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Oggetto : Eni and Snam launch partnership on gas
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Testo del comunicato

Vedi allegato.



PRESS RELEASE

Eni and Snam launch partnership on gas pipelines between Algeria and Italy

Eni agrees to sell Snam a 49.9% stake in its subsidiaries operating TTPC and TMPC gas pipelines for a consideration of 385 million euros

San Donato Milanese (Milan) - November 27, 2021 - Eni and Snam have entered into an agreement for the sale by Eni to Snam of a 49.9% stake (directly and indirectly owned) in certain companies operating two groups of international gas pipelines connecting Algeria to Italy. In particular, the perimeter of the transaction includes the onshore gas pipelines running from the Algeria and Tunisia borders to the Tunisia coast (TTPC), and the offshore gas pipelines connecting the Tunisian coast to Italy (TMPC)¹.

Pursuant to the agreement, Eni will contribute its entire ownership interests in the two pipelines to a newly incorporated Italian company (NewCo) in which Eni will continue to hold a 50.1% stake, whereas the remaining 49.9%² will be sold to Snam for a purchase price equal to 385 million euros. Snam will fund the payment of the purchase price with its own financial resources.

The transaction will create synergies among the parties' respective areas of expertise in gas transport on a strategic route for the security of the natural gas supply in Italy, enabling potential development initiatives within the hydrogen value chain from North Africa.

Eni CEO Claudio Descalzi commented: *"This transaction allows us to free up new resources to be used on our energy transition path, while at the same time maintaining the management of a strategic infrastructure with Snam to ensure the security of natural gas supply to the country. Gas will play a key role in the transition of energy systems to zero-emission models, and it is important to maintain the availability and diversification of supply routes for this resource."*

Marco Alverà, Snam CEO said: *"This deal consolidates Snam's central role in Italy's security of supply as well as in energy transport from the Mediterranean region. Through this transaction, Snam is bridging its infrastructure towards North Africa, which represents a key area for gas supplies to Italy and forward looking for hydrogen development. In the future, North Africa could also become a hub for producing solar energy and green hydrogen."*

¹ In particular, the shareholdings included in the perimeter of the transaction include: (i) the entire share capital of Trans Tunisian Pipeline Company S.p.A., the company that holds the exclusive right to market the natural gas transportation capacity of the on-shore pipeline; (ii) 99.85% of the share capital of Scogat S.A., the company that carries out expansion works or other interventions on the on-shore pipeline; (iii) 65.4% of the share capital of Sergaz S.A., the company that provides operating and maintenance services for the on-shore pipeline and holds 49.9% of the share capital of Premium Multiservices S.A.; (iv) 50% of the share capital of Transmediterranean Pipeline Company Ltd, owner of the offshore pipeline; (v) 50% of the share capital of Transmed S.p.A., owner of the exclusive right to market natural gas transportation capacity in the offshore pipeline; (vi) 50% of the share capital of Mariconsult S.p.A., a company providing operating and maintenance services for the offshore pipeline; and (vii) 5% of the share capital of Samco Sagl, a company providing services for the offshore pipeline.

² To be raised to 50% of the share capital of NewCo should certain conditions apply as per the agreement after payment of a pro-rata amount of 385 million euros



The transaction supports Eni's broader strategy to optimize its portfolio and accelerate growth in sectors related to the energy transition. Snam will benefit from its position on a strategic route for the security of natural gas supplies to Italy and the opportunity to support potential developments within the hydrogen value chain also by means of natural resources in North Africa.

The agreement also provides for an earn-in and earn-out mechanism to be calculated on the basis of the revenues that will be generated by the target companies. The target companies generated a net income (100% of Eni's stake) of around 90 million euros in 2020.

Eni and Snam will exercise joint control over the NewCo, on the basis of equal governance principles and both companies will therefore consolidate NewCo through the equity method.

The closing of the transaction is subject to certain conditions precedent, including mandatory authorizations pursuant to antitrust and "golden power" regulations and from other competent regulatory authorities, in addition to the authorization from the Tunisian government and the consent and/or approval of the shareholders and boards of directors of certain target companies. In view of the deferral of the closing to allow the fulfilment of the conditions precedent, a ticking fee will accrue on the consideration from the date of the balance sheet of reference (30 June 2021), to be paid by Snam to Eni upon the closing of the transaction.

Subject to the fulfilment (or, as the case may be, the waiver) of the conditions precedent provided for in the contract, the transaction is expected to be completed by the third quarter of 2022.

Related party transaction

The transaction is carried out between related parties pursuant to Article 3 of the regulation adopted by Consob with resolution no. 17221 of 12 March 2010, as subsequently amended and supplemented (the "**Consob RPT Regulation**") and (i) Annex 3 of the "*Guidelines for transactions with interests of directors and statutory auditors and transactions with related parties*" adopted by the Board of Directors of Snam on 30 November 2010 and most recently amended on 15 July 2021 (the "**Snam Guidelines**"), as well as (ii) Annex C of the Eni Procedure "Transactions involving the Interests of the Directors and Statutory Auditors and Transactions with Related Parties" ("the **Eni Procedure**"), adopted by the Board of Directors of Eni on 27 May 2021, as Cassa Depositi e Prestiti S.p.A. ("**CDP**") holds: (i) directly, an equity investment representing 25.96% of Eni's share capital and voting rights; (ii) indirectly (through CDP Reti S.p.A., in which it holds 59.1% of the share capital), an equity investment representing 31.35% of Snam's share capital and voting rights.

The transaction qualifies as a "less significant" transaction between related parties for Eni pursuant to Article 7 of the Consob RPT Regulation and Article 5 of the Eni Procedure. In particular, Eni's Board of Directors approved the transaction, after having received the reasoned favorable opinion by Eni's Control and Risk Committee on Eni's interest in carrying out the transaction, as well as on the appropriateness and substantial fairness of the related conditions.

The transaction qualifies as a "transaction of greater importance" between related parties for Snam pursuant to Article 8, paragraph 1 of the Consob RPT Regulation and Article 4 of the Guidelines, as the materiality index relating to the value of the transaction as set out in Annex 3 to the Consob RPT Regulation and Annex 1 to the Snam Guidelines is greater than 2.5%.

Therefore, Snam activated the controls and measures provided for in Article 8 of the Consob RPT Regulation and Article 4.2 of the Snam Guidelines for "transactions of greater importance" with a



related party. Specifically, Snam Board of Directors approved the transaction, after receiving the reasoned favourable opinion by Snam Risk Control and Related Party Transactions Committee on Snam's interest in carrying out the transaction, as well as on the convenience and substantial correctness of the relevant conditions.

Snam will publish, within the terms set out in the Consob RPT Regulation and in the Snam Guidelines, the information document concerning the transaction relating to transactions of greater importance with related parties, prepared pursuant to Article 5 and in accordance with the format set out in Annex 4 of the Consob RPT Regulation, as well as pursuant to Article 4 of the Snam Guidelines.

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