to uncertain events and based upon actuarial assumptions. The significant assumptions used to account for defined benefit plans are determined as follows: (i) discount and inflation rates are based on market yields on high quality corporate bonds (or, in the absence of significant market for such bonds, on market yields on government bonds) and on the expected inflation rates in the reference currency area; (ii) the future salary levels of the individual employees are determined based on elements including expectations of inflation, productivity, career and seniority advancements; (iii) the future cost of healthcare services is determined according to the present and past trend in the cost of healthcare services, including assumptions concerning the inflationary rise of such costs, changes in the health status of entitled persons and the contributions paid to health funds; and (iv) demographic assumptions reflect the best estimate of the trend of variables, such as mortality, disability and turnover.

Normally, the amount of the net defined benefit liability (asset) changes according to the remeasurements, comprising, *inter alia*, changes in the current actuarial assumptions, differences in the previous actuarial assumptions and what has actually occurred, and differences in the return on plan assets, excluding amounts included in net interest.

Similar to the approach followed for the fair value measurement of financial instruments, the use of complex measurement techniques and identification, through structured and/or subjective judgements of the assumptions to adopt in the measurement also characterise the estimate of market value of the shares underlying the incentive plans.

Revenue from contracts with customers

Revenue from contracts with customers is recognised when the related performance obligation is fulfilled, or at the time of transfer to the customer of the promised goods or services; a promised good or service is transferred when the customer obtains control of it, which may occur over time, or at a specific point in time. With reference to the most important products sold by Versalis, the moment of recognition of the revenues generally coincides with the time of shipment.

Revenue is measured at the fair value of the consideration to which the company expects to be entitled in exchange for transferring promised goods and/or services to a customer, excluding amounts collected on behalf of third parties.

When goods or services are exchanged for goods or services of a similar nature and value, the associated revenue is not booked to the accounts.

CO_2 emission costs

Costs arising from emission quotas, determined according to market spot or forward prices, are recognised exclusively for CO2 emission quotas exceeding free allocations. Costs arising from the purchase of excess emission rights with respect to the quantity needed to meet normative obligations are capitalised and recorded under intangible assets. Income arising from emission quotas is recognised at the time of realisation through disposal. In the case of disposal, where present, the rights of acquired emission rights are considered sold first. Monetary receivables assigned in replacement of the free allocation of emission quotas are recorded as a matching entry under Other revenue and income.

Exchange differences

Revenues and costs associated with transactions in foreign currencies are translated into the functional currency by applying the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the spot exchange rate on the balance sheet date and any resulting exchange differences are included in the income statement under Finance income (expense), or, if designated as hedging instruments for the foreign currency risk, in the same line item in which the economic effects of the hedged item are recognised. Non-monetary assets and liabilities denominated in foreign currencies, measured at cost, are not retranslated subsequent to initial recognition. Non-monetary items measured at fair value, recoverable amount or net realisable value are retranslated using the exchange rate at the date when the value is determined.

Dividends

Dividends are recognised when the right to receive payment of the dividend is established.

Dividends and interim dividends payable to third parties are shown as changes in equity on the date when they are approved by, respectively, the Shareholders' meeting and the Board of Directors.

Income taxes

Current income taxes are determined on the basis of estimated taxable income; the estimated liability is posted under Current income tax payables. Current income tax assets and liabilities are measured at the amount expected to be paid to/recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are recognised for temporary differences arising between the carrying amounts of the assets and liabilities and their tax bases, based on tax rates and tax laws that are expected to apply in the period when the asset is realised or the liability is settled, according to tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets are recognised when their recoverability is considered probable, i.e. when it is probable that sufficient taxable profit will be available in the same year as the reversal of the deductible temporary difference. Similarly, deferred tax assets for the carry-forward of unused tax credits and unused tax losses are recognised to the extent that their recoverability is probable. Recoverability of deferred tax assets is verified at least on an annual basis.

Deferred tax liabilities related to the taxable timing differences associated with investments in subsidiaries and associates, and interests in joint arrangements, are not recognised if the investor is able to control the timing of reversal of the temporary differences and it is probable that said differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are included in non-current assets and liabilities and are offset at single entity level if related to off-settable taxes. The balance of the offset is recognised under Deferred tax assets, if positive, or Deferred tax liabilities, if negative. When the results of the transactions are recognised directly in the comprehensive profit statement or directly in equity; also the related current and deferred taxes are recognised in the comprehensive income statement or directly in equity.

Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in a normal transaction between market participants at the measurement date ("exit price").

Assets and liabilities measured at fair value are categorised into the fair value hierarchy which is defined on the basis of the significance of the inputs used to measure fair value. Notably, on the basis of the features of the inputs used in the measurement, the fair value hierarchy provides for the following levels:

a) Level 1: prices (unadjusted) quoted in active markets for identical assets or liabilities;

b) Level 2: measurement based on inputs, other than quoted prices included within the previous point, that are observable for the asset or liability under measurement, either directly or indirectly;

c) Level 3: unobservable inputs for the asset or liability.

Significant accounting estimates and judgements: fair value

Fair value measurement, although based on the best available information and on the use of appropriate valuation methods and techniques, is inherently uncertain, requires the use of professional judgements, and could result in value estimates that differ from the values that will be effectively realised.

Financial statement formats

Financial statement formats are identical to those used for the previous reporting period.

Change in accounting policies

There have been no changes in accounting policies producing significant effects on 2025 Financial Statements.

Recently issued accounting standards

Accounting standards and interpretations issued by the IASB and adopted by the European Commission

By Commission Regulation (EU) 2025/1047, issued on 27 May 2025, IASB publication *Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments* was adopted. Essentially, these amendments clarify both the timing of derecognition of financial liabilities settled using an electronic payment system and classification of financial assets with environmental, social and governance (ESG) features (e.g. sustainability bonds). Amendments are effective for annual reporting periods beginning on or after 1 January 2026.

By Commission Regulation (EU) 2025/1266, issued on 30 June 2025, IASB publication *Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity* was adopted. Essentially, these amendments: (i) clarify the application of the 'own-use' requirements for in-scope contracts; and (ii) subject to meeting certain criteria, permit designation of a hedged instrument in a cash flow hedge for contracts to buy or sell nature-dependent electricity (that can be net settled). Amendments are effective for annual reporting periods beginning on or after 1 January 2026.

By Commission Regulation (EU) 2025/1331, issued on 9 July 2025, IASB publication *Annual Improvements to IFRS Accounting Standards – Volume 11* was adopted. This mainly consists of editorial and technical amendments to International Accounting Standards . These amendments are effective for annual reporting periods beginning on or after 1 January 2026.

By Commission Regulation (EU) 2026/338, issued on 13 February 2026, IFRS 18 *Presentation and Disclosure in Financial Statements* was adopted, superseding IAS 1. In order to improve comparability and transparency of information, IFRS 18:

a) requires classification of income statement items in one of five categories (operating, investing, financing, income taxes and discontinued operations) and mandatory presentation of operating profit or loss before financing and income taxes;

b) as regards the statement of cash flows: (a) generally speaking, requires the classification of interest and dividends paid as net cash flows from financing activities; (b) generally speaking, requires the classification of interest and dividends received as cash flows from investing activities; (c) identifies operating profit or loss as the starting point for the indirect method of reporting cash flows from operating activities;

c) supplements the disclosures in the notes to the financial statements by requiring disclosure of management-defined performance measures, as well as reconciliation with subtotals in the income statement;

d) expands guidance on aggregation and disaggregation of information presented in primary financial statements or disclosed in the notes.

The requirements of IFRS 18 will apply to annual reporting periods beginning on or after 1 January 2027 with comparative amounts to be restated.

During 2025, analysis was performed to identify the areas affected by the new requirements and the respective impacts.

Accounting standards and interpretations issued by the IASB and not yet adopted by the European Commission

On 9 May 2024, the IASB issued IFRS 19 *Subsidiaries without Public Accountability: Disclosures*. This provides reduced disclosure requirements for IFRS Accounting Standards issued up until February 2021 when preparing separate (or consolidated) financial statements for direct or indirect subsidiary companies (that are not financial institutions or listed on a stock exchange) whose parent company prepares consolidated financial statements available for public use that comply with IFRS Accounting Standards. Furthermore, on 21 August 2025, the IASB amended IFRS 19 to provide, subject to meeting the eligibility conditions, reduced disclosure requirements for new IFRS Accounting Standards and amendments to IFRS Accounting Standards issued between February 2021 and May 2024. IFRS 19 requirements and amendments shall apply to annual reporting periods beginning on or after 1 January 2027.

On 13 November 2025, the IASB amended IAS21 by issuing *Translation to a Hyperinflationary Presentation Currency*, providing guidance on how to translate financial statements from a non-hyperinflationary functional currency to a hyperinflationary presentation currency. Amendments shall apply to annual reporting periods beginning on or after 1 January 2027. Versalis is currently studying the above-mentioned accounting standards to assess whether financial statements will be significantly affected following their adoption.

Business combinations and other significant transactions

During 2025, no business combinations or other transactions took place such as to have a significant effect on financial disclosure requirements.

Current assets

1. Cash and cash equivalents

Cash and cash equivalents total 170 million euro (159 million euro as at 31 December 2024), 100 million of which is held by Eni Group treasury companies.

2. Other current financial assets

Other current financial assets of 2 million euro (1 million euro as at 31 December 2024) refer to finance receivables held by Finproject S.p.A.

3. Trade and other receivables

Trade and other receivables appear as follows:

(€ million)	31/12/2025	31/12/2024
Trade receivables	370	442
Other receivables	102	170
	472	**612**

As a rule, trade receivables are non-interest bearing with payment terms of between 1 and 150 days.

As at 31 December 2025, trade receivables sold under non-recourse factoring agreements amounted to 144 million euro (135 million euro as at 31 December 2024).

The company differentiates between credit exposure arising from trade and other relationships based on a specific counterparty risk assessment. In particular, the probability of default is calculated on the basis of an in-house rating that takes account of: (i) specialist analysis of customer current and future solidity, liquidity and profitability; (ii) previous business dealings (payment punctuality, presence of risk-mitigating factors, etc.); (iii) any additional qualitative data obtained from the sales departments of individual business units and specialist info providers; (iv) any specific contractual provisions providing credit protection; (v) current performance and outlook for the sector in question. (vi) country risk that assesses the likelihood, over the medium term, of events affecting the debtor's operating environment that could jeopardise fulfilment of its obligations to Versalis. In-house ratings and corresponding default probability levels are updated by backtesting and current and forward-looking assessments of portfolio risk. The loss given default for these customers is estimated by company business units based on the historical recovery experience as regards trade receivables; for defaulted customers, estimates are used based on, amongst other things, historical experience of recovering debts subject to litigation or restructuring agreements.

For counterparties not undergoing an individual credit check, expected loss is calculated using homogeneous clusters on the basis of a generic model that summarises in a single parameter (the so-called expected loss ratio) default likelihood and loss given default based on company historical debt recovery rates, systematically updated and supplemented, where appropriate, by forward-looking considerations on changes in insolvency risk.
The following table shows details of gross credit risk exposure and impairment provision regarding trade and other receivables for which an assessment based on in-house ratings has been performed analytically and/or using the generic model:

(€ million)	Performing receivables	Receivables at risk of default	Total
Business customers	302	159	**461**
Other counterparties	142		**142**
Gross carrying amount as at 31 December 2025	**444**	**159**	**603**
Provisions	2	129	**131**
Net carrying amount as at 31 December 2025	**442**	**30**	**472**

Trade and other receivables are stated net of bad debt provision of131 million euro (133 million euro as at 31 December 2024). Other counterparty receivables include other receivables and Eni Group intercompany trade receivables. The following table shows changes to said bad debt provision during the 2025 reporting period:

(€ million)	Total
Bad debt provision as at 31 December 2024	**133**
- additional provision for non-performing trade and other receivables	4
- write-offs of non-performing trade and other receivables charged against the provision	(3)
- variation due to change in the scope of consolidation	(2)
- other changes	(1)
Bad debt provision as at 31 December 2025	**131**

Please see the heading 'Credit risk' for further details of Group exposure to potential losses should a counterparty fail to honour its obligations.

During the course of the year, the bad debt provision was used to write off trade receivables totalling 1 million euro. Other receivables are broken down as follows:

(€ million)	31/12/2025	31/12/2024
Eni Group intercompany receivables	23	69
Receivables from parent company	14	9
Advances for services and security deposits	12	11
Receivables regarding grants due for renewable energy production	8	14
Receivables from affiliates	8	8
Receivables from government agencies	5	
Factoring receivables	5	
Joint venture receivables	2	3
Receivables for patents and royalties	2	8
Employee receivables	1	2
Receivables from foreign tax authorities	1	
Other receivables	21	46
	102	**170**

Eni Group intercompany receivables (23 million euro) mainly regard costs passed on by Versalis S.p.A. to Eni Rewind S.p.A. for environmental remediation projects covered by the undertaking for former EniChem sites (12 million EUR), receivables due to Versalis Pacific Trading from Eni Congo for professional services (7 million EUR), outstanding balances due for Virgin Naphtha supplied to Eni Trade and Biofuels S.p.A. (1 million euro) and the supply of fuel vouchers to Enilive S.p.A. (1 million euro).

Receivables of 14 million euro from parent company, Eni S.p.A., mainly relate to VAT Group membership (10 million euro) and services provided by Versalis Oilfield Solutions S.r.l. to the Eni S.p.A. – Natural Resources Division (3 million euro). Receivables from joint venture partners totalling 2 million euro mainly concern services provided by Versalis Pacific Trading to Lotte Versalis Elastomers.

Other receivables of 21 million euro regard different transactions, not included in the previous categories, involving Versalis Asia Pacific (5 million euro), Novamont (5 million euro), Versalis France (2 million euro) and Versalis Deutschland (2 million euro).

Fair value recognition of trade and other receivables has no material impact, given the short time elapsing between recognising the receivable and its due date. See note 35 for details of related-party receivables.

4. Inventories

Inventories are broken down as follows:

	31/12/2025				31/12/2024			
(€ million)	Petroleum products	Chemicals	Other	Total	Petroleum products	Chemicals	Other	Total
Raw materials, factory supplies and consumables	3	184	102	289	63	215	106	384
Work in progress and partly-finished goods		37	1	38		30		30
Finished products and goods		561	23	584		687	20	707
	3	**782**	**126**	**911**	**63**	**932**	**126**	**1,121**

Other inventories mainly refer to technical materials and packaging. Changes to inventories and inventory write-down provisions are broken down as follows:

(€ million)	Opening value	Changes during the period	Additional provision	Write-downs	Exchange rate differences	Variation due to change in consolidation scope	Other changes	Carrying amount
31/12/2025								
Gross inventories	1,265	(204)				8	(4)	1,065
Provisions	(144)		(28)	14			4	(154)
Net inventories	**1,121**	**(204)**	**(28)**	**14**		**8**		**911**
31/12/2024								
Gross inventories	1,260	10			(1)	(4)		1,265
Provisions	(141)		(14)	11				(144)
Net inventories	**1,119**	**10**	**(14)**	**11**	**(1)**	**(4)**		**1,121**

Inventory is not pledged as collateral. 2025 inventory write-down provisions essentially regard adjustments to the carrying amount of finished goods inventory to reflect net realisable value.

5. Current income tax assets

Current income tax assets total 7 million euro (6 million euro as at 31 December 2024) and refer to receivables due from Italian and foreign tax authorities. See note 34 for further details about taxes.

6. Other assets

Other assets are broken down as follows:

(€ million)	31/12/2025	31/12/2024
Current tax assets	18	35
Non-hedging derivatives at fair value		3
Other assets	5	8
	23	**46**

Other assets of 23 million euro (46 million euro as at 31 December 2024) mainly regard VAT credits (16 million euro), an R&D tax credit accrued and recognised by Versalis S.p.A., but not utilised at year end (2 million euro), Versalis France non-hedging derivatives (2 million euro) and prepaid rent, leasing charges and insurance premiums (3 million euro).

Non-current assets

7. Property, plant and equipment

Property, plant and equipment appear as follows:

(€ million)	Net opening balance	Capital expenditure	Amortisation/depreciation	Write-downs and reversals	Exchange rate differences	Variation due to change in consolidation scope	Other changes	Net carrying amount	Gross carrying amount	Depreciation/amortisation and provisions
31/12/2025										
Land	15	3		(6)		1	(2)	**11**	116	105
Buildings	74	1	(4)	(2)	(1)	8		**76**	450	374
Plant and machinery	340	72	(44)	(85)		5	(24)	**264**	6,291	6,027
Industrial and commercial tools and equipr	14	5	(4)	(1)				**14**	141	127
Other assets	12	2	(1)	(1)			(1)	**11**	51	40
Intangible fixed assets under development	93	77		(67)			40	**143**	580	437
	548	**160**	**(53)**	**(162)**	**(1)**	**14**	**13**	**519**	**7,629**	**7,110**
31/12/2024										
Land	17			(2)				**15**	113	98
Buildings	76	3	(4)	(1)				**74**	438	364
Plant and machinery	387	66	(47)	(64)			(2)	**340**	6,209	5,869
Industrial and commercial tools and equipr	16	2	(4)					**14**	135	121
Other assets	14	1	(3)					**12**	49	37
Intangible fixed assets under development	68	120		(94)			(1)	**93**	476	383
	578	**192**	**(58)**	**(161)**			**(3)**	**548**	**7,420**	**6,872**

Investments of 160 million euro (192 million euro in 2024) are mentioned under the specific heading in the Directors' Report.

Capitalised borrowing costs for the reporting period total 5 million euro (same amount as 2024) and are determined by applying an interest rate of 3.18% (3.45% in 2024). Internally-generated costs capitalised during the reporting period total 12 million euro (14 million euro in 2024) and mainly regard work performed by in-house staff.

Construction in progress and payments on account mainly concern circular economy schemes for mechanical recycling projects and upgrading of buildings at the Porto Marghera site, the new wastewater treatment plant in Priolo and revamping of the Neocis/Sol facility in Ravenna.

The main depreciation rates applied are virtually unchanged compared to the previous year and fall within the following ranges:

(APR)	2025	2024
Buildings	2 - 14	2 - 14
Plant and machinery	2 - 14	2 - 24
Industrial and commercial tools and equipment	5 - 33	5 - 33
Other assets	10 - 33	10 - 20

Property, plant and equipment are not encumbered by mortgages or statutory liens.

The net amount of government grants and reimbursements from third parties deducted from property, plant and equipment totals 2 million euro (2 million euro as at 31 December 2024). Assets for which government grants have been received are subject to certain restrictions. These restrictions mainly consist of a requirement that the subsidised assets continue to be used for their intended purpose for at least five years from commissioning date. Failure to comply with this restriction will entitle the funder to demand reimbursement of the grant plus interest.

Details of the methods used to determine net reversals of impairment losses (impairment losses) and the respective analysis are given in note 10.

8. Leasing transactions acting as a lessee

Details follow of leased right-of-use assets and lease liabilities:

	Right-of-use assets		**Total**
(€ million)	Land and buildings	Other assets	
Opening balance on 01/01/2025	26	3	**29**
Additions	2	1	**3**
Amortisation/depreciation	(2)	(3)	**(5)**
Other changes		(1)	**(1)**
Carrying amount as at 31/12/2025	**26**		**26**

	Lease liabilities		**Total**
(€ million)	Short-term	Long-term	
Opening balance on 01/01/2025	6	56	**62**
Additions		3	**3**
Reductionss	(6)	(1)	**(7)**
Exchange rate differences			
Other changes	4	(5)	**(1)**
Carrying amount as at 31/12/2025	**4**	**53**	**57**

The *Land and buildings* category of *Leased right-of-use assets* mainly concerns the right to use land on which certain Group industrial sites are located.

Total cash outflows for leases amounted to 7 million euro, mainly relating to principal repayments of lease liabilities. Payment of related financial expenses for the reporting period amounted to 1 million euro. The following totals are recognised in the income statement:

(€ million)	**2025**	**2024**
Purchases of good and services and other expenses (leases of low value assets)		1
Depreciation, amortisation and impairment		
- Depreciation of right-of-use assets	5	4
- Net impairment of right-of-use assets		
Financial income (expenditure)	(2)	(1)

9. Intangible assets

Intangible assets are broken down as follows:

(€ million)	Net opening balance	Capital expenditure	Variation due to change in consolidation scope	Amortisation/depreciation	Write-downs and reversals	Disposals	Other changes	Net carrying amount	Gross carrying amount	Depreciation/amortisation and provisions
Intangible assets with a definite useful life										
- Development costs									30	**30**
- Industrial patent and intellectual property rights	**237**			(19)				**218**	318	**100**
- Concession rights, licences, trademarks and similar rights	**240**	3		(30)	(14)		2	**201**	443	**242**
- Intangible fixed assets under development and advances	**29**	9					(4)	**34**	41	**7**
- Other Intangible assets	**131**	10		(10)	(22)		(10)	**99**	284	**185**
Intangible assets with an indefinite useful life										
- Goodwill	**117**		2					**119**	119	
- Othe intangible assets with an indefinite useful life	**26**							**26**	26	
	780	**22**	**2**	**(59)**	**(36)**		**(12)**	**697**	**1,261**	**564**
31/12/2024										
Intangible assets with a definite useful life										
- Development costs	**1**			(1)					31	**31**
- Industrial patent and intellectual property rights	**287**			(19)			(31)	**237**	315	**78**
- Concession rights, licences, trademarks and similar rights	**245**			(31)		(3)	29	**240**	440	**200**
- Intangible fixed assets under development and advances	**32**	18					(21)	**29**	35	**6**
- Other Intangible assets	**136**			(12)	(2)	(6)	15	**131**	283	**152**
Intangible assets with an indefinite useful life										
- Goodwill	**112**						5	**117**	117	
- Other intangible assets with an indefinite useful life	**26**							**26**	26	
	839	**18**		**(63)**	**(2)**	**(9)**	**(3)**	**780**	**1,247**	**467**

Industrial patent rights of 218 million euro (237 million euro as at 31 December 2024) mainly refer to the value of Novamont patents as assigned by the finalised Purchase Price Allocation (PPA), drafted in 2024, net of amortisation. The net value of these assets as at 31 December 2025 is 210 million euro.

Likewise, concession rights, licences and trademarks totalling 201 million euro (240 million euro as at 31 December 2024) mainly concern trademarks and authorisations/permits identified by the finalised Novamont PPA, in particular, Mater-Bi and BioBag trademarks totalling 132 million, permits to operate cogeneration (CHP) and trigeneration (CCHP) plants (respectively, 22 and 14 million euro) and for biomethane production (1 million euro). The remainder mostly regards industrial licences.

Intangible fixed assets under development and advances mainly refer to know-how and licences connected with the development of advanced chemical recycling plants.

Other intangible assets of 99 million euro (131 million euro as at 31 December 2024) mainly concern Finproject Group customer relationships and know-how totalling 54 million euro, as well as Novamont and BioBag customer lists to which the finalised PPA assigned a value of 18 million euro

Goodwill of 119 million euro (117 million euro as at 31 December 2024) arises from acquisition of the Finproject Group in 2021 (93 million euro), acquisition of the Novamont Group in 2023 (24 million euro) and, in 2025, inclusion in the scope of consolidation of Tecnofilm S.p.A. (with the company's subsequent merger by absorption into Finproject S.p.A.) (2 million euro).

Other assets with an indefinite useful life totalling 26 million euro mainly regard the Finproject Levirex® and Extralight® trademarks.

Details of the methods used to determine net reversals of impairment losses (impairment losses) and the respective analysis are given in note 10.

The main amortisation rates applied fall within the following ranges:

(APR)	2025	2024
- Industrial patent and intellectual property rights	10 - 33	10 - 20
- Concession rights, licences, trademarks and similar rights	5 - 10	4 - 18
- Other Intangible assets	7 - 20	3 - 20

In 2025, no government grants were received that reduced the carrying amount of intangible assets (6 million euro as at 31 December 2024).

10. Impairment losses on tangible and intangible assets and leased right-of-use assets

Recognised impairment losses are calculated by comparing an asset's book value with its recoverable amount, this being the higher of its fair value less disposal costs and its value in use. Bearing in mind the nature of Versalis Group activities, details of an asset's fair value are hard to obtain, except when negotiating with a potential buyer. Therefore, management estimates its value in use.

Impairment testing was performed by comparing the carrying amount of each CGU with its value in use, measured using the Discounted Cash Flow method (income approach). The time frame is 20 years (in keeping with the economic and technical life of a facility). As regards the Eni 2026-2030 and long-term scenarios, the outlook for chemical commodities over the five-year period is broadly in line with the previous plan, with the exception of declining polyethylene margins.

The Value In Use of CGUs is calculated by discounting the estimated cash flows of the four-year plan, excluding both outflows from research and development investments and their expected benefits. The contribution margin forecast for each product family is calculated by using expected chemical industry spreads and variable costs based on baseline scenario parameters. For subsequent years, the standard material balance from the final year of the plan is utilised; an incremental rate equal to inflation is applied to overheads. Up until the end of the economic/technical life, stay-in-business investments are constant (real term) and equal to the average of planned and historical investments. Free allocations of EUAs to assist compliance with GHG emission obligations will be steadily reduced by 4% year on year.

The value in use of the Biochemical Division's CGU is based on a five-year plan that assumes growth with the support of a number of measures already in place, such as: (i) feedstock differentiation, (ii) development of the agri-feedstock value chain, (iii) improvement of go-to-market strategy for bioplastics and bioproducts through product and market specialisation and (iv) further internationalisation of production activities and expansion into new geographic markets.

The value in use of the Compounding Division's CGU has been calculated in accordance with a five-year plan that basically mirrors the previous one. Areas of development regard expansion of the business into premium markets (e.g. state-of-the-art compounds for wire & cable) and internationalisation of production activities and expansion into new geographic markets (e.g. USA).

In 2025, management specified the Cash Generating Units (CGUs): Intermediates, Styrenics, Elastomers, Polyethylene, Biochemicals, Biotech Crescentino, Compounding and Mechanical Recycling. The converted industrial sites of Porto Marghera, Ragusa, Priolo and Brindisi were separated from their respective CGUs and fully impaired. An exception was made for the conversion work at the Priolo site, where the constituent assets of the TAR CR62 wastewater treatment plant were separated, since this is an ongoing investment required before construction of the biorefinery can begin. This operation has resulted in an impairment loss reversal of around 26 million euro.

In 2025, all stay-in-business investments made during the year and capitalised to CGUs that had already been fully impaired in the previous year were impaired, leading to:

- Intermediates CGUs: impairment loss of 38 million euro;
- Styrenics CGUs: impairment loss of 7 million euro;
- Elastomers CGUs: impairment loss of 36 million euro;
- Biotech Crescentino CGUs: impairment loss of 2 million euro;

all these impairment losses reduced the carrying amounts of the respective CGUs to zero. Such assessment was confirmed by the impairment tests performed on the individual CGUs that determined a recoverable amount of zero.

Furthermore, impairment losses were recognised for the constituent assets of the Porto Marghera logistics hub in the sum of 9 million euro and Biochemical Business Unit licences no longer offering benefits in the sum of 14 million euro.

The Polyethylene CGU has suffered a significant decrease in its value in use as a result of the lower margins forecast by the five-year plan, reflecting weak market conditions in recent years and the effect of competitive pressure on sales prices. The lower value in use has led to an impairment loss of 20 million euro, all of which is attributable to assets from the Ferrara site that, within the boundary of the CGU, is the one with the worst cash flow forecasts.

On the other hand, no impairment losses or reversals of impairment losses were recognised for assets belonging to the Biochemical, Mechanical Recycling and Compounding CGUs whose impairment tests all resulted in a recoverable amount exceeding the carrying amount. Carrying amounts as at 31 December 2025 are 663, 66 and 270 million euro, respectively; on the other hand, headroom is, respectively, 102%, 136% and 148% of the carrying amount.

As regards discounting of the cash flows calculated in the manner and according to the criteria set out above, the applied discount rate (WACC) for all CGUs was 6.7% other than in the case of Biochemicals and Mechanical Recycling where the WACC utilised was 5.8%.

Considering the volatile nature of the scenario, management has assessed the reasonableness of its assumptions and the result of the impairment test using sensitivity analysis, particularly as regards the WACC and cash flow forecasts. Analysis showed that a 5% reduction in the benchmark polyethylene contribution margin spread would result in full impairment of the Polyethylene CGU’s carrying amount, while a 20% increase in the WACC would give rise to an additional impairment loss of €20 million for the Polyethylene CGU. No significant effect on the other CGUs was observed.

11. Investments accounted for using the equity method

Investments accounted for using the equity method appear as follows:

(€ million)	Net opening balance	Acquisitions and share subscriptions	Investments accounted for using the equity method	Other changes	Net carrying amount
31/12/2025					
Investments in:					
- subsidiaries	21		(1)	(14)	6
- affiliates	30				30
- joint ventures	61	29	(3)	(5)	82
	112	**29**	**(4)**	**(19)**	**118**
31/12/2024					
Investments in:					
- subsidiaries	2	17	2		21
- affiliates	31				31
- joint ventures	43	34	(14)	(3)	60
	76	**51**	**(12)**	**(3)**	**112**

Acquisitions and share subscriptions totalling 29 million euro regard the cost of subscribing to the capital increase in Lotte Versalis Elastomers.

The 4 million euro negative adjustment arising from investments accounted for using the equity method regards Lotte Versalis Elastomers (3 million euro) and Finproject S.p.A. and BioBag International AS subsidiaries excluded from the consolidation scope (1 million euro).

Other negative changes totalling 19 million euro mainly regard the valuation of the stake in Tecnofilm S.p.A. that during 2025 changed its valuation method from equity to line-by-line consolidation, before undergoing merger by absorption into Finproject S.p.A.

Stakes valued using the equity method mainly regard the following businesses:

(€ million)	**31/12/2025**	**31/12/2024**
Lotte Versalis Elastomers Co Ltd	81	61
Priolo Servizi ScpA	21	21
Ravenna Servizi Industriali ScpA	4	4
Servizi Porto Marghera Scarl	3	3
Finproject Asia Ltd	2	
Brindisi Servizi Generali Scarl	1	1
IFM Ferrara ScpA	1	1
VPM Oilfield Specialty Chemicals Llc	1	1
BioBag Plastics Ltd	1	1
Padanaplast America Llc	1	1
Tecnofilm SpA		17
BioBag Zenzo AS		1
Others	...	...
	118	**112**

The full list is available in the appendices to the financial statements.

12. Other investments

Other investments mainly regard Consorzio Exeltium SAS. The full list with ownership percentages is available in the appendices to the financial statements.

13. Other financial assets

Other financial assets amount to less than one million euro (1 million euro as at 31 December 2024) and refer to finance receivables from parent company, Eni, for employee loans.

14. Deferred tax assets

Deferred tax assets of 377 million euro (350 million euro as at 31 December 2024) are recognised net of deferred tax liabilities available for offset of 209 million euro (201 million euro as at 31 December 2024) and shown net of write-downs totalling 358 million euro (of which 279 million euro regard tax loss carry-forwards).

(€ million)	31/12/2025	31/12/2024
Deferred tax assets	586	551
Deferred tax liabilities available for offset	(209)	(201)
Net deferred tax assets	**377**	**350**

See note 34 for further details about income taxes. The temporary differences that have given rise to deferred tax assets are as follows:

(€ million)	Value at 31/12/2024	Additions	Net write-downs	Value at 31/12/2025
Deferred tax assets:				
- non-deductible write-downs	387	59	(60)	386
- tax loss	825	332	(879)	278
- provisions for risks and charges	66	43	(6)	103
- provision for employee benefits	13	2	(3)	12
- leasing	13	(1)		12
- other	161	(8)		153
Total deferred tax assets	**1.465**	**427**	**(948)**	**944**
Write-down)/reversal of deferred tax assets	(914)	(39)	595	(358)
Deferred tax assets net of impairment charge	**551**	**388**	**(353)**	**586**
deferred tax assets				
- excess tax depreciation	180	8		188
- other	21			21
Offset deferred tax liabilitiest	**201**	**8**		**209**
Net deferred tax assets	**350**	**380**	**(353)**	**377**

During the reporting period, Eni S.p.A. arranged to update its regulations governing the National Tax Consolidation Regime that were subsequently approved by the Board of Directors of Versalis S.p.A. as a member of the consolidated group. Under the terms of the new Regulations, Versalis S.p.A. is classified as a 'partly compensated' company and therefore tax losses considered unlikely to be recovered are transferred, without consideration, to the tax consolidation group. As a result, the company transferred to the tax consolidating entity (and parent company), Eni S.p.A., tax loss carryforwards for which gross deferred tax assets of 600 million euro had been recognised as at 31 December 2024 and fully written down, in addition to the current-year tax loss whose theoretical corporation tax benefit would have been 279 million euro. Changes occurring during the year as shown in the table under *Total deferred tax assets* and *(Write-down)/reversal of deferred tax assets* reflect this situation. As a partly compensated parent company, Versalis S.p.A. has recognised deferred tax assets in line with the expected taxable income over the next 12 years of chemical industry companies belonging to the tax consolidation group.

15. Other assets

Other assets amounting to 157 million euro (217 million euro as at 31 December 2024) mainly regard environmental costs to be charged to third parties (153 million euro), employee receivables and other tax credits (2 million euro) and security deposits (1 million euro).

Current liabilities

16. Short-term financial liabilities

Short-term financial liabilities of 431 million euro (227 million euro as at 31 December 2024) regards short-term lines of credit granted by a parent company Eni S.p.A. amounting to 427 million euro and payables to factoring companies of 2 million euro for customer payments received and requiring transfer. Although formally considered short-term, credit lines are renewed upon maturity date for amounts that take borrowing requirements into account.

Most of the remainder regards sums that BioBag International has borrowed from third-party banks (2 million euro). The average annual interest rate was 3.91% (3.45% as at 31 December 2024).

17. Current portion of long-term debt

For details regarding the current portion of long-term debt totalling 437 million euro (221 million euro as at 31 December 2024), please see Note 21 *Long-term financial liabilities and current portions of long-term debt*.

18. Trade and other payables

Trade and other payables appear as follows:

(€ million)	31/12/2025	31/12/2024
Trade payables	553	661
Other payables:		
- relating to capital expenditure	13	30
- other	309	292
	875	**983**

Trade payables of 553 million euro regard amounts owed to third-party suppliers (345 million euro), payables to affiliates, joint ventures and other Eni Group subsidiaries (114 million euro) and payables to parent company, Eni S.p.A. (94 million euro).

Capital expenditure liabilities amount to 13 million euro and mainly regard long-term maintenance work at Versalis S.p.A. facilities.

Other payables of 309 million euro mainly regard sums allocated for carbon credit purchases (161 million euro broken down into Versalis S.p.A. 117 million, Versalis France 40 million and Novamont S.p.A. 4 million), accrued salaries and benefits (60 million euro), national insurance/social security contributions (22 million euro), sums due to parent company, Eni S.p.A., representing share of Group VAT (14 million euro), trade payables now due to factoring companies (5 million euro) and payables to consultants and professionals (2 million euro).

Fair value recognition of trade and other payables has no material impact, given the short time elapsing between recognising the receivable and its due date.

See note 35 for details of related-party payables.

19. Income tax liabilities

Income tax liabilities of 2 million euro (13 million euro as at 31 December 2024) mainly regard foreign income taxes owed by Foam Creations Mexico (1 million euro) and BioBag Americas (1 million euro).

20. Other liabilities

Other liabilities are broken down as follows:

(€ million)	31/12/2025	31/12/2024
Deferred income	28	24
Other current tax liabilities	14	16
Advances and prepayments	2	7
Non-hedging derivatives at fair value	1	2
	45	**49**

Other current tax liabilities mainly refer to withholding taxes due to the tax authorities.

The fair value of derivatives (that do not qualify as a hedging instrument, but have no speculative purpose) is recognised in the balance sheet on the basis of values determined and notified by parent company, Eni S.p.A. Although not held for trading or speculative purposes, these derivatives do not meet all qualifying requirements for hedge accounting.

Non-current liabilities

21. Long-term financial liabilities and current portions of long-term debt

Long-term financial liabilities, including current portions, total 2,025 million euro (2,452 million euro as at 31 December 2024) and appear as follows:

	46,022			**45,657**		
(€ million)	Long-term portions	Short-term portions	Total	Long-term portions	Short-term portions	Total
Loans from Eni	1,577	436	2,013	2,227	216	2,443
Other lenders	11	1	12	4	5	9
	1,588	**437**	**2,025**	**2,231**	**221**	**2,452**

The average effective interest rate was 2.16% (2.16% in 2024). Financial liabilities are not secured by mortgages or liens on real property. Net debt as mentioned in the Directors' Report under *Review of operating performance and financial position* can be broken down as follows:

(€ million)	31/12/2025	31/12/2024
A. Cash	170	159
B. Cash equivalents		
C. Other current financial assets	2	1
D. Total liquidity (A+B+C)	**172**	**160**
E. Current financial debt	431	227
F. Current portion of non-current debt (including lease liabilities)	441	227
G. Current debt (E+F)	**872**	**454**
H. Current net debt (G-D)	**700**	**294**
I. Non-current debt (including lease liabilities)	1,641	2,287
J. Debt instruments		
K. Trade and other non-current payables		
L. Non-current debt (I+J+K)	**1,641**	**2,287**
M. Total debt (H+L)	**2,341**	**2,581**

22. Provisions

Provisions total 568 million euro (418 million euro as at 31 December 2024) and appear as follows:

(€ million)	46,022	45,657
Environmental liability provision	369	328
Site decommissioning and restoration provision	130	40
Site closure and restructuring provision	27	28
Voluntary redundancy scheme provision	3	4
EVEREN (formerly OIL) mutual insurance provision	2	2
Litigation/dispute provision	19	2
Other provisions	18	14
	568	**418**

Environmental liability provision amounting to 369 million euro includes the cost of environmental remediation at various company sites not covered by the indemnity issued by Eni Rewind S.p.A. upon transfer of the Strategic Chemicals Business Unit. Additions to the environmental liability provision during the reporting period amounting to 79 million euro regard revised forecasts following an update of remediation project costs and timeframe based on in-house and external assessments conducted with the assistance of specialist companies.

Decommissioning and restoration provision of 130 million euro concerns shutdown of the polyethylene facility in Ragusa and the Priolo site. Turning to Brindisi, where production was halted during the course of the year, no additional provision has been made because at present: (i) with no redundancies planned, severance indemnity provision is unnecessary, (ii) site production facilities are being converted rather than permanently shut down and the company is under no obligation to arrange for dismantling/decommissioning, (iii) if closing the crackers, the expense of placing facilities in a safe condition would be treated as operating costs. Such measures are not required by law and may be considered an alternative to ongoing site monitoring, (iii) a final decision has yet to be made regarding what will happen at the sites undergoing conversion and (iv) downstream facilities are still operative and it would be possible to restart production even after the shutdowns.

Site closure and restructuring provision of 27 million euro mainly regards deconstruction of the Versalis UK Grangemouth site (15 million euro) and the Sarroch site (8 million euro) and restructuring of the Porto Marghera site (3 million euro).

Voluntary redundancy scheme provision of 3 million euro regards the costs of redundancy procedures.

EVEREN (formerly OIL) mutual insurance provision of 2 million euro regards the increased insurance premiums to be paid over the next five years to the mutual insurance company, Oil Insurance Ltd, in which Eni Group and other oil companies hold a stake.

Litigation/dispute provision of 19 million euro mainly regards the case brought by the Italian Competition and Markets Authority (AGCM) against Novamont for alleged abuse of its dominant position in the biodegradable-bag sector (16 million euro) and employment disputes (2 million euro).

Other provisions totalling 18 million euro mainly concern asset integrity upgrades at the Sant'Elpidio a Mare compounding plant of 4 million euro, redundancy costs of 7 million euro and accruals of social security contributions and severance indemnity relating to executive deferred compensation plans totalling 3 million euro.

(€ million)	Opening value	Additional provision	Amounts used for liabilities	Amounts used for redundancies	Variation due to change in consolidation scope	Other changes	Carrying amount
31/12/2025							
Environmental liability provision	328	79	(38)				**369**
Site decommissioning and restoration provision	40	90					**130**
Site closure and restructuring provision	28	4	(5)				**27**
Voluntary redundancy scheme provision	4		(1)				**3**
EVEREN (formerly OIL) mutual insurance provision	2						**2**
Litigation/dispute provision	2	19		(2)			**19**
Other provisions	14				4		**18**
	418	**192**	**(44)**	**(2)**	**4**		**568**
31/12/2024							
Environmental liability provision	199	152	(23)	-		-	**328**
Site decommissioning and restoration provision		40					**40**
Site closure and restructuring provision	45		(7)	-		(10)	**28**
Voluntary redundancy scheme provision	1	-	(8)	-		11	**4**
EVEREN (formerly OIL) mutual insurance provision	2						**2**
Litigation/dispute provision	1	1	-	-		-	**2**
Other provisions	17	1	(3)	-		(1)	**14**
	265	**194**	**(41)**				**418**

23. Employee benefit provision

Employee benefit provision amounting to 55 million euro is broken down as follows:

(€ million)	31/12/2025	31/12/2024
Employee severance indemnity	29	30
Executive Supplemental Health Fund (FISDE) and other foreign healthcare plans	9	9
Foreign pension schemes		(1)
Other employee benefit provisions	17	26
	55	**64**

Regulated by section 2120 of the Italian Civil Code, severance indemnity provision takes account of the amount due to employees of Italian companies when terminating employment, this being measured using actuarial techniques. Payable as a lump sum, the indemnity represents the amount accrued on the various items of employee remuneration that is revalued until employment is terminated. As a result of changes to legislation taking effect from 1 January 2007, the severance indemnity is allocated to pension funds, the so-called 'Treasury Fund' managed by INPS (Italian Social Security Agency) or, when a business has less than 50 employees, it may remain within the company. This means that a significant amount of the severance indemnity accrued after this date will be classified as a defined contribution plan since the entity's obligation is limited to the amount of contributions paid to the pension fund or INPS. The liability relating to the severance indemnity accrued prior to 1 January 2007 will continue to represent a defined benefit plan that is measured using actuarial techniques.

The total liability and service cost relating to the Eni Group Executive Supplemental Health Fund (FISDE) and other foreign healthcare plans are determined on the basis of the amount that the company pays in on behalf of retired executives.

Other long-term employee benefits provisions mainly regard deferred compensation plans, the long-term incentive plan and long-service benefits. Deferred compensation plans consider the estimated variable compensation based on company performance that will be paid to executives who have achieved their individual targets.

Details follow of the main terms of the **executive incentive plans** with Eni shares still to be granted at year-end 2025.

The AGMs held on 13 May 2020 and 10 May 2023 approved the 2020-2022 and 2023-2025 Long-Term Incentive Plans that have allocated a maximum of 20 million treasury shares to the 2020-2022 Plan and 16 million treasury shares to the 2023-2025 Plan. These Long-Term Incentive Plans state that three allocations of ordinary shares (in 2020, 2021 and 2022 and subsequently in 2023, 2024 and 2025) will be granted to each of the recipients who are the Eni CEO and executives of Eni and its subsidiaries in critical managerial roles, selected from amongst those holding positions most directly accountable for company results or of strategic interest, including key executives. Under the terms of the plan, beneficiaries will receive a free allocation of Eni shares at the end of a three-year vesting period provided they remain in employment.

The vesting characteristics of share-based compensation plans are similar and linked to achievement of the company's preset targets in terms of financial performance and, starting with the 2025 allocation, also balance sheet metrics, relative share-price performance compared to a peer group of Eni competitors and certain environmental-sustainability and emission-reduction KPIs, weighted 40%, 25% and 35%, respectively, for the most recent share-based compensation plan. In the past, share vesting also included certain industrial objectives.

Depending on how these indicators perform, the number of free shares actually granted three years after initial allocation is likely to range from 0% to 180% of the initial award. 50% of the shares ultimately granted to each beneficiary still employed by the Group will be subject to a lock-up clause preventing transfer for 2 years from date of receipt.

The total amount awarded by Eni on grant date was: (i) in 2025, 1,983,223 shares; weighted average fair value on the same date was 11.65 euro per share; (ii) in 2024, 1,889,808 shares; weighted average fair value on the same date was 9,39 euro per share; ((iii) in 2023, 1,909,849 shares; weighted average fair value on the same date was 10.82 euro per share.

Fair value measurement was carried out using suitable valuation techniques, taking into account the different performance conditions specified by the plans (stochastic method) and considering, in particular, the Eni share-price on the grant date (€15.586 and €15.930 depending on the grant date for the 2025 award; €14.428

and €13.416 depending on the grant date for the 2024 award; €15.482 and €15.068 depending on the grant date for the 2023 award), less expected dividends during the vesting period (providing an average annual yield on the grant date of 7.2% and 7.1% for the 2025 award, 7.3% and 7,9% for the 2024 award, 6.6% and 6.8% for the 2023 award), bearing in mind share price volatility (21.97% and 22.24% for the 2025 award; 23.7% and 21.8% for the 2024 award; 28.2% and 28.4% for the 2023 award), assumptions regarding achievement of performance conditions and the reduced value of shares subject to a lock-up clause.

Costs of Long-Term Incentive Plans total 1.8 million euro (0.4 million and 1.4 million euro in 2024 and 2023, respectively) with offsetting entry under equity reserves.

The Annual General Meeting on 15 May 2024 approved the Employee Share Ownership Plan that is designed to bolster Eni employees' sense of belonging to the company and encourage their involvement in increasing corporate value, in line with shareholder interests. The Plan specifies three annual allocations in the 2024-2026 period for employees of Eni and its subsidiaries.

For 2025, Eni allocated free shares to permanent employees in Italy (as was the case in 2024) and abroad that they cannot transfer and/or sell for 3 years from grant date (lock-up period).

The total number of shares awarded by Eni was 3,289,345 in 2025 (grant date 27 November) and 3,102,700 in 2024 (grant date 27 November 2024).

The costs of the Employee Share Ownership Plan, with offsetting entry under equity reserves, total 3.3 million euro in 2025 and 0.3 million euro in 2024.

Employee benefit provisions, measured using actuarial techniques, are broken down as follows:

	31/12/2025				
(€ million)	Severance indemnity	Foreign defined benefit plans	FISDE and other foreign healthcare plans	Other long-term employee benefit provisions	Total
Opening net value of obligation	**30**	**(1)**	**9**	**26**	**64**
Current service cost		1		1	2
Interest cost	1				1
Remeasurements		1			1
Past service cost and gains/losses from settlements				(2)	(2)
Contributions to the plan					0
Benefit payments	(2)	(1)		(8)	(11)
Closing value of obligation	**29**	**0**	**9**	**17**	**55**

(€ million)	31/12/2024 Severance indemnity	 Foreign defined benefit plans	 FISDE and other foreign healthcare plans	 Other long-term employee benefit provisions	 Total
Opening net value of obligation	**32**	**(2)**	**10**	**23**	**63**
Current service cost		1		6	7
Interest cost	1			1	2
Remeasurements		1			1
Past service cost and gains/losses from settlements	(2)	(1)		(4)	(7)
Contributions to the plan					0
Benefit payments	(1)		(1)		(2)
Effect of business combinations, disposals and transfers		1			1
Exchange rate differences and other changes		(1)			(1)
Closing value of obligation	**30**	**(1)**	**9**	**26**	**64**

Other long-term employee benefit provisions of 17 million euro (26 million euro as at 31 December 2024) mainly regard the *contratto di espansione* (early retirement and other measures) totalling 5 million euro (9 million euro in 2024), deferred short term incentives of 8 million euro (12 million euro in 2024) and long-service benefits of 3 million euro (5 million euro in 2024).

Employee benefit liabilities recognised in the income statement are measured using actuarial assumptions and appear as follows:

(€ million)	Severance indemnity	Foreign defined benefit plans	FISDE and other foreign healthcare plans	Other long-term employee benefit provisions	Total
2024					
Current service cost		1		2	3
Past service cost and gains/losses from settlements				(1)	(1)
Net interest paid (received)	1				1
Total	**1**	**1**		**1**	**3**
- of which recognised as an employment cost		*1*		*1*	*2*
- of which recognised as income (expense)	*1*				*1*
2024					
Current service cost		1		6	7
Past service cost and gains/losses from settlements					
Net interest paid (received):	1			1	
Total	**1**	**1**		**7**	**9**
- of which recognised as an employment cost		*1*		*6*	*7*
- of which recognised as income (expense)	*1*			*1*	*2*

The cost of defined benefits plans recognised under other comprehensive income is broken down as follows:

(€ million)	31/12/2025 Severance indemnity	 Foreign defined benefit plans	 Other long-term employee benefit provisions	 Total	31/12/2024 Severance indemnity	 Foreign defined benefit plans	 Other long-term employee benefit provisions	 Total
Remeasurements:								
- Actuarial gains and losses arise from changes in demographic assumptions								
- Actuarial gains and losses arise from changes in financial assumptions			(1)	(1)		(2)		(2)
- Experience adjustments	(1)			(1)				
- Return on plan assets						2		2
	(1)		**(1)**	**(2)**				

The main actuarial assumptions used to estimate liabilities at the end of the reporting period and determine the cost of the subsequent one are set out here below:

(%)	Severance indemnity	Foreign defined benefit plans	FISDE and other foreign healthcare plans	Other long-term employee benefit provisions
2025				
Discount rate	3,2	3,45-5,35	3,2	2,4-3,2
Expected rate of salary increase	3,0	0,0-2,0	2,0	3,0
Inflation rate	2,0	2,0-3,5	2,0	2,0
2024				
Discount rate	3,1	3,3-5,4	3,1	2,8
Expected rate of salary increase	3,0	2,0	2,0	2,0
Inflation rate	2,0	2,0-3,5	2,0	2,0

The discount rate used was determined by reference to market yields on high quality corporate bonds (AA rating), in countries where the equivalent market is sufficiently significant, or otherwise government bond yields. Mortality tables are those used in individual countries to produce IAS 19 estimates. The inflation rate was determined on the basis of long-term forecasts issued by national or international banks.
The effects of changes in the relevant actuarial assumptions that were reasonably possible at the end of the reporting period are disclosed hereafter:

	Discount rate		Inflation rate	Expected cost of living adjustment
(€ million)	0.5% increase	0.5 % reduction	0.5% increase	0.5% increase
Severance indemnity	(1)	1	1	
Foreign defined benefit plans	(1)	1		
FISDE and other healthcare plans				
Other provisions				

Contributions expected to be paid into defined benefit plans in the subsequent reporting period total 11 million euro.

24. Deferred tax liabilities

Deferred tax liabilities of 19 million euro (24 million euro as at 31 December 2024) mainly refer to the tax implications arising from allocating part of the acquisition costs for the Finproject and Novamont Groups to intangible fixed assets.

25. Other non-current liabilities

Other non-current liabilities of 10 million euro (9 million euro as at 31 December 2024) regard deferred income on multi-year revenues.

26. Net worth

Negative net worth of 605 million euro (-316 million euro as at 31 December 2024) is broken down as follows:

(€ million)	31/12/2025	31/12/2024
Share capital	200	200
Statutory reserve		
Other reserves	865	(217)
Retained earnings (accumulated losses)	(185)	472
Profit (loss) for the year	(1.485)	(771)
	(605)	**(316)**

Net worth remains negative at -605 million euro, worsening by a further 289 million euro. The change is mainly due to the following factors:

- Operating loss for the reporting period of 1,485 million euro;
- Contribution from sole shareholder to cover losses amounting to 1,200 million euro.

For further details about managing capital, please see the section *Enterprise risk management - Capital management*.

Share capital comprises 200,000,000 fully paid, no-par-value shares belonging to Eni S.p.A.

The **statutory reserve** was fully utilised in previous reporting periods.

Other reserves amounting to 865 million euro mainly comprise other capital reserves of 1,073 million euro paid by shareholder, Eni S.p.A., that remain after covering previous losses, a consolidation reserve with a deficit of 184 million euro, a foreign currency translation reserve with a deficit of 32 million euro and an actuarial reserve pursuant to IAS 19 with a surplus of 8 million euro.

27. Financial guarantees, commitments and contingencies

Financial guarantees

Financial guarantees comprise the following:

	31/12/2025			31/12/2024		
(€ million)	Indemnities	Other guarantee commitments	Total	Indemnities	Other guarantee commitments	Total
Financial guarantees	2	176	178		152	152
	2	176	178		152	152

Other sureties of 176 million euro mainly refer to indemnities issued to Eni S.p.A. and Eni Rewind S.p.A. that have in turn issued guarantees to third parties in the interest of Versalis Group companies.

The total amount of these commitments as at 31 December 2025 is 177 million euro

Commitments and contingencies

Commitments and contingencies are broken down as follows:

(million euro)	31/12/2025	31/12/2024
Contingencies		
Assets owned by third parties and other contingencies	11	9
Other contingencies	40	39
	51	**48**

Other risks mainly refer to costs regarding the sale of the Aromatics Business Division in Sarroch that took place on 31 December 2014.

Financial risk management

Introduction

The following are the main financial risks identified, monitored and, where specified hereafter, actively managed by the Versalis Group: (i) market risk arising from exposure to fluctuations in interest rates, exchange rates between the euro and other currencies in which the group conducts its business, as well as commodity price volatility; (ii) credit risk arising from the possibility of default by a counterparty; (iii) liquidity risk arising when there are insufficient funds to meet short-term financial obligations.

Financial risk management is based on guidelines issued directly by the parent company, Eni S.p.A., with the aim of standardising and coordinating Eni financial risk policies.

Details follow of the main financial risks and how they are managed, as well as exposure to market risks (market risk exposure is disclosed by means of sensitivity analysis[27] or value-at-risk results).

[27] Sensitivity analysis is applied to variable-rate financial instruments, instruments measured at fair value (non-hedging derivatives, cash flow hedges and available-for-sale financial assets) and financial instruments exposed to currency risk.

Market risk

Market risk refers to the possibility that changes in exchange rates, interest rates or commodity prices could adversely affect assets, liabilities and projected cash flows. Market risk management follows guidelines approved by the Board of Directors and in-house procedures that employ a centralised treasury model having separate Operational Finance Divisions (Eni Finance Support Function and Banque Eni, the latter to the extent permitted by banking regulations relating to concentration risk) to cover the funding requirements and divert the excess liquidity of Versalis Group Italian and foreign companies.

Exposure to currency risk relates to company business conducted in currencies other than the euro (especially the US dollar) and has the following effects: on the income statement, due to a change in value of income and expenses denominated in a foreign currency compared to when pricing conditions were set (economic risk) and as a result of converting trade or finance receivables/payables denominated in a foreign currency (transaction risk); on the consolidated financial statements (income statement and net worth) following conversion of assets and liabilities of companies that draw up their accounts in a functional currency other than the euro. Generally speaking, when the US dollar rises against the euro, this benefits the Versalis Group's operating profit and vice versa. Versalis Group risk management aims to reduce the transaction risk and optimise the economic risk associated with commodity prices.

Commodity price risk**.** Versalis performance is affected by changes in the price of the products it sells. A reduction in the price of plastics and chemical intermediates generally leads to a fall in operating profits and vice versa. Likewise, a rise in petroleum feedstock costs leads to a fall in operating profits and vice versa. It is estimated that a 10 euro per tonne rise in petroleum feedstock prices would reduce the annual operating profit of the basic chemicals business by approximately 17 million euro.[28]

Up until 2020, Versalis S.p.A. would hedge the commodity risk through derivative transactions linked to Virgin Naphtha. During 2020, the Board of Directors of the parent company, Eni S.p.A., agreed that the Versalis S.p.A. commodity risk could be classified as strategic; as a result, the company allowed all commodity derivative contracts to expire at maturity without renewal.

Credit risk

Credit risk regards Group exposure to potential losses should a counterparty fail to honour its obligations. Versalis applies different risk management policies to commercial and financial counterparties, reflecting, in the latter case, the centralised treasury model adopted.

As regards the counterparty risk in business transactions, business units and Eni specialist departments are responsible for credit management, based on formal procedures to assess and approve partners, also including debt collection and, where necessary, litigation. The centralised treasury specifies guidelines and methods for quantifying and monitoring customer risk. Amongst other things, Eni policies consider exposures to have defaulted in their entirety when the portion more than 180 days past due exceeds 5% of total exposure.

2025 witnessed a considerable drop in trade receivables from third parties compared to the previous year, especially during the last month. Average exposure in 2025 is lower than in 2024. Likewise, 2025 turnover is down considerably on the previous year.

[28] The simulation did not consider the possibility of passing on additional costs by raising the selling price.

Total factored receivables are down on the previous year; factoring has enabled a reduction in the carrying amount of receivables at the end of the quarterly reporting periods.

The amount of receivables subject to litigation was lower than in 2024. the average past-due level is down on the previous year, matching the year-on-year reduction in average exposure.

Average intercompany exposure is down on 2024, reflecting a reduction in past-due accounts and lower year-on-year average turnover.

Liquidity risk

Liquidity risk refers to the possibility that a business cannot meet its repayment obligations due to its inability to borrow sufficient funds (funding liquidity risk) or sell financial assets at market price (asset liquidity risk). Should this occur, it could mean lower earnings if the business is forced to incur additional costs to meet its obligations or, in the worst case scenario, result in insolvency, placing business continuity at risk.

Versalis risk management seeks to maintain, within the framework of the Financial Plan, a funding structure that, in keeping with its business objectives and the limits set by the Board of Directors, ensures adequate Group liquidity, minimises the associated opportunity cost and maintains an appropriate balance in terms of debt maturity and composition.

Versalis S.p.A. is a wholly-owned subsidiary and under the management and control of Eni S.p.A. It has unlimited access to lines of credit granted by Eni S.p.A. under the terms of existing contractual agreements. Eni S.p.A. guarantees the renewal of these lines of credit without applying covenants or penalties, ensuring that the net funding requirements of Versalis S.p.A. and its subsidiaries will be covered to the extent necessary to enable its obligations to be duly fulfilled.

The following tables illustrate contractually due repayment figures for borrowings, including interest payments, as well as the time frame for reimbursement of trade and other payables.

Debt schedule for financial liabilities

(€ million)	2026	2027	2028	2029	2030	Thereafter	Total
Short-term financial liabilities	431						**431**
Long-term financial liabilities including short-term portion	437	520	590	471	1	6	**2,025**

Debt schedule for trade and other payables

All trade and other payables fall due within the next reporting period.

Debt schedule for contractual obligations

In addition to the financial and trade payables shown in the balance sheet, the Versalis Group has a number of current contractual obligations whose fulfilment will lead to payments in future reporting periods. The following table shows payments due (at discounted value) by the Versalis Group in future reporting periods in order to settle its main contractual obligations.

				Maturity			
(€ million)	2026	2027	2028	2029	2030	Thereafter	**Total**
Decommissioning and restoration provision	57	38	25	1	1	8	**130**
Environmental liability provision	69	57	42	31	26	144	**369**
Other commitments	762	479	379	5	4	6	**1,635**
	888	**574**	**446**	**37**	**31**	**158**	**1,635**

Other commitments of 1,635 million euro mainly regard raw material procurement contracts.

Capital commitments

The following table illustrates, as at reporting date, total investments over the life of the largest committed projects. A project is considered committed once it has received the necessary management approval and, in most case, the related procurement contracts have been awarded or are in the process of being finalised.

	Maturity						
(million euro)	2026	2027	2028	2029	2030	Thereafter	**Total**
Other commitments	9	1					**10**
	9	**1**					**10**

Market value of financial instruments

The Versalis Group employs various types of financial instrument when conducting its business. The market value of the Group's financial instruments is fairly similar to carrying amount for the following reasons.

Current receivables: the market value of trade, financial and other receivables falling due within the next reporting period is estimated to be almost identical to carrying amount, given the short time elapsing between recognising the receivable and its due date.

Non-current borrowings: the market value of borrowings falling due beyond the next reporting period, including the current portion is estimated to be very similar to the carrying amount as they were contracted at market rates.

Current trade, financial and other payables: the market value of trade, financial and other payables falling due within the next reporting period is estimated to be almost identical to carrying value, given the short time elapsing between recognising the payable and its due date.

Environmental regulation

The risks associated with the effects of Eni's activities on health, safety and the environment are described under *Risk and uncertainty factors – Operational risk and associated HSE risks* in the Directors' Report.

As regards environmental risk, as things stand, Versalis expects the consolidation group to incur no significant expenditure in achieving environmental compliance, taking into account the measures already implemented, existing insurance policies and previous risk provisions. However, Versalis cannot entirely rule out the possibility of incurring, even substantial, additional costs or liabilities since, given current knowledge, it is not possible to predict the effects of future developments, taking into account, amongst other things, the following aspects: (i) possible discovery of new contamination; (ii) the findings of current or future site characterisation work and other effects arising from application of Legislative Decree No. 152/2006; (iii) the effects of new environmental protection laws and regulations; (iv) the effects of advances in environmental remediation technology; (v) the possibility of claims, disputes and litigation and the difficulty in predicting their consequences, also as regards the responsibility of other parties and possible compensation for damages. As explained in more detail under the heading *Assessment criteria – Contributions*, environmental expenses for work carried out at production sites acquired by the Versalis Group following transfer by Eni Rewind S.p.A. are covered by a specific indemnity issued by the transferor.

Emissions trading

Legislative Decree No. 47 dated 9 June 2020, repealing Legislative Decree No. 30 dated 13 March 2013, transposes Directive 2003/87/EC for greenhouse gas emission allowance trading, as amended by Directive (EU) 2018/410, and Directive 2004/101/CE concerning the use of emission credits generated through projects based on the Kyoto Protocol's flexible mechanisms. In addition, on 13 May 2023, Directive (EU) 2023/959 amending Directive 2003/87/CE was published. This aims to achieve a more ambitious reduction in emissions than the 2030 target and an emissions trajectory in line with the objectives of the Paris Agreement.

The EU Emissions Trading System (ETS) came into force on 1 January 2005 and was developed by completing the mechanism's various phases of implementation. More specifically, Phase I covered the period 2005-2007, Phase II 2008-2012 and Phase III 2013-2020, whilst Phase IV currently covers the period 2021-2030. It should be noted that as the various implementation phases were completed, the field of application was expanded and amended, as were the methods of emission monitoring and control and definition of the free allowances allocated to facilities generating carbon leakage.

Based on an estimate of emissions and sales for the reporting period, as at 31 December 2025, the Versalis Group has a net emissions-allowance deficit (short position); therefore, in accordance with adopted accounting policies, management has made provision for the cost of acquiring emission allowances.

Litigation

Versalis is party to civil and administrative proceedings and legal actions which arise in the ordinary course of business. Based on currently available information, Versalis believes that these proceedings and actions will have no material adverse effect on net assets. A summary follows of the most important cases. Unless otherwise stated, no provision has been made as an adverse outcome to the proceedings is deemed unlikely.

Preventive attachment of the Priolo Gargallo facility.

In February 2019, at the request of the Public Prosecutor's Office and as part of an investigation regarding emissions from the Priolo Gargallo industrial complex and the offences of dangerous disposal of materials and environmental pollution involving the former manager of the Priolo facility, as well as Versalis pursuant to Legislative Decree 231/2001 and other companies in the industrial hub, the Court of Syracuse ordered a preventive attachment of Versalis facilities, while allowing continued use, on the grounds that surveys performed by Prosecutor-appointed technical experts revealed channelled and diffuse emissions that failed to comply with Best Available Techniques (BAT). Having considered the plant improvements implemented by Versalis even before the attachment order, in March 2019, the Review Court revoked the original measure. In March 2021, notice of completion of preliminary investigation was served, confirming the same alleged offences previously identified by the Prosecutor's Office. In the meantime, there have, to our knowledge, been no further developments in the case.

Investigation into environmental offences. Mantua site.

As regards the Mantua site, where the company is carrying out all necessary remediation work, in August and September 2020, the Mantua Public Prosecutor's Office served notice of completion of preliminary investigation relating to criminal proceedings (ref. General Crime Register No. 778/18) involving several different offences. This notice of completion advised that the names of Versalis S.p.A., Eni Rewind S.p.A. and Edison S.p.A. and some of their employees had been entered in the so-called Criminal Suspect Register pursuant to Legislative Decree No. 231/2001. With reference to certain Sites of National Interest in Mantua, the Public Prosecutor's Office alleges the offences of unauthorised waste disposal, environmental damage and pollution, failure to report environmental contamination to the authorities and failure to carry out remediation work. Following the filing of a defence with the investigating authority, the charges against some individuals were dropped and their cases closed. As regards those remaining under investigation, the Public Prosecutor's Office subsequently filed an indictment, for the most part, reiterating the charges levelled upon completion of the preliminary investigation. At the outset of the preliminary hearing, the Ministry for Environmental Transition, Mantua Provincial Authority, Mantua City Council and the Mincio Regional Park requested leave to sue for damages as part of the case, whilst this claim for civil damages was made against the companies Eni Rewind, Versalis and Edison that therefore entered an appearance. The judge ended the preliminary hearing by indicting Versalis, Eni Rewind, Edison and all individuals concerned, other than a former Versalis employee and 2 Edison employees. The case is currently awaiting trial.

Augusta Roadstead

This extensive administrative litigation began in September 2017 when the environment ministry served a formal enforcement notice on companies in the Priolo petrochemical hub, including Eni Rewind, Polimeri Europa (now Versalis) and Eni (formerly R&M), requesting submission of remediation projects to remove sediment from the Augusta Roadstead, alleging responsibility on the basis of the judgment issued by the Catania Regional Administrative Court in 2012. On various occasions, the Ministry has reiterated the authorities' position that the companies located at the site are responsible for contaminating the Roadstead and requested they refrain from performing remediation work on their own initiative. In September 2020, Eni Rewind took part in the exploratory Joint Planning Conference with the Ministry for the Environment and the Protection of Land and Marine Resources and the competent authorities, providing a detailed overview of the Roadstead's environmental condition. This confirms that the contamination is long-standing and has not been released into the surrounding area. Between the end of 2023 and the beginning of 2024, the Catania Regional Administrative Court pronounced judgment on all appeals lodged by the operators, ruling them inadmissible since the enforcement notice is a preparatory step to proceedings and therefore has no direct or indirect effect on the appellants' legal position. The Regional Administrative Court made no comment regarding the possible existence of a final judgment confirming responsibility for the Roadstead's contamination. It merely noted that the competent authority is of the opinion that such responsibility exists. As a result, on 27 June 2024, Eni Group companies lodged an appeal against the Regional Administrative Court judgments, solely as regards the assertion that they confirm the existence of a final judgment indicating responsibility for the contamination.

Priolo water treatment plant run by IAS S.p.A.

In February 2022, the Syracuse Public Prosecutor's Office instigated criminal proceedings alleging the offences of environmental disaster (section 452(c) of the Italian Criminal Code) and breach of regulations governing industrial wastewater discharges by the Versalis facility into the Priolo wastewater treatment plant run by IAS S.p.A. The accused were two former managers of the Versalis Priolo facility, as well as a Versalis employee, at that time holding a senior managerial role in Priolo Servizi. Similar allegations were made against employees of other companies located at the Priolo Gargallo industrial site, along with IAS S.p.A. employees, whilst Versalis, Priolo Servizi and other co-located companies became '*Entities under investigation pursuant to Legislative Decree No. 231/01*'. On 15 June 2022, the Investigating Magistrate at the Court of Syracuse ordered the seizure of the wastewater treatment plant and IAS S.p.A. shares, appointing an administrator of the seized assets. Investigations were subsequently extended to include the current Manager of the Versalis facility and the Chief Executive Officer of Priolo Servizi, a Versalis S.p.A. employee. At the same time, Versalis S.p.A. challenged before the Catania Regional Administrative Court the Integrated Environmental Permit issued to AIA, but only to the extent that the competent authority interprets the permit as imposing new and different discharge limits to those in Versalis' own permits. In the meantime, the Sicilian Regional Authority suspended the Integrated Environmental Permit enabling IAS to run the water treatment plant. Versalis therefore challenged before the Regional Administrative Court the order to reexamine its own Integrated Environmental Permit and, in a separate action, the Sicilian Regional Authority's suspension order for the Integrated Environmental Permit issued to IAS. At the same time, the Investigating Magistrate at the Court of Syracuse has raised the question of legitimacy with the Constitutional Court of section 104(a) of the Implementing Provisions of the Code of Criminal Procedure with reference to Interdepartmental Decree dated 12 September 2023, i.e. the so-called 'Save ISAB' Decree designed to enable petrochemical players to continue industrial operations. Versalis therefore appeared at the hearing on 7 May 2024 before the Constitutional Court. The latter ruled that the regulation in question is constitutionally illegitimate where it fails to stipulate that the measures specified therein shall apply for a term not exceeding thirty-six months. The order of the Investigating Magistrate denying authorisation to continue petrochemical production was subsequently revoked by the Court of Syracuse. The Investigating Magistrate has lodged an appeal with the Supreme Court against this measure. Criminal proceedings remain pending at the investigative stage.

Civil Proceedings instigated by Novamont S.p.A./Mater-Biotech S.p.A./ Mater-Biopolymer S.r.l. against Axpo Italia S.r.l.

Proceedings were instigated in the Court of Genoa on 26 April 2022 by Novamont S.p.A. and its subsidiaries, Mater-Biotech S.p.A. (merged with Novamont on 19 November 2024) and Mater-Biopolymer S.r.l. (merged with Novamont on 25 November 2022). The matter regards the terms and conditions of a contract for Axpo Italia S.r.l. to supply natural gas throughout 2022 to sites belonging to the three companies and first instance judgment was issued on 11 January 2025. This judgment:

(i) verified and confirmed that the Fixed-Price Agreement entered into by the parties and specified by Term Sheet 222975 regards the supply of 700,000 SCM of natural gas per month at a price of 0.25163 euro/SMC for the period running from 01/01/2022 to 31/12/2022;

(ii) rejected Axpo’s counterclaims;

(iii) ordered Axpo to pay Novamont’s legal costs of 66,300.00 euro, plus disbursements of 518.00 euro, 15% general expenses, VAT and contribution to Lawyer’s Provident Fund.

Axpo did not lodge an appeal against this judgment within the prescribed time limit (six months after its publication date pursuant to section 327 of the Code of Civil Procedure, therefore, with a deadline of 11 July 2025). The time limit for filing an appeal expired on 11 July 2025, making the judgment final and binding on the parties and their successors and assignees.

On 19 December 2025, Axpo arranged for full settlement of Novamont’s legal costs, amounting to 66,300 euro, plus additional expenses, making a total of 80,012.80 euro.

Proceedings instigated by the Italian Competition and Markets Authority (AGCM) against Novamont S.p.A. and Eni S.p.A. for alleged abuse of a dominant position in the bio-based compounds market.

In April 2024, the Italian Competition and Markets Authority (AGCM) advised Novamont S.p.A. (Novamont) and Eni S.p.A. (Eni, in the capacity of parent company as from the date it acquired Novamont: 28 October 2023) that it had started an investigation into an alleged breach of article 102 of the TFEU concerning abuse of a dominant market position with regard to raw materials used to produce lightweight and ultralight plastic bags.

The breach is allegedly the result of agreements imposing exclusivity clauses entered into by Novamont, at least from 2017 (as from 2018 according to the Statement of Objections mentioned hereafter), with, on the one hand, manufacturers of bioplastic bags and, on the other hand, supermarket chains that purchase these bags. In July 2024, Novamont submitted a proposed set of undertakings to AGCM in an attempt to conclude the proceedings without the need for a full hearing. Between May and July 2024, the companies BASF, Biotec and Papier Mettler became involved in the proceedings.

In September 2024, AGCM rejected the proposed undertakings, specifying the need to issue a ruling on the merits as to whether the contested conduct constituted restriction of competition.

In February 2025, AGCM served Novamont and Eni with a Statement of Objections formally setting out its complaint that, as from 2018, Novamont had committed an abuse of a dominant market position with regard to raw materials used to produce lightweight and ultralight plastic bags from 2018. In its capacity of parent company with effect from 28 October 2023, Eni was deemed jointly and severally liable with Novamont for this infringement of article 102 of the TFEU.

In May 2025, after Novamont and parent company, Eni, had filled a defence, a hearing was held before the AGCM Board.

On 24/06/2025, AGCM notified Novamont and Eni of its final decision. This confirms the accusations made in the Statement of Objections and rules:

a) that Novamont's conduct, spanning at least the period from 1 January 2018 to 31 December 2023, regarding the signing of supply agreements with converters, containing exclusivity or quasi-exclusivity clauses, or supermarkets chains, containing exclusivity clauses and/or incentive mechanisms ensuring the purchase of bags from Mater-Bi licensees, constitutes a unique, complex exclusionary strategy directed at domestic manufacturing and sales markets for bio-based compounds used to make LPBs and VLPBs, thus amounting to abuse of a dominant position pursuant to article 102 of the TFEU;

b) that Eni is also responsible for the infringement with effect from 18 October 2023;

c) that these companies, by revising existing agreements with converters and supermarket chains, bring an immediate halt to their anti-competitive behaviour as mentioned under a) above, where still practised, and, in future, refrain from behaviour of a similar nature or liable to produce the same effects;

d) that within ninety days of service of this ruling, the above-mentioned companies submit a report to AGCM, detailing the actions taken to enable compliance with c) above;

e) that the following fines will be imposed for the breach specified under a):

- on Novamont, for the period prior to 18 October 2023, a total fine of di 30,359,000 euro;

- jointly and severally on Eni (as parental liability) and Novamont S.p.A. for the period following 18 October 2023, a total fine of 1,701,052.08 euro.

Novamont S.p.A. has lodged an appeal with the Lazio Regional Administrative Court requesting that the AGCM ruling be quashed. The initial hearing for discussion of the appeal is set for 11/03/2026. As a precaution, it has made provision for the possible liability by allocating half the amount of the fine imposed since the company's legal team believe that defeat is "more likely than not".

Tax disputes

Registration duty

On 17 February 2011, the Syracuse Tax Office served a registration duty assessment notice in the sum 731,000 euro relating to the transfer of stakes in the consortium Priolo Servizi. Along with the other members of the consortium, the company lodged an appeal with the Tax Tribunal and made no provision in this regard, considering a positive outcome to the dispute to be reasonably likely. The court-appointed experts submitted their report. With judgment No. 1302/07/18 filed on 13 March 2018, the Syracuse Provincial Tax Tribunal upheld the appeal. The Tax Office appealed this decision and the company served written submissions in response. In 2019, the tax paid was reimbursed whilst the case remains pending. With judgment No. 4399/2025 filed 17 June 2025, the second-tier tribunal upheld the original first-tier judgment. This is now final and binding.

Transfer prices for intercompany transactions

On 5 June 2020, the company received questionnaire No. Q00178/2020 dated 5 March 2020, issued by the Tax Office – Lombardy Regional Headquarters – Large Business Directorate, pursuant to section 32 of Presidential Decree No. 600/73, for the purpose of verifying transfer prices for intercompany transactions occurring during the reporting period ended 31 December 2015.

On 11 December 2020, an initial meeting and cross examination was held with Lombardy Regional Headquarters regarding the outcome of the checks performed on a documentation provided on 9 July 2020.

During the course of the meeting and cross examination, the tax office advised that after examining all documentation provided, anomalies had emerged with regard to certain intercompany transactions. More specifically, as shown in the enclosed Cross-Examination Findings Report, these anomalies regard the following transactions:

- Sale of raw materials to Dunastyr: the Tax Office agrees with the decision to use, as the basis for calculating the raw material transfer price formula, evidence of the price lists for the European market, published by independent operators such as ICIS (Independent Commodity Information Service), but disputes the choice of a multiplier of less than one (0.885), which actually results in a discount on the independent operator's current list price, since no supporting documentation or justification for such a reduction has been provided. The Office therefore considered it appropriate to restore the multiplier used by Versalis to at least one, thereby offsetting the discount applied.
- Sale of finished products to Versalis International (VI): The Tax Office agrees with the decision to use the Transactional Net Margin Method (TNMM), the choice of the foreign tested party (VI) in view of its less complex functions and use of ROS (Return of Sales) as the profit level indicator. Since the Company had not provided a benchmark to demonstrate compliance with the free competition value of the transaction in question, the Tax Office used the results of its own analysis conducted for the wholesale chemical sector during the 2013-2015 observation period. This analysis showed that the VI ROS of 6.35% for the 2015 tax year was greater than the third quartile of the identified range (2.72%). The Tax Office therefore reduced profitability to the median (2.06%).

During the meeting, Tax Officials advised that the additional taxable income arising from these anomalies amounts to 14.5 million euro for Dunastyr and 2.7 million euro for Versalis International. Therefore, considering declared earnings of 437 million euro, the additional taxable income calculated is less than 10% of this amount and, as such, no criminal offence has been committed.

On 9 June 2021, The Tax Office served the company with assessment notices for corporation tax (IRES) and regional business rates (IRAP) that were contested before the Provincial Tax Tribunal after settlement negotiations failed. In any event, the higher income deemed liable to corporation tax is offset by company tax losses surrendered to the consolidation group, whilst as regards regional business rates, the upper adjustment worsens the operating loss for the reporting period.

At the beginning of December 2021, appeals against the IRES and IRAP calculations were lodged. Versalis intends to demonstrate the flawed nature of the Tax Office calculations relating to both the above-mentioned transactions and, at the same time, request cancellation of the Assessment Notice relating to transfer prices for intercompany transactions conducted during 2015. In particular, the objections raised by the company concern the fact that, as regards the sale of raw materials to Dunastyr, the multiplier of less than 1 applied to the pricing formula for styrene sold to the Hungarian affiliate was consistent with the substantial volumes it purchased from Versalis during 2015. For external customers, the applied multiplier was slightly higher, although always less than 1, because they ordered lower quantities of good. As a result, the discount applied to them was also lower in percentage terms. To support this claim, the company provided the Tax Office with the results of a similar assessment performed by the Hungarian Tax Authorities regarding Dunastyr transfer prices during the period 2012-2018. In this document, the Hungarian Tax Authorities advise Dunastyr, the affiliate, to err on the side caution when calculating intercompany transfer prices to avoid compromising the profitability of its manufacturing business that essentially involves purchasing raw material from Versalis S.p.A. and reselling to third parties after processing. Therefore, the Hungarian Tax Authorities basically took the opposite view to the Italian Tax Office.

Turning to the sale of finished products to Versalis International, the Company’s stems from the fact that the peer group chosen by the Tax Office to determine the median ROS is predominantly composed of Italian companies, whilst the affiliate, Versalis International, conducts its business directly in the Benelux market and, indirectly, through its network of branches and affiliates in EMEA. The peer group should therefore have included a higher percentage of foreign comparables. Furthermore, the ROS chosen by the tax office as the benchmark is not pertinent since calculated by considering all revenues generated by Versalis International SA rather than just those arising from its reselling business.

On 22 July 2022, the Milan Provincial Tax Tribunal filed judgment No. 2289/2022, fully upholding the company’s arguments against the two assessments mentioned here above. Despite this, a following a groundless application by the Tax Office regarding failure to submit an IPEC application (request to use consolidation group tax losses that also leads to an extended deadline for lodging an appeal), the first-tier tribunal judge ruled the corporation tax appeal to be inadmissible. On the other hand, the regional business rates appeal was upheld in full. The company lodged an appeal regarding corporation tax. Under judgment No. 2403/23 filed on 25 July 2023, the Lombardy Second-tier Tax Court dismissed the company’s appeal. The company did not pursue its claim regarding the year 2015.

As regards 2016, based on the same assumptions made for 2015, on 14 December 2022, Assessment Notices No. TMB0E4F00586/2022 for corporation tax and No. TMB0C4F00593/2022 for regional business rates were served with higher taxable income and increased output totalling 17,265,074.00 euro. In the case of corporation tax, an IPEC application was submitted with the request to use consolidation group tax losses. The company lodged an appeal against the assessment notices and applied for alternative dispute resolution and adjournment of the hearing. Conciliation was unsuccessful and the First-tier Tax Court issued judgement

No. 1924/24 dismissing the appeal. The company lodged a further appeal against this decision on 6 December 2024.

As regards 2017, on 21 November 2023, Assessment Notices No. TMB0E4F00538/2023 for corporation tax and No. TMB0C4F00525/2023 for regional business rates were served on the same grounds with higher taxable income and increased output totalling 21,333,337 euro. The company lodged appeals and an application to reach an amicable settlement. However, discussions with the Tax Office regarding the possibility of reaching agreement over the 2016 and 2017 assessment notices were unsuccessful.

The appeals in the first instance for 2017 were settled by judgment No. 1486/2025 filed on 31/03/2025. This ruling was partly in the company's favour. The company then lodged an incidental appeal against the unfavourable part of the judgment.

The hearing date for the appeals regarding both 2016 and 2017 has been set for 25 February 2026.

In any event, the higher income deemed liable to corporation tax is offset by company tax losses surrendered to the consolidation group (an IPEC application has been submitted), whilst as regards regional business rates, the upper adjustment worsens the operating loss for the reporting period.

As regards 2018, on 19 March 2025 Assessment Notices No. TMB0C4H00048/2025 for corporation tax and No. TMB0E4H00047/2025 for regional business rates were served and, in both cases, an appeal was lodged. With judgment No. 4962/2025, filed on 11/12/2025, the Milan First-tier Tax Court dismissed the appeal. The company is to appeal against this ruling.

Turning to the 2019 financial year, preliminary assessment No. TMBQE7F00482/2025 was served on 24/11/2025, alleging higher taxable income of 14,373,182 euro. The company is awaiting receipt of the Assessment Notices before lodging an appeal.

Excise duty on electricity generation

The Brindisi Customs and Excise Office served tax and fine demand notices for the years spanning 2012 to 2022 claiming that hydrocarbon gas mixtures generated by the processing plants at the Brindisi Site and used to generate electricity are subject to excise duty at the rates set out in Table A annexed to Legislative Decree No. 504/95 (Consolidated Excise Duty Act), pursuant to section 21.9 thereof that applies the equivalent fuel rate principle. In doing so it has rejected the continuing applicability of section 11.3 of Decree Law No. 323/96 that introduced a specific zero excise duty rate. The company has started the appeal process after paying the amounts demanded by the Tax Collection Agency. It is awaiting a hearing date for the appeals lodged with the Supreme Court.

Income Statement

28. Revenues

Here is a breakdown of the main items listed under Revenues. The reasons for the most significant changes are mentioned in the Directors' Report under *Review of operating performance and financial position.*

Operating revenues

Operating revenues are broken down as follows:

(€ million)	2025	2024
Petrochemical sales	2.965	3.803
Other services	129	142
Other product sales	440	312
	3.534	**4.257**

Revenues from sales and services for each line of business are mentioned in the Directors' Report under *Review of operating performance and financial position*.

The breakdown of earnings by geographical area is as follows:

(€ million)	2025	2024
Italy	1,624	1,997
Rest of Europe	1,619	1,895
Asia	131	149
The Americas	90	134
Africa	67	76
Other areas	3	6
	3,534	**4,257**

Other revenue and income

Other revenue and income is broken down as follows:

(€ million)	2025	2024
Proceeds from ETS allowances	229	165
Environmental charges passed on to third parties	36	271
Recovery of other costs and expenses	24	61
Licensing and royalties	11	6
Insurance payouts	8	11
Grants received for renewable energy	7	5
Property rental income	3	2
Gain on time-barred payable	6	
Liquidated damages		9
Proceeds of disposals		4
Other	15	12
	339	**546**

Environmental charges passed on to third parties refers to the agreement with an Italian operator for an equal split of the costs incurred at certain Italian sites that the two partners jointly managed at the end of the 1980s and beginning of the 1990s. Remediation work was subsequently carried out entirely at the expense of Versalis S.p.A.

Proceeds from ETS allowances refers to the sale of free emission allowances allocated in 2025, whilst simultaneously signing forward contracts to purchase sufficient carbon credits to meet compliance requirements for the year.

Recovery of other costs and expenses mainly refers to operating expenses passed on to Eni Rewind S.p.A. as a result of the indemnities issued upon transfer of the Strategic Chemicals Business Unit in 2002 (23 million euro) and the passing on of other expenses to companies located at the same production sites and related companies (14 million euro).

29. Operating expenses

Here is a breakdown of the main items listed under Operating expenses:

Purchases of good and services and other expenses

Purchases of good and services and other expenses are broken down as follows:

(€ million)	2025	2024
Cost of raw materials, factory supplies, consumables and goods for resale	2.352	3.054
Service costs	1.450	1.552
Other expenses	283	229
Net provisions	149	161
Lease and rental charges	30	29
Bad debt provision	4	8
Increases (decreases) in internally-generated intangible assets	1	(1)
Change to inventories	218	(8)
	4.487	**5.024**

Costs of raw materials, factory supplies, consumables and goods for resale totalling 2,352 million euro mainly refer to the purchase of raw materials used in the production site.

Service costs of 1,450 million euro mainly refer to the purchase of utilities (580 million euro), logistics and transport (316 million EUR), maintenance for Versalis S.p.A. (145 million euro) and Versalis France SA (22 million euro), centralised IT services, procurement and administrative services provided by Eni S.p.A. to Versalis Group companies (96 million euro), environmental services provided by Eni Rewind (102 million euro), industrial consulting and services (56 million euro), professional services (26 million euro) and industrial insurance (9 million euro).

Other expenses of 283 million euro mainly include the cost of carbon credit purchases (221 million), indirect taxes and duties (13 million), fees paid to the Energy and Environmental Services Fund (4 million euro), customs duties (6 million euro) and membership fees (3 million euro).

Please see note 22 for further details about provisions.

Lease and rental charges of 30 million euro mainly consist of land and buildings leased to Versalis S.p.A. (15 million euro) and Versalis International (2 million euro), licences and concession rights (9 million euro) and leases of low value assets (1 million euro).

Change in inventories is expressed as the sum of the change in inventories for the reporting period and use of write-down provision. See note 4 for further details about change in inventories.

Research and development costs that do not qualify for capitalisation amount to 40 million euro (37 million euro in 2024). This figure is recognised net of the 7 million euro tax credit granted under the terms of Budget Act No. 160/2019 and confirmed by the more recent Budget Act No. 234/2021.

Employment costs

Employment costs are broken down as follows:

(€ million)	**2025**	**2024**
Wages and salaries	371	373
Oneri sociali	101	100
Employee severance indemnity provision	18	18
Employee benefit costs	2	5
Voluntary redundancy schemes	8	8
Other costs	4	
	504	**504**
To be deducted:		
Increases in internally-generated intangible assets	(8)	(8)
	496	**496**

See note 23 for details of payments into defined contribution and benefit plans.

The average number of employees by category is a follows:

	2025	**2024**
Senior managers	129	138
Middle managers and white collars	4,087	4,164
Blue collars	3,209	3,364
	7,425	**7,666**

The average number of employees is calculated as the half sum of Versalis Group employees at the beginning and end of the reporting period using the same consolidation scope as 2024. The average number of executives includes managers hired and working abroad whose role within the organisation is such as to merit executive status.

30. Other operating income (expenses)

No other operating income or expenditure was recognised during the reporting period.

31. Depreciation, amortisation and impairment

Depreciation, amortisation and impairment is broken down as follows:

(€ million)	2025	2024
Amortisation/depreciation:		
- Property, plant and equipment	53	58
- Intangible assets	59	63
- Leased assets	5	4
	117	**125**
Write-downs/(Reversal of write-downs):		
- Property, plant and equipment	162	161
- Intangible assets	36	2
- Leased assets		
	198	**163**
	315	**288**

Please see note 8 for details about reversals of impairment losses on tangible and intangible assets and right-of-use assets. For details of depreciation/amortisation rates, please see note 7 for tangible fixed assets and note 9 for intangible assets.

32. Finance income (expenditure)

Finance income (expenditure) is broken down as follows:

(€ million)	2025	2024
Finance income	30	77
Finance expenditure	(96)	(151)
Derivatives	(12)	6
	(78)	**(68)**

Net value of finance income (expenditure) is broken down as follows:

(€ million)	2025	2024
Finance income (expenditure) related to net debt		
- Interest and other charges payable to Eni Group	(59)	(70)
- Bank interest received		
Exchange rate gains (losses)		
- Exchange rate gains	23	70
Exchange rate losses	(30)	(71)
Derivatives	(12)	6
Other finance income and expenditure		
- Capitalised borrowing costs	5	5
- Interest and other charges on finance receivables and securities used for operations		
- Other finance (income) expenditure	(5)	(8)
	(78)	**(68)**

Net gains (losses) on derivatives regards those contracts that do not meet the formal qualifying criteria for hedge accounting in accordance with IFRS 9 and, as a result, fair value changes are charged to the income statement. Net losses on derivative instruments regards foreign exchange contracts.

Gains (losses) on derivatives arise from the recognition in the income statement of the fair value measurement of derivative contracts that do not qualify for hedge accounting under IFRS, since stipulated for amounts representing net exposure to currency and interest rate risks, meaning they are not attributable to specific commercial or financial transactions. Since derivative contracts do not meet the criteria for hedge accounting, net foreign exchange losses are recognised, as, for accounting purposes, the effects of remeasuring assets and liabilities denominated in a currency other than the functional currency at the period-end exchange rate cannot be offset by changes in the fair value of the derivative contracts.

33. Net gains (losses) on equity investments

Net gains (losses) on equity investments are broken down as follows:

(€ million)	2025	2024
Adjustment on investments accounted for using the equity method	(4)	(12)
Net gains (losses) on disposals		21
	(4)	**9**

34. Income taxes

Income taxes are broken down as follows:

(€ million)	2025	2024
Current taxes:		
- Italian companies	1	
- foreign companies	2	5
	3	**5**
Net deferred tax (assets) liabilities:		
- Italian companies	(29)	(261)
- foreign companies	4	(37)
	(25)	**(298)**
Total taxes	**(22)**	**(293)**

Please see notes 14 and 24 for details about deferred tax assets and liabilities. The difference between the standard and effective tax rate for each of the two periods under consideration is illustrated here below:

%	2025	2024
Standard rate	**23,3**	**26,1**
Changes that increase (decrease the standard rate:		
- taxes received from uncompensated members of the tax consolidation group	(18,5)	
- (write-down)/reversal of deferred tax assets	(4,8)	(1,8)
- net gains (losses) on equity investments	(0,2)	1,9
- permanent differences	(0,2)	
- different tax burden on foreign companies	(0,1)	
- benefits arising from the application of preferential tax regimes	(0,1)	0,2
- prior year taxes	(0,7)	(0,2)
- other changes	2,7	1,3
Total changes	**(21,8)**	**1,4**
Effective rate	**1,5**	**27,5**

35. Related-party transactions

Related-party transactions carried out by the Versalis Group mainly involve exchange of goods and services, borrowing and lending activities with unconsolidated subsidiaries, affiliates, the parent company, Eni S.p.A., and the latter's direct or indirect subsidiaries, as well as exchange of goods and services with other State-owned or -controlled companies, as explained in detail hereafter. All transactions form part of the day-to-day running of the business and are carried out in the interests of the Versalis Group. The main transactions (i.e. income/expenditure exceeding 5 million euro) regard the following companies:

a) Brindisi Servizi Generali Scarl, Ravenna Servizi Industriali ScpA, Servizi Porto Marghera Scarl and Priolo Servizi Scarl (Versalis S.p.A. affiliates): supply of general and ancillary services at sites where Versalis S.p.A. is also located;

b) Cepim (Eni S.p.A. affiliate): receipt of logistics services;

c) Eni S.p.A.: purchase of methane gas, electricity and steam; sale of oilfield products and services, sale of electricity; receipt of procurement services, IT, legal research and staff services, treasury services, administration work;

d) Eni Trade & Biofuels S.p.A. (Eni S.p.A. subsidiary): maritime transport and buying and selling of raw materials and basic chemicals;

e) Finproject Vietnam (Versalis S.p.A. unconsolidated subsidiary): sale of products and services for the compounding sector;

f) Ecofuel S.p.A. (Eni S.p.A. subsidiary): sale of products from the olefin-based cycle, transactions connected with leasing the MTBE/ETB and BTH Business Division in Ravenna;

g) Eni Plenitude France SA (Eni Plenitude S.p.A. subsidiary): gas sales;

h) Eni Global Energy Markets S.p.A. (Eni S.p.A. subsidiary): buying and selling of ETS allowances;

i) Eni Insurance S.p.A. (Eni S.p.A. subsidiary): risk insurance;

j) Enilive S.p.A. (Eni S.p.A. subsidiary): purchase of products and fuel cards;

k) Eni Congo SA, Eni Mexico S. de RL de CV, (Eni S.p.A. subsidiaries): sale of oilfield products and services;

l) EniPower S.p.A. (Eni S.p.A. subsidiary): purchase of electricity and steam; sale of general and ancillary services;

m) EniServizi S.p.A. (Eni S.p.A. subsidiary): receipt of general services;

n) Eni Rewind S.p.A. (Eni S.p.A. subsidiary): exchange of environmental services and utilities;

o) Eni UK Ltd (Eni International B.V. subsidiary): transactions concerning the surrender of tax loss carryforwards;

p) Lotte Versalis Elastomers Co Ltd (joint venture entity): sale of elastomers and services

q) Versalis Americas (Eni Petroleum Co. Inc. subsidiary): sale of products and services;

r) Enel Group: supply of utilities at sites where Finproject S.p.A. is located;

s) Gruppo Ferrovie dello Stato (Italian State Railways): rail transport;

t) GSE - Gestore dei Servizi Energetici: relating to grants received for renewable electricity production.

Details follow of business and other transactions with the parent company, unconsolidated subsidiaries, affiliates and joint ventures and other companies owned and controlled by Eni S.p.A. or the State:

Bame	Receivables and other a	Payables and other liabi	Derivatives	costs			revenues		
				Goods	Services	Other	Goods	Services	Other
Unconsolidated subsidiaries									
BBI Sverige AB					1		4		-
BioBag Finland OY							1		-
BioBag Plastics Ltd							1		-
BioBag Zenzo AS							3		-
Finproject Viet Nam Co Ltd	6	-	-	7			1		-
Padanaplast America Llc							1		-
Versalis Zeal Ltd	2	1	-			1	-		-
Subtotal	**8**	**1**	**-**	**7**	**1**	**1**	**11**	**-**	**-**
Affiliates									
Brindisi Servizi Generali Scarl		-	-		7				-
IFM Ferrara ScpA					5				
Priolo Servizi ScpA		(17)	-		18				
Ravenna Servizi Industriali ScpA	7	8	-		13		-		1
Servizi Porto Marghera Scarl	1	10	-		14				
Subtotal	**8**	**1**	**-**		**57**		**-**		**1**
Joint ventures									
Lotte Versalis Elastomers Co Ltd	5	7	-	24	-	-		2	-
Subtotal	**5**	**7**	**-**	**24**	**-**	**-**	**-**	**2**	**-**
Parent company									
Eni SpA	30	124	(1)	11	527	4	45	40	(2)
Subtotal	**30**	**124**	**(1)**	**11**	**527**	**4**	**45**	**40**	**(2)**
Eni Group members									
Azule Energy Angola SpA	3	-	-	-	-	-	4	1	-
CePIM-Centro Padano Interscambio Merci SpA	-	1	-	-	5	-	-		-
Coral FLNG SA	1	-	-	-	-	-	2	1	-
Ecofuel Spa	6	1	-	19	-	2	54	12	1
Eni Congo SA	26	-	-	-	-	-	10	15	1
Eni Corporate University SpA	-	-	-	-	1	-	-	-	-
Eni Plenitude France SA	-	3	-	-	12	-	-	-	-
Eni Global Energy Markets SpA	-	-	-	-	-	222	-	-	229
Eni Insurance SpA	-	-	-	-	8				8
Eni International Resources Ltd	-	1	-	-	1	-	-	-	-
Eni Mediterranea Idrocarburi SpA	1	-	-	-	-	-	1	2	-
Eni Mexico S. de RL de CV	3	-	-	-	-	-	10	-	-
Eni Natural Energies SpA	-	1	-	2	-	-	-	-	-
Eni Plenitude SpA Società Benefit	-	-	-	-	-	0	-	-	1
Eni Rewind SpA	15	47	-	-	102	1	-	4	23
Enilive SpA	1	2	-	53	-	-	1	-	-
Eni Trade & Biofuels SpA	5	66	-	398	100	1	82	-	7
Eni UK Ltd	-	7	-	-	-	-	1	1	
EniPower Mantova SpA	1	-	-	-	-	-	-	4	-
EniPower SpA	4	1	-	-	1	-	-	7	2
EniProgetti SpA	-	3	-	-	-	4	-	-	-
EniServizi SpA	-	3	-	-	5	2	-	-	-
LabAnalysis Environmental Science Srl	-	1	-	-	1	-	-	-	-
Mozambique Rovuma Venture SpA	1	-	-	-	-	-	-	1	-
Societa' EniPower Ferrara Srl	-	-	-	-	1	**0**	-	-	-
Versalis Americas Inc	6	-	-	-	-	-	26	-	-
Subtotal	**73**	**137**	**-**	**472**	**237**	**232**	**191**	**48**	**272**
State-owned or -controlled companies									
Enel	-	7	-	-	8	-	-	-	-
Ferrovie Dello Stato	-	2	-	-	5	-	-	-	-
Gruppo Sace	-	1	-	-	-	-	-	-	-
GSE - Gestore Servizi Elettrici	4	-	-	-	-	-	1	-	6
Terna SpA	-	-	-	-	1	-	-	-	-
Subtotal	**4**	**10**	**-**	**-**	**14**	**-**	**1**	**-**	**6**
Total	**128**	**280**	**(1)**	**514**	**836**	**237**	**248**	**90**	**277**

Details follow of **financial transactions** with the parent company, unconsolidated subsidiaries, affiliates and joint ventures and other companies owned and controlled by Eni S.p.A. or the State:

(€ million)	31/12/2025		31/12/2025		
Name	**Receivables**	**Payables**	**Expenses**	**Income**	**Derivatives**
Unconsolidated subsidiaries					
BBI Sverige AB		1			
BioBag Zenzo AS		1			
Impresa controllante					
Eni Corporate	91	2.440	(64)	5	(12)
Imprese del Gruppo Eni					
Banque Eni SA	9				
Totale	**100**	**2.442**	**(64)**	**5**	**(12)**

The impact of related-party transactions and balances on Balance Sheet items is summarised in the following table:

	31/12/2025			31/12/2024		
(€ million)	Total	Related companies	% of total	Total	Related companies	% of total
Cash and cash equivalents	170	100	59	159	54	34
Trade and other receivables	472	128	27	612	189	31
Other current assets	23	-	-	46	3	7
Other current financial assets	1	-	-	1		
Other non-current financial assets	-	-	-	1		
Short-term financial liabilities	431	427	99	227	219	96
Trade and other payables	875	280	32	983	357	36
Other current liabilities	45	-	-	49	2	4
Long-term financial liabilities	1.588	1.577	99	2.231	2.220	100
Current portion of long-term debt	437	436	100	221	216	98

The impact of related-party transactions on Income Statement items is summarised in the following table:

	31/12/2025			31/12/2024		
(€ million)	Total	Related companies	% of total	Total	Related companies	% of total
Operating revenues	3.534	338	10	4.257	372	9
Other revenue and income	339	279	82	546	249	46
Purchases of good and services and other expenses	(4.483)	(1.611)	36	(5.016)	(1.839)	37
Employment costs	(496)		-	(496)		
Finance income	30	5	17	77	5	6
Finance expenditure	(97)	(64)	66	(151)	(72)	48
Derivatives	(12)	(12)	100	6	6	100

The main related-party cash flows are set out in the following table :

(€ million)	2025	2024
Revenue and income	615	621
Costs and expenses	(1.587)	(1.839)
Change in trade and other receivables and other assets	61	169
Change in trade and other payables and other liabilities	(76)	21
Dividends, interest and taxes	(58)	158
Net cash flow from operating activities	**(1.045)**	**(870)**
- Equity stakes and securities	(29)	**(51)**
- Finance receivables	-	(1)
- Change in receivables and payables relating to capital expenditure	(19)	**10**
Cash flow from investing activities	*(48)*	*(42)*
Net cash flow from investing activities	**(48)**	**(42)**
- Change in financial liabilities	(215)	150
- Capital contribution	1.200	600
Net cash flow from financing activities	**985**	**750**
Total cash flows to related companies	**(108)**	**(162)**

The impact of related-party cash flows is summarised in the following table:

	2025			2024		
(million euro)	Total	Related companies	% of total	Total	Related companies	% of total
Cash flow from operating activities	(708)	(1.070)	n.s.	(489)	(870)	n.s.
Cash flow from investing activities	(230)	(48)	21	(229)	(42)	18
Cash flows from financing activities	949	985	104	691	750	109

36. Public funding - Disclosure pursuant to section 1, subsections 125-129, Act No. 124/2017

In 2025, no donations or contributions were made to foundations, associations and other organisations for reputation-enhancing, philanthropic, charitable or solidarity projects.

The following do not fall within the scope of the above-mentioned legislation: (i) incentives/grants/subsidies received under general aid schemes available to all eligible recipients; (ii) consideration for works or services performed, including sponsorship arrangements; (iii) reimbursements and allowances paid to persons undertaking work placements and internships; (iv) continuous professional development grants received from cross-professional funds established as associations; (v) membership fees for trade and local associations, as well as foundations, or similar organisations, supporting activities associated with the company business; (vi) (where applicable to the company) costs incurred for social projects connected with its investment activities.
Donations and contributions are recognised on a cash basis. The disclosure should include payments exceeding 10,000 euro made by the same funder during 2025, including through multiple transactions. Pursuant to section 3(c) of Decree Law No. 135/2018, enacted with amendments as Act No. 12 dated 11 February 2019, for donations, grants and contributions received, reference should be made to the National State Aid Register mentioned under section 52 of Act No. 234 dated 24 December 2012.

As regards incoming donations, grants and contributions, no additional disclosures are required other than those referred to in the National State Aid Register mentioned under section 52 of Act No. 234 dated 24 December 2012.

37. Significant non-recurring events and transactions

During 2025, no significant non-recurring events and transactions were witnessed.

38. Impact of non-standard or unusual transactions

During the reporting period, no non-standard or unusual transactions affecting financial statements were witnessed.

39. Assets held for sale and awaiting disposal

As at 31 December 2024, there are no assets held for sale and awaiting disposal.

40. Significant events occurring after year end

Following the end of the reporting period, the ongoing conflict in Iran has affected the supply of oil, gas and refined products from the Middle East. Raw material markets have proved to be extremely volatile, thus creating uncertainty about oil and gas prices. On the date of publication of these financial statements, the conflict has not had a significant impact on Versalis' financial position and operating performance. The extent and duration of the conflict remain uncertain, but could affect Versalis' performance, cash flows and financial position.

On 4 February 2026, Eni S.p.A. sent the Company a Support Letter, in which it underlines Eni policy of providing direct or indirect subsidiaries with the funds needed to meet their obligations, specifically confirming the necessary financial support, including capital contributions if needed, to ensure that Versalis S.p.A. and its subsidiaries can continue as going concern for at least 12 months from the approval date of their respective 2025 financial statements.

Annual separate financial statements

versalis

Balance sheet

(euro)	Notes	31.12.2025 Total	31.12.2025 of which with related parties	31.12.2024 Total	31.12.2024 of which with related parties
ASSETS					
Current assets					
Cash and cash equivalents	(1)	18,152,790	*18,145,567*	299,605	*288,819*
Other financial assets	(2)	4,375,000	*4,375,000*	13,125,000	*13,125,000*
Trade and other receivables	(3)	315,687,986	*152,417,779*	511,201,155	*282,120,023*
Inventories	(4)	591,133,359		778,257,507	
Income tax assets	(5)	100,840		100,840	
Other assets	(6)	3,273,337	*165,532*	4,176,000	*241,343*
		932,723,312		**1,307,160,107**	
Non-current assets					
Property, plant and equipment	(7)	125,680,798		138,900,941	
Leasing right of use					
Intangible assets	(8)	50,300,225		77,399,546	
Investments in subsidiaries, associates, and joint ventures	(10)	1,413,104,632		1,247,938,551	
Other equity investments	(11)	1,046,102		1,046,102	
Other financial assets	(12)	231,928	*231,928*	4,828,759	*4,828,759*
Prepaid tax assets	(13)	271,510,000		271,510,000	
Other assets	(14)	154,617,060		215,570,426	
		2,016,490,745		**1,957,194,325**	
TOTAL ASSETS		**2,949,214,057**		**3,264,354,432**	
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Current financial liabilities	(15)	34,594,870	*32,766,401*	167,741,046	*162,883,102*
Long-term current financial liabilities	(16)	409,907,846	*409,907,845*	218,652,718	*214,307,506*
Trade and other payables	(17)	642,960,986	*243,990,257*	736,419,114	*318,288,805*
Other liabilities	(18)	18,005,160	*8,065,441*	23,775,241	*8,762,498*
		1,105,468,862		**1,146,588,119**	
Non-current liabilities					
Long-term financial liabilities	(19)	1,200,000,000	*1,200,000,000*	1,604,375,000	*1,604,375,000*
Long-term leasing liabilities					
Provisions for risks and charges	(20)	516,992,446		381,060,059	
Provisions for employee benefits	(21)	48,734,085		58,165,157	
Other liabilities		1,165	-	101,165	*100,000*
		1,765,727,696		**2,043,701,381**	
TOTAL LIABILITIES		**2,871,196,558**		**3,190,289,500**	
SHAREHOLDERS' EQUITY	(22)				
Share capital (A)		200,000,000		200,000,000	
Legal reserve					
Employee share ownership plan reserve		1,039,773			
Other capital reserves		1,072,610,725		508,217,600	
RES. FOR BUSINESS COMB. UNDER COMMON CNTRL.				778,677	
Reserves for employee defined benefit plans		5,386,578		1,454,207	
Profit (Loss) carried forward		576,067		350,127	
Profit (Loss) for the year		(1,201,595,644)		(636,735,679)	
TOTAL SHAREHOLDERS' EQUITY		**78,017,499**		**74,064,932**	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**2,949,214,057**		**3,264,354,432**	

(a) Fully paid-up share capital represented by 200,000,000 no-par shares

per il Consiglio di amministrazione
l'Amministratore delegato
Adriano Alfani

Income statement

(euro)	Notes	2025 Total	2025 which with related parties	2024 Total	2024 which with related parties
REVENUES	(24)				
Net sales from operations		2,260,520,102	*405,042,732*	2,874,562,033	*491,709,521*
Other income and revenues		295,489,744	*255,480,720*	522,455,785	*237,792,705*
Total revenues		**2,556,009,846**		**3,397,017,818**	
OPERATING EXPENSES	(25)				
Purchases, services and other costs		(3,252,181,929)	*(1,177,130,183)*	(3,695,036,353)	*(1,357,197,728)*
Net (impairment losses) reversals of trade and other receivables	(3)	3,478		(6,499,285)	
Payroll		(298,427,173)	*(3,653,168)*	(303,092,915)	*(3,222,216)*
AMORTISATION AND DEPRECIATION	(26)	**(7,102,043)**		**(17,788,852)**	
IMPAIRMENTS	(26)	**(186,648,628)**		**(156,277,893)**	
OPERATING INCOME (LOSS)		**(1,188,346,449)**		**(781,677,481)**	
FINANCIAL INCOME (EXPENSE)	(27)				
Financial income		5,924,136	*1,156,954*	18,286,279	*6,190,383*
Financial expense		(49,914,713)	*(47,618,400)*	(71,078,452)	*(57,387,945)*
Derivatives		(632,787)	*(632,787)*	1,548,371	*1,548,371*
		(44,623,364)		**(51,243,802)**	
INCOME (EXPENSE) FROM INVESTMENTS	(28)	**31,535,671**		**(47,186,214)**	
PROFIT (LOSS) BEFORE TAXES		**(1,201,434,142)**		**(880,107,497)**	
Income taxes	(29)	(161,502)		243,371,817	
PROFIT (LOSS) FOR THE YEAR		**(1,201,595,644)**		**(636,735,679)**	

Statement of comprehensive income (losses)

NET PROFIT (LOSS) FOR THE YEAR	**(1,201,595,644)**	**(636,735,679)**
Other items of comprehensive profit (loss)		
Remeasurements of defined benefit plans	(960,925)	(812,320)
Tax effects related to other components of comprehensive loss that cannot be reclassified in the income statement	50,660	68,628
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	**(1,202,505,909)**	**(637,479,371)**

per il Consiglio di amministrazione
l'Amministratore delegato
Adriano Alfani

Statement of changes in shareholders' equity

(€ million)	Share capital	Legal reserve	Reserve for business combinations under common control	Other capital reserves	Reserve for employees defined benefit plans	Profit (loss) from prior years	Profit (Loss) for the year	Total
Balances at December 31, 2024	**300**			**977**	**1**		**(1,170)**	**108**
Loss for the year 2024							*(637)*	*(637)*
Other components of the total loss					*1*			*1*
Remeasurements of defined benefit plans net of tax effect					*1*			*1*
Total comprehensive loss for the year 2024 (b)					**2**		**(637)**	**(635)**
Transactions with shareholders:								
Allocation of 2023 loss						(1,170)	1,170	
Share capital reduction and coverage of losses	(100)			(977)	(1)	1,078		
Payment of the sole shareholder				508		92		**600**
Total transactions with shareholders (c)	**(100)**			**(469)**	**(1)**		**1,170**	**600**
Other changes:								
Business combinations under common control			*1*					
Total other changes (d)			**1**					**1**
Balances at 31 December 2024 (e=a+b+c)	**200**		**1**	**508**	**2**		**(637)**	**74**
Loss for the years 2025							(1,202)	**(1,202)**
Remeasurements of defined employee benefit plans net of tax effect					*(1)*			**(1)**
Total comprehensive loss for the year 2025 (f)					**(1)**		**(1,202)**	**(1,203)**
Transactions with shareholders:								
Loss allocation for the year 2024						(637)	637	
Share capital reduction for coverage of losses			(1)	(508)		509		
Payment of the sole shareholder				1,073		128		**1,201**
Total transactions with shareholders (g)			**(1)**	**565**			**637**	**1,201**
Change in reserve for Benefit plans for employees and Incentives to LT					5	1		6
Total other changes (h)					**5**	**1**		**1**

per il Consiglio di amministrazione

l'Amministratore delegato

Adriano Alfani

Statement of cash flows

(€ million)	Notes	2025	2024
Profit (Loss) for the year		(1,202)	(637)
Adjustments to reconcile profit (loss) to cash provided by operating activities:			
Depreciation and amortisation	(26)	7	18
Net impairments of tangible and intangible assets	(9)	187	156
Impairments (reversals) of equity investments	(10)	11	73
Impairment (reversal) of financial receivables participating in operating activities	(2)		
Currency translation differences from alignment		2	(2)
Net gains on disposal of assets	(24)	(1)	(8)
Dividends	(28)	(42)	(21)
Interest receivable	(27)	(2)	(4)
Interest payable	(27)	40	55
Income taxes	(29)		(243)
Changes in working capital:			
inventories	(4)	186	(28)
- trade receivables	(3)	108	74
- trade payables	(17)	(56)	(55)
- provisions for contingencies	(20)	136	169
- other assets and liabilities		75	(55)
Cash flows of working capital		*(551)*	*(508)*
Change in provisions for employee benefits	(21)	(7)	(4)
Dividends collected		42	3
Interest received		2	5
Interest paid		(40)	(54)
Income taxes received (paid), net of tax receivables received		3	226
Net cash provided by operating activities		**(551)**	**(332)**
of which with related parties	(31)	(446)	(254)
Cash flows from investing activities		(299)	(314)
- tangible lassets	(7)	(143)	(168)
- intangible assets	(8)	(12)	(17)
- equity investments and lines of business	(10) e (11)	(126)	(125)
- changes in payables and receivables relating to investing activities	(17)	(18)	(4)
Cash flow from disposals		*1*	*16*
- tangible assets	(7)		4
- equity investments and lines of business	(10) e (11)	1	6
- intangible assets			6
Net cash flow from investing activities		**(298)**	**(298)**
of which to related parties	*(31)*	(143)	(115)
Financial receivables not participating in operating activities - disinvestment		13	89
Assumption of long term financial debts	(19)	4	404
Repayment of long term financial debts	(19)	(217)	(309)
Increase (decrease) of short term financial debts	(15)	(133)	(154)
Contribution from shareholders of own capital	(22)	1,200	600
Net cash flow from financing activities		**867**	**630**
*of which with related parties**	*(31)*	876	629
Net cash flow for the year		**18**	-
Cash and cash equivalents at year start	(1)	**-**	-
Cash and cash equivalents at year end	(1)	**18**	-

*Data amended to allow like-for-like reporting

per il Consiglio di amministrazione

l'Amministratore delegato

Adriano Alfani

Notes to the annual financial statements

Significant accounting policies, estimates and judgements

Basis of preparation

The annual financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Commission pursuant to the procedures as at art. 6 of Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002 and in accordance with article 9 of Italian legislative decree 38/05.

The financial statements were prepared by applying the historical cost method, taking account of value adjustments where appropriate, with the exception of those items that must be measured at fair value under IFRS, as indicated in the accounting policies.

For Versalis SpA, following the net loss for the year of 1,202 million euro, the conditions set forth in Article 2446 of the Italian Civil Code are met. These financial statements were prepared using the going concern concept because the directors believe, in line with conditions of prior years and the current year, that the company can benefit from the constant financial support of Eni SpA, responsible for management and coordination of Versalis SpA. In this regard, on February 4, 2026, Eni SpA issued the Company with a Support Letter that restates Eni's policy to provide its subsidiaries, directly or indirectly, with the necessary funds to fulfil their obligations, confirming the required financial support, including possible capitalisations, to guarantee the going concern status of Versalis SpA and its associates for at least 12 months from the date of approval of the respective 2025 annual financial statements. Moreover, in October 2024 Eni SpA announced a transformation plan for the chemical industry that will require an investment of 2 billion euro over the next few years. The plan is presented in greater detail in the Board of Directors' Report.

In consideration of their magnitude, the figures in the notes on the Balance sheet and Income statement are expressed in millions of euro, unless otherwise indicated.

Significant accounting estimates and judgements

Application of generally accepted accounting policies for preparation of the annual and interim financial statements requires management to make estimates based on complex and/or subjective judgements, on past experience, and on assumptions deemed to be reasonable and realistic considering information known at the time of estimation. The use of said accounting estimates affects the carrying values of assets and liabilities, the disclosure of contingent assets and liabilities at the financial statements date, as well as the amount of revenue and expenses in the reference period. The actual results may differ from the estimates due to the uncertainty of assumptions and the conditions on which the estimates are based. Critical accounting estimates in the financial reporting process, involving significant recourse to subjective opinions, assumptions and estimates concerning intrinsically uncertain topics, are illustrated in the description of the accounting policy shown below. Changes in the conditions upon which judgements, assumptions and estimates are based may have a significant impact on subsequent results.

Measurement criteria

The measurement criteria adopted are identical to those applied in drafting the consolidated financial statements, to which we invite you to refer, except for the recognition and measurement of equity investments in subsidiaries, associates and joint ventures. which are measured at purchase price including directly attributable incidental costs. In the presence of objective evidence of impairment, recoverability is tested by comparing the carrying value with the relevant recoverable value, i.e. the higher of fair value net of disposal charges, and value in use. The latter is established by discounting the cash flows expected from the investment to present value and, if significant and reasonably determinable, from its disposal, net of disposal costs, or by considering all the results of the impairment tests conducted by the investees; in the absence of contrary evidence, the value in use is made at least equal to shareholders' equity for consolidated use. When the reasons for the write-downs recorded no longer apply, investments valued at cost are remeasured to the extent of the write-downs applied, with the effect booked to the income statement under Other income/expenses on equity investments.

The investor's share of any losses of the investee, in excess of the carrying value of the investment, is recognised in a special provision to the extent that the investor is committed to fulfilling the legal or implied obligations of the investee, or otherwise, to cover its losses.

Transactions involving the sale and purchase of business units and controlling equity investments entered into with subsidiaries and having a purely re-organisational purpose, are recognised in continuity with the related carrying values; any difference between the price and the carrying value of the transferred entity results in the subsidiary recognising an increase/decrease in equity and consequently in the parent company increasing the carrying value of the equity investment or recognising a dividend in the income statement.

Financial assets representing minority interests, since they are not held for trading, are measured at fair value with the effects booked to other components of comprehensive income and without transfer to the income statement in case of realisation; conversely, dividends from such equity investments are recognised in the income statement under Income (expense) on equity investments, unless they clearly represent a recovery of part of the investment cost. Measurement of minority interests at cost is allowed only when the cost is an adequate estimate of the fair value.

Dividends resolved by subsidiaries, associates or jointly controlled companies are booked to the Income Statement even if they result from distribution of reserves of profits generated prior to acquisition of the equity investment. Distribution of such profit reserves is an event that gives rise to the presumption of an impairment loss and, therefore, the need to assess recoverability of the carrying value of the investment. The fair value of the incentive plan with share-based payment, settled through Eni shares and issued to benefit the Company's employees, is recognised in accordance with the measurement criteria set out in the consolidated financial statements, to which we invite you to refer. Conversely, the fair value of the share-based payment incentive plan, settled through treasury shares and issued to benefit employees of subsidiaries, is recognised, over the vesting period, as an increase in the value of the investment with a matching entry in equity reserves.

| Financial statements

The Balance sheet captions are classified as current and non-current, while those of the Income statement are classified by nature. The comprehensive loss statement shows the integrated economic result of revenues and expenses, which are recognised directly in equity in accordance with a specific IFRS provision.

The statement of changes in shareholders’ equity presents comprehensive income (expenses) for the year, transactions with shareholders, and other changes in shareholders’ equity. The statement of Cash flows was prepared according to the “indirect method”, adjusting the result for the year by non-monetary components.

Annexes to the notes to the annual financial statements

Versalis shareholdings at 31 December 2025

CHANGES IN 2025

The following company transactions were carried out in 2025:

- 3 April 2025 saw completion of the sale of 50% of the Matrìca SpA stock held by Versalis SpA to Novamont SpA;
- On 5 June 2025, Rewave Srl was renamed Versalis Oilfield Solutions Srl;
- the incorporation of Matrica SpA in Novamont SpA was completed on 1 November 2025, with accounting effect at 1 January 2025.
- the incorporation of Tecnofilm SpA in Finproject SpA was completed on 1 December 2025, with accounting effect at 1 January 2025.
- Transfer of 99.99% of Versalis Mexico shares from Versalis International SA to Versalis Oilfield Solutions Srl was completed on 21 November 2025;
- Transfer of 49% of the investment in Versalis Chemi-Invest LPP from Versalis International SA to Versalis Oilfield Solutions Srl was completed On 10 December 2025;
- Transfer of 100% of Versalis Congo SARLU shares from Versalis International SA to Versalis Oilfield Solutions Srl was completed on 12 December 2025;
- Transfer of 100% of the shares in Versalis International Côte d'Ivoire SARLU from Versalis International SA to Versalis Oilfield Solutions Srl was completed on 17 December 2025.

CONSOLIDATING COMPANY

Company Name		Registered Office	Currency	Share Capital	Shareholders	% Ownership	% Control in Versalis Group	Consolidation method or measurement criterion (*)
Versalis SpA	● Oilfield chemicals ● Biochemistry ● Polymers ● Elastomers ● Chemicals	San Donato Milanese (MI)	EUR	200,000,000.00	Eni SpA	100.00	100.00	C.I.

(*) C.I. = line by line consolidation, P.N. = net equity method, Co. = measurement at cost, F.V. = measurement at fair value

Primary area of business

- ● Chemicals
- ● Polymers
- ● Elastomers
- ● Oilfield chemicals
- ● Biochemistry
- ● Compounding
- ○ Others

SUBSIDIARIES

In Italy

Company Name		Registered Office	Currency	Share Capital	Shareholders	% Ownership	% Control in Versalis Group	Consolidation method or measurement criterion (*)
Finproject SpA	●	Morrovalle (MC)	EUR	18,500,000	Versalis SpA	100.00	100.00	C.I.
Mater-Agro Srl	●	Novara (NO)	EUR	50,000	Novamont SpA	85.00	85.00	P.N.
					Third parties	15.00		
Novamont SpA	●	Novara (NO)	EUR	20,000,000	Versalis SpA	100.00	100.00	C.I.
Versalis Oilfield Solutions Srl	●	San Donato Milanese (MI)	EUR	5,000,000	Versalis SpA	100.00	100.00	C.I.

Other countries

Company Name		Registered Office	Currency	Share Capital	Shareholders	% Ownership	% Control in Versalis Group	Consolidation method or measurement criterion (*)
Asian Compounds Ltd	●	Hong Kong (Hong Kong)	HKD	1,000	Finproject Asia Ltd	100.00	100.00	P.N.
BBI Sverige AB	●	Torsby (Sweden)	SEK	100,000	BioBag International As	100.00	100.00	P.N.
BioBag Americas Inc	●	Dunedin (USA)	USD	476	BioBag International As	100.00	100.00	C.I.
BioBag Finland OY	●	Vantaa (Finland)	EUR	203,784	BioBag International As	100.00	100.00	P.N.
BioBag International AS	●	Indre Østfold (Norway)	NOK	3,565,000	Novamont SpA	100.00	100.00	C.I.

Company Name		Registered Office	Currency	Share Capital	Shareholders	% Ownership	% Control in Versalis Group	Consolidation method or measurement criterion (*)
BioBag Plastics Ltd	●	Dun Laoghaire (Ireland)	EUR	1,000	BioBag International As	100.00	100.00	P.N.
BioBag Polska Sp zoo In liquidation	●	Wroclaw (Poland)	PLN	106,100	BioBag International AS	100.00	100.00	P.N.
BioBag UK Ltd	●	Belfast (UK)	GBP	1,000	BioBag International As	100.00	100.00	P.N.
BioBag Zenzo A/S	●	Hillerød (Denmark)	DKK	400,000	BioBag International As	100.00	100.00	P.N.
Dagöplast AS	●	Hiiumaa (Estonia)	EUR	76,800	BioBag International As	100.00	100.00	C.I.
Dunastyr Polystyrene Zrt	●	Budapest (Hungary)	HUF	8,648,496,000	Versalis SpA	96.34	100.00	C.I.
					Versalis International SA	1.83		
					Versalis Deutschland GmbH	1.83		
Finproject Asia Ltd	●	Hong Kong (Hong Kong)	USD	1,000	Finproject SpA	100.00	100.00	P.N.
Finproject Brasil Industria De Solados Eireli	●	Franca (Brazil)	BRL	1,000,000	Finproject SpA	100.00	100.00	P.N.
Finproject Guangzhou Trading Co Ltd	●	Guangzhou (China)	USD	180,000	Finproject SpA	100.00	100.00	P.N.
Finproject India Pvt Ltd	●	Jaipur (India)	INR	121,767,880	Versalis Asia Pacific	99.99	100.00	C.I.
					Finproject SpA	0.01		
Finproject Romania Srl	●	Valea Lui Mihai (Romania)	RON	20,023,030	Finproject SpA	100.00	100.00	C.I.
Finproject Viet Nam Company Limited	●	Hai Phong (Vietnam)	VND	19,623,250,000	Versalis Asia Pacific PTE Ltd	100.00	100.00	P.N.

Company Name	Registered Office	Currency	Share Capital	Shareholders	% Ownership	% Control in Versalis Group	Consolidation method or measurement criterion (*)
Foam Creations (2008) Inc	Quebec City (Canada)	CAD	1,215,000	Finproject SpA	100.00	100.00	C.I.
Foam Creations México SA de CV	León (Mexico)	MXN	35,956,433	Foam Creations (2008) Finproject SpA	53.23 46.77	100.00	C.I.
Novamont France SAS	Paris (France)	EUR	40,000	Novamont SpA	100.00	100.00	C.I.
Novamont GmbH	Eschborn (Germany)	EUR	25,564	Novamont SpA	100.00	100.00	P.N.
Novamont Iberia SLU	Cornellà De Llobregat (Spain)	EUR	50,000	Novamont SpA	100.00	100.00	C.I.
Novamont North America Inc	Shelton (USA)	USD	50,000	Novamont SpA	100.00	100.00	C.I.
Padanaplast America Llc	Wilmington (USA)	USD	70,000	Finproject SpA	100.00	100.00	P.N.
Padanaplast Deutschland GmbH	Hanover (Germany)	EUR	25,000	Finproject SpA	100.00	100.00	P.N.
Versalis Asia Pacific PTE LTD.	Singapore (Singapore)	SGD	15,927,500	Versalis SpA	100.00	100.00	C.I.
Versalis Congo Sarlu	Pointe-Noire (Congo)	XAF	1,000,000	Versalis Oilfield Solutions Srl	100.00	100.00	C.I.
Versalis Deutschland GmbH	Eschborn (Germany)	EUR	100,000	Versalis SpA	100.00	100.00	C.I.
Versalis France SAS	Mardyck (France)	EUR	126,115,582.90	Versalis SpA	100.00	100.00	C.I.
Versalis International SA	Brussels (Belgium)	EUR	15,449,173.88	Versalis SpA V. Deutschland GmbH Dunastyr Zrt Versalis France SAS	59.00 23.71 14.43 2.86	100.00	C.I.
Versalis International Côte d'Ivoire Sarlu	Abidjan (Ivory Coast)	XOF	270,000,000	Versalis Oilfield Solutions Srl	100.00	100.00	C.I.
Versalis Kimya Ticaret Limited Sirketi	Istanbul (Turkey)	TRY	20,000	Versalis International SA	100.00	100.00	C.I.

Company Name		Registered Office	Currency	Share Capital	Shareholders	% Ownership	% Control in Versalis Group	Consolidation method or measurement criterion (*)
Versalis México S. de R.L. de CV.	●	Mexico City (Mexico)	MXN	45,001,000	Versalis Oilfield Solutions Srl Versalis SpA	99.99 0.01	100.00	C.I.
Versalis Pacific (India) Private Limited	●●	Mumbai (India)	INR	238,700	Versalis Asia Pacific Versalis International SA	99.99 0.01	100.00	P.N.
Versalis Pacific Trading (Shanghai) Co Ltd	●●●	Shanghai (China)	CNY	15,237,236	Versalis Asia Pacific	100.00	100.00	C.I.
Versalis UK Ltd	○	London (Great Britain)	GBP	1	Versalis SpA	100.00	100.00	C.I.
Versalis Zeal Ltd	●	Takoradi (Ghana)	GHS	5,650,000	Versalis International SA Third parties	80.00 20.00	80.00	P.N.
VME Oilfield Chemicals LLC	●	Doha (Qatar)	QAR	1,000,000	Versalis SpA	100.00	100.00	P.N.

(*) C.I. = line by line consolidation, P.N. = net equity method, Co. = measurement at cost, F.V. = measurement at fair value

ASSOCIATED COMPANIES

In Italy

Company Name		Registered Office	Currency	Share Capital	Shareholders	% Ownership	% Control in Versalis Group	Consolidation method or measurement criterion (*)
Brindisi Servizi Generali Scarl	○	Brindisi (BR)	EUR	1,549,060	Versalis SpA	49.00	49.00	P.N.
					Eni Rewind SpA	20.20		
					EniPower SpA	8.90		
					Third parties	21.90		
Polymer Servizi Ecologici Scarl	○	Terni (TR)	EUR	10,000	Novamont SpA	32.44	32.44	P.N.
					Third parties	67.56		
Priolo Servizi ScpA	○	Melilli (SR)	EUR	28,100,000	Versalis SpA	37.22	37.22	P.N.
					Eni Rewind SpA	5.65		
					Third parties	57.13		
Ravenna Servizi Industriali ScpA	○	Ravenna (RA)	EUR	5,597,400	Versalis SpA	42.13	42.13	P.N.
					EniPower SpA	30.37		
					Ecofuel SpA	1.85		
					Third parties	25.65		
Servizi Porto Marghera Scarl	○	P.to Marghera (VE)	EUR	8,695,718	Versalis SpA	48.44	48.44	P.N.
					Eni Rewind SpA	38.39		
					Third parties	13.17		

Other countries

Company Name		Registered Office	Currency	Share Capital	Shareholders	% Ownership	% Control in Versalis Group	Consolidation method or measurement criterion (*)
BioBag Baltic OÜ	●	Tallinn (Estonia)	EUR	3,846	BioBag International As	35.00	35.00	P.N.
					Third parties	65.00		

(*) C.I. = line by line consolidation, P.N. = net equity method, Co. = measurement at cost, F.V. = measurement at fair value

JOINT VENTURES

Other countries

Company Name	Registered Office	Currency	Share Capital	Shareholders	% Ownership	% Control in Versalis Group	Consolidation method or measurement criterion (*)
Lotte Versalis Elastomers Co Ltd	Yeosu (Jeollanam) (South Korea)	KRW	701,800,000,000	Versalis SpA	50.00	50.00	P.N.
				Third parties	50.00		
Versalis Chem-invest limited liability partnership	Uralsk City (Kazakhstan)	KZT	64,194,000	Versalis Oilfield Solutions Srl	49.00	49.00	P.N.
				Third parties	51.00		
VPM Oilfield Specialty Chemicals LLC	Abu Dhabi (United Arab Emirates)	AED	1,000,000	Versalis International SA	49.00	49.00	P.N.
				Third parties	51.00		

(*) C.I. = line by line consolidation, P.N. = net equity method, Co. = measurement at cost, F.V. = measurement at fair value

OTHER COMPANIES

In Italy

Company Name		Registered Office	Currency	Share Capital	Shareholders	% Ownership	% Control in Versalis Group	Consolidation method or measurement criterion (*)
Consorzio Crea Assemini	○	Cagliari (CA)	EUR	70,000	Versalis SpA	7.14	7.14	F.V.
					Third parties	92.86		
IAS Industria Acqua Siracusana SpA	○	Siracusa (SR)	EUR	102,000	Versalis SpA	1.00	1.00	F.V.
					Third parties	99.00		
IFM Ferrara ScpA	○	Ferrara (FE)	EUR	5,304,464	Versalis SpA	19.61	19.61	F.V.
					Eni Rewind SpA	11.51		
					S.E.F. Srl	10.63		
					Third parties	58.25		
National Biodiversity Future Center Scarl	○	Palermo (PA)	EUR	100,000	Novamont SpA	32.44	32.44	F.V.
					Third parties	67.56		

Other countries

Company Name		Registered Office	Currency	Share Capital	Shareholders	% Ownership	% Control in Versalis Group	Consolidation method or measurement criterion (*)
Sociedad Espanola de Materiales Plasticos SA	○	Madrid (Spain)	EUR	61,002	Versalis International SA	7.88	7.88	F.V.
					Third parties	92.12		
BKV Beteiligungs-und Kunststoffverwert-ungsgesellschaft mbH	○	Frankfurt am Main (Germany)	EUR	14,147,400	Versalis Deutschland GmbH	1.22	1.22	F.V.
					Third parties	98.78		
EXELTIUM SAS	○	Paris (France)	EUR	12,358,090	Versalis France SAS	1.67	1.67	F.V.
					Third parties	98.33		
Genomatica Inc	●	San Diego (USA)	USD	451,249,830	Versalis SpA	0.03	0.03	F.V.
					Third parties	99.97		

(*) C.I. = line by line consolidation, P.N. = net equity method, Co. = measurement at cost, F.V. = measurement at fair value

Fees for auditing and other services

Pursuant to art. 149 – *duodecies*, subsection 2 of Consob decision 11971 of 14 May 1999, as amended, the amounts due to the parent company's independent auditors in payment for services supplied to Versalis SpA and its subsidiaries, are shown below.

(euro thousands)

Tyoe of service	Entity that provided the service	Destinatario	2024 fees (euro thousands)
Independent auditing	Parent company's independent auditor	Parent company	435
Independent auditing	Parent company's independent auditor	Subsidiaries	1,346
Total			**1,781**

The parent company's auditing services concern auditing of the annual financial statements, periodic checking of correct compilation of the company's accounts and appraisal activities conducted in order to sign the Tax Declaration for the year. They also include limited auditing of the half-year review, the controls required by the Sarbanes Oxley Act (SOA) for reporting purposes of the controlling company Eni SpA, and the additional duties assigned in relation to specific local regulations.

Independent auditor's report in accordance with article 14 of Legislative Decree 39/2010

To the Shareholders of

Versalis SpA

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Versalis SpA Group (the "Group"), which comprise the balance sheet as of 31 December 2025, the income statement, consolidated statement of comprehensive income (loss), consolidated statement of changes in shareholders' equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2025, and of the result of its operations and cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board and adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of this report. We are independent of Versalis SpA (the "Company") pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the directors and the board of statutory auditors for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards issued by the International

Accounting Standards Board and adopted by the European Union and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate Versalis SpA or to cease operations or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

Report on compliance with other laws and regulations

Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree 39/2010

The directors of Versalis SpA are responsible for preparing a report on operations of Versalis group as of 31 December 2025, including its consistency with the relevant financial statements and its compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) 720B in order to:

- express an opinion on the consistency of the report on operations with the consolidated financial statements;
- express an opinion on the compliance with the law of the report on operations;
- issue a statement on material misstatements, if any, in the report on operations.

In our opinion, the report on operations is consistent with the consolidated financial statements of Versalis group as of 31 December 2025.

Moreover, in our opinion, the report on operation is prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree 39/2010, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Milano, 10 Aprile 2026

PricewaterhouseCoopers SpA

Signed by

Andrea Crespi

(Partner)

This independent auditor’s report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Independent auditor's report in accordance with article 14 of Legislative Decree 39/2010

To the Shareholders of

Versalis SpA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Versalis SpA (the "Company"), which comprise the balance sheet as of 31 December 2025, the income statement, statement of comprehensive income (loss), statement of changes in shareholder's equity, statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2025, and of the result of its operations and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the directors and the board of statutory auditors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- We evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

Report on compliance with other laws and regulations

Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree 39/2010

The directors of Versalis SpA are responsible for preparing a report on operations of Versalis SpA as of 31 December 2025, including its consistency with the relevant financial statements and its compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) 720B in order to:

- express an opinion on the consistency of the report on operations with the financial statements;

- express an opinion on the compliance with the law of the report on operations;

- issue a statement on material misstatements, if any, in the report on operations.

In our opinion, the report on operations is consistent with the financial statements of Versalis SpA as of 31 December 2025.

Moreover, in our opinion, the report on operations is prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree 39/2010, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Milano, 10 aprile 2026

PricewaterhouseCoopers SpA

Signed by

Andrea Crespi

(Partner)

This independent auditor’s report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Relazione del Collegio Sindacale di Versalis SpA con Socio Unico all'Assemblea degli Azionisti della Società

Egregio Azionista,

l'attuale Collegio Sindacale è composto dal dott. Marco Seracini (Presidente), dott.ssa Valeria Pichiorri (Sindaco effettivo) e dott. Angelo Cremonese (Sindaco effettivo), nel corso dell'esercizio 2025 il Collegio Sindacale di Versalis S.p.A. con Socio Unico ("Versalis") ha svolto le attività di vigilanza previste dalla legge, tenendo anche conto delle norme di comportamento raccomandate dal Consiglio Nazionali dei Dottori Commercialisti e degli Esperti Contabili per i Collegi Sindacali di società non quotate.

Sulle attività svolte nel corso dell'esercizio, riferiamo quanto segue.

1. Gli Amministratori hanno informato il Collegio Sindacale tramite le notizie e i dati riferiti nel corso delle sedute del Consiglio di Amministrazione. Con riferimento alle principali operazioni effettuate dalla Società nel corso del 2025, il Collegio ne ha riscontrato la conformità alla legge, allo statuto sociale e a generali criteri di razionalità economica, assicurandosi che le stesse non fossero manifestamente imprudenti, azzardate, in potenziale conflitto di interesse, in contrasto con le delibere assunte dall'Assemblea o tali da compromettere l'integrità del patrimonio aziendale.

2. Il Collegio Sindacale non ha riscontrato operazioni atipiche e/o inusuali effettuate con terzi, società del Gruppo o altre parti correlate.

Il Collegio fa presente che – come segnalato dagli Amministratori – le operazioni compiute da Versalis con le parti correlate, così come definite dal principio contabile di riferimento, riguardano essenzialmente:

- lo scambio di beni, la prestazione di servizi, la provvista e l'impiego di mezzi finanziari con società controllate, collegate, joint venture e con la controllante Eni S.p.A. e con le società da essa controllate direttamente o indirettamente, nonché;
- lo scambio di beni e la prestazione di servizi con altre società possedute o controllate dallo Stato Italiano;
- rapporti con la consolidante Eni S.p.A. nell'ambito del Consolidato Fiscale Nazionale.

Gli Amministratori nelle Note al Progetto di bilancio indicano che tutte le operazioni compiute con parti correlate fanno parte della gestione ordinaria, sono regolate a condizioni di mercato, cioè alle condizioni che si sarebbero applicate tra parti indipendenti, e sono state compiute nell'interesse della Società.

Il Collegio Sindacale, nel corso delle proprie attività di vigilanza, non è venuto a conoscenza di fatti o eventuali irregolarità che possano far dubitare sulla congruità delle operazioni con parti correlate e sulla loro rispondenza all'interesse della Società.

Essendo la Società soggetta all'attività di direzione e coordinamento da parte di Eni S.p.A. nelle Note al progetto di bilancio sono riportate le informazioni richieste dall'art. 2497-*bis*, co. 4, cod. civ.

3. PricewaterhouseCoopers S.p.A., società incaricata della revisione legale dei conti della Società, ha rilasciato, in data 10 aprile 2026, la Relazione di propria competenza sul bilancio di esercizio chiuso al 31 dicembre 2025, esprimendo un giudizio di rappresentazione veritiera e corretta della situazione patrimoniale, economica e finanziaria della Società al 31 dicembre 2025.

Inoltre, la società incaricata della revisione legale dei conti, negli incontri periodici avvenuti nel corso dell'esercizio, non ha segnalato al Collegio Sindacale fatti, circostanze o irregolarità da portare all'attenzione dell'Assemblea.

La società incaricata della revisione legale dei conti non ha comunicato al Collegio Sindacale l'esistenza di rischi legati alla propria indipendenza, né sono stati rilevati indicatori in tal senso.

Il Collegio Sindacale e la Società di revisione hanno altresì mantenuto continui e proficui scambi informativi.

4. Nel corso dell'esercizio non sono pervenute denunce ai sensi dell'art. 2408 cod. civ.

5. Nel corso dell'esercizio, il Collegio Sindacale si è riunito complessivamente n. 11 volte ha partecipato a 1 incontro con il Collegio Sindacale di Eni S.p.A, ha partecipato a 7 sedute del Consiglio di Amministrazione della Società e a 1 Assemblea; tutti i Sindaci sono stati sempre presenti. Nell'ambito di quanto previsto dall'art. 2403-bis del Codice Civile e dalle norme di comportamento del collegio sindacale di società non quotate emanate dal Consiglio Nazionale dei Dottori Commercialisti ed Esperti Contabili (norma 5.6), il Collegio Sindacale ha incontrato nel corso del 2025 una volta il collegio della società controllata Finproject SpA e una volta il collegio della società controllata Novamont SpA.

6. Il Collegio Sindacale ha acquisito conoscenza, per quanto di competenza, sul rispetto dei principi di corretta amministrazione, tramite osservazioni dirette, raccolta di informazioni in sede consiliare e dai responsabili delle articolazioni organizzative della Società, nonché incontri con la società incaricata della revisione legale dei conti ai fini del reciproco scambio di dati e notizie. Al riguardo non vi sono osservazioni.

7. Allo stesso modo, il Collegio Sindacale ha acquisito conoscenza e vigilato sull'adeguatezza della struttura organizzativa della Società, anche mediante le informazioni ricevute da parte dell'Organismo di Vigilanza istituito ai sensi del D. Lgs 231/2001.

Con riferimento alla struttura organizzativa, si segnala che è stata acquisita la Relazione sull'assetto organizzativo della Società al 31 dicembre 2025 e che, anche sulla scorta di tale documento, il Consiglio di Amministrazione ha ritenuto di valutare adeguato l'assetto organizzativo, amministrativo e contabile della Società nella riunione del 11 marzo u.s.

Si rinvia alle sezioni "Persone" e "Sicurezza" della Relazione sulla Gestione per ulteriori dettagli sull'assetto organizzativo e sulle principali modifiche intercorse nell'esercizio 2025.

Con riferimento alle previsioni introdotte dal decreto legislativo del 17 giugno 2022 n. 83 entrato in vigore il 15 luglio 2022 in materia di "Crisi d'impresa", il Collegio ha preso periodicamente informazioni e vigilato che gli assetti organizzativo, amministrativo e contabile controllino e siano in grado di (i) rilevare gli squilibri di carattere patrimoniale, economico-finanziario rapportati alle specifiche caratteristiche dell'impresa, (ii) di verificare la sostenibilità dei debiti e garantire la continuità aziendale nei dodici mesi successivi e che (iii) siano attentamente monitorati gli specifici segnali che contribuiscono a evidenziare la non sostenibilità del debito e che devono indurre gli amministratori a valutare le azioni necessarie. Le informazioni del 2025 sono state esaminate nelle riunioni del Consiglio di Amministrazione del 12 marzo 2025, 4 giugno 2025, 28 luglio 2025 e 17 dicembre 2025 e da tali verifiche, tenuto conto del supporto finanziario garantito dalla Controllante – come meglio indicato nel prosieguo - non sono emersi elementi di criticità da riportare nella nostra relazione.

Il 17 dicembre 2024 era pervenuta al presidente del Collegio Sindacale una lettera dall'INAIL nella quale viene segnalata, ai sensi dell'articolo 25-novies del decreto legislativo 12 gennaio 2019 n.14, una posizione debitoria scaduta per premi assicurativi di 1.177.252,91 euro; segnalazione che era stata oggetto di pronta verifica da parte del Collegio e che è da ricondursi ad un ricalcolo aliquote da parte dell'INAIL che la Società ha contestato e per il quale è pendente un ricorso amministrativo con prima udienza fissata per il 03 novembre 2026.

Con riferimento poi agli adempimenti della Società ai sensi della normativa ex D. Lgs. 231/2001, il Collegio Sindacale fa presente che l'Organismo di Vigilanza – durante gli incontri effettuati e con le proprie relazioni semestrali – ha informato il Collegio sulle attività svolte nel corso del 2025 (anche con riferimento alla formazione del personale), senza segnalare elementi di particolare criticità non adeguatamente considerati e vagliati dal management della Società.

Il Collegio rappresenta che, nel corso dell'esercizio 2025, la Direzione Compliance Integrata, con propria valutazione, ha classificato la Società quale ente non di piccole dimensioni, attribuendo un livello di rischio complessivo 231 "alto".

Il Collegio fa altresì presente che la Parte Generale del Modello 231 è stata da ultimo aggiornata ed approvata dal CdA in data 17 dicembre 2025, mentre l'ultimo aggiornamento del documento Attività Sensibili e Standard di Controllo Specifici del Modello 231 (Parte Speciale) è stato approvato nella riunione consiliare del 1 luglio 2024 a seguito di specifico risk assessment. Tale risk assessment è stato avviato in data 6 marzo 2024, su richiesta e coordinamento dell'unità Compliance di Eni, ed è stato condotto con il supporto di E&Y al fine di aggiornare il Modello agli ultimi reati presupposto ricompresi nel modello della controllante.

A tal riguardo, in occasione della riunione del CdA dell'11 marzo 2026, è stato comunicato al Collegio che l'attività di aggiornamento della Parte Speciale del Modello 231 dovrebbe concludersi entro il primo semestre del 2026 e che, in ogni caso, risultano comunque esistenti, adeguati ed effettivi i presidi posti dalle strutture Eni e Versalis a salvaguardia anche dei rischi inerenti le fattispecie di reato non ancora ricomprese nella Parte Speciale del Modello.

Coerentemente con le disposizioni dettate dalla *Management System Guideline* (MSG) denominata "*Composizione Organismi di Vigilanza e svolgimento delle attività di competenza a supporto delle società controllate da Eni SpA*", approvata dal Consiglio di Amministrazione di Versalis, l'Organismo di Vigilanza ex D. Lgs. 231/2001 della Società, è composto da n. 3 componenti, di cui n. 2 interni e n. 1 esterno, con funzioni di Presidente.

8. Il Collegio Sindacale ha vigilato sull'adeguatezza del sistema di controllo interno e di gestione dei rischi, nell'ottica, tra l'altro, di garantire la correttezza dell'informativa societaria periodica sia ai fini propri della Società che di Gruppo, anche nel rispetto delle disposizioni

previste dalla normativa americana Sarbanes-Oxley Act of 2002 ("SOA"), principalmente attraverso (i) l'informativa fornita dal Consiglio di Amministrazione sull'adeguatezza e sull'effettivo funzionamento del Sistema di Controllo Interno e di Gestione dei Rischi, (ii) i rapporti dell'*Internal Audit* e l'informativa sugli esiti dell'attività di monitoraggio e sull'attuazione di eventuali azioni correttive individuate, (iii) l'ottenimento di informazioni dai responsabili delle funzioni aziendali, dall'Organismo di Vigilanza ex D. Lgs. 231/2001 e dalla società incaricata della revisione legale dei conti.

Il Collegio Sindacale fa presente che, dalle attività di controllo complessivamente svolte, non sono emersi elementi da segnalare che possano far ritenere non adeguato il sistema di controllo interno. Nel corso del 2025 sono state rilevate complessivamente 4 carenze Process Level Control e 1 General Computing Control tutte prontamente sanate e senza alcun impatto sulla situazione finanziaria elaborata. Alla data del 31.12.2025 non sono presenti carenze aperte.

Il Collegio ha altresì esaminato i rapporti emessi dall'Internal Audit nel corso del 2025 e nel corso dei primi mesi del 2026 sempre con riferimento al *Piano di Audit* dell'anno 2024.

Alla data di redazione del presente documento, la Società ha provveduto alla chiusura di tutte le azioni correttive definite negli interventi di *audit* ed avente scadenza entro il 31.12.2025.

9. Il Collegio Sindacale, al fine di valutarne l'adeguatezza ha acquisito informazioni sull'assetto organizzativo, amministrativo e contabile, nonché sull'affidabilità di quest'ultimo a rappresentare correttamente i fatti di gestione, mediante l'ottenimento di informazioni dai responsabili delle funzioni competenti, nonché attraverso l'analisi di documenti aziendali e dei risultati del lavoro svolto dalla società di revisione legale dei conti, con la quale sono stati svolti periodici incontri, ai fini del reciproco scambio di informazioni.

10. Dall'attività di vigilanza e controllo non sono emersi fatti significativi suscettibili di segnalazione o di menzione nella presente Relazione.

Il Collegio Sindacale prende atto che il progetto di bilancio al 31 dicembre 2025, approvato dal Consiglio di Amministrazione in data 11 marzo 2026 ed in pari data messo a disposizione del Collegio nei termini di Legge, evidenzia un risultato netto di periodo negativo di 1.202 milioni di euro (a fronte di una perdita di 637 milioni di euro nel 2024), determinata dalla perdita operativa di 1.188 milioni di euro, da oneri finanziari netti di 45 milioni di euro e da proventi netti su partecipazioni di 31 milioni di euro.

Il risultato operativo ha registrato un peggioramento di 406 milioni di euro principalmente per:

- riduzione dei proventi per riaddebito di costi ambientali (246 milioni di euro) riconosciuti da altri operatori corresponsabili a progetti di bonifica. Tale riduzione è derivante dalla circostanza che nel 2024 sono stati rilevati gli effetti straordinari e una tantum dell'accordo che prevedeva il rimborso paritario di costi già sostenuti nel passato per bonifiche relative a fatti avvenuti prima dell'acquisizione da parte di Versalis SpA di tali siti industriali;
- peggioramento del margine di contribuzione degli **intermedi** a seguito della riduzione dei volumi per effetto del piano di trasformazione della chimica che ha visto la fermata dei *cracker* di Priolo e Brindisi;
- maggior impatto delle **svalutazioni** degli investimenti afferenti: (i) oltre alle CGU già completamente svalutate per effetto dell'impairment test, (ii) al business Polietilene dell'impianto di Ferrara, (iii) al sito in conversione di Brindisi e (iv) alle licenze non più nell'interesse del piano di ricerca Versalis; tali svalutazioni sono state parzialmente compensate dalla riprese di valore degli asset di Trattamento Acque Reflue di Priolo, poiché investimento in corso e propedeutico alla realizzazione della Bioraffineria.

Tali effetti negativi sono stati parzialmente compensati da:

- miglioramento della marginalità del business del **polietilene** nonostante la riduzione della produzione e dei volumi venduti determinata dalla domanda debole nei settori *appliances* e *packaging* e per crescente pressione di prodotti importati;

- miglioramento del business degli **stirenici** che registra un lieve aumento dello spread di riferimento per il calo dei prezzi delle materie prime.

La suddetta perdita di esercizio (1.202 milioni di euro) dedotte le riserve disponibili (1.080 milioni di euro), configura gli estremi previsti dall'art. 2446 del codice civile in quanto la perdita netta risultante (122 milioni di euro) supera 1/3 del capitale sociale (capitale sociale 200 milioni di euro, 1/3 pari a 66 milioni di euro).

Il Consiglio di Amministrazione ha ritenuto pertanto di proporre all'Assemblea, per la parte *ordinaria*, di portare a nuovo la perdita dell'anno 2025 di euro 1.201.595.644,02 con un totale perdite a nuovo pertanto di euro 1.201.019.557,33 e, per la parte *di interventi relativi al 2446 del codice civile*:

a) di coprire le perdite totali a nuovo con contestuale contribuzione a ricostituzione riserve, mediante: (i) utilizzo delle Altre Riserve di Capitale per euro 1.072.610.725,20; (ii) contribuzione per complessivi euro 900.000.000,00 da parte del Socio, da operarsi o mediante versamento o mediante rinuncia a crediti finanziari, a titolo di "Copertura perdite a nuovo residue" per euro 128.408.852,13 e "Altre riserve di capitale" per euro 771.591.147,87.

In contestualità della presente *Relazione*, il Collegio ha presentato le proprie osservazioni ai sensi dell'art. 2446 Codice civile alla relazione che gli Amministratori hanno redatto nei termini di legge.

Si evidenzia che, comunque, il progetto di bilancio è stato predisposto nel presupposto della continuità aziendale in quanto Versalis SpA è società interamente partecipata da Eni SpA, alla cui attività di direzione e coordinamento è sottoposta, ed ha diritto di accedere senza limiti di fido contrattualmente definiti alle disponibilità finanziarie concesse da Eni SpA; il Management ha inoltre ribadito che è policy di Eni SpA fin tanto che una società è detenuta al 100% , direttamente o indirettamente, dotarla delle risorse finanziarie necessarie per far fronte alle obbligazioni presenti e future.

Tale supporto risulta confermato dalla *Support letter* trasmessa dal Chief Transition & Financial Officer della Controllante in data 4 febbraio 2026.

Non essendo demandato al Collegio il controllo analitico di merito sul contenuto del bilancio, il Collegio Sindacale ha vigilato sull'impostazione generale data allo stesso e sulla sua complessiva conformità alla legge per quel che concerne la formazione e struttura. A tale riguardo non vi sono osservazioni da riferire nella presente Relazione.

Il Collegio Sindacale ha verificato altresì l'osservanza delle norme di legge inerenti alla predisposizione della Relazione sulla Gestione, nonché la coerenza di tale documento con le informazioni acquisite nel corso delle attività di vigilanza.

Per quanto occorrer possa, si segnala che la Società nel corso del 2025 ha predisposto il proprio Report di Sostenibilità per l'anno 2024.

11. In conclusione, a parere del Collegio Sindacale – per quanto di propria competenza, preso atto delle risultanze del bilancio di esercizio al 31 dicembre 2025, tenuto conto di quanto osservato nella presente Relazione – nulla osta in merito alla proposta di deliberazione, così come formulata dal Consiglio di Amministrazione all'Assemblea degli Azionisti.

San Donato Milanese, 10 aprile 2026

Marco Seracini (Presidente) | Valeria Pichiorri | Angelo Cremonese

Shareholders' meeting resolutions

1. Draft financial statements at 31 December 2025; inherent and consequent resolutions

The ordinary shareholders' meeting held on 27 April 2026, considering the reports of the Board of Directors and the Board of Statutory Auditors and considering the opinion issued by independent auditing company PwC SpA, passed the following resolutions:

a. to approve the annual financial statements at 31 December 2025, showing a loss of 1,201,595,644.02 euro;

b. to carry forward the operating loss of 1,201,595,644.02 euro;

c. to defer adoption of the provisions required to cover the comprehensive losses carried forward to the next item on the agenda of this meeting.

2. Provisions pursuant to article 2446 of the Italian civil code.

Also, in the session of 27 April 2026, the shareholders' meeting acknowledged that losses carried forward total 1,201,019,577.33 euro and are therefore higher than available reserves and at the limit of one third of the share capital as per art. 2446 of the Italian civil code, and resolved:

- to cover the losses as follows:
  - the amount of 1,072,610,725.20 euro through use of Other Capital Reserves;
  - the amount of 128,408,852.13 by the shareholder's waiver of financial receivables under the heading "coverage of prior losses";
- and to supplement the company's equity, functional for implementation of the corporate plans, by reconstituting and supplementing "Other capital reserves" by the shareholder's waiver of financial receivables totalling 771,591,147.87 euro.[29]

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[29] It follows that the total contribution required of the shareholder, to be obtained by waiver of financial receivables, amounts to 900 million euro in total.

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