



Eni and Falck Renewables sign strategic agreement for joint development of new renewable projects in United States

Eni acquires 49% of Falck Renewables' US operating assets

San Donato Milanese and Milan, December 20, 2019 – Eni and Falck Renewables have signed a strategic agreement for the joint development of renewable energy projects in the United States. The agreement involves the creation of a venture owned 50% by Eni New Energy US Inc. (“ENE US”) and 50% by Falck Renewables North America Inc. (“FRNA”) for the development, construction and financing of new solar photovoltaics, wind onshore and energy storage projects. Under the terms of the agreement, FRNA will simultaneously sell ENE US 49% of its ownership interests in the plants currently in operation in the United States.

The deal enables the two partners to:

- establish a significant platform for the development of new projects from renewable sources in an evolved US market, which offers significant growth prospects.
- operate through a new company that will cover the phases of development, construction and financing of new projects combining Falck Renewables' know-how in renewable assets together with Eni's technological and financial capabilities.
- accelerate the growth of Eni and Falck Renewables in the US and help reach their respective goals in terms of installed capacity and green energy generation.

The venture¹ will have shared governance and will be dedicated to develop at least 1 GW in projects by the end of 2023. ENE US and FRNA will have various options to acquire projects from the venture, either consolidated line-by-line by ENE US (100%) or by FRNA (100% or with a minority 49% stake for ENE US). Funding for the joint development company and its profits will be split equally between the owners.

¹ The Parties will be exclusive to each other with respect to projects in the US larger than 5 MWdc.

The sale to ENE US of 49%² of FRNA's existing assets pertains to a 112.5 MW portfolio comprising five photovoltaic plants in operation in North Carolina and Massachusetts, one of which, Middleton (Massachusetts) has an energy storage facility of 6.6 MWh. These plants will continue to be operated, controlled and consolidated by FRNA, which will own 51% of them.

The total value paid by ENE US to FRNA will be approximately 70 million USD at closing, including a solar panel stock valued approximately 12.7 million USD, and this will be adjusted in line with market practice. Closing is subject to certain conditions precedent and is expected by the first quarter of 2020.

Luca Cosentino, Executive Vice President of Energy Solutions at Eni, commented: "For Eni, the agreement with Falck Renewables opens up a new, low-risk and highly fluid market in which we are aiming to grow very quickly. This partnership will benefit from the knowledge and renowned experience of Falck Renewables, enabling Eni to accelerate its plans to increase its renewable energy capacity and laying the foundations for achieving our decarbonization objectives."

"We are excited to start working in a targeted way with Eni, which like us wants to contribute to the energy transition and be a key player in the renewables sector. We are really interested in bringing together the two companies' capabilities and ambitions to create an agile and focused development company, with clear objectives in one of the world's most dynamic and high-potential markets," said Toni Volpe, CEO of Falck Renewables.

² The scope of assets to be partially transferred recorded 2018 revenues (at 100%) of 11.5M USD and EBIT of 2.8M USD, with a period-end Net Financial Position of 37.2 USD. With reference to the operating plants, the deal also envisages call option mechanisms in favor of FRNA in the event of deadlock and lock-up within five years of closing.

Eni is an energy company with around 31,000 employees in 67 countries globally. It operates in the oil and natural gas exploration, development and extraction industries in 43 countries, trades in the oil, natural gas, LNG and electricity sectors in 28 countries and sells fuels and lubricants in 33 countries. It also produces crude oil and semi-finished products to be used in the production of fuels, biofuels, lubricants and chemicals that are then distributed through either the wholesale or retail market, through various refineries and chemical plants. The company is contributing to the energy transition to a low-carbon future, by promoting the development of energy produced from renewable sources. It is doing so by using new and increasingly efficient clean technologies and by applying the principles of the circular economy to all aspects of its activity

Falck Renewables S.p.A., listed on the Italian stock exchange in the STAR segment (“FKR.MI”) and included in the FTSE Italia Mid Cap Index, develops, designs, builds and manages power production plants from renewable sources, with an installed capacity of 1,026 MW (989.5 MW according to the IFRS 11 reclassification) in the United Kingdom, Italy, United States, Spain and France, using wind power, solar power, storage, WtE and biomass technologies. The Group is a global player in the renewable energy technical advisory and asset management services business, through its wholly owned subsidiary Vector Cuatro, providing asset management services to clients accounting for approximately 2,500 MW of installed capacity and with experience in more than 40 countries.

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