The New Eni: Accelerating the Energy Transition

Strategy Update and H1 2020 Results

July 30, 2020
THE NEW ENI: ORGANIZATIONAL STRUCTURE

SUPPORT FUNCTIONS

TECHNOLOGY, R&D & DIGITAL

NATURAL RESOURCES

ENERGY EVOLUTION

TO BE A LEADER IN THE ENERGY TRANSITION
LONG TERM STRATEGY UNCHANGED

OIL & GAS
GAS SHARE: ~85%

CHEMICALS
BIO & RECYCLED PRODUCTS

RENEWABLES
INSTALLED CAPACITY > 55 GW

REFINING
5 MTPA BIOFUELS

MARKETING
100% SUSTAINABLE FUELS

RETAIL GAS & POWER
> 20 MLN CUSTOMERS
### IMPROVED 2020 AND 2021 CAPEX AND COST REDUCTION

#### CAPEX REDUCTION TARGET | € Bln

<table>
<thead>
<tr>
<th></th>
<th>2020 @ Q1</th>
<th>NOW</th>
<th>2021 @ Q1</th>
<th>NOW</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>-2.3</td>
<td>-2.6</td>
<td>-2.5 / 3.0</td>
<td>-2.4</td>
</tr>
</tbody>
</table>

> 30% Cut vs Original Plan

#### COST REDUCTION TARGET | € Bln

<table>
<thead>
<tr>
<th></th>
<th>2020 @ Q1</th>
<th>NOW</th>
<th>2020 NEW</th>
<th>2021 NEW</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>-0.6</td>
<td>-1.4</td>
<td>-0.6</td>
<td>-1.4</td>
</tr>
<tr>
<td>2021</td>
<td>-2.3</td>
<td>-2.6</td>
<td>-2.3</td>
<td>-2.3</td>
</tr>
</tbody>
</table>

25% - 30% Structural

**2020 ACTIONS:** >€1 Bln vs previous guidance

**2020+2021 ACTIONS:** ~€ 8 Bln vs original plan
GROUP CAPEX PLAN

NEW 2020-2023 CAPEX | € Bln

ACCELERATING THE ENERGY TRANSITION

NEW VS ORIGINAL 2020 -2023 PLAN

GREEN: + € 0.8 Bln

UPSTREAM: - € 6 Bln

GREEN: 26% vs 20% in Original Plan

~€ 5 Bln CUT vs Original Plan

ORIGINAL PLAN: AVG <€ 8 Bln
**UPSTREAM**

**PRODUCTION | Mboed**

- **CAGR 2019-23**: +1.7%
- **2020 RANGE**: 1.71-1.76
- **2023-2025 RANGE**: 2.0-2.1

**2020 – 2023 MAIN START UPS**

**2020**
- Berkine North (ALGERIA)
- Nené ph. 2B (CONGO)
- Mahani (UAE – SHARJAH)

**2021**
- Cabaça North (ANGOLA)
- Merakes (INDONESIA)
- Area 1 Full Field (MEXICO)
- Fenja (NORWAY)

**2022**
- Coral (MOZAMBIQUE)
- Balder X (NORWAY)

**2023**
- Agogo EP Ph. 2 (ANGOLA)
- Bouri Gas Utilization (LIBYA)
- Bahr Essalam Compression (LIBYA)
- Breidablikk (NORWAY)
- Johan Castberg (NORWAY)
- Dalma (UAE)

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**CAPEX**

- **UPSTREAM**
  - **€ BLN**: 3.9, 4.3, 5.2

*Without OPEC cuts*
### GROWTH IN DECARBONIZED PRODUCTS

<table>
<thead>
<tr>
<th><strong>RENEWABLES</strong></th>
<th><strong>BIO - REFINERIES</strong></th>
<th><strong>ENI GAS E LUCE</strong></th>
<th><strong>VERSALIS</strong></th>
<th><strong>MARKETING</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INSTALLED CAPACITY (GW)</strong></td>
<td><strong>INSTALLED CAPACITY (MTPA)</strong></td>
<td><strong>CUSTOMER BASE (MLN)</strong></td>
<td><strong>SHARE OF BIO AND RECYCLED PRODUCTS</strong></td>
<td><strong>SHARE OF SUSTAINABLE FUELS</strong></td>
</tr>
<tr>
<td>0.3 3 3 15 25 55</td>
<td>1 9.5 11 20</td>
<td>1% 25% 30%</td>
<td>5% 25% 100%</td>
<td>2020-2023 2023 2030 2035 2050</td>
</tr>
</tbody>
</table>
SHAREHOLDERS REMUNERATION POLICY

**PROGRESSIVE FLOOR DIVIDEND**
- €0.36 dividend when Brent Scenario is $45 / bbl or above
- Floor is evaluated yearly for growth considering the execution of the strategic plan

**ADDITIONAL VARIABLE DIVIDEND**
- Equal to 30 – 45% of additional FCF generated between $45 – 60 / bbl Brent

**ANNUAL BUYBACK**
- €400m for Brent between $61 - 65 / bbl
- €800m for Brent above $65 / bbl

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**DIVIDEND BASED UPON ENI’S ANNUAL BRENT SCENARIO | €**

- $45 Brent, €0.36
- $48 Brent, €0.41
- $50 Brent, €0.45
- $55 Brent, €0.56
- $60 Brent, €0.7

**TOTAL DIVIDEND**
## HIGHLIGHTS H1 2020

<table>
<thead>
<tr>
<th>RESPONSE TO COVID19</th>
<th>People</th>
<th>health measures implemented worldwide</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Assets</td>
<td>integrity maintained</td>
</tr>
<tr>
<td>UPSTREAM</td>
<td>Exploration</td>
<td>success in Egypt, Angola, Mexico and Sharjah (UAE)</td>
</tr>
<tr>
<td></td>
<td>Production: 1.74 Mboed (-5% YoY). Start up in Angola and Algeria</td>
<td></td>
</tr>
<tr>
<td>MID - DOWNSTREAM</td>
<td>G&amp;P: EBIT adj € 0.65 Bln (+70% YoY). Strong optimizations.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>R&amp;M: EBIT adj € 0.17 Bln (+67% YoY). Resilient Bio refining.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Renewables: installed capacity 250 MW (+44% vs end of 2019)</td>
<td></td>
</tr>
<tr>
<td>FINANCIALS</td>
<td>Adj CFFO (pre WC): € 3.3 Bln</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Capex: € 2.9 Bln</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Adjusted FCF positive contribution</td>
<td></td>
</tr>
</tbody>
</table>
UPSTREAM: STILL POSITIVE IN A VERY WEAK ENVIRONMENT

EBIT ADJ | € Bln

<table>
<thead>
<tr>
<th>1H 2019</th>
<th>1H 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brent ($/bbl)</td>
<td>66.0</td>
</tr>
<tr>
<td>PSV (€/kmc)</td>
<td>200</td>
</tr>
<tr>
<td>FX</td>
<td>1.13</td>
</tr>
</tbody>
</table>

VOLUME/MIX & OTHER

SCENARIO

2020 PRODUCTION CONFIRMED
POST OPEC CUTS

1.71 – 1.76 Mboed
STRONG MID-DOWNSTREAM RESULT

H1 2020 EBIT ADJ | € bln

- R&M
- G&P
- VERSALIS

1H 2019
- 0.38
  - 0.11
  - -0.07

1H 2020
- 0.65
  - 0.17
  - -0.13

GUIDANCE: 2020 EBIT ADJ | € bln

- R&M
- G&P
- VERSALIS

@ Q1
- 0.40
  - 0.30
  - -0.10

NEW
- 0.65
  - 0.35
  - -0.20

2020 GUIDANCE: € 0.8 bln (+33%)

R&M includes pro-forma ADNOC Refining
CASH RESULTS

LIQUIDITY

€ 17.7 bln

CFFO before WC | € BLN

1H 2019

6.8

1H 2020

7.6

CAPEX

SCENARIO, COVID

4.3

2020 CFFO @ $ 40/BBL: € 6.5 bln
THE NEW ENI

NATURAL RESOURCES
SELECTIVE AND SUSTAINABLE

ENERGY EVOLUTION
TRANSFORMATION AND GROWTH

FINANCIAL FRAMEWORK
PROGRESSIVE REMUNERATION
RESILIENT IN A WEAKER ENVIRONMENT
MARKET SCENARIO

**BRENT** | $/bbl
---|---
1H 2019: 66.0 | 1H 2020: 39.7

**EXCHANGE RATE** | €/$
---|---
1H 2019: 1.130 | 1H 2020: 1.102

**EUROPEAN GAS PRICES** | €/kcm
---|---
1H 2019: 200 | 1H 2020: 167

**STANDARD ENI REFINING MARGIN** | $/bbl
---|---
1H 2019: 3.6 | 1H 2020: 2.9
### ASSUMPTIONS AND SENSITIVITY

<table>
<thead>
<tr>
<th>4YP Scenario</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brent dated ($/bbl)</td>
<td>40</td>
<td>48</td>
<td>55</td>
<td>60</td>
</tr>
<tr>
<td>FX avg ($/€)</td>
<td>1.116</td>
<td>1.130</td>
<td>1.150</td>
<td>1.180</td>
</tr>
<tr>
<td>Ural MED c.i.f. - Med Dated Strip ($/bbl)</td>
<td>-0.5</td>
<td>-1.3</td>
<td>-1.4</td>
<td>-1.5</td>
</tr>
<tr>
<td>Std. Eni Refining Margin ($/bbl)</td>
<td>3.8</td>
<td>4.3</td>
<td>4.5</td>
<td>4.6</td>
</tr>
<tr>
<td>NBP ($/mmbtu)</td>
<td>2.4</td>
<td>4.1</td>
<td>4.8</td>
<td>5.1</td>
</tr>
<tr>
<td>PSV (€/kcm)</td>
<td>99</td>
<td>147</td>
<td>163</td>
<td>167</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sensitivity 2020</th>
<th>EBIT adj (€ bln)</th>
<th>Net adj (€ bln)</th>
<th>FCF (€ bln)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brent (+1 $/bbl)</td>
<td>0.23</td>
<td>0.16</td>
<td>0.17</td>
</tr>
<tr>
<td>Std. Eni Refining Margin (+1 $/bbl)</td>
<td>0.13</td>
<td>0.09</td>
<td>0.13</td>
</tr>
<tr>
<td>Exchange rate $/€ (-0.05 $/€)</td>
<td>0.09</td>
<td>0.02</td>
<td>0.1</td>
</tr>
</tbody>
</table>

Brent sensitivity assumes oil and gas prices move proportionally. It is applicable for $5-$10/bbl moves in Brent.
KEY PROJECTS STARTING UP IN 2020-23 [1/2]

ALGERIA

Berkine North & BRN Pipeline 49% WI

Gas Start up: March 2020
2020 Equity: 13 kboed
Production (kboed):
71 (100%) – 35 (equity) @2022

MEXICO

Area 1 100% WI

EP Start up: June ‘19 (FF: H2 2021)
2020 Equity: 16 kboed
FF Progress: 46%
Production (kboed):
92 (100%) @ 2025 - 60 (eq.) @2022

CONGO

Nené ph. 2B 65% WI

EP Start up: March 2020 (FF: 2022)
2020 Equity: 2 kboed
Production (kboed):
14 (100%) – 9 (equity) @2023

ANGOLA

Mahani 50% WI

Start up: Q4 2020
Progress: 19%
Production (kboed):
18 (100%) – 9 (equity) @2022

MERAKES 65% WI

Start up: H1 2021
Progress: 63%
Production (kboed):
78 (100%) – 46 (equity) @2022

NOTE: Average yearly production in peak year/ at plateau
EP = Early Production Facility; FF = Full Field Development

= in production
### Key Projects Starting Up in 2020-23 [2/2]

**Balder X**
- **63% WI**
- **Norway**
- **Start up:** 2022
- **Progress:** 14%
- **Production (kboed):**
  - 78 (100%) – 49 (equity) @2023

**Johan Castberg**
- **21% WI**
- **Norway**
- **Start up:** 2023
- **Progress:** 46%
- **Production (kboed):**
  - 205 (100%) – 43 (equity) @2025

**Breidablikk**
- **29% WI**
- **Norway**
- **Start up:** 2023
- **Progress:** FID (2020)
- **Production (kboed):**
  - 47 (100%) – 14 (equity) @2024

**Dalma Gas**
- **25% WI**
- **Abu Dhabi**
- **Start up:** 2023
- **Progress:** FID (2020)
- **Production (kboed):**
  - 54 (100%) – 13 (equity) @2024

**Coral FLNG**
- **25% WI**
- **Mozambique**
- **Start up:** 2022
- **Progress:** 74%
- **Production (kboed):**
  - 105 (100%) – 27 (equity) @2023

**Bouri GUP**
- **50% WI**
- **Libya**
- **Start up:** 2023
- **Progress:** FID (2021)
- **Production (kboed):**
  - 15 (100%) – 3 (equity) @2024

*NOTE: Average yearly production in peak year/at plateau*