
snam
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Snam 2030 vision
and
2021-2025 plan
29 November 2021

Snam has reshaped its business over the last six years

	2016		Today
Net profit:	€845m (1)		>€1,170m **(+38%)**
Capex:	€906m		€1,300m **(+50%)**
EPS:	€0.24		€0.35 **(+46%)**
DPS:	€0.21		€0.26 **(+25%)**
Employees:	2,883		3,388
Average age:	50		44
Org. levels:	8		6

New businesses

BU H2 · sn4m mobility · sn4m environment · renovit · DE NORA · ARBOLIA

International associates

Trans Adriatic Pipeline · GAS CONNECT AUSTRIA · albgaz · interconnector (fluxys) · DESFA · ADNOC · TERĒGA · TAG Trans Austria Gasleitung

- 10% H2 blending test in Contursi
- Ca €70m efficiency plan target achieved

€4.7bn of cash returned to shareholders through dividends and buybacks

1. Pro-forma adjusted.

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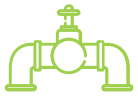
★ Key developments

Snam is ready to deliver



Global leader in H2-ready transport network

~ 33,000 Km of network

~2,700 Km of dedicated 100% H2 network by 2030 ★

Acquisition of **TMPC/TTPC** pipelines from Eni ★

Global leader in energy storage

17 bcm of storage capacity (16% EU market share, 3.4% global market share)

Tests confirm compatibility with **H2 storage** ★

First acquisition abroad with dCarbonX signing ★

Green Energy Projects

~200 people in H2, Biomethane and Mobility

Partnerships with industry leaders

DE NORA Value creation through planned IPO ★

Strong focus on ESG

Purpose included in the by-laws

Net-zero by 2040 scopes 1&2

New scope 3 target ★

Unparalleled execution capabilities

14th Consecutive year of **projects delivered on time** and **on budget**

Ability to work in partnership

Successful **partnerships** across different countries and types of investors

Disciplined investment approach

>70% TSR 2016-2021

Snam's assets and competences are essential to delivering the energy transition

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2030 vision:
Networks, Storage
and Integrated projects

2021 – 2025
Strategic
Plan

Closing
remarks

The COP26 consensus: green gases are on the cusp of a revolution

Green gas needed to get to zero

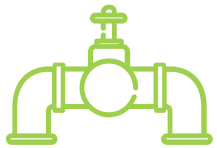
- **Net-zero commitments** from countries with **ca 90%** of global emissions
- **Electrification** to reach around **50%** of final energy mix
- **Green gases** required to decarbonize hard-to-abate sectors; up to **1/3** of energy mix by 2050

Technology costs falling

- **Cost decline of hydrogen** to accelerate to reach $0.5/kg by 2050 (BNEF)
- Supportive **global policies and incentives** for deployment at scale

Capex supercycle coming

- Molecules accounting for major share of **$150tn** global capex needs by 2050
- **$130tn** capital committed by financial institutions to net zero
- **$5tn** avg. annual capex 2020-50, **more than double** vs current level



Pivotal role of infrastructure

- Green gas infrastructure as **enabler** of energy transition
- **Integrated approach** to optimize energy supply, achieve higher returns

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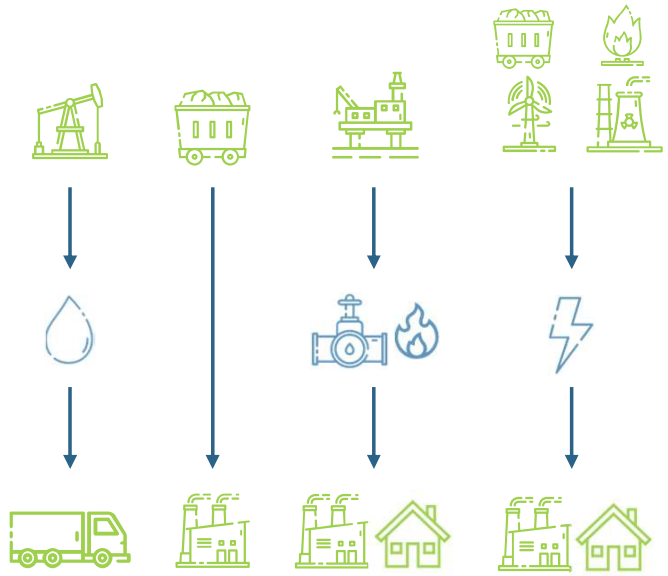
Snam ideally positioned in the green gas supercycle

Infrastructure is the new (green) oil

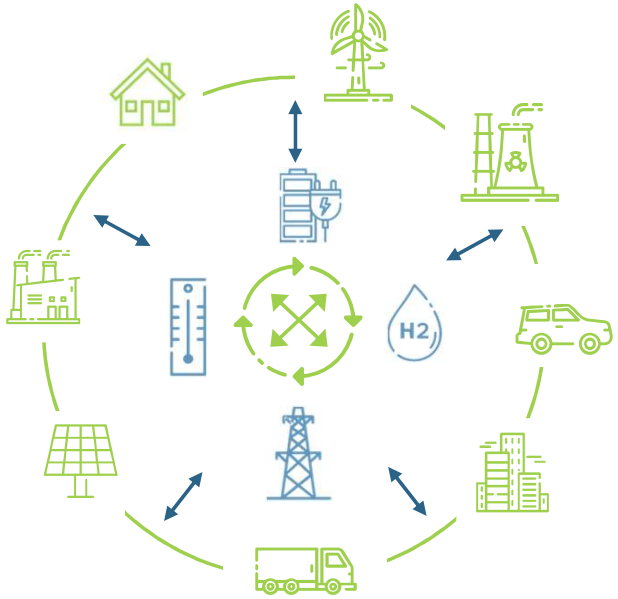
Today's energy system

Linear and one-directional,
organized in silos



Future integrated energy system

Energy flows between users and producers
optimized through integrated infrastructure



From a vertical energy system to an integrated one

Source : EU strategy on sector integration.

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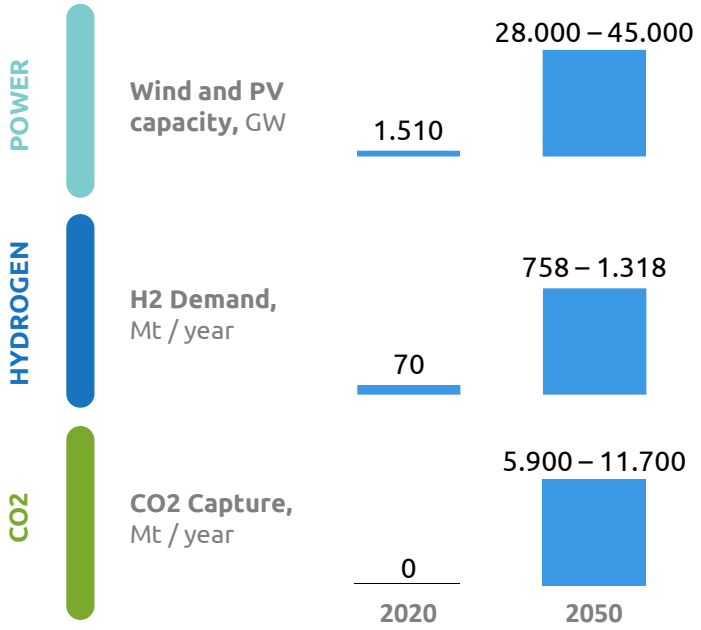
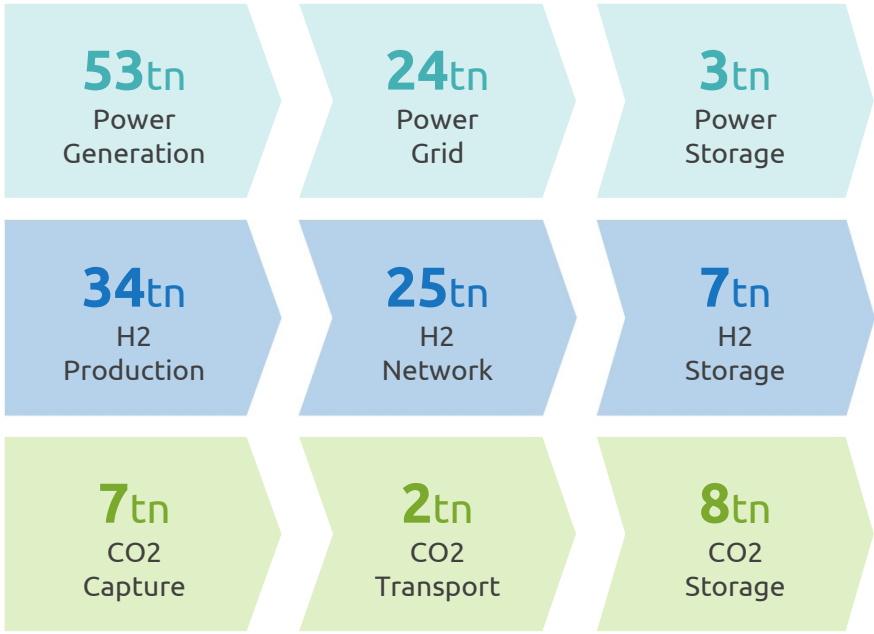
Getting to net zero will drive a capex supercycle

Global clean energy trends



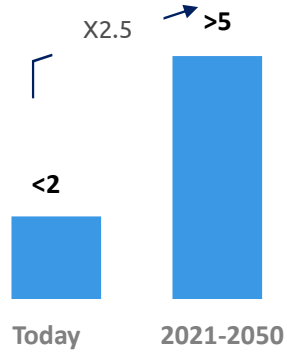
Global Investment potential by 2050

$ - up to



Average annual investment

$ trillions



$100-150tn of global capex by 2050 across the value chain

Source: Elaboration of BNEF New Energy Outlook 2021 data.

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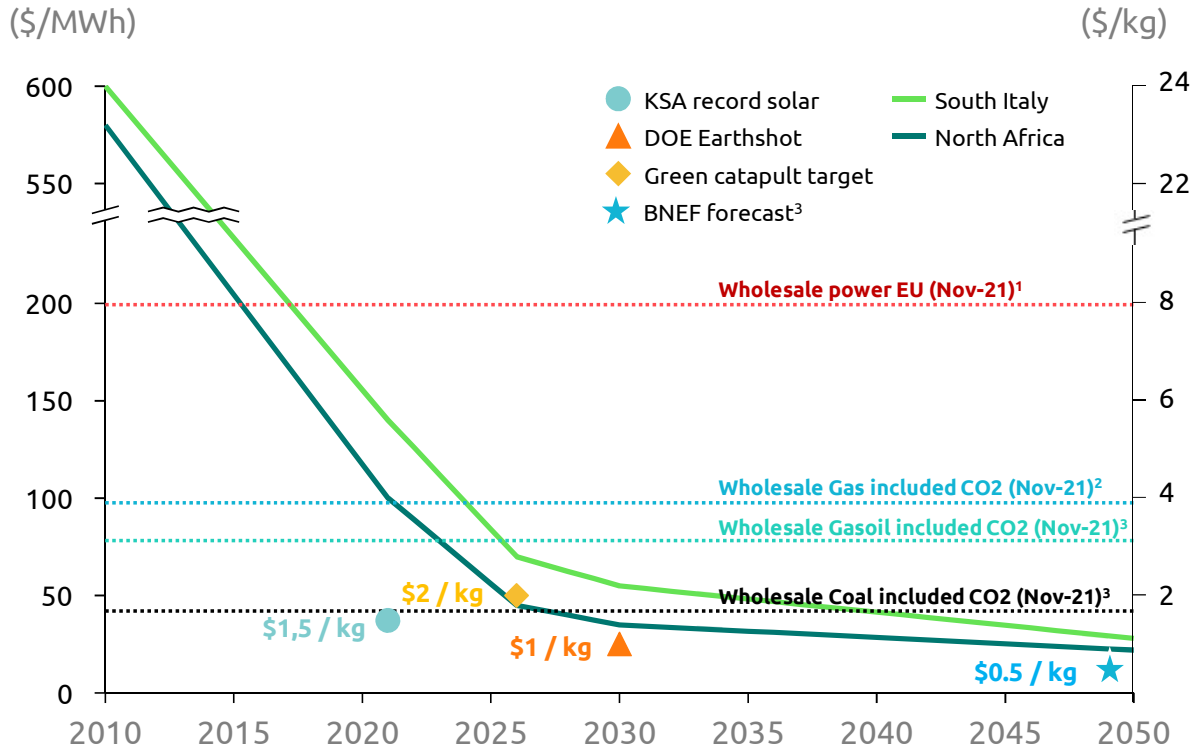
Hydrogen cost reductions are faster than expected

Levelized cost of green hydrogen production falling fast



Hydrogen projects building momentum*

500 Large-scale projects

> 90GW Global electrolyser production capacity announced (x2 since Jan 2021)

$155Bn Direct investments announced

45GW H2 green catapult target at 2026 for electrolyser capacity

1. Electricity: Italian electricity wholesale price (PUN), Gas: Italian gas wholesale price (PSV), Gasoil: 0.1% CIF MED, Coal: ARA.
2. LCOE: 10,4 $/MWh record solar tender in April 2021 - Chinese made electrolyzer (200$/kW).
3. November 2021 BNEF levelized cost update.

Source: Snam analysis.

* Source: Hydrogen Council, BNEF, Snam.

There is growing policy support for hydrogen

						
National targets @2030	**10GW** (1)	**3-4GW**	**5GW**	**6.5GW**	**Under development**	**5GW**
Announced public support up to 2026-30	**€12.5bn @2030**	**Up to €5bn p.a.**	**€1bn @2030**	**€7bn @2030**	**€9bn@2026** (2)	**€3.6bn @2026**
	• ~€1bn CCfDs • Infrastructure support & regulation (€0.8bn , 9% CoE) • Introduce quotas for green hydrogen in public procurement • Strong import focus	• CfDs for RES extended to H2 (€5bn p.a.) • H2 blending obligation under discussion • Focus on blue w/CCUS & green	• CfDs envisaged for H2 • Regulation foreseen for CCS • Possible export	• Introduced definitions for renewable/ low carbon H2 • Announced CFDs • Strong focus on export	• DOE Earthshot • Approved support for H2 and CCS Hubs • Proposed tax credits for clean H2 (up to $3/kg) and enhanced CCS tax credit schemes	• Incentives in the PNRR by 2026 • H2 guidelines see 2% H2 by 2030 • H2 Hub for Europe

H2 strongly supported across the Fit for 55 (targets, taxation & use of Innovation Fund)
EU gas package to create a framework for internal H2 market

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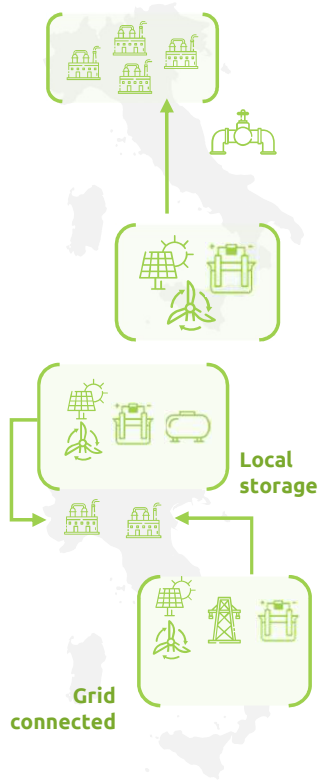
1. New Government coalition target (2) Reflects Infrastructure Bill only, proposed Build Back Better Act includes additional incentives.

Pipelines will be required to carry hydrogen to create an efficient system

Archetype	Delivered cost in 2030, €/kg	Production	Transport & Storage	Security of supply
Centralized H2 pipeline	2 - 4	Low-cost RES Economies of scale for H2 production	Existing natural gas pipelines can be repurposed Optimized storage requirements	Large scale production and storage sites spread over large areas Enables import from different routes
Decentralized Local storage	4 - 10[1]	High cost RES: small, low productivity RES No economies of scale for H2 production	High cost of decentralized storage to balance seasonality	Requires local and non-optimal backup solutions
Decentralized Grid connected	6 - 9[2]	Grid power needs 100% green resources No economies of scale for H2 production	High transport cost due to electricity grid fees	Depends only on electricity network



Production
Storage and transport

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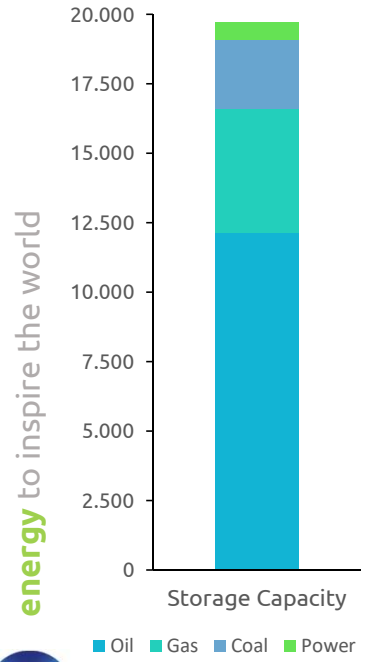
1. Lower bound considering daily storage to manage intermittency – Upper bound considering monthly storage.
2. Lower bound considering 60% power from grid and 40% from RES – Upper bound considering 100% power from grid.

Source: Snam team analysis.

Renewables, decarbonisation of heat to drive increased storage needs

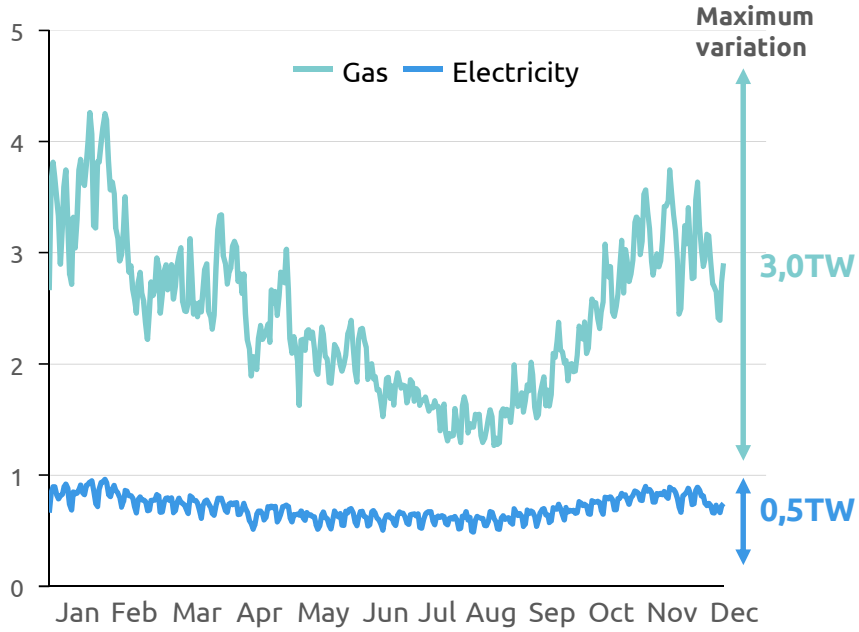
Today's fossil fuel storage will need to be replaced

Global storage capacity today, TWh



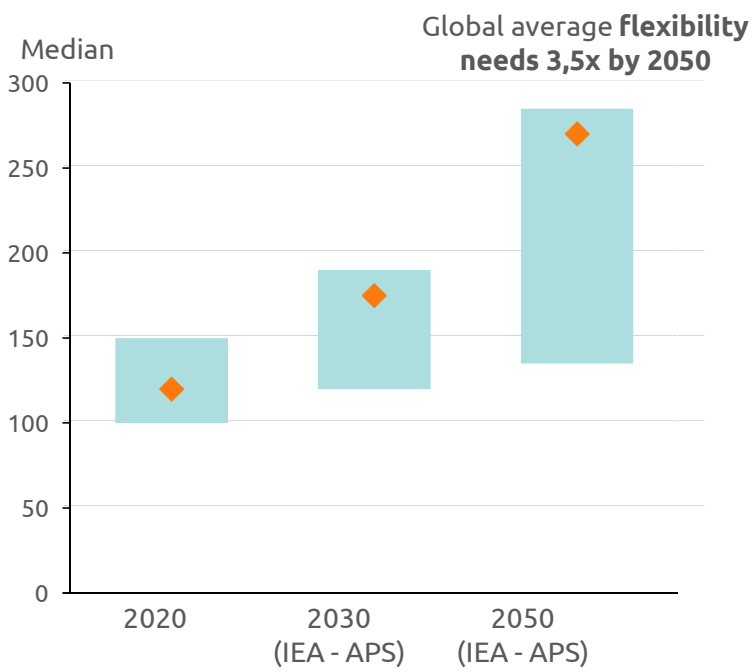
Decarbonising seasonal energy uses will drive the need for new long-term storage capacity

Annual power and gas demand profile[1], TW



Intermittent renewables to drive the need for increased short-term flexibility

Maximum variation range in EU daily power demand GW



1. UK gas and power demand profiles (for illustrative purposes).

Source: National grid UK; Snam team analysis.

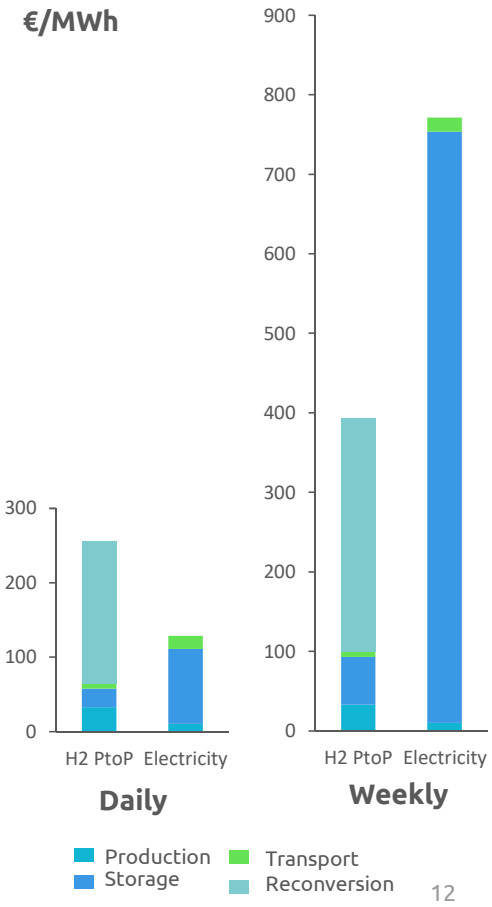
Green gasses can leverage efficient energy storage

Green molecules provide competitive solutions for storage

Levelized cost of storage for different technologies[1], €/MWh

		Today capex range	Daily	Weekly	Monthly	Yearly
Electricity storage	Li-ion battery[2]	250 €/kWh	110	770	3.000+	10.000+
	H2 tank[3]	5-20 €/kWh	20 - 30	50 - 70	100 - 200	1.000 – 2.000
Hydrogen storage	H2 salt cavern	0,4 €/kWh	2	3	6	40
	H2 in depleted field	0,1 €/kWh	3	18	20	30
Biomethane storage	CH4 depleted field	0,05 €/kWh	2	4	4	5

H2 PowerToPower costs half vs batteries for weekly cycles

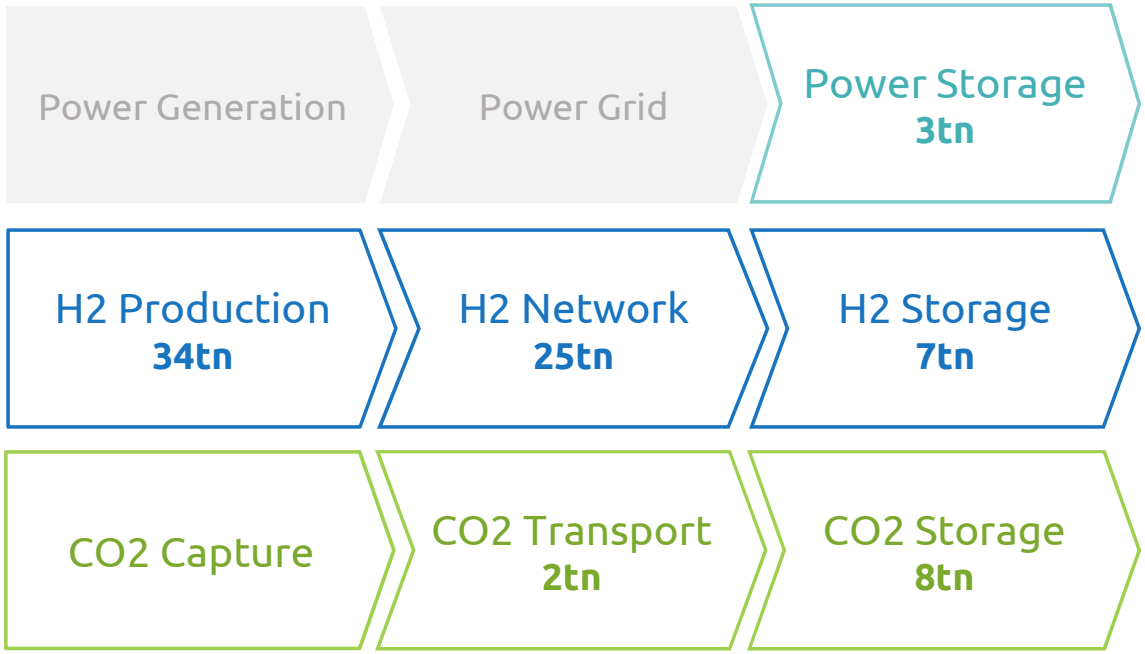


1. Assumptions: Cost of capital 8%, Exchange rate 0,84 €/$.
2. Large scale Li-ion battery with 4h duration (BNEF cost assumptions: 300 $/kWh).
3. Ranges refer to Compressed H2 (350-700 bar) tanks and LH2 tanks.

Source: BNEF, Snam team analysis.

Snam focus on integrated green energy projects, networks and storage

Global investments within Snam areas of focus by 2050 (US$ - up to)



- Networks required for both H2 and CO2 transport
- Storage need increased to provide flexibility
- Integrated green energy projects mitigating risk and providing higher returns

Snam 2021-2030: we will focus on three key areas of growth

Energy networks multi-molecule
(CH4, bioCH4, H2, CO2)

Multi-molecule transport infrastructure operators

Energy storage multi-molecule
(CH4, bioCH4, H2, CO2)

Integrated multi-molecule storage and flexibility service provider

BU H2
sn4m mobility
sn4m environment
renovit

Green Energy Projects

Integrated green gas infrastructure projects across the value chain

Well placed to access ample investment opportunities
Ability to select the most attractive projects

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Snam 2021-2030: significant opportunities to accelerate growth

		Weighted investment opportunities to 2030	Expected returns
Energy networks multi-molecule (CH4, bioCH4, H2, CO2)	CH4 and bioCH4 transport	€12bn	Regulated return
	H2 transport	€3bn	Premium regulated return
Energy storage multi-molecule (CH4, bioCH4, H2, CO2)	CH4 and bioCH4 storage	€3bn	Regulated return
	New Energy storage	€2bn*	High single digit
Green energy projects	sn4m mobility, sn4m environment, renovit	€3bn*	≥ High single digit
	Hydrogen		
		€23bn	

*Not included in RAB

6-8% EBITDA growth to 2030
Regulated or contractualized business model; Committed to current rating metrics

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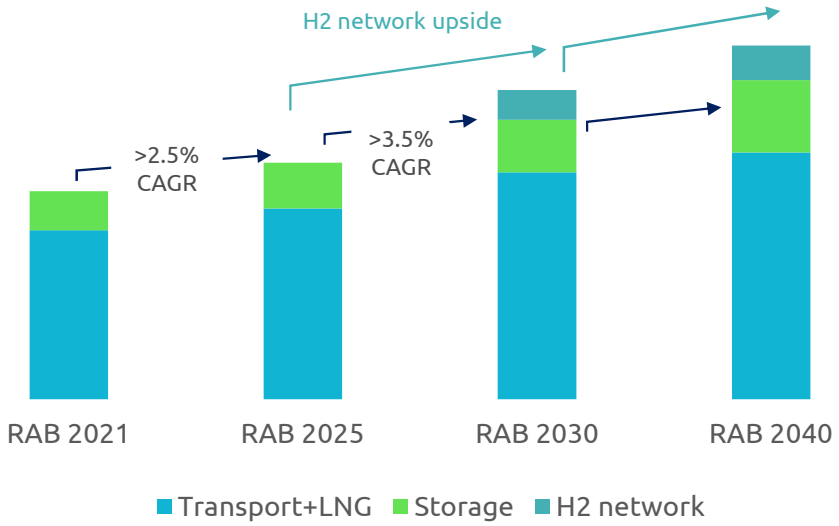
Long term RAB growth

RAB evolution



- Strategic role of gas infrastructure supports the longevity of the assets
- Continued investment in the integrity and resilience of our assets; 10,000km of fully amortised network remaining in 2030
- Investment cycle on H2 ready storage renovation
- Repurposing of a portion of the network to transport H2
- Enhanced support to 2040 RAB growth

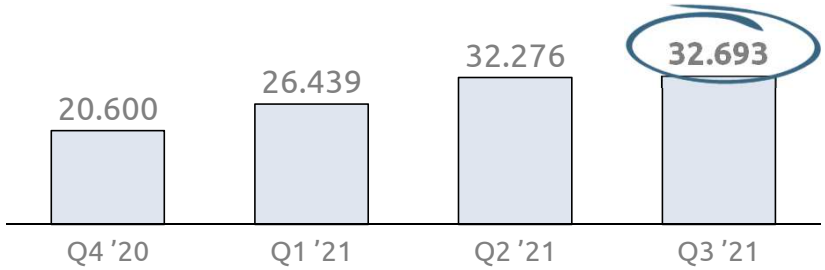
Visible long term RAB growth and hydrogen upside

Energy networks

Snam pipelines are verified for H2 transport

100% of Snam network verified for H2 transport

(km, cumulated)



Snam network verified according to ASME regulation

≈ 99% of the network

is ready[1] to transport 100% H2

70% with no or limited reductions on max operating pressure.

Future revisions of the technical standards are expected to overcome limitations

Setting standards for H2 transport

RINA

First example in EU of network H2 readiness certification

H2GAR

H2 Gas Assets Readiness

Co-operation with other European TSOs to share test results, analysis, studies

enagas GRTgaz OGE

Collaborations with universities and institutions

Collaboration with fire department and universities to develop technical standards for H2 transport

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1. Based on Option A of ASME B31.12.

Energy storage

Storage: tests confirm the possibility to store H2 in depleted fields

Test Results

Mineralogical Analysis
Exposure of reservoir & cap-rock samples to gas mixture with increasing H2 blend

No risk of dissolution / alteration of reservoir & cap rock minerals in **100% H2 environment**

Diffusivity Tests
Gas diffusion measurements for cap rock samples representative of Stogit fields

Confirmed gas-tightness of reservoir for blends **up to 100% H2**

Microbiological Analysis
Microbiological reservoir characterization based on bio-chemical kinetics

No risk of H2S production or methanation in the reservoirs by microbial activity

Test on Well Specimens
Testing on wells material

No impact on cements **up to 100% H2** and to elastomeric up to 20% H2*

Tests with multi-reactor

Ongoing tests in a reactor on microbiological activity with **up to 50% H2 blending** (up to 100% in 2022) at reservoir pressure & temperature conditions

Pilot test

Development of a pilot test in Snam storage sites to confirm test results in the long-term behavior

Politecnico di Torino · Politecnico di Torino SEASTAR · CO_2 Circle Lab · iit Istituto Italiano di Tecnologia

Tests confirm it is possible to store H2 in our natural gas depleted fields

* Ongoing test on 100% H2

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10Y view: Maintain and modernize our “H2-ready” network

Energy transport

Replacement
Replace ca **3.000km** of transport pipelines
Application of H2-ready standards

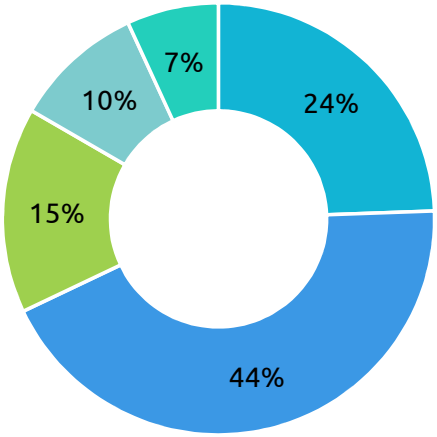
Maintenance
Maintain the performance of assets and increase system resilience (Sestri-Levante-Recco, Genova, Livorno-Piombino connections)

Net zero investments
Reduce carbon footprint
(**6** dual fuel compression stations and investments to reduce methane leakage)

Digitalization
Increase service quality through digitalization (asset digitalization, IoT, telco infra)

Development
Support new demand (Sardinia methanization, CNG/biomethane plants connections)

Capex breakdown



€12bn
Cumulated capex 2021-2030

Regulated
Return expected

Maintain reliability and resilience, reduce carbon footprint, replace aging asserts and boost digitalization

10Y view: deliver first section of H2 backbone

Energy networks

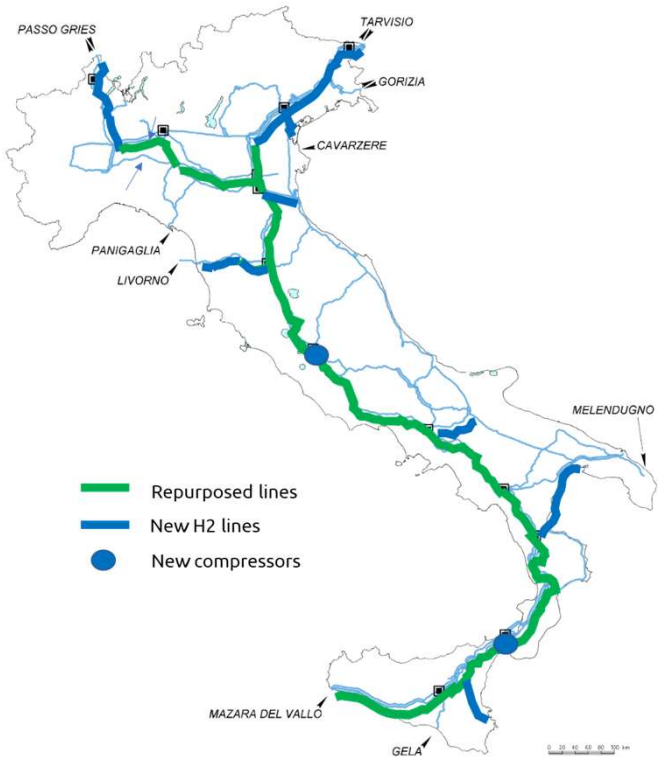
H2 backbone

Ca 2,700km of H2 network to bring production from north Africa and Southern Italy to consumption areas

- **75%** of km from repurposing
- **50MW** for compression stations to ensure suitable pressures on the network

Key figures

- Cost of repurposing **ca €0.6m** per km
- Cost of new build **ca €2m** per km



Ca €3bn

Cumulated capex 2021-2030

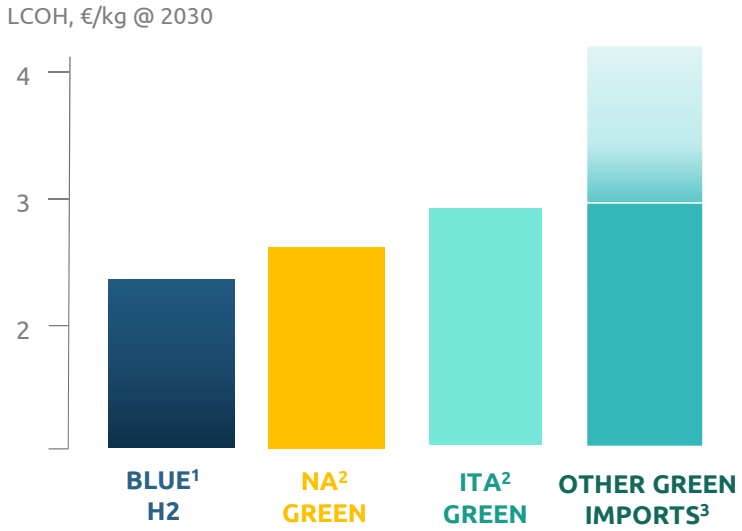
Premium regulated

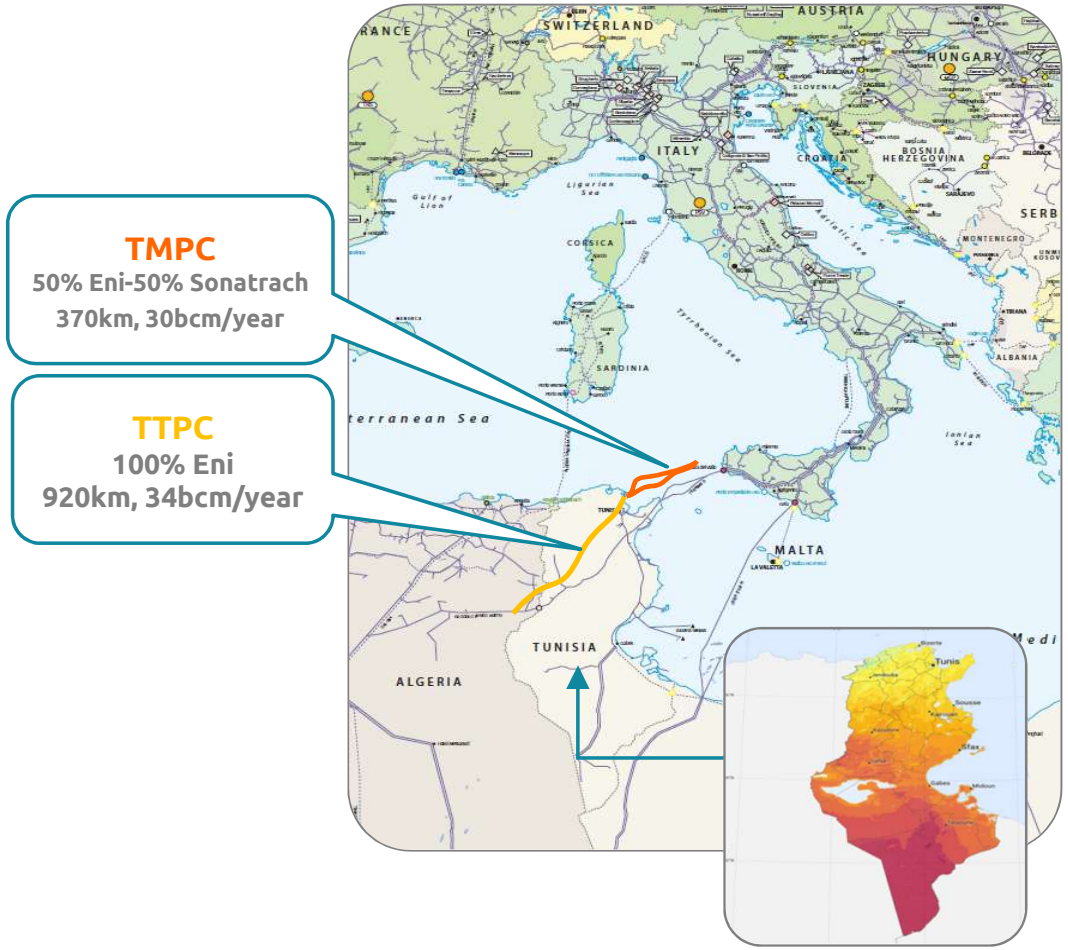
Return expected

Our project for an Italian H2 backbone

Unlocking lowest-cost H2 supply for Italy through existing infrastructure

- Acquisition of **49.9%** of Eni stake in TTPC & TMPC
- Co-control governance model
- Parallel H2-ready pipelines
- Equity consideration ca **385€m**
- EPS accretive
- Closing expected by H2 2022, subject to regulatory approval





1. SMR with gas price 30 €/MWh and CO2 price 70 €/ton (Source: EEX, ICE)
2. Optimized PV with tracking located in Tunisia and Sicily (Source: Hydrogen Council)
3. Optimized Wind Offshore from North Sea (IHS) or alternative routes (including liquid H2)

Best-in-Class platform in storage with expansion potential in the new energy paradigm

- Sizeable investment opportunities
- Scarcity value of industrial capabilities in integrated energy storage

- High volatility, expected to remain in the medium to long term, makes storage assets more strategic
- Global decarbonisation targets are increasing the need for new diversified large-scale storage capacity

- Strong industrial rationale and synergies for multi-technology energy storage
- Batteries also in conjunction with H2 can provide an ideal solution to maximize / optimize efficiency

- 1st gas storage operator in Europe
- 3.4% global market share
- Opportunity for further investments in Italy

- Expansion in selected key countries leveraging on Snam technological competencies as well as presence of appropriate geological formations (e.g. salt caverns)

- Existing storage assets compatible with H2
- Unique capabilities and know how in underground storage offers competitive advantage to enter H2 and CO2 market

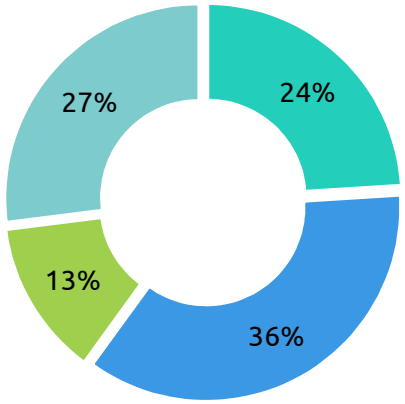
10Y view: existing CH4 storage performance enhancement

Energy storage

Regulated storage

Replacement	Replace and upgrade, workover on Ripalta, Sabbioncello, Fiume Treste, Sergnano, Minerbio and Settala
Development	Fiume Treste and Alfonsine CH4 expansion and new wells (Sergnano, Ripalta, and Cortemaggiore) delivering higher performance and "H2 readiness"
Net zero investments	Reduce carbon footprint (**6** dual fuel compression stations)
Maintenance	Maintain safety standards

Capex breakdown



€3bn
Cumulated capex 2021-2030 in regulated storage

Regulated
Return expected

Approaching new investments cycle

10Y view: Stogit 2.0 - expansion in new energy storage

Energy storage

Underground Gas Storage

Develop capacity in areas with growing gas demand aiming at providing flexibility to the system and limit volatility

Underground Hydrogen Storage

Leverage on core know how to expand in salt caverns

Focusing on depleted and acquifers assets whose reservoirs can withstand repurposing to H2

Carbon Capture and Storage

Repurpose existing onshore and offshore depleted fields

BESS in the context of Integrated Projects

Expand in RES/BESS maximizing integration with hydrogen

Ongoing Projects

dCarbonX
Decarbonisation Exploration

- GeoEnergy company specialized in development of offshore subsurface resources enabling energy transition
- Snam assumed an equity interest in dCarbonX
- Snam will provide financial and technical support for H2 storage and carbon sequestration projects in Ireland and the UK

€2bn
Cumulated capex 2021-2030 in new energy storage

≥High single digit
Returns expected

Pycasso
Pyrenean Carbon Abolition Through Sustainable CCS

- Snam and Teréga have signed an MoU to cooperate on CCS/CCUS initiatives in France and together will soon sign an agreement with Pole Avenia and high standing partners
- Pycasso is a territory project to develop CO2 transportation and storage infrastructures to reduce emissions of industries in South Western France and Northern Spain

Significant existing pipeline including both greenfield and brownfield projects

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Green energy projects

Snam has built a strong position in H2

Production	Midstream	Applications

Key Snam Differentiating Factors

- Tech leadership in green solutions through:
  - Partnerships with De Nora and ITM
  - Innovation centers with top universities and Hyaccelerator
  - Leadership in FCH JU projects
  - partnerships with world-class technology providers
- Tech leadership in H2 pipelines and storage through:
  - Dedicated pilot projects and tests
  - Thorough understanding of alternative storage solutions
  - Partnerships with other pipeline & logistic operators
- Leadership in H2 applications in HTA sector:
  - Early offtakes in Ceramics, Steel, Glass, Paper
  - Collaboration with sector-specific tech providers
- Selected as direct partner in the first two waves of IPCEI: Industry (decarbonization of steel and ceramics) and supporting the De Nora Gigafactory
- H2 trains and airport supply
- H2 refueling stations and H2 solutions for local public transport

H2 ecosystem

Linde, HERA, EDISON, SAIPEM, Politecnico di Milano, UNIMORE, University of California Irvine, Stanford University

DESFA, TERĒGA, SoCalGas, Solar Turbines, Baker Hughes, ANSALDO ENERGIA, Tenaris, Faber CYLINDERS, hydrogenious LOHC TECHNOLOGIES

Tenaris, FERALPI GROUP, DANIELI, tenova, ALSTOM, FNM idee in movimento, TORINO AIRPORT, SAGAT, SEA Milan Airports, TOYOTA, WRIGHTBUS, sasol

10Y view: Integrated projects: hydrogen and biomethane

Green energy projects

H2 Italy

- Move from small to large, replicable projects, optimise LCOH and reduce risk through integration
- Support the development of H2 valleys as enablers of sizeable demand

€3bn

Capex 2021-2030

> High single digit

Return expected also leveraging on Grants (PNRR/IPCEI)

H2 Abroad

- Development of country-specific H2 strategies focusing on areas with competitive cost production, favorable logistics and off-taking, also considering export potential

Leverage on biomethane & mobility platform

- Develop the portfolio via greenfield projects and acquisition of biogas and biomethane plants
- Complete mobility infrastructure footprint for bio-CH4 and H2

>150MW

Biomethane production capacity targeted by 2030

Leverage on established presence to expand in larger integrated projects with partners

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2030 vision:
Networks, Storage and Integrated projects

2021 – 2025 Strategic Plan

Closing remarks

Our 2021-2025 plan: focus on H2 readiness and new integrated projects

		Capex 2021-25	KPIs	
Energy network multi-molecule (CH4, bioCH4, H2, CO2)	• Net zero investments • Replacement of more than 1,300 km pipelines • Dual fuel compression stations • Technological innovation and network digitalization	**€5.6**bn (vs €5.8bn previous plan)	**>2.5**% RAB growth to 2025	
Energy storage multi-molecule (CH4, bioCH4, H2, CO2)	• Storage wells refurbishment • Dual fuel compression stations • Maintain safety standards and comply with regulations	**€1.2**bn (vs €0.9bn previous plan)		
Green Energy Projects BU H2 sn4m mobility; renovit; sn4m environment	• **Hydrogen:** mobility, feedstock, thermal • **Biomethane**: Develop biomethane capacity and complete CNG-LCNG-SSNLG footprint • **Energy efficiency:** Pipeline of projects	**€1.3**bn (2) (vs €0.7bn previous plan)	**€150**m of EBITDA by 2025	~**€180**m of run-rate EBITDA from plan capex (1)

Solid €8.1bn investment plan 2021-2025, with growing investments in energy transition

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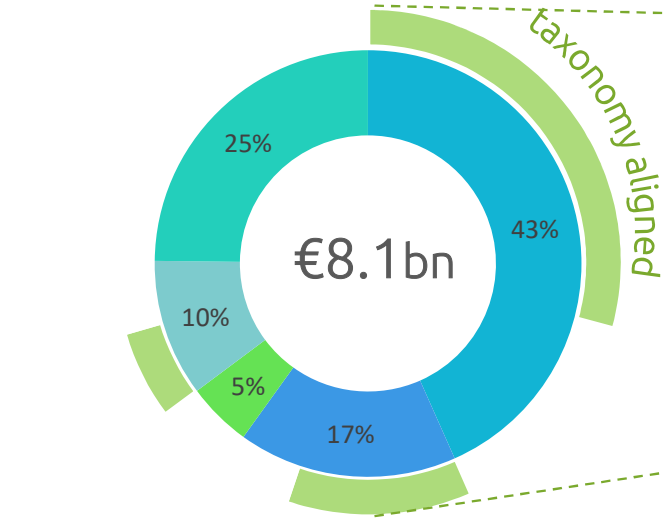
1. Full contribution to EBITDA of investments carried out in 2021-25.
2. Net of ca €200m of grants o/w ca €100 m in H2 and ca €100 m in biomethane.

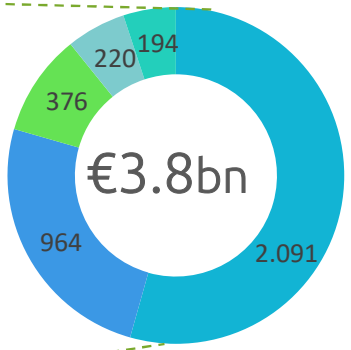
Increased alignment of capex to EU taxonomy

Overall capex mix



- H2 ready (*)
- Green Energy Projects
- Digitalization/Technology
- Net Zero Investments
- Maintenance & other

Taxonomy aligned capex mix



- Replacement
- Green Energy Projects
- Maintenance
- Development
- Others

47% of capex is taxonomy aligned

(*) Replacement, development and maintenance done using H2 ready procurement standard.

Italian RAB capex

1 Dual fuel transport compression station

2 Dual fuel storage station

Pipes to be replaced over the plan period

ENERGY NETWORK

Key development activities:

1

- Sardinia project
- **3** Dual fuel compression stations

Replacement

About **1.300 km** of transport pipelines replaced during the plan period (Ravenna – Chieti; Rimini - San Sepolcro; S.Salvo – Biccari)

New connections:

- **205** CNG and **75** biomethane connections to the grid
- **115** other connections to the grid

Replacement cycle ramp up

ENERGY STORAGE

Key development activities:

2

- **3** Dual fuel storage stations
- New/Refurbished CH4/H2 wells (storage flexibility and peak volume increase)

Replacement

- Upgrading gas processing and monitoring equipment at F. Treste, Sabbioncello, Settala, Ripalta; minerbio and Sergnano plants

Maintenance

Maintain safety standards and comply with regulations

Investment cycle to increase performance and refurbish assets

Green energy projects

BU H2

Hydrogen

Well-established presence thanks to staffed business unit and partnerships along the value chain

- Pipeline of projects leveraging on public funding in mobility and hard-to-abate sectors
- R&D initiatives and selected venture capital investments

Hyaccelerator powered by snam

HYDROGEN

c. **€250m** of investments 2021-25, assuming **ca €100m** grants

Biomethane

Expand leveraging on platforms in urban and agricultural feedstock

- **~118 MW** of installed capacity target (2x previous plan)
- Low risk business model with high visibility and long term incentives

Complete CNG footprint and LNG supply for mobility

BIOMETHANE

c. **€850m** of investments 2021-25 assuming **ca €100m** biomethane grants

o/w €100m mobility infrastructure

Energy efficiency

Created platform to serve key segments:

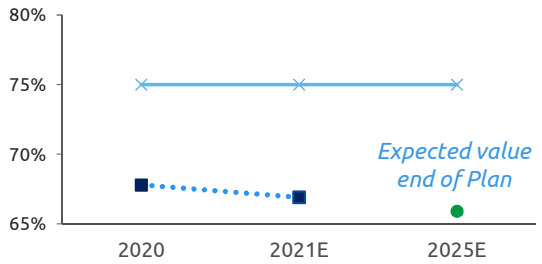
- Residential: Pipeline supported by fiscal incentive scheme (Ecobonus 110%)
- Industrial: Ca **90MW** targeted installations of distributed energy systems (vs ~60 MW previous plan)
- Public administration: Public tenders and Private Public Partnerships

ENERGY EFFICIENCY

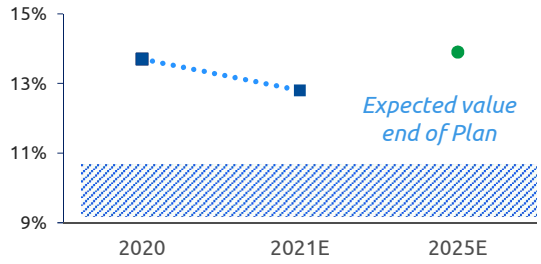
c. **€230m** of investments 2021-25

Commitment to a solid financial structure and continuous growth in sustainable finance

Net Debt/(Fixed Assets + BVEP[2])



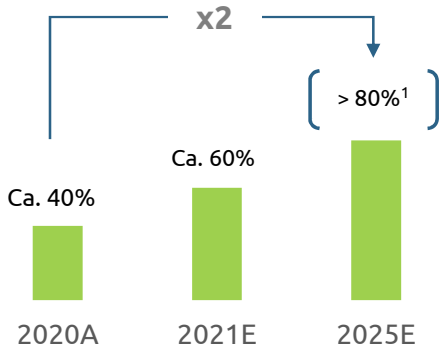
FFO/Net Nebt[3]



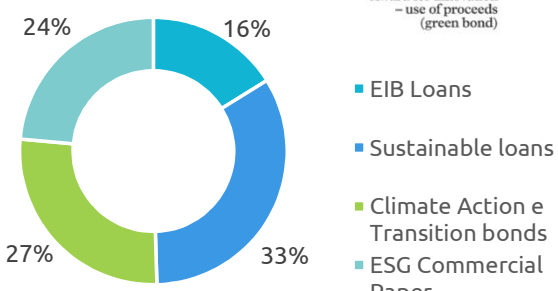
	Moody's	S&P	Fitch Ratings
Assigned Rating outlook	Baa2 stable	BBB positive	BBB stable
Rating from Grid /SACP[1]	A2	a-	n.a.

Credit metrics well inside the rating thresholds implied in current ratings

% ESG financing on Total Committed Funding



Sustainable finance breakdown as of Sept-21



Environmental Finance Bond Awards 2021 Winner
Award for innovation – use of proceeds (green bond)

- **Strong liquidity profile with undrawn committed lines** covering 3 years of bond maturities
- Financial structure defined via an **Asset and Liability Management model**:
  - ~¾ fix rate and >5Y M/LT maturity
- **Cost of debt expected flat** over plan horizon at ca. 1.1% (10bps lower than previous plan)
- **Fully committed to current credit rating metrics** (Baa2 for Moody's, BBB+ for S&P, BBB+ for Fitch)
- **Upwards revision by Fitch** of debt capacity Guidelines for EU Energy Networks given unprecedented investments to accommodate green gases and hydrogen growth
- **ESG Sustainable Finance >80% of total committed funding in 2025**, leveraging on a new Sustainable Finance Framework
- 2022 net debt expected at €14.8bn
- Net debt/fixed assets <70% over the whole plan horizon

1. Rating from the Grid for Moody's , Stand alone credit profile for S&P
2. Book value of equity participation as per Moody's calculation
3. Shaded Area consistent with credit metrics inferred from current rating by Moody's and S&P

Long-standing history of successful partnerships

Investment	Geography	Strategic value and levers	Investment year	& stake	Invested Capital €m	Financial & Industrial partners	
ADNOC Gas pipelines	UAE	H2 integrated projects opportunities in UAE with local and international partners	2020	12.3%	221	GIP, GIC, Brookfield, Ontario Teachers', NH투자증권	Integrated projects enablers
ttpc tmpc	Tunisia	H2-ready pipelines	2021	49.9% of Eni stake	385	eni	
TERĒGA	France	Ideally positioned for H2 transition, leveraging on favorable geographical position	2013	40.5%	597	GIC, Crédit Agricole, EDF Invest	Transition opportunities & costs / portfolio optimization
desfa	Greece	• Strategic position along the southern gas corridor • Opportunities from H2 development & decarbonization	2018	35.6%	121	enagas, FLUXYS, Copelouzos	
Trans Adriatic Pipeline	Greece Albania Italy		2015	20%	130[1]	SOCAR, FLUXYS, bp, enagas, a2po	
TAG Trans Austria Gasleitung	Austria	• Further cost optimization and investment discipline • Portfolio optimization leveraging on Verbund • Evolution toward a multi-molecules network	2014	84.5%	519	Verbund	
GAS CONNECT AUSTRIA	Austria		2016	19.6%	135	Allianz	
interconnector fluxys	UK-Belgium	Connecting gas markets of the UK and continental Europe	2012	23.7%	153	FLUXYS	

Solid contribution: 10% average cash return[2] and ~2/3 of invested capital paid back by 2025

1. Book value of 20% stake in TAP equal to 292 mln at end-september 2021 including initial invested capital plus following equity injections: (2) On investments to date, excluding TTPC/TMPC.

Unlocking value from De Nora

Supporting De Nora in the next phase of its growth

- **Approx. €0.45bn invested (35.6% stake)**
- De Nora, an italian maker of component for green hydrogen, continues to show strong growth while increasing its H2 backlog
- FY 2021 expected revenues > €600m up >20% vs 2020
- Key player in the H2 ecosystem thanks to its credibility and track record
- Successful partnership with TkUCE of which De Nora has a 34% stake
- Evaluating an IPO in the near future, potentially in 2022 depending on markets evolution

One-of-a-kind asset with significant global growth potential

Global leader in key component of hydrogen technology

Attractive water technologies with strong growth profile

Adds significant edge to Snam's origination Provides cross selling opportunities

Capital allocation policy

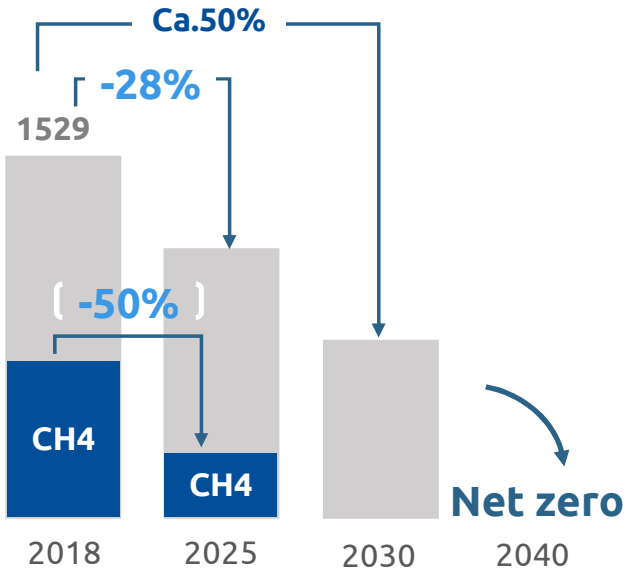
- Committed to current **credit rating** metrics and risk profile
- **Accretive returns**: risk adjusted returns at least in line with Italian regulated assets
- Consistent with our **ESG** strategy
- Unlocking **industrial opportunities**
- **Regulated** or **contractualised** business model

No growth for growth's sake

ESG targets: new Scope 3 objective

New Scope 1&2 targets

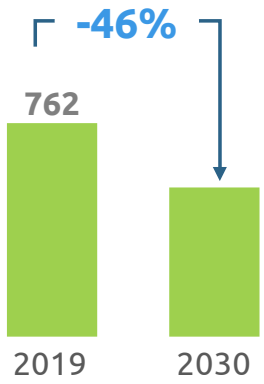
(ktons of CO2e)



New target on Scope 3 emissions

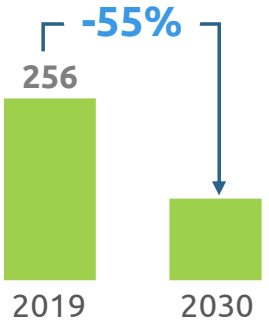
Associates, fuel & energy, other

(ktons of CO2e)



Supply chain emissions intensity

(tCO2e/ M€ capex)



- Investments to reduce carbon footprint **included in 2021-2030 capex plan**
- **10%** of top management **LT remuneration** based on methane emission targets
- **New sustainable finance framework** linked to CO2e targets

All scope targets aligned with 1.5° C and SBTi methodology *

* Near term targets in line with general methodology (1.5°).

Ambitious targets across ESG pillars to 2025

Environment

		2022	2025
1	% reduction of NG emissions vs 2015	-40%	-55%
2	% NG recovered from maintenance activities (avg. last 5y)	>40%	>40%
3	MWh of electricity production by photovoltaic plants	>860	>860
4	% retrofit and methane fuelled cars out of total car fleet	55%	88%
5	Production of biomethane (Mscm)	33.1	229
6	Reduction of CO2 equivalent from energy efficiency (Kton)	24	73
7	Cumulated number of installed CNG and LNG stations	85	175
8	Available LNG capacity for SSLNG market (mln m3)	0	250
9	% of vegetation restoration of the natural and semi-natural areas involved in the construction of pipelines routing	>99%	>99%

Social

		2022	2025
10	% participation in welfare initiative	52%	56%
11	% employee engagement index	NMD	NMD
12	IpFG (Combined Frequency and Severity Index)	< average last 5 years	< average last 5 years
13	% of women in executive and middle-management roles	25%	27%
14	% of women in succession plannning	26%	27%
15	% of spending to local suppliers on total procurement	40%	50%
16	# of local suppliers involved on total suppliers	45%	55%
17	Introduction of ESG criteria in scoring models (% on spending)	10%	30%
18	% employees hours devoted to Snam Foundation initiatives supporting local communities	4,600	5,100

Governance

		2022	2025
19	% of BoD time dedicated to ESG matters in strategy meetings and induction sections	NMD	NMD
20	Average annual customers satisfaction rate in terms of service quality	7.95	NMD
21	% of reliability levels on gas supply	99.9%	99,9%
22	% of third parties on which reputational due diligence checks done	100%	100%
23	% of ESG Financing on the total Committed Funding	65%	80%

ESG representing 20% of short and long term management remuneration

NMD = New Methodology Under Development

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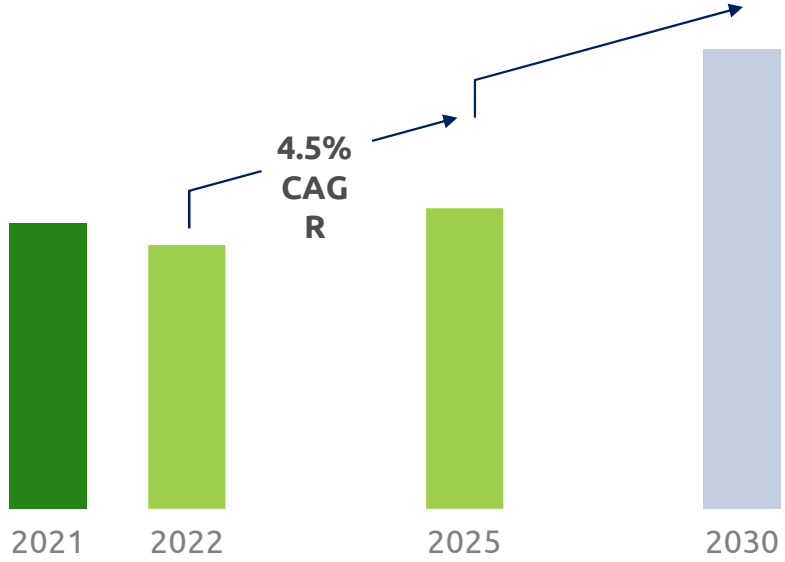
2030 vision:
Networks, Storage and Integrated projects

2021 – 2025 Strategic Plan

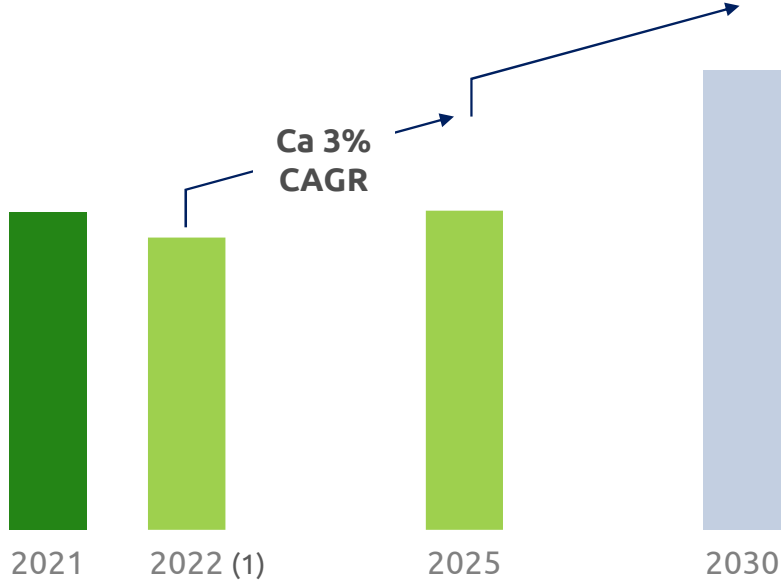
Closing remarks

Strong and accelerating growth

EBITDA



Net profit



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Main assumptions: 2022 cut in regulated return impact of ca €120m on EBITDA and €85m at net income. Average deflator 1.2%.

2022 guidance and targets

	Guidance 2022	2021-25 Plan	
Investments	€1.5bn • € 1.2bn capex regulated • € 0.3bn green energy projects	€8.1bn	2021-2025
Tariff RAB	€21.4bn	>2.5%	CAGR 2021-2025
Net income	Broadly in line with 2021 guidance adjusted for WACC impact (1)	Ca 3%	CAGR 2022-2025
Net debt	€14.8bn	< 70%	Net debt / fixed asset (2)

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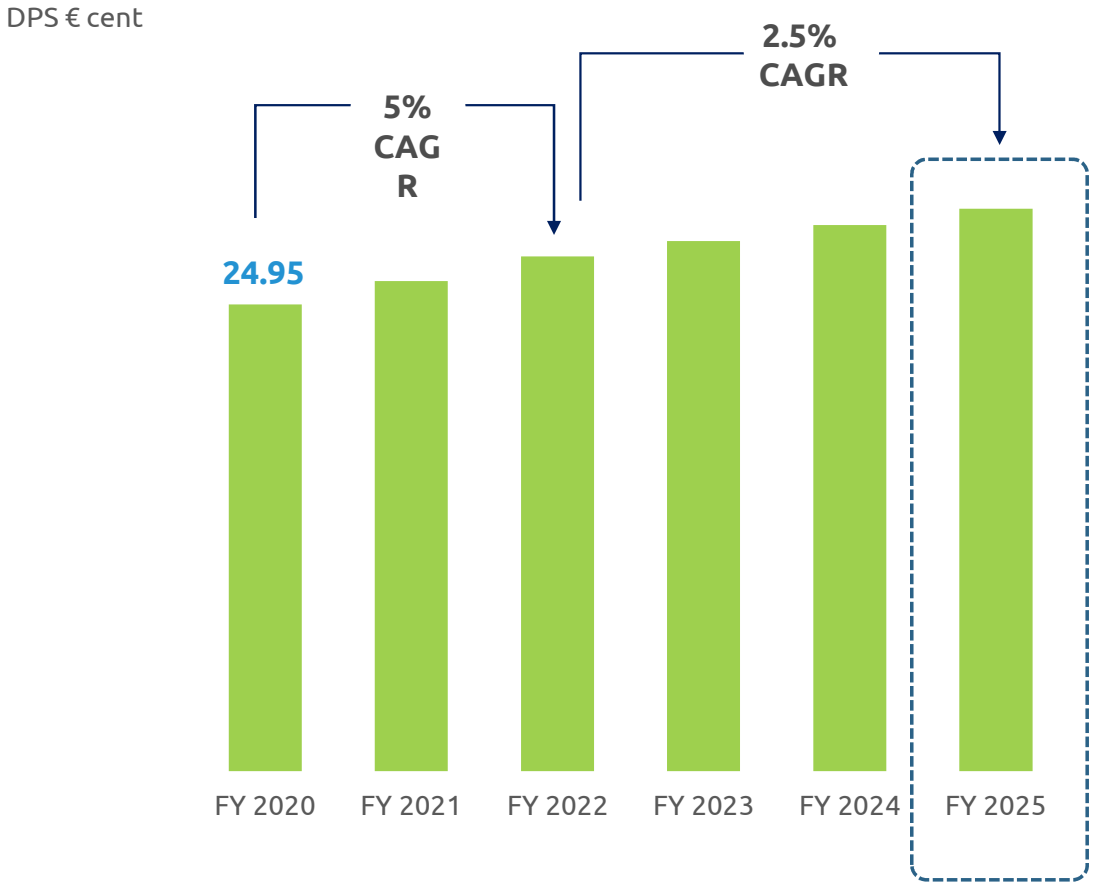
Main assumptions: 2022 cut in regulated return impact of ca €120m on EBITDA and €85m at net income. Average deflator 1.2%.

1. Guidance assuming some growth of output based incentives.
2. Including book value of associates

Dividend policy confirmed and extended by 1Y



- **5% DPS annual growth to 2022 confirmed**
- **2.5% DPS minimum annual growth 2022-25**

Policy extended by 1Y

Closing remarks

Champion in the **race to zero**

Accelerating **long term growth** selecting the **best projects**

Solid 2021-2025 industrial plan

Financial discipline and **attractive shareholder returns**

Q&A SESSION

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Back up

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And we continue to deliver on our ESG agenda

Environment

- First EU gas TSO with scope 3 target- SBTi aligned
- New intermediate target of Scope1+2 emission
- Improved methane emissions target -55% by 2025

Social

- Increased our female population by >25% in the last 2Y
- Extra paternity leave initiative launched
- Over 4500 employee volunteer hours
- Over 40% of our procurement went to local suppliers and over 20 social suppliers added to our vendor list

Governance

- Bylaws changed to include energy transition and gender parity
- 40% of BoD time dedicated to ESG
- Harassment policy implemented
- 20% of management compensation linked to ESG performance
- Sustainable financing at ca 60% of total available funding

MIB ESG

CDP DISCLOSURE INSIGHT ACTION A LIST 2020 CLIMATE

Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA

FTSE4Good

SUSTAINALYTICS

MSCI

Gender-Equality Index Invest in a more equal future.

A PUBLIC DISCLOSURE ESG Index 2021

GLOBAL LISTED INFRASTRUCTURE ORGANISATION

GRESB INFRASTRUCTURE

ESG investors represent ca 40% of institutional investors

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