

2023 HALF-YEAR FINANCIAL REPORT

SUSTAINABLE THINKING



Energy to inspire the world

Snam is the leading European operator in natural gas transport, with a network of around 38,000 km in Italy and abroad.

The company also deals with storage, of which it holds 17.1% of the European capacity, and regasification, with 11.5 billion cubic meters of gas that will rise to 16.6 billion cubic meters to 2024 due to the installation of regasification plant in Ravenna. Snam is among the leading Italian listed companies by market capitalisation.

With its 80 years of experience in the development and management of infrastructure, Snam guarantees security of supply and promotes transition with investments in green gas (biomethane and hydrogen), energy efficiency and CCS (Carbon Capture and Storage) technology. It also creates new green areas through a benefit company focused on urban forestation projects.

After engaging, among the first companies in the energy sector, to achieving zero net greenhouse gas emissions ("Scope 1" and "Scope 2" emissions) by 2040, Snam was the first energy infrastructure company within the European Union to set itself targets for 2030 on indirect "Scope 3" emissions (subsidiaries, suppliers). Snam's commitment for the achievement of carbon neutrality by 2040 remains solid even in an extremely challenging current context, dictated by the important changes in the industrial structure and by the changes in gas transport flows in the country.

The corporate business model of the company is based on sustainable growth, transparency, the development of talent and diversity and the protection and social development of local communities.

www.snam.it

2023

HALF - YEAR
FINACIAL REPORT

sustainable thinking

Corporate bodies

BOARD OF DIRECTORS (*)

Chair

Monica de Virgiliis ⁽¹⁾ ⁽²⁾ ⁽³⁾

Chief Executive Officer

Stefano Venier ⁽¹⁾

Directors

Massimo Bergami ⁽¹⁾ ⁽³⁾

Laura Cavatorta ⁽³⁾ ⁽⁴⁾

Augusta Iannini ⁽¹⁾ ⁽³⁾

Piero Manzoni ⁽³⁾ ⁽⁴⁾

Rita Rolli ⁽³⁾ ⁽⁴⁾

Qinjing Shen ⁽¹⁾

Alessandro Tonetti ⁽¹⁾

CONTROL, RISK AND RELATED-PARTY TRANSACTIONS COMMITTEE (**)

Piero Manzoni - Chair

Augusta Iannini

Laura Cavatorta

ENVIRONMENTAL, SOCIAL & GOVERNANCE COMMITTEE AND ENERGY TRANSITION SCENARIOS (**)

Laura Cavatorta - Chair

Massimo Bergami

Qinjing Shen

Rita Rolli

BOARD OF STATUTORY AUDITORS (*)

Chair

Stefano Gnocchi ⁽⁶⁾

Standing Statutory Auditors

Gianfranco Chinellato ⁽⁵⁾

Ines Gandini ⁽⁵⁾

Alternate Statutory Auditors

Federica Albizzati ⁽⁶⁾

Maria Gimigliano ⁽⁵⁾

Federico Sambolino ⁽⁵⁾

APPOINTMENTS AND REMUNERATION

COMMITTEE (**)

Rita Rolli - Chair

Massimo Bergami

Alessandro Tonetti

INDEPENDENT AUDITORS (****)

Deloitte & Touche S.p.A.

(*) Appointed by the Shareholders' Meeting of 27 April 2022 - in office until the date of the Shareholders' Meeting to be convened in 2025 to approve the financial statements for the year ending 31 December 2024.

(**) Established by the Board of Directors on 27 April 2022.

(***) Appointed by the Shareholders' Meeting of 23 October 2019 for the period covering the years 2020 - 2028.

(1) Directors nominated in the list submitted by the shareholder CDP Reti S.p.A.

(2) Appointed Chair of the Board of Directors on the proposal of the Shareholder CDP Reti S.p.A.

(3) Independent Directors pursuant to the TUF and the Corporate Governance Code.

(4) Directors nominated in the list submitted jointly by Institutional Investors.

(5) Candidate standing auditors on the list presented by shareholder CDP Reti S.p.A.

(6) Directors that were candidates on a list submitted jointly by Institutional Investors.

Group structure at 30 June 2023

The changes in the Snam Group's scope of consolidation at 30 June 2023¹ compared to 31 December 2022 involved:

- (i) the acquisition by the subsidiary Bioenerys Agri S.r.l. (formerly Ies Biogas S.r.l.), respectively, of 100% of the capital of Agriwatt Castel Goffredo Società Agricola a r.l. in January 2023, and 100% of the capital of Soragna Agroenergie Società Agricola S.r.l. and Zibello Agroenergie Società Agricola S.r.l., in April 2023, three companies active in the production of electricity using agricultural waste and biomass;
- (ii) the exit of Golar LNG NB13 Corporation, owner of the floating unit (FSRU) Golar Tundra, merged by incorporation into Snam FSRU Italia S.r.l. effective for accounting and tax purposes from 1 January 2023.

The changes in the Snam Group's scope of consolidation at 30 June 2023 compared to 30 June 2022 also included:

- (i) the acquisition by Snam FSRU Italia S.r.l. of Ravenna LNG Terminal S.r.l., owner of the sea terminal off the port of Ravenna and of the state concession, relinquished in favour of Snam FSRU Italia S.r.l., necessary for the commissioning of the BW Singapore vessel, which will be available to Snam at the end of 2023;
- (ii) the acquisition, from the subsidiaries Bioenerys Ambiente S.r.l. (formerly Renerwaste S.r.l.) and Bioenerys Agri S.r.l., respectively of 2 and 19 companies engaged in the construction and management of plants and in the promotion of circular economy projects for the energy valorisation of the organic fraction of waste - FORSU, and agricultural waste.

The Group's structure at 30 June 2023 is shown below:

¹ More information is provided in the "Snam S.p.A. investments at 30 June 2023" annex to the notes to the condensed half-year consolidated financial statements.

GROUP CORPORATE STRUCTURE AT 30 JUNE 2023

ENERGY TRANSITION

BIOMETHANE / BIOGAS

Bioenerys S.r.l. 100%

Bioenerys Agri S.r.l. 100%

- › Agriwatt Castel Goffredo Società Agricola a r.l. 100%
- › Emiliana Agroenergia Società Agricola S.r.l. 100%
- › Piacentina Agroenergia Società Agricola S.r.l. 100%
- › Società Agricola Agrimetano S.r.l. 100%
- › Società Agricola Agrimezzana Biogas S.r.l. 100%
- › Società Agricola Asola Energie Biogas S.r.l. 100%
- › Società Agricola Biostellato 1 S.r.l. 100%
- › Società Agricola Biostellato 2 S.r.l. 100%
- › Società Agricola Biostellato 3 S.r.l. 100%
- › Società Agricola Biostellato 4 S.r.l. 100%
- › Società Agricola Carignano Biogas S.r.l. 100%
- › Società Agricola La Valle Green Energy S.r.l. 100%
- › Società Agricola San Giuseppe Agroenergia S.r.l. 100%
- › Società Agricola Sangiovanni S.r.l.
(50% Bioenerys Agri 50% SQ Energy)
 - › Società Agricola G.B.E. Gruppo Bio Energie S.r.l. 100%
 - › Società Agricola Zoppola Biogas S.r.l. 100%
- › Società Agricola Santo Stefano Energia S.r.l. 100%
- › Società Agricola SQ Energy S.r.l. 100%
- › Società Agricola T4 Energy S.r.l. 100%
- › Società Agricola Tessagli Agroenergia S.r.l. 100%
- › Soragna Agroenergia Società Agricola S.r.l. 100%
- › Zibello Agroenergia Società Agricola S.r.l. 100%

Iniziative Biometano S.p.A. 51% (*)

- › Biogas Brusio Società Agricola a r. l. 99.9%
- › CA' Bianca Società Agricola a r. l. 70% (*)
- › EBS Società Agricola a r. l. 94.53% (*)
- › Maiero Energia Società Agricola a r. l. 100%
- › Motta Energia Società Agricola a r. l. 94.80% (*)
- › MZ Biogas Società Agricola a r. l. 99.9%
- › Società Agricola Ariano Biometano S.r.l. 98% (*)

Bioenerys Ambiente S.r.l. 100%

- › Biowaste CH4 Anzio S.r.l. 100%
- › Biowaste CH4 Foligno S.r.l. 100%
- › Biowaste CH4 Genova S.r.l. 100%
- › Biowaste CH4 Group S.r.l. 100%
- › Biowaste CH4 Tuscania S.r.l. 100%
- › Ecoprogetto Milano S.r.l.
(55% Renerwaste Lodi-Bioenerys Ambiente 45%)
- › Ecoprogetto Tortona S.r.l. 100%
- › Enersi Sicilia S.r.l. 100%
- › Renerwaste Cupello S.r.l. 85%
- › Renerwaste Lodi S.r.l. 100%

SCOPE OF CONSOLIDATION

ENERGY EFFICIENCY

Renovit S.p.A. Benefit Company 60.05%

- › Evolve S.p.A. 70%
- › Mieci S.p.A. 70%
 - › T.Lux S.r.l. 85%
- › TEP Energy Solution S.r.l. 100%

HYDROGEN

Asset Company 10 S.r.l. 100%



GAS INFRASTRUCTURE

TRANSPORT

Snam Rete Gas S.p.A. 100%

Asset Company 2 S.r.l. 100%

↳ Infrastrutture Trasporto Gas S.p.A. 100%

Enura S.p.A. 55%

STORAGE

Stogit S.p.A. 100%

REGASIFICATION

GNL Italia S.p.A. 100%

Snam FSRU Italia S.r.l. 100%

↳ Ravenna LNG Terminal S.r.l. 100%

MOBILITY & LIQUEFACTION

Greenture S.p.A. 100%

↳ Cubogas S.r.l. 100%

OTHER

Gasrule Insurance D.A.C. 100%

Snam International B.V. 100%

VALUED USING THE EQUITY

NATIONAL INVESTMENTS:

Industrie De Nora S.p.A. 21.59%

Italgas S.p.A. 13.473%

OLT Offshore LNG Toscana S.p.A. 49.07%

SeaCorridor S.r.l. 49.90%

INTERNATIONAL INVESTMENTS:

AS Gasinfrastruktur Beteiligung GmbH 40%

dCarbonX Limited 44.45%

East Mediterranean Gas Company S.A.E. (EMG) 25%

Galaxy Pipeline Assets HoldCo Limited 12.327%

Interconnector Limited 23.68%

Interconnector Zeebrugge Terminal B.V. 25%

Tèrega Holding S.A.S. 40.50%

Trans Adriatic Pipeline AG (TAP) 20%

Trans Austria Gasleitung GmbH (TAG) 84.47%

Senfluga Energy Infrastructure Holdings S.A. 54%

SCOPE OF CONSOLIDATION

(*) Investments classified as held for sale in accordance with IFRS 5.

More information is provided in the annex to the notes to the condensed half-year consolidated financial statements.

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Disclaimer

This Report contains forward-looking statements, in particular in the "Outlook" section related to: the evolution of gas natural demand, investment plans, future operating performance, execution of projects.

The forward-looking statements have by their nature a component of riskiness and uncertainty because they depend on the occurrence of future events and developments. The actual results may therefore differ from those announced in relation to different factors, of which: the evolution of demand, supply and prices of natural gas, actual operating performance, general macroeconomic conditions, geopolitical factors such as international tensions, the impact of regulations regarding energy and environmental issues, the success in development and application of new technologies, changes in expectations of stakeholders and other changes in business conditions.

Snam, Snam Group, Group (or group) means Snam S.p.A. and the subsidiaries included in the consolidation area.

A photograph of an industrial facility featuring large, shiny, silver-colored pipes. One pipe curves from the left towards the right, supported by a black metal pillar. Another pipe runs horizontally across the middle ground, also supported by a pillar. The ground is paved with grey interlocking bricks. In the background, there are more industrial structures and a cloudy sky. The text 'INTERIM MANAGEMENT REPORT' is overlaid in the center in white, bold, sans-serif font.

INTERIM MANAGEMENT REPORT

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Performance in the first half of 2023

Results

For a better assessment of the economic and financial performance, this Report presents the reclassified financial statements and some alternative performance measures (Non-GAAP measures), mainly represented by the adjusted results. Specifically, adjusted EBITDA, EBIT and net profit are obtained by excluding special items from the respective reported results (as per the legal scheme of the Income Statement) the special items, gross and net of the related taxes, respectively.

The income components classified as special items in the first half of 2023 relate: (i) to the capital gain from the sale of shares of Industrie De Nora S.p.A. (75 million euro, net of ancillary charges and related taxation), a transaction after which Snam holds 21.59% of the company's share capital (25.79% prior to the sale); (ii) the derecognition of assets in progress (8 million euros); (iii) the effects of the fair value measurement of contractual tariffs, until 2040, of the investee ADNOC Gas Pipeline Assets, indirect subsidiary of Galaxy Pipeline Assets HoldCo Limited, due to changes in market interest rates (7 million euro).

ADJUSTED RESULTS^{2 3}

The adjusted **gross operating margin (EBITDA)** for the first half of 2023 amounted to 1,221 million euro, up by 66 million euro (+5.7%) compared to the corresponding value in the first half of 2022. The increase was due to the rise recorded by the gas infrastructure business (+40 million euro; +3.5%), thanks to regulated revenues related to RAB and output-based incentives, effects only partly absorbed by the presence of more positive one-off phenomena in the first half of 2022. The contribution of the energy transition business increased (+26 million euro).

Adjusted EBITDA

1,221 million euro; +5.7%

² For the definition of these indicators and the reconciliation with the related reported results, in line with the guidelines of document 2015/ESMA1415 "ESMA Guidelines on Alternative Performance Measures" of 5 October 2015 and subsequent additions, please refer to the "Commentary on economic-financial results - Non GAAP measures" section.

³ An analysis of EBITDA and EBIT by business segment is provided in the "Operating performance by business segment" section.

Adjusted EBIT
766 million euro; +5.2%

In the first half of 2023, **adjusted operating income (EBIT)** amounted to 766 million euro, up by 38 million euro (+5.2%) compared with the corresponding first half of the 2022 figure, due to the above-mentioned change in EBITDA, partially offset by greater amortisation, depreciation and impairment losses (-28 million euro, equal to 6.6%) resulting primarily from the commissioning of new assets.

Group adjusted Net Profit
621 million euro; -3.9%

In the first half of 2023, the **group adjusted net profit** amounted to 621 million euro, a decrease of 25 million euro (-3.9%) compared to the corresponding figure from the first half of 2022 (646 million euro). The above-mentioned increase in operating profit was absorbed: (i) by higher net financial expenses (-36 million euro, equal to 70.6%) related to the higher average cost of gross debt, which went from an average value of about 1% in the first half of 2022 to an average value of about 1.7% in the first half of 2023; (ii) lower net income from equity investments (-17 million euro, or 9.7%), attributable, in particular, to the Austrian investee TAG following the expiry of most of its long-term transportation capacity contracts (approximately 85%), as well as the gradual reduction in transit gas flows from Russia. These effects were partially offset by the entry of the SeaCorridor joint venture into the scope as of January 2023.

Free Cash Flow
-1,743 million euro

The cash flow from operating activities (-719 million euro), which was significantly impacted by the cash absorption resulting from the dynamics of working capital related to balancing activities and of the progress of deep renovation activities, together with investment requirements (-1,024 million euro, of which -780 million euro related to technical investments and -265 million euro related to net investments in shareholdings), generated a negative free cash flow of 1,743 million euro. Net financial debt, including equity cash flow (-919 million euro) from the payment of the 2022 dividend to shareholders and non-cash changes, increased by 2,686 million euro compared to 31 December 2022, to 14,609 million euro.

Total investments

734 million euro

In the first half of 2023, **total investments** amounted to 734 million euro (955 million euro in the first half of 2022, including the purchase of the FSRU Golar Tundra), 56% and 37% aligned to the Sustainable Development Goals and the European Taxonomy, respectively. Of these, 714 million euro related to technical investments, up by 177 million euro compared to the first half of 2022 (+33%) due to higher investments in the gas infrastructure business and, in particular, the upgrading of the Piombino terminal. Technical investments are related to the transportation (466 million euro), regasification (100 million euro) and storage (91 million euro) segments, while investments in the energy transition business reached 49 million euro.

Key performance figures (a)

(million euros)	First half-year		Abs. change	Change %
	2022	2023		
Total revenues (a)	1,595	1,889	294	18.4
Revenues from gas infrastructure business (a) (b)	1,319	1,368	49	3.7
- of which regulated revenues (a)	1,253	1,324	71	5.7
Revenues from energy transition business (b)	276	521	245	88.8
EBITDA (c)	1,155	1,221	66	5.7
EBIT (c)	728	766	38	5.2
Net profit (c) (d)	646	621	(25)	(3.9)
Special items	40	77	37	92.5
Reported net profit (d)	686	698	12	1.7

(a) Net of fees to cover energy costs (205 million euro; 85 million euro in the first half of 2022).

(b) In line with the 2022-2026 Strategic Plan, at 31 December 2022 the Greenture values (SSLNG and Mobility) were reclassified from the energy transition business to gas infrastructure, following the repositioning of the business now focused on mid-stream infrastructure construction. The corresponding figures for the first half of 2022 have been consequently restated.

(c) Figures are stated in the adjusted configuration.

(d) Held by Snam shareholders

Key equity and financial figures

(million euros)	First half-year		Abs. change	Change %
	2022	2023		
Technical investments	537	714	equa	33.0
Net invested capital at period-end	20,682	22,289	1,607	7.8
Equity (including minority interests)	7,860	7,680	(180)	(2.3)
Snam Shareholders' equity	7,806	7,614	(192)	(2.5)
Net financial debt	12,822	14,609	1,787	13.9
Free Cash Flow	1,749	(1,743)	(3,492)	

Key share and income figures

		First half-year		Abs. change	Change %
		2022	2023		
Number of shares of share capital	(million)	3,360.9	3,360.9		
Number of shares outstanding at period-end	(million)	3,351.7	3,352.8	1.0	
Average number of shares outstanding during the period	(million)	3,320.3	3,352.8	32.4	1.0
Period-end official price per share	(€)	4.999	4.787	(0.212)	(4.2)
Net profit per share (*) (**)	(€)	0.207	0.208	0.001	0.6
Adjusted net profit per share (*) (**)	(€)	0.195	0.185	(0.010)	(5.0)

(*) Calculated considering the average number of shares outstanding during the period.

(**) Held by Snam shareholders

Operating performance

In conformity with IFRS 8 "Operating segments", operating segments are defined based on the internal reporting used by management for the allocation of resources to the various segments and for the analysis of their performances. As of 30 June 2023, Snam has identified the following business segments subject to separate reporting: (i) the Natural Gas Transportation segment; (ii) the Natural Gas Storage segment; (iii) the LNG Regasification segment; (iv) the Energy Transition segment⁴, which includes energy efficiency and biogas/biomethane activities, as well as decarbonisation projects.

⁴ For more information, see Note 32 "Information by business segment" of the Notes to the Consolidated Financial Statements.

Key operating figures

	First half-year		Abs. change	Change %
	2022	2023		
Natural gas transportation (a)				
Natural gas injected into the National Gas Transportation Network (billion cubic metres) (b)	39.14	33.69	(5.45)	(13.9)
Gas demand (b)	39.16	32.72	(6.44)	(16.4)
Liquefied Natural Gas (LNG) regasification (a)				
Regasified LNG volumes (billion cubic metres)	0.88	1.85	0.97	
Natural gas storage (a)				
Total storage capacity (billion cubic metres) (c)	16.5	16.5		
Natural gas moved through the storage system (billion cubic metres)	10.5	7.5	(3.0)	(28.6)
Energy transition				
No. biogas/biomethane plants in operation (d)	12	33	21	
Backlog (e)	1,000	1,220	220	22.0
Employees in service at period-end (number) (f)	3,526	3,681	155	4.4
<i>of which:</i>				
- Transportation Segment	1,845	1,911	66	3.6
- Regasification Segment	67	77	10	14.9
- Storage Segment	70	71	1	1.4
- Energy Transition segment	479	581	102	21.3
- Corporate and other activities	1,065	1,041	(24)	(2.3)

- (a) With regard to the first half of 2023, gas volumes are expressed in standard cubic metres (SCM) with an average higher heating value (HHV) of about 38.1 MJ/SCM (10.573 kWh/Scm) for transportation and regasification activities and approximately 39.3 MJ/SCM (10.919 kWh/Scm) natural gas storage for the 2023-2024 thermal year.
- (b) The data for the first half of 2023 is current as at 10 July 2023. The corresponding 2022 value has been definitively updated.
- (c) Of which 4.5 billion cubic metres related to strategic gas and 12.0 billion cubic metres related to capacity available for modulation, mining and balancing services (so-called working gas). The available capacity at 30 June 2023 is that declared to the Electricity, Gas and Water Authority at the start of the 2023-2024 thermal year. As a result of the allocation processes for the storage services offered for the 2023-2024 thermal year, all available capacity was fully allocated.
- (d) The value as at 30 June 2023 does not include 4 temporarily non-operational plants.
- (e) Indicates the value of revenues accruing after 2023, associated with contracts awarded and entered into as at 30 June 2023.
- (f) Fully consolidated companies. The change reflects the entry of new companies into the group scope as well as new business entries to strengthen the business.

Natural gas transportation

The **volumes of gas injected into the network** in the first half of 2023 amounted to a total of 33.69 billion cubic metres, down by 5.45 billion cubic metres (-13.9%) compared to the first half of 2022, against the drop in consumption recorded in all business sectors. **Gas demand** in the first half of 2023, at 32.72 billion cubic metres, decreased compared to the same period in 2022 (-6.44 billion cubic metres; -16.4%), attributable to the decrease in consumption: (i) of the thermoelectric sector (-2.97 billion cubic metres; -19.2%) due to the reduction in electricity demand, partly as a result of actions to contain energy consumption, and to higher electricity imports; (ii) of the residential and tertiary sector (-2.72 billion cubic metres; -16.5%), essentially due to the overall milder temperatures compared to the first half of 2022, particularly in the winter months, and the effects of actions to contain gas demand in order to cope with the reduction in imports from Russia; (iii) of the industrial sector (-0.83 billion cubic metres; -12.8%) due to the increase in raw material prices and the unstable macroeconomic situation, which led to a drop in industrial production in some energy-intensive sectors.

Adjusted for the climatic effect, the demand for gas amounted to 33.19 billion cubic metres, recording a reduction of 5.53 billion cubic metres (-14.3%) compared to the corresponding value in the first half of 2022 (38.72 billion cubic metres), in line with the progressive increase in energy efficiency measures, together with actions to contain gas demand.

Natural gas storage

The **volumes of gas moved in the storage system** in the first half of 2023 amounted to 7.5 billion cubic metres, a decrease of 3.0 billion cubic metres, equal to 28.6%, compared with the first half of 2022. The reduction is attributable to lower withdrawals from storage due to the milder temperatures recorded in the first half of the year compared to the corresponding period of 2022.

Total storage capacity at 30 June 2023, including strategic storage, was 16.5 billion cubic metres (unchanged from 30 June 2022), of which 4.5 billion cubic metres related to strategic storage (unchanged from the 2022-2023 thermal year)⁵ and 12.0 billion cubic metres relating to available capacity. At 30 June 2023, the available capacity for the 2023-2024 thermal year was 100% allocated (57.6% at 30 June 2022; 94.1% with reference to the entire thermal year 2022-2023).

The significant actions undertaken in 2022, also in response to Decree-Law No. 17 of 1 March 2022, converted with amendments by Law No. 34 of 27 April 2022, concerning "*Urgent measures for the containment of electricity and natural gas costs, for the development of renewable energies and for the relaunch of industrial policies*", have made it possible to maintain, at the end of the delivery campaign (31 March 2023), storage filling volumes of approximately 60% of maximum capacity. With the subsequent start of the injection campaign, the stockpiles reached a fill of more than 80% at 30 June 2023, well above the levels present at the same date in 2022 (around 60%).

Regasification of Liquefied Natural Gas (LNG)

During the first half of 2023, at the LNG terminal in Panigaglia (La Spezia), 1.85 billion cubic metres of LNG (0.88 billion cubic metres in the first half of 2022) were regasified and 44 **methane tankers were unloaded** (21 in the first half of 2022), substantially in line with the number of unloadings conferred. The increase in the volume of LNG regasified in Italy and the consequent increase in the number of ships unloaded, is mainly due to the impact of the war between Russia and Ukraine on the gas market, which led to an increase in the demand for LNG to meet domestic demand. Moreover, on 31 May, the first of the two new FSRU terminals was commissioned in Piombino.

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With a press release dated 3 March 2023, the Ministry of the Environment and Energy Security confirmed the strategic gas storage volume of 4.62 billion cubic metres for the 2023-2024 thermal year (1 April 2023-31 March 2024) the volume of strategic gas storage equal to 4.62 billion cubic metres, of which 4.5 billion cubic metres will be held by Stogit.

Energy Transition Business

In June 2023, 33 biogas/biomethane plants were in operation, an increase of 21 compared to the same period in 2022, with an installed capacity of 40 MW compared to 16 MW in June 2022. The change is due to the acquisition of 19 new biogas/biomethane plants from agricultural waste, which increased installed capacity by 21 MW, and 2 new plants from waste (FORSU) for an additional 3 MW of installed capacity.

With regard to the energy efficiency backlog, a total value of 1,220 million euro was recorded, of which about 70% related to EnPC (Energy Performance Contract) contracts.

Snam share performance

The Snam share price ended the first half 2023 at a price of 4.79 euro, up 5.7% from the 4.53 euro recorded at the end of 2022.

The average share price during the half-year was 4.86 euro, with a high of 5.154 euro in mid-April.

Significant volumes were traded in the second half of March and May, coinciding with the results for the 2022 financial year and the first quarter of 2023 with sound performance in a volatile context and rising interest rates.

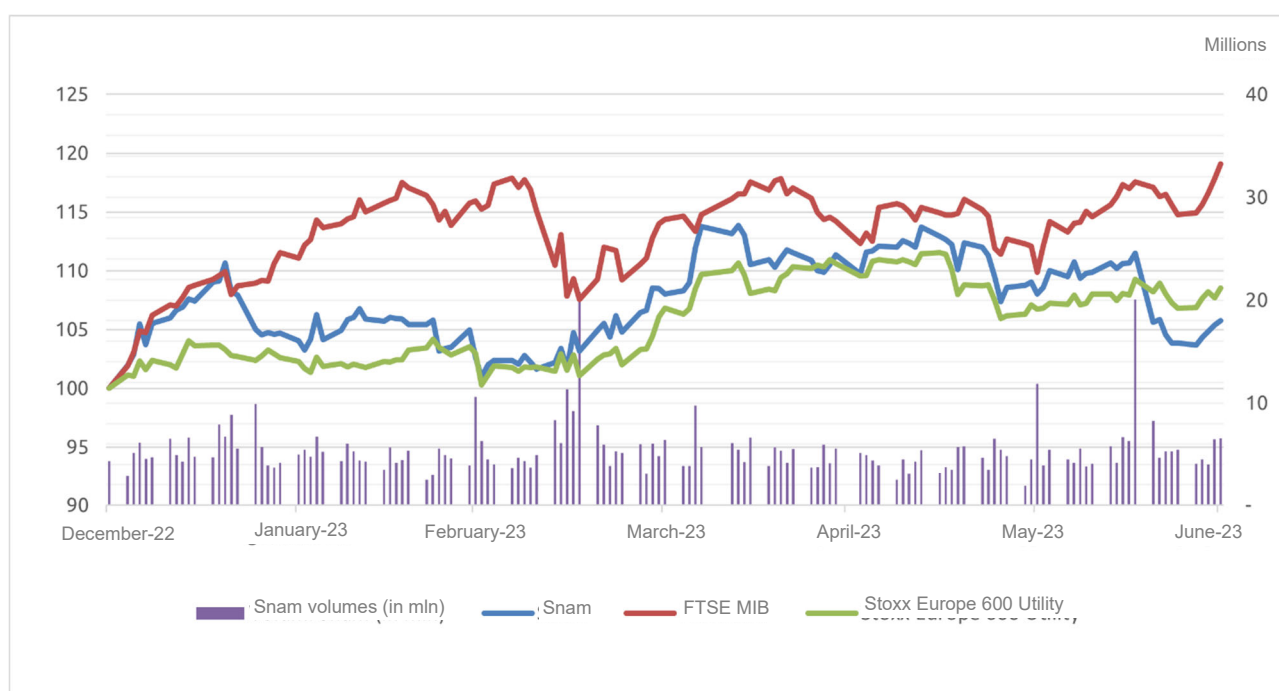
In the first half of the year, equity markets performed positively after the 2022 downturn, benefiting from progressively lower inflation and beginning to anticipate a slowdown in restrictive monetary policy in the face of a mild recession. In this context, the FTSE MIB was the best of the large European indices with performance of around +19%, while the STOXX Europe 600 Utility rose by 8.5%.

During the first half of the year, Snam strengthened its international pipeline network by acquiring a 49.9% share in SeaCorridor, which operates the TTPC and TMPC pipelines. It also commissioned the first of two new FSRU terminals, in Piombino.

Snam's regulated infrastructure has confirmed its centrality for the country's energy security and has contributed to creating the foundation for a stronger and more resilient energy system to meet the coming winter, thanks to the filling of storage facilities and the ongoing security infrastructure work.

Investment activities in the regulated infrastructure, on the one hand, and in the energy transition business, on the other, will continue to provide shareholders with sustainable and profitable growth.

SNAM - Snam, FTSE MIB and STOXX Europe 600 Utility price comparison
(1 January 2023 - 30 June 2023)



Main events

Security of supply and energy diversification

Floating regasifiers - FSRU

On 27 April 2023, a positive opinion was obtained from the Conference of Services, which was followed on 3 May 2023 by the signing of Decree No. MD 145 of 3 May 2023 by the Ministry of the Environment and Energy Security (MASE) for the issuance of the Integrated Environmental Authorisation (AIA) for the operation of the FSRU Terminal of Piombino. Subsequently, the test phase of the Golar Tundra FSRU was successfully completed, after which the Piombino terminal was made available for use on 31 May. On 4 July, the start of commercial activities was made official, with the arrival of the first ship on 7 July.

Snam for the energy transition

IdrogeMO

In April, the joint Snam and Hera "IdrogeMO" project for the construction of a green hydrogen development centre in the municipality of Modena obtained 19.5 million euro in funding from the Emilia-Romagna regional government, allocated under the National Recovery and Resilience Plan (PNRR).

Specifically, the area will host a 6 MW photovoltaic park connected to an electrolyser, a device designed to extract hydrogen from water by electrolysis, which will produce up to 400 tonnes of hydrogen per year using the electricity provided by the photovoltaic field. A battery for storing electricity will be added to the pole so that the electrolyser can also be powered at night.

In total, the planned investment in these activities amounts to 20.8 million euro.

The energy ministries of Italy, Germany and Austria sign a letter of support for the South2 Corridor

On 8 May, the energy ministers of Italy, Austria, and Germany announced the joint signing of a letter of support for the South2Corridor, a consortium formed by Snam and three other European TSOs for the development of a hydrogen transport infrastructure from North Africa to Bavaria, which is scheduled to be commissioned by 2030.

Sustainable finance

In April, Snam signed medium/long-term ESG-linked loan agreements for a total of 2.1 billion euro, including

a pooled Revolving Credit Facility (RCF) loan up to a maximum amount of 1.8 billion euro backed by a SupportItalia guarantee issued by SACE S.p.A. covering 80% of the amount, in favour of banks pursuant to Decree-Law No. 50/2022, converted into law on 15 July 2022 by Law No. 91, as amended. Snam may use the funding directly and/or through Snam Rete Gas S.p.A. and Stogit S.p.A. by granting intercompany loans to the latter. In March, Snam also converted a term loan agreement for a total of 100 million euro signed in November 2022 into an ESG-linked loan.

For the fifth consecutive year, the 2.5 bps margin reduction applied to the 3.2 billion euro Sustainable Loan was confirmed in May 2023.

During the first half of 2023, Snam made extensive use of the Euro Commercial Paper programme for the issuance of ESG notes totalling approximately 2.3 billion euro at the end of the first half. At 30 June 2023, the Snam sustainable finance weight was around 75%, up from 70% at 2025 and in line with the target of 80% by 2026.

Snam on the CDP "A LIST" (formerly Carbon Disclosure Project) for combating climate change

Snam has been included in the CDP "A List" (formerly the Carbon Disclosure Project), the index that groups together companies that stand out for their commitment and transparency in combating climate change. Following a CDP review, the company ranks among the world's top 300 out of more than 15,000 invited companies.

The result recognises the Group's efforts to reduce climate-changing emissions and manage climate risk. After being one of the first companies in the energy sector to commit to achieving zero net greenhouse gas emissions ("Scope 1" and "Scope 2" emissions) by 2040, Snam has set targets for 2030 on indirect "Scope 3" emissions, becoming the first energy infrastructure company in the European Union to establish emission reduction targets also for suppliers and subsidiaries. Snam's commitment is in line with the goal of containing global warming to within 1.5°C.

Sale of additional ordinary shares of Industrie De Nora successfully completed

On 4 April, Snam (through its subsidiary Asset Company 10 S.r.l.), Federico De Nora S.p.A and Norfin S.p.A. completed the sale to institutional investors of 11.5

million ordinary shares of Industrie De Nora S.p.A. at a price of 17.08 euro per share for a total amount of approximately 196 million euro.

As a result of the sale, Asset Company 10 S.r.l. holds 43,539,334 multiple-voting shares, representing approximately 21.59% of the company's share capital.

Significant events after the end of the first half of the year

In addition to what was previously reported in the sections above with reference to the commissioning of the Piombino regasification plant, no further significant events occurred after 30 June 2023.

Operating performance by business segment

Natural Gas Transportation

The natural gas transportation sector information includes figures for Snam Rete Gas, Infrastruttura Trasporto Gas and Enura.

Key performance indicators

(million euros)	First half-year		Abs. change	Change %
	2022	2023		
Regulated revenues (a) (b)	1,076	1,239	163	15.1
Other non-regulated revenues	64	87	23	35.9
Total revenues (a) (b)	1,140	1,326	186	16.3
EBITDA (*)	923	944	21	2.3
Amortisation, depreciation and impairment losses	345	362	17	4.9
EBIT (*)	578	582	4	0.7
Technical investments	430	466	36	8.4
- of which development	50	89	39	78.0
- of which replacement and other	380	377	(3)	(0.8)
Natural gas injected in the National Gas Transportation Network (billions of cubic metres) (c)	39.14	33.69	(5.45)	(13.9)
Gas transportation network (kilometres in use)	32,763	32,873	110	0.3
- of which National Network	9,668	9,773	105	1.1
- of which regional network	23,095	23,100	5	0.0
Employees in service at the period end (number)	1,845	1,911	66	3.6

(*) The value for the first half of 2023 excludes costs related to the derecognition of ongoing assets (8 million euro).

(a) Before consolidation adjustments.

(b) Net of revenues which, in accordance with tariff regulations, are offset by costs (pass-through item) relating to the modulation service amounting to 43 million euro in the first half of 2023 (34 million euro in the first half of 2022).

(c) The data for the first half of 2023 is current as at 10 July 2023. The corresponding value for 2022 has been definitively updated and is aligned with that published by the Ministry of Economic Development. Gas volumes are expressed in Standard cubic metres (Scm) with an average Gross Heating Value (HHV) of 38.1 MJ/Scm (10.573 Kwh/Scm).

Results

Total revenue amounted to 1,326 million euro, up by 186 million euro, or 16.3%, compared with the first half of 2022⁶. Net of the variable fees associated with energy costs, total revenues increased by 70 million euro, equal to 6.6%, mainly due to the growth in regulated revenues.

Regulated revenue, net of energy costs, amounted to 1,045 million euro, up by 47 million euro, equal to 4.7%, mainly due to: (i) the increase in the RAB base (+30 million euro, including the effect of lower "input based" incentives) due to new investments; (ii) the recognition

of the incentive to maintain transport assets fully depreciated for tariff purposes (+22 million euro); (iii) higher revenues for flexibility services offered to users (+6 million euro), mainly related to the default service. These effects were partly offset by lower volumes of gas transported (-11 million euro) due to lower domestic consumption and lower exports.

Other non-regulated revenue (87 million euro) increased by 23 million euro, or 35.9%, compared to the first half of 2022, as a result of higher recharges for technical services provided to other group companies, in particular Snam FSRU, which were matched by the

⁶ Including variable fees to cover energy costs of 194 million euro (78 million euro in the first half of 2022). On the basis of the provisions of the regulatory framework in force for the fifth regulatory period, from 1 January 2020, the energy costs for the purchase of fuel gas, previously subject to in-kind contribution from the shippers, and the charges for the purchase of CO2 emission rights, are covered in revenues through the variable fee applied to users. Energy costs are recognised on the basis of the proposed tariff prices and the related revenues to cover these costs are recognised in line with the cost recognition method. The criteria for regulatory recognition of energy costs ensure substantial neutrality in both economic and financial terms.

costs incurred for the provision of the related services, partly absorbed by lower positive one-off effects compared to the first half of 2022.

EBITDA amounted to 944 million euro, up by 21 million euro, equal to 2.3% compared to the first half of 2022. Higher regulated revenues were partly absorbed by lower one-off revenues.

EBIT amounted to 582 million euro, up by 4 million euro (0.7%) compared to the first half of 2022. The aforementioned increase in EBITDA was partly absorbed by higher depreciation and amortisation mainly due to new assets entering into operation (-17 million euro; or 4.9%).

Technical investments

(million euros)	First half-year	First half-year
Type of investment	2022	2023
Development (*)	50	89
Replacement and other	380	377
	430	466

(*) With a higher remuneration of 1.5% compared to a real pre-tax WACC of 5.1%, applied to investments in new transportation capacity commissioned by 31 December 2022 and with a CBA higher than 1.5, pursuant to ARERA Resolution No. 114/2019/R/Gas.

Technical investments in the first half of 2023 amounted to 466 million euro, an increase of 36 million euro (+8.4%) compared to the same period last year (430 million euro).

The main investments in the **development** of new transport capacity (89 million) include:

- the construction of connections to the FSRU plants in Piombino (34 million euro) and Ravenna (16 million euro);
- the construction of biomethane, industrial and CNG connections (19 million in total);
- the upgrading of the hybrid power plants in Messina and Poggio Renatico.

Replacement and other investments with basic remuneration (377 million euro), mainly relate to: (i) works aimed at maintaining the safety levels, also in terms of functionality and quality, of plants (120 million euro), including plant upgrades and improvements, hydrogeological interventions, revamping of compression plants; (ii) replacement of methane pipelines (174 million euro); (iii) projects relating to the development of information systems, as well as the implementation of existing ones (65 million euro), including strategic projects such as the development of advanced territorial cartography applications, Asset Digitalisation, and projects aimed at the evolution of security and remote control systems; (iv) real estate investments and redevelopment of operating offices

(10 million euro); (v) purchase of vehicles and other (7 million euro).

Operating performance

Injections and withdrawals of gas in the transmission network

Gas volumes are stated in standard cubic metres (Scm) with a traditional higher heating value (HHV) of 38.1 MJ/Scm (10.573 Kwh/Scm). The basic figure is measured in energy (MJ) and obtained by multiplying the physical cubic metres actually measured by the relative heating value.

The volumes of gas injected into the network in the first half of 2023 amounted to a total of 33.69 billion cubic metres, down by 5.45 billion cubic metres (-13.9%) compared to the first half of 2022, against the drop in consumption recorded in all business sectors.

Injections to the grid from domestic production fields or their collection and treatment centres amounted to 1.42 billion cubic metres, down by 0.11 billion cubic metres (-7.2%) compared to the first half of 2022.

Volumes of gas injected from entry points interconnected with foreign countries decreased by 6.68 billion cubic metres (-21.7% compared to the first half of 2022), partly absorbed by the increase in volumes transited from entry points interconnected with LNG regasification terminals of 1.34 billion cubic metres (+19.8% compared to the first half of 2022), due

to the Russia-Ukraine conflict, which led to a change in the supply mix for Italy and an increase in demand for LNG. Imports from Russia (Tarvisio) decreased from 9.30 billion cubic metres in the first half of 2022 to 2.17 in the first half of 2023 (-7.13 billion cubic metres; -76.7%), only partly offset by the increase in imports

from the north (Gries Pass) of about 0.54 billion cubic metres, or 14.3%.

Gas injected into the network (*)

(billions of m3)	First half-year		Abs.	Change %
	2022	2023		
Domestic output	1.53	1.42	(0.11)	(7.2)
Entry points (**)	37.61	32.27	(5.34)	(14.2)
Mazara del Vallo	11.53	11.38	(0.15)	(1.3)
Meledugno	5.03	4.90	(0.13)	(2.6)
Gries Pass	3.78	4.32	0.54	14.3
Cavarzere (LNG)	4.27	4.28	0.01	0.2
Tarvisio	9.30	2.17	(7.13)	(76.7)
Livorno (LNG)	1.71	1.99	0.28	16.4
Panigaglia (LNG)	0.79	1.76	0.97	
Gela	1.19	1.38	0.19	16.0
Piombino (LNG)		0.08	0.08	
Gorizia	0.01	0.01		
	39.14	33.69	(5.45)	(13.9)

(*) The data for the first half of 2023 is current as at 10 July 2023. The corresponding 2022 value has been definitively updated.

(**) Entry points connected with other countries or with LNG regasification plants.

Regasification of Liquefied Natural Gas (LNG)

The information on the Liquefied Natural Gas (LNG) regasification segment includes the values of the companies GNL Italia, Snam FSRU Italia and Ravenna LNG Terminal.

Key performance indicators

(million euros)	First half-year		Abs. change	Change %
	2022	2023		
Regulated revenues (a) (b)	13	37	24	
Other non-regulated revenues	1	1		
Total revenues (a) (b)	14	38	24	
EBITDA	9	18	9	100.0
EBIT	4	11	7	
Technical investments (c)	10	100	90	
Regasified LNG volumes (billion cubic metres) (d)	0.88	1.85	0.97	
Tanker loads (number)	21	44	23	
Employees in service at the period end (number)	67	77	10	14.9

(a) Before consolidation adjustments.

(b) Net of revenues which, in application of tariff regulations, are offset by costs (pass-through item) relating to the recharging of expenses for the natural gas transportation service provided by Snam Rete Gas S.p.A. (6 million euro; 2 million euro in the first half of 2022) and gas sales for system balancing (6 million euro; 17 million euro in the first half of 2022).

(c) Investments remunerated at the pre-tax real base WACC of 6.1% for 2022 and 2023.

(d) Regasified volumes are shown gross of the share of self-consumption and losses (Qcp component), equal to 1.40% for the Panigaglia terminal. Gas volumes are expressed in Standard cubic metres (Scm) with an average Gross Heating Value (HHV) of 38.1 MJ/Scm (10.573 Kwh/Scm).

Results

Total revenues amounted to 38 million euro, up by 24 million euro compared to the first half of 2022, as a result of higher regulated revenues, which benefited from regasified gas volumes, which increased significantly as a result of the changed context resulting from the impact of the Russia-Ukraine conflict.

Regulated revenues include variable fees (7 million euro; +4 million euro compared to the first half of 2022) applied to users to cover costs related to energy consumption (electricity and CO₂). Net of energy costs, regulated revenues amounted to 30 million euro, up by 20 million euro compared to the first half of 2022. The increase is attributable to the higher volumes regasified in the first half of 2023 and the recognition of revenues related to the higher volumes regasified in 2022, compared to the revenues defined by the Regulatory Authority for the same year.

EBITDA amounted to 18 million euro, an increase of 9 million euro compared to the first half of 2022, following the aforementioned increase in regulated revenues. This effect was partly absorbed by the higher costs related: (i) to the dynamics of the LNG fuel gas inventory influenced by market price trends; (ii) to the

costs related to the preparatory activities for the commissioning of the FSRU plant in Piombino.

EBIT increased by 7 million euro compared to the first half of 2022. The aforementioned increase in EBITDA was partly absorbed by higher depreciation and amortisation related to new capitalisations.

Technical investments

Technical investments in the first half of 2023 amounted to 100 million euro, a significant increase compared to the first half of 2022 (+90 million euro), mainly due to investments related to the FSRU in Piombino and the Ravenna terminal.

Investments in **capacity development and enhancement**, amounting to 92 million euro, relate to:

- the modification and adaptation of the ship Golar Tundra (33 million euro) and the continuation of the construction and supply of materials for the quayside works (41 million euro);
- the payment of a first advance on the EPCIC (Engineering, Procurement, Construction, Installation & Commissioning) contract for the modification and upgrading of the FSRU BW Singapore (13 million euro);

- design activities and permit acquisition for the works to upgrade the marine terminal in Ravenna (5 million euro).

Maintenance and other investments amounted to 8 million euro and mainly related to investments to ensure the safety of the Panigaglia plant, with particular reference to the modernisation of the air station.

Operating performance

During the first half of 2023, at the LNG terminal in Panigaglia (La Spezia), 1.85 billion cubic metres of LNG (0.88 billion cubic metres in the first half of 2022) were regasified and 44 methane tankers were unloaded (21 in the first half of 2022), in line with the number of unloadings conferred. The increase in the volume of LNG regasified in Italy and the consequent increase in the number of ships unloaded, is mainly due to the impact of the war between Russia and Ukraine on the

gas market, which led to an increase in the demand for LNG to meet domestic demand.

With reference to the FSRU terminal at Piombino, at the end of the first allocation of regasification capacity for the 20-year period between the 2023-2024 and 2043-2044 thermal years, to date more than 95% of the capacity offered has been allocated for multi-year periods (of which 86% is for the entire 20-year period). The excellent result achieved will allow more natural gas to be fed into the national transport network, contributing substantially to the diversification of supplies and the security of the national energy system.

The Golar Tundra FSRU became operational on 31 May 2023, following the commissioning phase. On 7 July, the plant received its first cargo of around 93 million cubic metres of natural gas (equivalent to 155 thousand cubic metres of LNG) from Eni, a cargo that marks the start of the terminal's commercial phase.

Natural Gas Storage

The Natural Gas Storage segment information includes Stogit's values.

Key performance indicators

(million euros)	First half-year		Abs. change	Change %
	2022	2023		
Regulated revenues (a) (b)	249	253	4	1.6
Other non-regulated income and revenues	2	5	3	
Total revenues (a) (b)	251	258	7	2.8
EBITDA	208	217	9	4.3
EBIT	148	157	9	6.1
Technical investments (c)	60	91	31	51.7
Concessions (number)	10	10		
- of which operational (d)	9	9		
Natural gas stored (billions of cubic metres) (e)	10.5	7.5	(3.0)	(28.6)
- of which injected	4.4	3.5	(0.9)	(20.5)
- of which withdrawn	6.1	4.0	(2.1)	(34.4)
Total storage capacity (billion cubic metres)	16.5	16.5		
- of which available (f)	12.0	12.0		
- of which strategic	4.5	4.5		
Employees in service at the period end (number)	70	71	1	1.4

(a) Before consolidation adjustments.

(b) Net of revenues which, in application of tariff regulations, are offset by costs (pass-through item) relating to the recharging of expenses for the natural gas transportation service provided by Snam Rete Gas S.p.A. equal to 105 million euro in the first half of 2023 (78 million euro in the first half of 2022).

(c) Investments remunerated at the pre-tax real base WACC of 6.0% for 2022 and 2023.

(d) Working gas capacity for modulation services.

(e) The volumes of gas are expressed in Standard cubic meters (Scm) with an average Gross Calorific Value (PCS) equal to about 39.6 MJ / Scm (10.919 kWh/Scm) for natural gas storage for the 2023-2024 thermal year. The corresponding 2022 value has been definitively updated.

(f) Working gas capacity for modulation, mining and balancing services. The value indicated represents the maximum available capacity and may not coincide with the maximum filling achieved.

Results

Total revenues amounted to 258 million euro, up compared to the first half of 2022 (+7 million euro; or 2.8%), mainly following higher regulated revenue.

Regulated revenues amounted to 253 million euro, up by 4 million euro (1.6%) compared to the first half of 2022. Regulated revenues include variable fees (4 million euro; unchanged compared to the first half of 2022) applied to users to cover costs related to energy consumption (purchase of CO₂ emission rights). The higher revenues related to the growth in RAB (+7 million euro, net of lower input based incentives) were absorbed by lower revenues for output based services, related to the significant use of flexibility services on short-term auctions that characterised the first half of 2022.

Other non-regulated revenues and income (5 million euro) show an increase of 3 million euro compared to the first half of 2023 and refer to compensation for damages and releases of balance sheet items relating to previous years.

EBITDA amounted to 217 million euro, up by 9 million euro, equal to 4.3% compared to the first half of 2022, essentially as a result of higher revenues and lower costs associated with the reduction in gas flows.

EBIT amounts to 157 million euro, an increase of 9 million euro, equal to 6.1%, compared to the first half of 2022, against the aforementioned increase in the gross operating margin and depreciation and amortisation in line with the previous period.

Technical investments

(million euros)	First half-year		Abs. change	Change %
	2022	2023		
Type of investment				
Development of new fields and capacity building	12	16	4	33.3
Maintenance and other	48	75	27	56.3
	60	91	31	51.7

Technical investments in the first half of 2023 amounted to 91 million euro, up by 31 million euro (+51.7%) compared to the first half of 2022 (60 million euro), and refer to investments in **the development of new fields and upgrading of capacity** (16 million euro), mainly relating to the drilling of new wells at the Sabbioncello and Minerbio sites, to enhance peak performance, and **maintenance and other** investments (75 million euro).

These latter mainly refer to: (i) engineering work on the TC1 plant at Sergnano and upgrading of regeneration systems on compression units; (ii) work over on existing wells, particularly at Sabbioncello, for the restoration to operation of wells made unavailable due to loss of mechanical integrity; (iii) IT projects for the purchase of licences and renewals of existing licences; (iv) engineering development projects aimed at storing a mixture of natural gas and hydrogen.

Operating performance

Gas moved through the storage system

The **volumes of gas moved in the storage system** in the first half of 2023 amounted to 7.5 billion cubic metres, a decrease of 3.0 billion cubic metres, equal to 28.6%, compared with the first half of 2022. The decrease is mainly attributable to lower deliveries from storage as

a result of the milder temperatures recorded in the first half of the year compared to the corresponding period in 2022, as well as the effects of the National Plan to contain consumption.

ARERA regulations

Sixth regulatory period for the transport service

Tariff adjustment criteria for the natural gas transportation and metering service for the sixth regulatory period (2024-2027)

With Resolution 139/2023/R/gas, published on 5 April 2023, the Authority defined the tariff regulation criteria for the natural gas transport service for the sixth regulatory period (6PRT), in force from 1 January 2024 to 31 December 2027. The distribution of the reference transportation service revenues according to the same revenue shares provided for in the fifth regulatory period (5PRT) is confirmed, and the definition of the application modalities of the ROSS criteria (Regulation by Expense and Service Objectives) to the natural gas transportation service is postponed to a subsequent consultation document. It is also confirmed that the capital existing at 31 December 2023 will be treated in continuity with the criteria in force today, except for the different remuneration of fixed assets in progress, depending on the year in which the expenditure was incurred.

Pursuant to Resolution 723/2022/R/gas, an incentive is recognised for maintaining fully depreciated networks in service (1% of the revalued historical cost of the asset subject to the incentive and 0.5% for pipelines in service that completed their regulatory useful life more than 10 years ago). An incentive is also granted for the efficient operation of dual-fuel compressor stations, equal to 50% of the revenue share from the offer of flexibility services, up to a ceiling of 4 million euro/year, and 50% of the revenue from participation in the white certificate mechanism.

With reference to self-consumption, grid losses, Unaccounted for Gas (CNG) and Emission Trading System (ETS) costs, the level of the premium/penalty for CNG is revised to 6.86 euro/MWh (compared to 3.33 euro/MWh in the 5PRT), extending it with the same valuation to grid losses. With particular reference to the recognition of energy costs for dual fuel plants, a specific incentive mechanism is introduced to optimise the consumption profile on an intraday basis, based on market prices for electricity and gas.

Furthermore, transport companies may submit proposals to the Authority for changes to the guarantee system in order to provide for adequate forms of coverage against the risk of insolvency also with regard to the variable charge and additional components.

Integrated text of the criteria and general principles of regulation by expenditure and service targets for the period 2024-2031 (TIROSS 2024- 2031)

With Resolution 163/2023/R/Gas, published on 20 April 2023, the Authority published the "Integrated text of the criteria and general principles of regulation by expenditure and service targets for the period 2024-2031 (TIROSS 2024- 2031)". The resolution outlines the characteristics of the new tariff regulation framework for infrastructure services in the electricity and gas sectors (TIROSS). The document endorses the first part (Part I) of the ROSS containing the general provisions of the ROSS approach, as well as the second part (Part II) containing the specific criteria of the ROSS approach in its basic version. On the other hand, no further elements are reported in relation to standard costs and the methodology for performance analysis (RORE), as for these issues, the Authority considers it appropriate to set up special working tables with operators and their associations. While RORE is expected to be completed by the end of 2023, a deadline by the end of 2024 is assumed for standard costs, with 2025 being used as a test year with a view to implementation from 2026.

Approval of transport revenues 2024

With Resolution 234/2023/R/gas, published on 31 May 2023, the Authority approved the recognised revenues and tariff fees for the natural gas transportation and metering service for 2024. The revenues recognised for the natural gas transportation and metering service for 2024 amount to 2,538 million euro. The RAB used to calculate the 2024 revenue for transmission, dispatching and metering activities is 18.5 billion euro and includes the estimated investments for 2023.

Sixth regulatory period for the regasification service

Criteria for adjusting the tariffs for the liquefied natural gas regasification service for the sixth regulatory period (2024-2027)

With Resolution 196/2023/R/gas, published on 11 May 2023, the Authority defined the tariff regulation criteria for the natural gas regasification service for the sixth regulatory period (6PRT LNG), in force from 1 January 2024 to 31 December 2027. The current breakdown of reference revenues is confirmed and the assessment of whether it is appropriate to extend the cost recognition criteria based on total expenditure (ROSS approach) to the regasification service as well, is postponed to the next regulatory period. With regard to base load electricity, companies are given the option at the beginning of the regulatory period and for the entire duration thereof to choose whether to include it in reference revenues (subject to a 64% guarantee) or in revenues covering regasification chain consumption.

With regard to the determination of depreciation, by analogy with the storage business, the asset increases up to the previous year (t-1) are taken into account, instead of year t-2 (as in the previous regulation).

With reference to the recognition of energy costs, deviations between the ex-ante valuation and the valuation on the basis of the prices actually recorded in year t are settled directly through the CSEA in year t+1, instead of year t+2 by adjusting the fees.

With reference to the revenue hedging factor, the hedging mechanism is confirmed up to a maximum level of 64% of the reference revenue and for a duration of 20 years. Furthermore, the scope of application of the revenue coverage factor also includes cases in which the actual revenue is equal to or higher than the recognised reference revenue. In particular, in such cases, 64% of the revenues exceeding the reference revenue are returned to the system through a corresponding payment to the CSEA.

Approval of 2024 regasification revenues

With Resolution 279/2023/R/gas, published on 22 June 2023, the Authority approved the recognised revenues and tariff payments for the 2024 regasification service, as well as for the Piombino terminal for 2023.

Regarding the Panigaglia terminal, the 2024 tariffs were calculated based on the reference revenue of 34.8 million euro and energy costs of approximately 4.6 million euro. The RAB for LNG regasification activities was 170.8 million euro. At the same time, the Authority gave the go-ahead for the disbursement of the claims relating to the cost adjustments recognised for electricity consumption for the regasification chain and for ETS certificates for 2022. With reference to 2022, the revenue coverage factor claims are nil.

With regard to the Piombino terminal, the 2023 tariffs were calculated based on the reference revenue of 32.2 million euro (re-proportioned on the basis of the annual revenue of 50.1 million euro) and energy costs of approximately 2.6 million euro. The RAB for LNG regasification activities was 350.9 million euro. The 2024 tariffs were calculated based on the reference revenue of 86.3 million euro and energy costs of approximately 7.3 million euro. The RAB for LNG regasification activities was 469.5 million euro.

Provisions for the allocation of storage capacity

With Resolution 150/2023/R/Gas, published on 4 April 2023, the Authority supplemented the provisions on the allocation of storage capacities for the 2023/2024 thermal year.

In particular, the Authority has:

- integrated fees for the failure of users to meet minimum fill levels;
- provided the possibility for users to request an implicit allocation of their stock in excess of the maximum allowed at the end of each month of the injection phase;
- provided for storage companies to establish an internal verification procedure to implement the prohibition of making storage capacity available to persons or entities directly or indirectly established in Russia as referred to in Regulation EU 2023/427; if capacity is allocated in violation of that Regulation, this capacity is available to the storage company for allocation to third parties;

- provided for the transmission by Stogit of a functional proposal to take into account the implicit allocation mechanism within the short-term storage performance incentive scheme;
- provided for the allocation to the GSE and Snam Rete Gas of the space for TA 23/24 and the corresponding gas injection and supply capacity, for an amount equal to their respective gas stocks as of 31 March 2023, and that the related costs be covered under the "Storage Charges Account".

Other measures

Resolution 108/2023/R/gas - Urgent evaluation of the development intervention "Strengthening for new imports from the South" (so-called "Adriatic Line")

By way of Resolution No. 108/2023/R/gas, published on 21 March 2023, the Authority, as a result of the urgent assessment process started with Resolution No. 696/2022/R/gas during the assessment of the 2021 and 2022 Plans, expressed its positive assessment on the development intervention "Strengthening for new imports from the South" (so-called "Adriatic Line"). The Authority will inform the Government and Parliament of the advisability of allocating the RepowerEU resources for the development of the Adriatic Line, supplementary to the National Recovery and Resilience Plans, aimed at supporting independence from Russian fossil fuels.

Energy Transition Business

Snam promotes energy transition through the development of integrated projects in green gas - biomethane and hydrogen - and energy efficiency.

Key performance indicators

(million euros)	First half-year		Abs. change	Change %
	2022	2023		
Total revenues (a)	276	521	245	88.8
EBITDA	19	45	26	
EBIT	9	25	16	
Technical investments	25	49	24	95.9
Biomethane/Biogas operating figures				
Installed and operating megawatts (MW) (b)	16	40	24	
No. Plants in operation (c)	12	33	21	
Operational data Energy Efficiency				
Installed Megawatts (MW) (d)	34	58	25	73.1
Backlog (e)	1,000	1,220	220	22.0
Employees in service at 30 June (number)	479	581	102	21.3

(a) Before adjustments with other business segments.

(b) Theoretical power of the plant in operation.

(c) The value as at 30 June 2023 does not include 4 temporarily non-operational plants.

(d) Installed power in co-trigeneration plants, photovoltaics for customer energy efficiency.

(e) Indicates the value of revenues accruing after 2023, associated with contracts awarded and entered into as at 30 June 2023.

Results

Total revenues amounted to 521 million euro, up by 245 million euro, equal to 88.8%, compared to the first half of 2022. The increase is mainly attributable to the positive contribution of energy efficiency (+213 million euros), in particular due to the strong development of activities in the residential sector against the deep redevelopment of private and public buildings, which contribute about 90% to this increase. The increase in revenue is also attributable to the new biogas and biomethane plants that entered the scope of operations.

EBITDA amounted to 45 million euro, an increase of 26 million euro compared to the first half of 2022, mainly due to the development of energy efficiency projects.

EBIT increased by 16 million euro compared to the first half of 2022, due to the effects described above.

Technical investments

Technical investments in the first half of 2023 amounted to 49 million euro, a significant increase compared to the first half of 2022 (+24 million euro; +95.9%) and mainly related to:

- **energy efficiency investments** amounting to 15 million euros, mainly attributable to the construction of plants under energy performance contracts;
- **investments in biomethane and biogas** amounting to 19 million euro mainly related to the construction of new plants;
- **decarbonisation project investments** amounting to 15 million euro, mainly related to engineering activities for the Ravenna CO₂ capture and storage (CCS) project.

Operating performance

As of 30 June 2023, 33 biomethane/biogas plants were running, an increase of 21 compared to the same period in 2022, with an installed capacity of 40 MW compared to 16 MW on 30 June 2022. The change is due to the acquisition of 19 new biomethane plants from agricultural waste, which increased installed capacity by 21 MW, and 2 new plants from waste (FORSU) for an additional 3 MW of installed capacity.

Installed megawatts (MW) in the first half of 2023 on co-trigeneration and photovoltaic plants for customer energy efficiency measures amounted to 58, up from the first half of 2022 (+25 MW; +73.1%) mainly due to the commissioning of plants contracted between 2021 and 2022. With regard to the backlog, a total value of 1,220 million euro was recorded, of which about 70% related to EnPC (Energy Performance Contract) contracts.

Reference regulatory framework

Biomethane

Biomethane plants in operation to date follow the incentive scheme of the **2018 Ministerial Decree**, valid for newly built or reconverted plants commissioned by 31 December 2023, which grants a 10-year incentive.

Ministerial Decree 2022 grants an incentive for the duration of 15 years for new or converted plants for the production of biomethane from agricultural waste commissioned by 30 June 2026. A non-repayable grant of up to 40% of the investment is also granted (under mission 2, component 2 of the PNRR).

On 4 April 2023, ARERA published **Resolution no. 140/2023/R/GAS** which, confirming the measures already provided for in Resolution no. 501/2022/R/gas, requires Snam to: a) communicate to the Authority by and no later than 30 June 2023 the plan for the implementation, pending the adoption of the structural solutions referred to in the following point, of the solution of using the biomethane produced and injected into the network primarily for self-consumption by Snam Rete Gas and Infrastrutture Trasporto Gas, without sale to third parties, in order to verify its compatibility with the regulations in force b) implement, by and no later than 30 June 2027, at least one of the two structural solutions such as the passive financial investment and/or the model of access to regulated conditions to waste disposal and biomethane production plants in order to definitively comply with the requirements of Article 9 of Directive 2009/73/EC; c) notify the Authority, as soon as they are known and in any case by and no later than 1 January 2027, of the choice and the relative implementation plan, among the measures referred to in subparagraph b) above.

Energy Efficiency

Renovit operates in compliance with European and Italian legislation aimed at accelerating energy efficiency and the ecological transition process. Among the various measures issued by the Italian Government, the main regulations under which interventions are planned and implemented are listed below.

The contractual model that mainly characterises Renovit activities is the Energy Performance Contract (EPC), which is defined in our legal system by Legislative Decree 115/2008, implementing EU Directive EC/32/06. It is accompanied by the Energy Service contract, established by Presidential Decree of 412 of 26 August 1993.

In the interactions with public bodies, particular mention should be made of compliance with the requirements of **Legislative Decree 36/2023**, the new Public Contracts Code, effective as of 1 July 2023 (for public notices or public tenders published before this date, the provisions of Legislative Decree 50/2016). This includes compliance with the regulations specified in it, especially in relation to the necessary requirements and procedures for participating in public tenders, the Public Private Partnership regulations and the requirements of the Minimum Environmental Criteria in the implementation of interventions.

Renovit also operates in full compliance with the technical standards (UNI / EN standards) provided for in relation to the requirements for materials, products, equipment, works and services offered.

National energy efficiency incentive policies

Renovit supports its customers in obtaining the energy efficiency incentives offered by the national framework, providing them with a guide to the various opportunities.

On the residential building efficiency front, Renovit operates within the framework of tax deductions for the redevelopment and renovation of the building heritage, such as the 110% Superbonus, introduced by Article 119 of Decree-Law 34/2022 (the so-called Relaunch Decree) as amended, Ecobonus, Sismabonus and Bonus Facciate.

Interventions in the tertiary, industrial and public sectors, on the other hand, mainly benefit from the incentives provided by the Energy Bill, to support the increase of energy efficiency and the production of thermal energy from renewable sources according to the provisions of Ministerial Decree of 16 February 2016 as amended, and by the White Certificates mechanism, or Energy Efficiency Certificates, in force since 2005 and most recently amended by Ministerial Decree of 21/05/2021.

Renovit also supports public administration bodies in accessing funds under the Central Public Administration Energy Requalification Programme (PREPAC), extended to 2030 by Legislative Decree 73/2020, from the National Recovery and Resilience Plan (PNRR) approved by the ECOFIN Council's implementation decision of 13 July 2021 and its Supplementary Fund, and in obtaining European Regional Development Funds from the European Cohesion Policy.

Financial review and other information

Financial review

INCOME STATEMENT

(million euros)	First half 2022		First half 2023		2023 adjusted vs 2022 adjusted	
	Reported	Adjusted (*)	Reported	Adjusted (*)	Abs. change	Change %
Regulated revenues	1,338	1,338	1,529	1,529	191	14.3
Non-regulated revenues	66	66	44	44	(22)	(33.3)
Gas Infrastructure Business Revenues	1,404	1,404	1,573	1,573	169	12.0
Energy Transition Business Revenues	276	276	521	521	245	88.8
TOTAL REVENUES	1,680	1,680	2,094	2,094	414	24.6
Gas Infrastructure Business Operating Costs	(284)	(268)	(405)	(397)	(129)	48.1
Energy Transition Business Operating Costs	(257)	(257)	(476)	(476)	(219)	85.2
TOTAL OPERATING COSTS	(541)	(525)	(881)	(873)	(348)	66.3
EBITDA	1,139	1,155	1,213	1,221	66	5.7
Amortisation, depreciation and impairment losses	(432)	(427)	(455)	(455)	(28)	6.6
EBIT	707	728	758	766	38	5.2
Net financial expenses	(68)	(51)	(87)	(87)	(36)	70.6
Net income (expenses) from equity investments	249	176	242	159	(17)	(9.7)
Profit before taxes	888	853	913	838	(15)	(1.8)
Income taxes	(199)	(204)	(203)	(205)	(1)	0.5
Net profit	689	649	710	633	(16)	(2.5)
- Attributable to the Snam's shareholders	686	646	698	621	(25)	(3.9)
- Non-controlling interests	3	3	12	12	9	

(*) The values exclude special items.

Summary reconciliation of adjusted results (*)

(million euros)	First half-year		Abs. change	Change %
	2022	2023		
EBITDA	1,139	1,213	74	6.5
Exclusion of special items	16	8	(8)	(50.0)
Adjusted EBITDA	1,155	1,221	66	5.7
EBIT	707	758	51	7.2
Exclusion of special items	21	8	(13)	(61.9)
Adjusted EBIT	728	766	38	5.2
Net profit	689	710	21	3.0
- Held by Snam shareholders	686	698	12	1.7
- Non-controlling interests	3	12	9	
Exclusion of special items	(40)	(77)	(37)	92.5
Adjusted net profit	649	633	(16)	(2.5)
- Attributable to the Snam's shareholders	646	621	(25)	(3.9)
- Non-controlling interests	3	12	9	

(*) For the detailed description of the individual adjustments, see the "Non-GAAP measures" section of this Report.

Analysis of adjusted income statement items

Consistent with the 2022-2026 Strategic Plan, announced to the market in January 2023, and in accordance with IFRS 8 "Operating Segments", the Snam Group has identified the following operating segments: Transportation, Storage, Regasification and Energy Transition. This last segment, which includes the biogas/biomethane, energy efficiency and hydrogen start-up businesses, due to exceeding the materiality thresholds of IFRS 8, also confirmed in the Plan period, from the financial statements for the year ending 31 December 2022 constitutes an operating segment subject to separate reporting.

The "Other segments", not subject to separate reporting, mainly include the sustainable mobility business, an activity that is being repositioned within the Gas Infrastructures business insofar as it is no longer focused solely on the automotive sector, but is focused on the construction of mid-stream infrastructures dedicated to heavy transport, shipping and railways.

Accordingly, the corresponding values for the first half of 2022 compared were restated.

Revenues by business segment

(million euros)	First half-year		Abs. change	Change %
	2022	2023		
Transportation segment	1,140	1,326	186	16.3
Storage segment	251	258	7	2.8
Regasification segment	14	38	24	
Energy Transition segment	276	521	245	88.8
Other segments	10	22	12	
Amounts not allocated to segments	10	9	(1)	(10.0)
<i>Consolidation eliminations</i>	<i>(21)</i>	<i>(80)</i>	<i>(59)</i>	
TOTAL REVENUES	1,680	2,094	414	24.6

Regulated and non-regulated revenues

(million euros)	First half-year		Abs. change	Change %
	2022	2023		
Gas Infrastructure Business Revenues	1,404	1,573	169	12.0
<i>Regulated revenues</i>	<i>1,338</i>	<i>1,529</i>	<i>191</i>	<i>14.3</i>
- Transportation segment	1,076	1,239	163	15.1
- Storage segment	249	253	4	1.6
- Regasification segment	13	37	24	
<i>Non-regulated revenues</i>	<i>66</i>	<i>44</i>	<i>(22)</i>	<i>(33.3)</i>
Energy Transition Business Revenues	276	521	245	88.8
- Energy Transition segment	276	521	245	88.8
TOTAL REVENUES	1,680	2,094	414	24.6

Total revenues in the first half of 2023 amounted to 2,094 million euro⁷, up by 414 million euro (24.6%) compared to the first half of 2022. Net of fees to cover energy costs, total revenues amounted to 1,889 million euro, up 294 million euro (+18.4%) compared to the first half of 2022, mainly due to the contribution of the energy transition business (+245 million euro; +88.8%) and, in particular, energy efficiency. With reference to the gas infrastructure business, the increase compared to the first half of 2022 (+49 million euro; +3.7%) was due to the increase in regulated revenues, which was partly absorbed by the reduction in non-regulated revenues due to lower positive one-off effects compared to the first half of 2022.

Regulated revenues, net of energy costs, amounted to 1,324 million euro, up by 71 million euro (+5.7%) compared to the first half of 2022. This increase was mainly due: (i) to the higher revenues associated with the increase of the RAB (+37 million euro, including lower input-based incentives); (ii) to the recognition of the incentive to maintain the transportation assets fully depreciated for tariff purposes (+22 million euro); (iii) to the recognition of revenues related to the higher volumes regasified in 2022, compared to the revenues defined by the Regulatory Authority for the same year, and the higher volumes regasified in the first half of 2023 (+20 million euro in total); (iv) the increase in revenues for flexibility services provided to the energy system, mainly related to the default service for transportation users. These effects were counter-balanced by lower volumes of transported gas (-11 million euro) as a result of overall milder temperatures compared to the first half of 2022, and the implementation of gas demand containment actions to cope with the reduction in imports from Russia.

Non-regulated revenue (44 million euro), decreased by 22 million euro, equal to 33.3% compared to the first half of 2022, mainly due to lower one-off income.

⁷

Including variable fees to cover energy costs of 205 million euro (85 million euro in the first half of 2022). On the basis of the provisions of the regulatory framework in force for the fifth regulatory period, from 1 January 2020, the energy costs relating to the costs for the purchase of fuel gas, previously subject to contribution in kind by the shippers, the charges for the purchase of CO₂ emission rights and the consumption of electricity, are covered in revenues through the variable fee applied to users. The regulatory recognition of energy costs ensures substantial neutrality in both economic and financial terms.

Energy Transition Business revenues (521 million euro) increased by 245 million euro, or 88.8%, compared to the first half of 2022 due to the positive contribution of energy efficiency (+213 million euro), in particular due to the strong development of the residential and biomethane business (+32 million euro) essentially against the expansion of the company perimeter.

Operating costs (*)

(million euros)	First half-year		Abs. change	Change %
	2022	2023		
Gas Infrastructure Business Costs	268	397	129	48.1
Fixed costs	146	148	2	1.4
Variable costs	64	133	69	
Other costs	58	116	58	100.0
Energy Transition Business Costs	257	476	219	85.2
TOTAL OPERATING COSTS	525	873	348	66.3

(*) Net of special items.

Operating costs in the first half of 2023 amounted to 873 million euro, up by 348 million euro (66.3%) compared to the first half of 2022. Net of energy costs, which are covered by the variable fees applied to users under the current regulatory framework for the fifth regulatory period, operating costs of the core business recorded an increase of 226 million euro, or 51.1%, mainly due to the growth in business volumes in energy efficiency.

The **operating costs of the gas infrastructure business** (192 million euro, net of energy costs) increased by 7 million euro, equal to 3.8%, compared to the first half of 2022. This increase was mainly due: (i) to the dynamics of the LNG fuel gas inventory influenced by market price trends; (ii) to the costs related to the preparatory activities for the commissioning of the FSRU plant in Piombino.

The **energy transition business operating costs** (476 million euro) increased by 219 million euro, equal to 85.2%, compared to the first half of 2022. The increase is explained by a growth in business volumes and costs resulting from the entry and integration of new companies active in the biogas/biomethane business, which entered the scope of consolidation.

The number of employees at 30 June 2023 (3,681 people) is analysed below by professional status.

Professional status	First half-year		Abs. change	Change %
	2022	2023		
Executives	136	130	(6)	(4.4)
Middle Managers	622	663	41	6.6
Office workers	1,912	2,005	93	4.9
Manual workers	856	883	27	3.2
TOTAL EMPLOYEES IN SERVICE	3,526	3,681	155	4.4

The increase of 155 employees compared to 2022 is mainly due to the strengthening of the energy transition business and the inclusion of new resources in the gas infrastructure business, with particular reference to the natural gas transportation segments, for new project initiatives.

Gross operating margin by segment (*)

(million euros)	First half-year		Abs. change	Change %
	2022	2023		
Transportation segment	923	944	21	2.3
Storage segment	208	217	9	4.3
Regasification segment	9	18	9	100.0
Energy Transition segment	19	45	26	
Other segments	(2)	(1)	1	(50.0)
Amounts not allocated to segments	(2)	(2)		
TOTAL EBITDA	1,155	1,221	66	5.7

(*) Net of special items.

Depreciation, amortisation and impairment losses by segment (*)

(million euros)	First half-year		Abs. change	Change %
	2022	2023		
Amortisation	426	455	29	6.8
Transportation segment	344	362	18	5.2
Storage segment	60	60		
Regasification segment	5	7	2	40.0
Energy Transition segment	10	20	10	100.0
Other segments	1		(1)	(100.0)
Amounts not allocated to segments	6	6		
Impairment losses (Recovery of value)	1		(1)	(100.0)
TOTAL AMORTISATION, DEPRECIATION AND IMPAIRMENT LOSSES	427	455	28	6.6

(*) Net of special items.

Depreciation, amortisation and impairment losses (455 million euro) increased by 28 million euro, or 6.6%, compared to the first half of 2022, mainly due to new infrastructures commissioned.

Operating profit by segment (*)

(million euros)	First half-year		Abs. change	Change %
	2022	2023		
Transportation segment	578	582	4	0.7
Storage segment	148	157	9	6.1
Regasification segment	4	11	7	
Energy Transition segment	9	25	16	
Other segments	(3)	(1)	2	(66.7)
Amounts not allocated to segments	(8)	(8)		
TOTAL EBIT	728	766	38	5.2

(*) Net of special items.

With reference to the business segments subject to separate reporting pursuant to IFRS 8, an EBIT analysis is provided in the “Business segment operating performance” section of this Report.

Net financial expenses (*)

(million euros)	First half-year		Abs. change	Change %
	2022	2023		
Financial expense related to net financial debt	73	107	34	46.6
- Interest and other expenses on short- and long-term debt	78	116	38	48.7
- Interest receivable and other income	(5)	(9)	(4)	80.0
Other net financial expense (income)	(12)	(12)		
- Accretion discount	4	9	5	
- Other net financial expense (income)	(16)	(21)	(5)	31.3
Financial expense capitalised	(10)	(8)	2	(20.0)
TOTAL NET FINANCIAL EXPENSES	51	87	36	70.6

(*) Values for the first half of 2022 exclude special items.

Net financial expenses (87 million euro) recorded an increase compared to the first half of 2022 (+36 million euro; +70.6%). The increase was due, in particular, to higher borrowing costs related to the higher average cost of gross debt, which stood at about 1.7% in the first half of 2023 compared to about 1% in the corresponding period of 2022. The increase in the average cost of debt can mostly be attributed to the changed interest rate recorded between 1 July 2022 - 30 June 2023.

Net income from equity investments (*)

(million euros)	First half-year		Abs. change	Change %
	2022	2023		
Share of profit or loss of equity investments accounted for using the equity method	178	157	(21)	(11.8)
Other (expenses) and income from equity investments	(2)	2	4	
TOTAL NET INCOME FROM EQUITY INVESTMENTS	176	159	(17)	(9.7)

(*) Net of special items.

Net income from equity investments (159 million euro), recorded a decrease of 17 million euro, equal to 9.7%, compared to the first half of 2022.

Most notably, the decrease is mainly ascribed to the Austrian subsidiary TAG, following the expiry of most long-term transport capacity contracts (about 85%) and the significant reduction, in line with expectations, of the volumes imported into Italy from the Tarvisio entry point, as well as to Interconnector Limited. Despite the solid operating performance expected in 2023, the latter, unlike in the past, does not benefit from the so-called underperformance recovery mechanism over previous years since the regulatory cap was exceeded in 2022. These negative effects were largely offset by the increased contribution of the Greek subsidiary DESFA, to increase flows from the LNG terminal in Revhitoussa and exports to Bulgaria, as well as the entry into the SeaCorridor joint venture. On 10 January 2023, the acquisition from Eni of 49.9% of the company, which operates the TTPC and TMPC pipelines, was finalised. The transaction will help rebalance the asset portfolio in line with the change in gas flows from Russia.

Income taxes (*)

(million euros)	First half-year		Abs. change	Change %
	2022	2023		
Current taxes	221	224	3	1.4
Deferred taxes	(17)	(19)	(2)	11.8
TOTAL INCOME TAXES	204	205	1	0.5
Adjusted tax rate (%)	23.9	24.5	0.6	

(*) Net of special items.

Income taxes for the first half of 2023 amount to 205 million euro, in line with the corresponding period of the previous year (204 million euro; +0.5%). The adjusted tax rate stands at 24.5% (23.9% in the first half of 2022).

Non-GAAP measures

In addition to the financial parameters required by the IFRS, as part of its Report on Operations, Snam is presenting some parameters resulting from the latter, not yet required by the IFRS or by other standard setters (non-GAAP measures).

Snam's management believes that these measures make it easier to analyse Group and business segment performance, ensuring better comparability of results over time.

Non-GAAP financial information must be considered as complementary and does not replace the information prepared in accordance with IFRS.

In accordance with the recommendations of Consob and ESMA regarding alternative performance indicators, the following sections provide indications relating to the composition of the main alternative performance indicators used in this document, which cannot be directly inferred from reclassifications or algebraic sums of conventional indicators⁸ compliant with international accounting standards.

Adjusted EBITDA, EBIT and net profit

EBITDA, EBIT and adjusted net profit are obtained by excluding from the respective results reported (as per the legal scheme of the Income Statement) the special items, gross and net of the related taxes, respectively. The income components classified as special items in the first half of 2023 relate: (i) to the capital gain from the sale of shares of Industrie De Nora S.p.A. (75 million euro, net of ancillary expenses and related taxation), a transaction after which Snam holds 21.59% of the company's share capital (25.79% prior to the sale); (ii) to the effects arising from the fair value measurement of contractual tariffs, until 2040, of the investee company ADNOC Gas Pipeline Assets due to changes in market interest rates (7 million euro); (iii) to the derecognition of assets in progress (8 million euro).

Special items

The income components are classified under special items, if significant, when: (i) they result from non-recurring events or operations or from operations or events which do not occur frequently in the ordinary course of business; (ii) they result from events or operations which are not representative of the normal course of business. The tax rate applied to the items excluded from the calculation of adjusted net profit is determined on the basis of the nature of each revenue item subject to exclusion. Any income components deriving from non-recurring operations in accordance with Consob Resolution No. 15519 of 27 July 2006 are also shown separately in the IFRS financial report.

Free cash flow

Free cash flow is the measure that allows the connection between the obligatory financial statement, which expresses the change in liquidity between the beginning and end of the period, and the change in net financial debt between the beginning and end of the reclassified cash flow statement. The “free cash flow” represents the cash surplus or deficit left over after financing the investments and closes either: (i) on the change in cash and cash equivalents for the period, after adding/deducting cash flows relating to financial payables/receivables (loans/repayments of financial receivables/debts), equity (payment of dividends/net purchase of treasury shares/capital contributions), as well as the effects on cash and cash equivalents of changes in the scope of consolidation and of exchange rate differences; (ii) the change in net financial debt for the period, after adding/subtracting flows related to equity, as well as the effects on net financial debt of

⁸ Conventional indicators are all data included in the certified financial statements drafted in compliance with IFRS or within the Balance Sheet, Income Statement, Statement of changes in shareholders' equity, Cash Flows Statement and commentary notes.

changes in the scope of consolidation and of exchange differences from translation.

Net financial debt

Snam calculates net financial debt as the sum of short- and long-term financial debt, including financial debt for lease agreements pursuant to IFRS 16, net of cash and cash equivalents and current financial assets, such as securities held for trading, which are not cash and cash equivalents or derivative instruments used for hedging purposes.

In accordance with Consob Communication DEM/6064293 of 2006, as last amended on 5 May 2021, other current financial assets that do not constitute liquidity (e.g. short-term financial receivables maturing beyond 90 days) are excluded from the calculation of net financial debt.

For the sake of completeness, it should be noted that, as it is not specifically regulated, net financial debt does not include the estimated earn-out liabilities related to the acquisition of equity investments, which are recorded under "Trade and other payables".

The tables below show the reconciliation between the reported Income Statement and the adjusted Income Statement, as well as a table summarising the special items:

(million euros)	First half 2022			First half 2023			2022 adjusted vs 2023 adjusted	
	Reported	SPECIAL ITEM	Adjusted	Reported	SPECIAL ITEM	Adjusted	Abs. change	Change %
Regulated revenues	1,338		1,338	1,529		1,529	191	14.3
Non-regulated revenues	66		66	44		44	(22)	(33.3)
Gas Infrastructure Business Revenues	1,404		1,404	1,573		1,573	169	12.0
Energy Transition Business Revenues	276		276	521		521	245	88.8
TOTAL REVENUES	1,680		1,680	2,094		2,094	414	24.6
Gas Infrastructure Business Operating Costs	(284)	16	(268)	(405)	8	(397)	(129)	48.1
Energy Transition Business Operating Costs	(257)		(257)	(476)		(476)	(219)	85.2
TOTAL OPERATING COSTS	(541)	16	(525)	(881)	8	(873)	(348)	66.3
EBITDA	1,139	16	1,155	1,213	8	1,221	66	5.7
Amortisation, depreciation and impairment losses	(432)	5	(427)	(455)		(455)	(28)	6.6
EBIT	707	21	728	758	8	766	38	5.2
Net financial expenses	(68)	17	(51)	(87)		(87)	(36)	70.6
Net income (expenses) on investments	249	(73)	176	242	(83)	159	(17)	(9.7)
Pre-tax profit	888	(35)	853	913	(75)	838	(15)	(1.8)
Income taxes	(199)	(5)	(204)	(203)	(2)	(205)	(1)	0.5
Net profit	689	(40)	649	710	(77)	633	(16)	(2.5)
- Attributable to Snam's shareholders	686	(40)	646	698	(77)	621	(25)	(3.9)
- non-controlling interests	3		3	12		12	9	

Details of special items

(million euros)	First half-year		Abs. change	Change %
	2022	2023		
EBITDA	1,139	1,213	74	6.5
<i>Exclusion of special items</i>				
Loss from the derecognition of assets in progress		8	8	
Write-down of current assets	8		(8)	(100.0)
Indemnities for termination of employment	6		(6)	(100.0)
Other	2		(2)	(100.0)
Adjusted EBITDA	1,155	1,221	66	5.7
<i>Exclusion of special items</i>				
Write-down of non-current assets	5		(5)	(100.0)
Adjusted EBIT	1,160	1,221	61	5.3
Net profit	689	710	21	3.0
<i>Exclusion of special items</i>				
Special EBIT item	21	8	(13)	(61.9)
Gain on disposal and other income from equity investments	(73)	(76)	(3)	4.1
ADNOC rate change effect		(7)	(7)	
Liability management finance charges	17		(17)	(100.0)
Taxation on special items	(5)	(2)	3	(60.0)
Adjusted net profit (Group and non-controlling)	649	633	(16)	(2.5)
Non-controlling interests	3	12	9	
Group adjusted Net Profit	646	621	(25)	(3.9)

Reclassified Financial Statement

The reclassified financial statement aggregates the mandatory statement of assets and liabilities published in the Annual Financial Report and the Half-Yearly Financial Report according to the functionality for business operations, conventionally divided into the three basic categories: investment, operations and financing. Management finds that the suggested format represents useful additional information for investors as it allows identification of the sources of financial resources (equity and debt) and the use of financial resources in fixed and working capital.

Management uses the reclassified balance sheet to calculate the key profitability ratios (ROI and ROE).

RECLASSIFIED FINANCIAL STATEMENT (*)

(million euros)	31.12.2022	30.06.2023	Change
Fixed capital	21,562	22,257	695
Property, plant and equipment	17,859	18,120	261
- of which right-of-use leased assets	33	43	10
Non-current inventories - Compulsory inventories	363	363	
Intangible assets and goodwill	1,321	1,356	35
Equity investments accounted for using the equity method	2,313	2,953	640
Other financial assets	175	162	(13)
Net payables for investments	(469)	(697)	(228)
Net working capital	(2,155)	(26)	2,129
Liabilities for employee benefits	(27)	(27)	
Assets held for sale and directly associated liabilities	67	85	18
NET INVESTED CAPITAL	19,447	22,289	2,842
Shareholders' equity	7,524	7,680	156
- Snam shareholders' equity	7,468	7,614	146
- Minority interests	56	66	10
Net financial debt	11,923	14,609	2,686
- of which financial payables for leased assets (**)	33	40	7
COVERAGE	19,447	22,289	2,842

(*) For a reconciliation of the reclassified statement of financial position to the compulsory statement see the paragraph below "Reconciliation of the reclassified financial statement with the legally required statements".

(**) Of which 33 million euro long-term and 7 million euro short-term portions of non-current financial payables.

Fixed Capital (22,257 million euro) increased by 695 million euro with respect to 31 December 2022, essentially due to the increase in: (i) equity investments (+640 million euro⁹) mainly due to the acquisition, from Eni, of a 49.9% stake in SeaCorridor, a company that holds interests in the companies that operate the TTPC and TMPC gas pipelines; (ii) property, plant and equipment and intangible assets (+296 million euro). These effects were partially offset by higher net investment debts (-228 million euro).

The analysis of changes in property, plant and equipment, intangible assets and goodwill is as follows:

(million euros)	Property, plant and equipment	Intangible assets and goodwill	Total
BALANCE AT 31 December 2022	17,859	1,321	19,180
Technical investments	618	96	714
Amortisation, depreciation and impairment losses	(386)	(69)	(455)
Transfers, write-offs and divestments	(12)		(12)
Change in consolidation area	6	12	18
Other changes	35	(4)	31
BALANCE AT 30 JUNE 2023	18,120	1,356	19,476

Technical investments in the first half of 2023 amount to 714 million euro¹⁰ (537 million euro in the first half of 2022) and relate mainly to the natural gas transportation (466 million euro; 430 million euro in the first half of 2022), regasification (100 million euro, including functional investments for the commissioning of the Piombino FSRU terminal; 10 million euro in the first half of 2022) and storage (91 million euro; 60 million euro in the first half of 2022) sectors.

The change in the scope of consolidation (18 million euro) refers to the assets recognised against the acquisition of three companies active in the production of electricity using biogas from agricultural waste and biomass. Greater information with regard to the impact of these business combinations is explained in Note no. 21 "Business combinations" in the Notes to the condensed half-year consolidated financial statements.

Other changes (31 million euro) mainly refer to the change in inventories of piping and related ancillary materials used in plant construction activities, referring to the natural gas transportation segment (33 million euro).

⁹ Including the estimated contractually agreed earn-outs.

¹⁰ An analysis of the technical investments made by each business segment is provided in the "Business segment operating performance" section of this Report.

Equity investments

Investments accounted for using the equity method (2,953 million euro) mainly relate to joint ventures and associates. The increase compared to 31 December 2022 is analysed in detail in Note 7 "Investments accounted for using the equity method" of the Notes to the condensed half-year consolidated financial statements.

Other financial assets

Other financial assets (162 million euro) and mainly relate: (i) to long-term financial receivables (104 million euro), mainly related to the receivable from OLT; (ii) to minority interests measured at Fair Value Through OCI (FVTOCI) in Terminale GNL Adriatico S.r.l. (25 million euro), ITM Power PLC (11 million euro) and Storegga Limited (10 million euro).

Long-term financial receivables decreased by 14 million euro compared to 31 December 2022, mainly due to the partial repayment by OLT of the outstanding shareholder loan (20 million euro).

The financial documentation signed as part of the OLT refinancing, carried out in 2022, provides for some limitations for shareholders typical of transactions of this type, including: (i) the pledge of the shares held by Snam in OLT in favour of the lenders for the entire duration of the loan; (ii) the assignment of the remaining shareholders' credit as collateral.

Net working capital

(million euros)	31.12.2022	30.06.2023	Change
Trade receivables	4,244	2,848	(1,396)
Inventories	3,202	3,129	(73)
Tax receivables	172	316	144
Other assets	402	272	(130)
Provisions for risks and charges	(574)	(598)	(24)
- of which: Provision for decommissioning and site restoration	(498)	(518)	(20)
Trade payables	(1,546)	(875)	671
Accruals and deferrals from regulated activities	(100)	(171)	(71)
Net deferred tax liabilities	280	296	16
Derivative liabilities/(assets)	4	5	1
Tax liabilities	(58)	(90)	(32)
Other liabilities	(8,181)	(5,158)	3,023
- of which: Payables to the Energy and Environmental Services Fund (CSEA)	(5,571)	(3,427)	2,144
- of which: Payable for interim dividend	(369)		369
- of which: Security deposits	(1,382)	(918)	464
NET WORKING CAPITAL	(2,155)	(26)	2,129

Net working capital (negative by 26 million euro) recorded an increase of 2,129 million euro compared to 31 December 2022 (negative by 2,155 million euro). This increase was mainly due: (i) to the reduction in net liabilities for the gas transport system balancing service (+1,142 million euro), essentially as a result of credits for net purchases of gas made in the final months of the half-year against the recognition of payables for net sales in the final months of 2022, as well as to the reduction in security deposits received (+485 million euro) as a result of the reduction in gas purchase and sale prices on the balancing market (ii) to the higher net exposure for default service

receivables (+483 million euro, net of the interim payment received from CSEA in December 2022); (iii) to the reduction in payables due to Snam shareholders for the payment of the 2022 interim dividend (+369 million euro).

Assets held for sale and directly associated liabilities

Assets held for sale and directly associated liabilities (85 million euro) refer to assets and liabilities resulting from the consolidation of Iniziative Biometano S.p.A., a company 51% owned by Snam through its wholly-owned subsidiary Bioenergys S.r.l., as well as jointly controlled companies and associates held directly and indirectly by Iniziative Biometano S.p.A. For further details, please refer to Note 15 "Assets held for sale and directly associated liabilities" in the Notes to the Condensed Consolidated half-year Financial Statements.

Comprehensive Income Statement

(million euros)	First half-year	
	2022	2023
PROFIT FOR THE PERIOD	689	710
OTHER COMPONENTS IN THE COMPREHENSIVE INCOME STATEMENT		
Cash flow hedge - effective portion of fair value change	11	6
Equity investments accounted for using the equity method - portion of other components of the comprehensive income statement (*)	83	(12)
Tax effect	(3)	(2)
Total components which are or could be reclassified in profit for the period, net of tax effect	91	(8)
Revaluation of defined benefit liabilities for employees		
Equity investments accounted for using the equity method - share of other components in the comprehensive income statement	1	
Equity investments accounted for at FVTOCI ("fair value through other components in the comprehensive income statement")	(34)	(2)
Tax effect		
Total components which will not be reclassified in profit for the period, net of tax effect	(33)	(2)
TOTAL OTHER COMPONENTS IN THE COMPREHENSIVE INCOME STATEMENT, NET OF TAX EFFECT	58	(10)
TOTAL COMPREHENSIVE INCOME	747	700
Total comprehensive income statement:	747	700
- Snam's shareholders	744	688
- non-controlling interests	3	12

(*) The value refers to the change in fair value of derivative hedges and the change in investments in related companies.

Shareholders' equity

(million euros)		
Shareholders' equity at 31 December 2022		7,524
<i>Increases owing to:</i>		
- Comprehensive income	700	
- Other changes	12	
		712
<i>Decreases owing to:</i>		
- 2022 dividend balance	(553)	
- Other changes	(3)	
		(556)
Shareholders' equity at 30 June 2023		7,680
- attributable to Snam's shareholders		7,614
- non-controlling interests		66

Information on the individual items of shareholders' equity as well as their changes compared to 31 December 2022 is provided in Note 20 "Shareholders' equity" of the Notes to the condensed half-year consolidated financial statements.

At 30 June 2023, Snam held 8,101,437 treasury shares, equal to 0.24% of the share capital (the same at 31 December 2022), with a total book value of 33 million euro and an average cost of 4.08 euro per share (the same at 31 December 2022). The market value of treasury shares at 30 June 2023 amounts to approximately 39 million euro¹¹. For more information on treasury shares, please refer to the section "Other information - Treasury shares" below.

Net financial debt

(million euros)	31.12.2022	30.06.2023	Change
Financial and bond debt	13,680	15,258	1,578
Current financial payables (*)	2,516	4,906	2,390
Non-current financial payables	11,131	10,312	(819)
Financial payables for leased assets (**)	33	40	7
Financial receivables and cash and cash equivalents	(1,757)	(649)	1,108
Cash and cash equivalents	(1,757)	(649)	1,108
NET FINANCIAL DEBT	11,923	14,609	2,686

(*) Includes the short-term portion of non-current financial payables.

(**) Of which 33 million euro long-term and 7 million euro short-term portions of non-current financial payables.

The cash flow from operating activities (-719 million euro), which was significantly impacted by the cash absorption resulting from the dynamics of working capital related to balancing activities, together with investment requirements (-1,024 million euro, of which -780 million euro related to technical investments and -265 million euro related to investments in shareholdings), generated a negative free cash flow of 1,743 million euro. Net financial debt, including the equity cash flow (-919 million euro) deriving from the payment of the 2022 dividend to shareholders and non-monetary changes,

¹¹ Calculated by multiplying the number of treasury shares by the period-end official price of 4.787 euro per share.

increased by 2,686 million euro compared to 31st December 2021, ending at 14,609 million euro.

Financial and bond debts at 30 June 2023 equal to 15,258 million euro (13,680 million euro at 31 December 2022) comprise the following:

(million euros)	31.12.2022	30.06.2023	Change
Bond	9,457	9,308	(149)
- of which short-term (*)	757	1,668	911
Bank loans	2,860	3,114	254
- of which short-term (*)	629	942	313
Euro Commercial Paper - ECP (**)	1,128	2,292	1,164
Financial payables for leased assets	33	40	7
Other lenders	202	504	302
TOTAL FINANCIAL PAYABLES AND BONDS	13,680	15,258	1,578

(*) Includes the short-term portion of non-current financial payables.

(**) Entirely short-term.

Financial payables and bonds are denominated in euro and mainly relate to bonds (9,308 million euro, or 61%), bank loans (3,114 million euro, or 20%, of which 1,507 million euro is on European Investment Bank-EIB funding) and Euro Commercial Paper (2,292 million euro, or 15%).

Bonds (9,308 million euro) decreased by 149 million euro compared to 31 December 2022, mainly as a result of the redemption of a bond with a nominal value of 155 million euro that had reached its natural maturity.

Bank loans (3,114 million euro) increased by 254 million euro, due mainly to higher net utilisations of uncommitted credit lines (521 million euro) and the repayment of Term Loans for a total nominal value of 200 million euro.

The Euro Commercial Papers (2,292 million euro) involve unsecured short-term securities issued on the money market and placed with institutional investors.

Amounts due to other lenders amounting to 504 million euro (202 million euro at 31 December 2022) essentially refer to Term Loans with a total nominal value of 500 million euro to the parent company Cassa Depositi e Prestiti.

Cash and cash equivalents, of 649 million euro (1,757 million euro at 31 December 2022) refer to current accounts and on-call bank deposits of the Parent Company (512 million euro) and cash held at the subsidiaries (overall, 137 million euro).

At 30 June 2023, Snam had unused committed credit lines worth 7.69 billion euro.

Information on financial covenants is provided in Note 16 "Current and non-current financial liabilities" of the Notes to the condensed half-year consolidated financial statements.

Reclassified cash flow statement

The reclassified cash flow statement below summarises the legally required cash flow statement format. The reclassified cash flow statement shows the connection between opening and closing cash and cash equivalents and the change in net financial debt during the period. The two statements are reconciled through the free cash flow, i.e. the cash surplus or deficit left over after servicing capital expenditure. The free cash flow closes either: (i) with the change in cash for the period, after adding/deducting all cash flows related to financial payables/assets (taking out/repaying financial receivables/payables) and equity (payment of dividends/capital injections); or (ii) with the change in net financial debt for the period, after adding/deducting the debt flows related to equity (payment of dividends/capital injections).

Reclassified cash flow statement

(million euros)	First half-year	
	2022	2023
Net profit	689	710
<i>Adjusted for:</i>		
- Amortisation, depreciation and other non-monetary components	187	219
- Net capital losses (capital gains) on asset sales and write-offs	4	8
- Dividends, interest and income taxes	258	258
Change in net working capital	1,395	(1,887)
Dividends, interest and income taxes collected (paid)	(215)	(27)
Cash inflow from operating activities	2,318	(719)
Technical investments	(515)	(735)
Technical disinvestments	1	4
Acquisition of subsidiaries and businesses, net of liquidity acquired	(360)	(10)
Equity investments	141	(255)
Change in long- and short-term financial receivables	196	21
Other changes relating to investment activities	(32)	(49)
Free cash flow	1,749	(1,743)
Repayment of financial payables for leased assets	(4)	(8)
Change in current and non-current financial payables	(367)	1,558
Equity cash flow (a)	(844)	(919)
Change in cash and cash equivalents relating to assets held for sale and directly associated liabilities		4
Net cash flow for the year	534	(1,108)

CHANGE IN NET FINANCIAL DEBT

(million euros)	First half-year	
	2022	2023
Free cash flow	1,749	(1,743)
Equity cash flow	(844)	(919)
Change in financial payables for leased assets	(4)	(15)
Financial payables and receivables from companies entering the consolidation scope	(58)	(7)
Change in cash and cash equivalents relating to assets held for sale and directly associated liabilities		4
Convertible bond	381	
Other changes	(25)	(6)
Change in net financial debt	1,199	(2,686)

Reconciliation of reclassified financial statements to statutory financial statements

Reclassified statement of financial position (*follows*)

(million euros)

	31.12.2022			30.06.2023	
	Reference to the notes to the consolidated financial statements	Partial amount from legally required statement	Amount from reclassified format	Partial amount from legally required statement	Amount from reclassified format
Reclassified Statement of Financial Position items (Where not explicitly stated, the component is obtained directly from the mandatory statement)					
Fixed capital					
Property, plant and equipment			17,859		18,120
Non-current inventories - Compulsory inventories			363		363
Intangible assets and goodwill			1,321		1,356
Equity investments accounted for using the equity method			2,313		2,953
<i>Other financial assets, consisting of:</i>			175		162
- Other non-current financial assets	(8)	172		159	
- Other current financial assets		3		3	
<i>Net payables for investments, consisting of:</i>			(469)		(697)
- Payables for investment activities	(19)	(519)		(743)	
- Receivables for private contributions	(13)	50		46	
Total fixed capital			21,562		22,257
Net working capital					
Trade receivables			4,244		2,848
Current inventories			3,202		3,129
<i>Tax receivables, consisting of:</i>			172		316
- Current income tax assets	(14)	50		13	
- VAT credits	(11)	23		11	
- Other tax credits	(11)	89		282	
- IRES receivables for the National Tax Consolidation Scheme with former parent ENI	(13)	10		10	
Trade payables			(1,546)		(875)
<i>Tax payables, consisting of:</i>			(58)		(90)
- Current liabilities for income taxes	(14)	(21)		(62)	
- IRPEF withholdings for employees	(18)	(8)		(9)	
- Other taxes	(18)	(29)		(19)	
<i>Deferred tax assets (liabilities), consisting of:</i>			280		296
- Deferred tax assets	(10)	331		345	
- Deferred tax liabilities	(10)	(51)		(49)	
Provisions for risks and charges			(574)		(598)
Market value of derivative financial instruments	(11)		4		5
<i>Other assets, consisting of:</i>			402		272
- Other receivables from the Energy and Environmental Services Fund (CSEA)	(13)	260		85	
- Advances to suppliers	(13)	50		57	
- Other receivables	(13)	10		44	
- Other assets	(11)	82		86	
<i>Assets and liabilities from regulated activities, consisting of:</i>			(100)		(171)
- Regulatory assets	(11)	116		31	
- Regulatory liabilities	(18)	(216)		(202)	
<i>Other liabilities, consisting of:</i>			(8,181)		(5,158)
- Other payables	(19)	(493)		(101)	
- Other payables from the Energy and Environmental Services Fund (CSEA)	(19)	(5,571)		(3,427)	
- Other liabilities	(18)	(2,117)		(1,630)	
Total Net working capital			(2,155)		(26)
Liabilities for employee benefits			(27)		(27)
Assets held for sale and directly associated liabilities	(15)		67		85
- Assets held for sale			84		111
- Liabilities directly associated with assets held for sale			(17)		(26)
NET INVESTED CAPITAL			19,447		22,289

Reclassified statement of financial position

(million euros)

	31.12.2022			30.06.2023	
	Reference to the notes to the consolidated financial statements	Partial amount from legally required statement	Amount from reclassified format	Partial amount from legally required statement	Amount from reclassified format
Reclassified Statement of Financial Position items (Where not explicitly stated, the component is obtained directly from the mandatory prospectus)					
NET INVESTED CAPITAL			19,447		22,289
Snam Shareholders' equity			7,468		7,614
Minority interests			56		66
Total equity	(20)		7,524		7,680
Net financial debt					
<i>Financial liabilities, consisting of:</i>	(16)		13,680		15,258
- Non-current financial liabilities			11,157		10,345
- Current financial liabilities			2,523		4,913
Cash and cash equivalents			(1,757)		(649)
- Cash and cash equivalents			(1,757)		(649)
Total net financial debt			11,923		14,609
COVERAGE			19,447		22,289

Reclassified cash flow statement (follows)

(million euros)	First half-year			
	2022		2023	
Items from the reclassified statement of cash flows and reconciliation with the Legally Required Statement	Partial amount from legally required statement	Amount from reclassified format	Partial amount from legally required statement	Amount from reclassified format
PROFIT FOR THE PERIOD		689		710
<i>Adjusted for:</i>				
Amortisation, depreciation and other non-monetary components:		187		219
- Depreciation of property, plant and equipment and amortisation of intangible assets and impairment losses	432		455	
- Share of profit or loss of investments accounted for using the equity method	(178)		(164)	
- Other expenses (income) from equity investments	(71)		(73)	
- Change in liabilities for employee benefits	1		(1)	
- Other changes	3		2	
Net capital losses (capital gains) on asset sales, write-offs and eliminations		4		8
Dividends, interest and income taxes:		258		258
- Dividends	0		(5)	
- Interest income	(22)		(39)	
- Interest expense	81		99	
- Income taxes	199		203	
Change in net working capital:		1,395		(1,887)
- Inventories	(1,423)		76	
- Trade receivables	552		1,131	
- Trade payables	(50)		(672)	
- Change in provisions for risks and charges	3		12	
- Other assets and liabilities	2,313		(2,434)	
Dividends, interest and income taxes collected (paid):		(215)		(27)
- Dividends collected	55		121	
- Interest collected	11		9	
- Interest paid	(58)		(88)	
- Income taxes (paid) received	(223)		(69)	
CASH FLOWS FROM OPERATING ACTIVITIES		2,318		(719)
Technical investments:		(515)		(735)
- Property, plant and equipment	(446)		(639)	
- Intangible assets	(69)		(96)	
Technical disinvestments:		1		4
- Property, plant and equipment	1		4	
Acquisition of subsidiaries and businesses, net of liquidity acquired		(360)		(10)
Equity investments:		141		(255)
- Equity investments	(11)		(417)	
- Divestments	152		162	
Short-term and long-term financial receivables:		196		21
- Assumption of long-term financial receivables	(2)		(1)	
- Repayments of long-term financial receivables	198		22	
- Repayments of short-term financial receivables	0		0	
Other changes relating to investment activities:		(32)		(49)
- Change in net payables for investments	(32)		(49)	
FREE CASH FLOW		1,749		(1,743)

Reclassified cash flow statement

(million euro)	First half-year			
	2022		2023	
Items from the reclassified statement of cash flows and reconciliation with the Legally Required Statement	Partial amount from legally required statement	Amount from reclassified format	Partial amount from legally required statement	Amount from reclassified format
FREE CASH FLOW		1,749		(1,743)
Change in financial payables:		(371)		1,550
- Assumption of long-term financial payables	2,318		302	
- Repayment of long-term financial payables	(1,979)		(376)	
- Increase (decrease) short-term financial payables	(706)		1,632	
- Repayment of financial payables for leased assets	(4)		(8)	
Equity cash flow:		(844)		(919)
- Dividends paid	(846)		(919)	
- Change in minority interests in subsidiaries that do not entail a change of control	2			
Change in cash and cash equivalents relating to assets held for sale and directly associated liabilities				4
PERIOD NET CASH FLOW		534		(1,108)

Other information

Transactions with related parties

For a description of the main transactions with related parties, please refer to Note 33 "Transactions with related parties" in the Notes to the condensed half-year consolidated financial statements.

Treasury shares

At 30 June 2023, Snam held 8,101,437 treasury shares, equal to 0.24% of the share capital (the same at 31 December 2022), with a total book value of 33 million euro and an average cost of 4.08 euro per share (the same at 31 December 2022). The market value of treasury shares at 30 June 2023 amounts to approximately 39 million euro¹².

The share capital at 30 June 2023 consisted of 3,360,857,809 shares (the same at 31 December 2022), with no nominal value, for a total value of 2,736 million euro.

The subsidiaries of Snam S.p.A. do not hold, and have not been authorised by their Shareholders to acquire, shares in Snam S.p.A.

The Snam Ordinary Shareholders' Meeting, held on 4 May 2023, authorised, subject to revocation of the resolution to authorise a purchase of treasury shares by the Ordinary Shareholders' Meeting on 27 April 2022, for the part that remained non-executed, a share buy-back plan, to be carried out on one or more occasions through one or more primary intermediaries appointed by Snam SpA, for a maximum duration of 18 months from the Shareholders' Meeting, with a maximum disbursement of 500 million euro and up to a maximum limit of shares in portfolio equal to 4.5% of subscribed and paid-up share capital.

¹² Calculated by multiplying the number of treasury shares by the period-end official price of 4.787 euro per share.

Risk and uncertainty factors

Introduction

This section explains the main factors of uncertainty that characterise the ordinary management of Snam activities.

The risks identified are divided into financial and non-financial risks. The latter are classified in the following categories:

- Strategic
- Legal and Compliance
- Operational
- Financial
- Emerging

Financial risks are described in Note 23 "Financial risk management" in the notes to the condensed half-year consolidated financial statements.

STRATEGIC RISKS

Regulatory and legislative risk

Snam's regulatory and legislative risk is related to the regulation of activities in the gas sector. The decisions of the Italian Regulatory Authority for Energy, Networks and the Environment (ARERA) and the National Regulatory Authorities of the countries in which the foreign subsidiaries operate, European and national regulations and, more generally, the change in the regulatory reference framework, could have a significant impact on Snam's operations, results and financial stability.

It is not possible to foresee the effect that future changes in legislative and fiscal policies could have on Snam's business and on the industrial sector in which it operates.

Considering the specific nature of its business and the area in which Snam operates, changes to the regulatory context with regard to criteria for determining reference tariffs are particularly significant.

Macroeconomic and geo-political risk

Due to the specific nature of the business in which Snam operates, risks related to political, social and economic instability in the countries where natural gas is supplied are also relevant, and are mainly attributable to the gas transportation sector. A large part of the natural gas transported in the Italian national network is historically imported from, or transits through, countries in the MENA area (Middle East and North Africa, in particular Algeria, Tunisia, Libya and, from a TANAP-TAP perspective, Turkey, together with the states bordering on the Eastern Mediterranean) and in the former Soviet bloc (Russian Federation, Ukraine, Azerbaijan and Georgia), countries that are subject to

political, social and economic instability. Therefore, the import and transit of natural gas from/through these countries are subject to a wide range of risks, including: terrorism and common crime, alteration of political-institutional balances, armed conflicts, socio-economic and ethno-sectarian tensions, unrest and riots, weak legislation on insolvency and creditor protection, restrictions on investment and on the import and export of goods and services, introduction and increases in taxes and excise duties, forced imposition of contract renegotiations, nationalisation of assets, changes in trade policies and monetary restrictions.

More specifically, 2022 was a year of particular significance for the energy system as a whole, in view of the continuing high prices associated with the progressive reduction of natural gas imported from the Russian Federation (in Italy and Europe in general), which also made the issue of security of supply a continental priority once again. The European Union chose to introduce a price cap on gas prices from 15 February 2023, applying it to contracts linked to the Amsterdam TTF index as well as all other major European indices.

In a time of crisis with a very uncertain future and extreme volatility, Snam has made security of supply a priority by ensuring greater flexibility and adequate sizing of gas infrastructure through the new FSRU, the implementation of the Adriatic Line and the increase in TAP capacity.

On the instructions of the Italian government, two FSRU were purchased that can contribute to the country's energy security and diversification by enhancing Italy's LNG input capacity. The first regasifier, the Golar Tundra, was moored in the port of Piombino in March 2023 and provides storage capacity for 170,000 cubic metres of LNG and an annual regasification capacity of 5 billion cubic metres of gas. The second FSRU, called "BW Singapore", was built in

2015 and also has a maximum storage capacity of approximately 170 thousand cubic metres of liquefied natural gas and a nominal regasification capacity of close to 5 billion cubic metres per year and will be located in the upper Adriatic, near the coast of Ravenna.

As regards market operators, if the shippers who use the transportation service through Snam networks are unable to supply or transport natural gas from/through the aforementioned countries due to adverse conditions, or are otherwise affected by adverse conditions, or to such an extent as to cause or encourage a consequent inability to fulfil their contractual obligations to Snam, this could have an adverse effect on the business and on the Snam Group's assets and liabilities, income and financial position.

Moreover, Snam is exposed to macro-economic risks resulting from the relocation or tension on financial markets or situations deriving from external events, which could have an impact on liquidity and access to financial markets.

Market risk

With reference to the risk associated with gas demand, based on the tariff system currently applied by the Regulatory Authority for Energy, Networks and Environment (hereinafter ARERA or Authority) to natural gas transportation activities, Snam's revenue, via the directly controlled transport companies, is partly correlated to volumes redelivered. However, ARERA confirmed for the fifth regulatory period (2020-2023), with Resolution No. 114/2019/R/gas, and for the sixth regulatory period (2024-2027), with Resolution No. 139/2023/R/gas, the guarantee device with regard to the portion of revenue related to redelivered volumes already introduced in the fourth regulatory period on transported volumes. This mechanism provides for the reconciliation of major or minor revenues, exceeding $\pm 4\%$ of the reference revenues related to the volumes withdrawn. Under this mechanism, approximately 99.5% of total revenues from transportation activities are guaranteed.

Based on the tariff system currently applied by the Authority to natural gas storage activities, Snam's revenue, via Stogit, correlates to infrastructure usage. However, the Authority has introduced a mechanism to guarantee reference revenue that allows companies to cover a significant portion of revenues recorded. Until the fourth regulatory period (2015-2019), the minimum

guaranteed level of recognised revenues was approximately 97%, while for the fifth regulatory period (2020-2025) Resolution No. 419/2019/R/gas extended the level of guarantee to all recognised revenues (100%). The same resolution also introduced an enhanced incentive mechanism (defined by subsequent Resolution No. 232/2020/R/gas) with voluntary participation that provides for an increase in profit-sharing of revenues from short-term services from 50% against a reduction in the portion of recognised revenue subject to a hedging factor.

Finally, with reference to the rate regulation criteria for the LNG regasification service for the fifth regulatory period (2020-2023), Resolution No. 474/2019/R/gas confirmed the mechanism for covering revenue at a guaranteed minimum level of 64%. With Resolution No. 196/2023/R/gas on the rate regulation criteria for the sixth regulatory period (2024-2027), this mechanism was confirmed and a fund was established for new regasifiers pursuant to Legislative Decree No. 50/2022 (Article 5), with an allocation of 30 million euro for each of the years from 2024 to 2043, to cover the portion of regasification service revenues, including the cost of purchasing and/or building the new plants, with preference given to the portion exceeding the application of the revenue coverage factor. In general, the change to the regulatory framework in force could have negative effects on the Snam Group's operations, results, balance sheet and cash flow.

Abroad, protection from market risk is offered by the French and Greek regulatory authorities (Teréga) and (DESFA), from the TAP and Austria long-term contracts (gradual expiration of contracts for GCA until 2031), France (with the gradual expiry of long-term contracts at the interconnection point with Spain starting 2023) and for the ADNOC Gas Pipeline (20 years tariff-based). In Austria, however, coverage from volume risk is not fully guaranteed; in the UK (Interconnector), coverage from volume risk is also not guaranteed, however current capacity bookings already exceed the regulatory cap for the 2023-2026 period.

With reference to the investee company SeaCorridor, a joint venture that manages the international pipelines connecting Algeria to Italy, although it operates in a non-regulated environment and is exposed to volume risk, the company can benefit from medium-long term contracts already in force and a prospect of using close to maximum capacity given that it represents one of the main sources of imports to replace Russian gas. In addition, the sale and purchase agreements with Eni

provide protection for Snam against fluctuations in volume with respect to pre-set estimates.

With reference to today's macroeconomic market framework and consumption, in 2022, there was a rapid increase in wholesale energy prices in Europe with possible effects on the reduction of gas consumption by end users (industrial players/private citizens) and switching to other energy carriers. This increase is due to a number of factors including: increased post-Covid consumption, structural reduction in continental gas production, reduction in imports from Russia, lower production from renewable electricity (wind, solar) especially in Northern Europe, increased gas consumption and LNG imports on a global scale in Asia, increased CO2 quotations on the Emissions Trading System (ETS) market.

Although gas prices were lower in the spot market in the first half of 2023 compared to last year, the contingent trend of commodity prices in Europe and the strong energy dependence on imports could represent elements of vulnerability for the Italian energy system both in the short term (particularly with reference to the coming winter) and in the medium term (fuelling the phenomenon of energy poverty).

As far as gas is concerned, Snam has already mitigated this risk thanks to a series of countermeasures adopted in recent years, such as: investments in import capacity linked to new routes in order to ensure the diversification of supply sources (such as the commissioning of the TAP pipeline), a wide availability of gas storage capacity (able to cover more than 23% of current gas demand), efficient network management by coordinating with other infrastructure operators and the adoption of additional instruments to support extraordinary emergencies (e.g. peak shaving through regasification terminals, interruption of withdrawals from the transportation network).

For some sectors, with particular reference to private users, there may be a perception that high prices are structural, with the risk of reduced or interrupted gas supplies in favour of other energy carriers.

Climate change risk

The achievement of global climate objectives will lead to significant investments in decarbonisation of the energy sector over the next thirty years.

In recent years, Snam has repositioned itself to benefit from new mega-trends of the energy transition, thanks to infrastructures that will be crucial for achieving decarbonisation targets, to its presence in energy

transition business, to international growth and thanks to a disciplined approach to investments.

Snam is committed to achieving carbon neutrality by 2040, with an intermediate target of reducing direct (Scope 1) and indirect (Scope 2) emissions by 50% by 2030 compared to 2018 values, in line with the target of containing global warming to within 1.5° C provided for in the Paris Agreement adopted at the Climate Conference (COP 21). This objective is also consistent with the UNEP (UN Environment Programme) objectives of reducing CO2 emissions, with which a protocol has been signed.

Regarding the risks related to the emissions market, in the scope of the European Union's directives on the trading of carbon dioxide emission permits and rules for the control of emissions of certain atmospheric pollutants, with the start of the fourth regulatory period (2021-2030) of the European Emissions Trading System (EU ETS), the updating of the sector regulations confirmed a steady reduction in the number of emission allowances issued for free. The allowances will be assigned to each plant on a gradually decreasing basis, so they will no longer be constant, and will also depend on the actual functionality of the plants. The allowances assigned free of charge to Group plants no longer suffice to comply with the regulatory conformity obligations relative to ETS mechanisms, the reason for which Snam Group companies will procure the additional allowances required on the market.

With Resolution 114/2019/R/gas of 28 March 2019, ARERA defined the regulatory criteria for the fifth regulatory period (2020-2023) of the natural gas transmission and metering service, also providing for the recognition of costs related to the Emission Trading System (ETS). Resolutions No. 419/2019/R/gas and No. 474/2019/R/gas also introduced the recognition of ETS-related costs for the storage service (2020-2025 regulatory period) and the regasification service (2020-2023).

Climate change scenarios could also lead to a change in the choice of energy mixes in various European countries and in the behaviour of the population, and could have an impact on the demand for natural gas (and the volumes transported).

On the one hand, in the short to medium term, gas could benefit from its greater sustainability compared to other fossil fuels and represent a bridging solution towards the complete decarbonisation of certain sectors.

On the other hand, individual policies and choices could lead to a gradual decrease in natural gas consumption, with a consequent impact on current infrastructure use. The raising of decarbonisation targets across the European Community, including the new legislative proposals currently being issued on the energy transition (such as the 'Fit for 55' package and the EU Taxonomy) or studies of major importance in the international energy landscape (such as the International Energy Agency - IEA roadmap to net zero) could actually accelerate the progressive reduction of fossil natural gas demand and supply. On the other hand, this could encourage a greater and earlier penetration of renewable and low-carbon gases (green hydrogen, blue hydrogen, biomethane, synthetic methane) into the energy mix, thereby promoting Snam new businesses.

Climate change could also increase the severity of extreme weather events (floods, droughts, extreme temperature fluctuations), worsening natural and hydro-geological conditions in some areas with a possible impact on the quality and continuity of the service provided by Snam as well as on Italian and European gas demand. With reference to the effects of the change in the gas demand on the balance sheet, income statement and financial position of the Snam Group, see the "Market risk" information in this section.

Lastly, Snam has signed the Methane Guiding Principles, which commit the company to further reduce methane emissions deriving from its activities in natural gas infrastructure. In adhering to these principles, Snam has also committed to encouraging other players across the entire gas supply chain – from the producer to end consumer – to pursue the same objective.

Snam joined the Oil & Gas Methane Partnership OGMP 2.0, a voluntary initiative launched by the UNEP to support Oil & Gas companies in reducing methane emissions. Snam has participated, and is still actively involved, in the various UN forums that have enabled the development of the framework to provide governments and the public with the assurance that methane emissions are treated and managed responsibly, with progress against stated targets, and offering transparency and collaboration including the implementation of best practices. The protocol suggests indications as to the objectives to be achieved: -45% by 2025 compared to 2015. Snam has renewed its commitment by setting methane emissions reduction targets for 2025 and 2030 of -55% and -65% respectively compared to 2015, more stringent than

the ones proposed by UNEP, becoming a fundamental part of the Carbon Neutrality strategy by 2040.

UNEP confirmed the Gold Standard for Snam also for 2023. The top award - already obtained by Snam in 2021 and 2022 - provided for by the OGMP 2.0 protocol, rewards the Company's commitment to reporting and reducing methane emissions. The score given to Snam by the International Organisation is 8.5 out of 9. Snam has reduced its emissions by 45% in 2022 compared to 2015, and methane emissions from the transport network represent only 0.024% of the gas fed into the grid.

LEGAL AND COMPLIANCE RISK

The legal and compliance risk concerns the failure to comply, in full or in part, with the European, national, regional and local laws and regulations with which Snam must comply in relation to the activities it carries out. Violation of laws and regulations may result in criminal, civil, tax and/or administrative sanctions as well as financial, economic and/or reputational damage.

With reference to specific cases, *inter alia*, violation of the rules protecting the health and safety of workers and the environment and violation of the rules for combating corruption may also lead to sanctions, including significant ones, against the company under the administrative liability of entities (Legislative Decree 231 of 08 June 2001). Snam has adopted and is committed to promoting and maintaining an adequate internal control and risk management system aimed at enabling the identification, measurement, management and monitoring of the main risks relating to the activities carried out.

Snam attributes essential value to ensuring conditions of fairness and transparency in the conduct of corporate activities and repudiates corruption in all its forms in the broader context of its commitment to compliance with ethical principles. Snam top management is strongly committed to pursuing an anti-corruption policy, seeking to identify potential vulnerabilities and providing for their removal, strengthening controls and constantly working to increase employee awareness of how to identify and prevent corruption in various business contexts. In 2022, Snam began the project to implement a Company Corruption Prevention Management System in accordance with ISO 37001:2016, also providing for the adoption of an Anti-Corruption Policy, the establishment of an Anti-Corruption Committee, which performs the function of Compliance for the

Prevention of Corruption referred to in the aforementioned ISO (FCA) and is supported operationally by the Compliance & Business Integrity function, which was already assigned the role of anti-corruption function to oversee Snam's pre-existing Anti-Corruption Compliance Programme. In May 2023, Snam obtained the relevant certification issued by an independent Certification Body (DNV Assurance Italia S.r.l.), which attests to the adequacy of the system. The aforementioned Anti-Corruption Policy, approved by the Board of Directors of Snam S.p.A. on 18 January 2023, expresses the commitment of Senior Management and the Board of Directors to the prevention of corruption, in line with the values and ethical principles that have long been consolidated, incorporates the essential elements referred to in the ISO 37001 standard and provides for the clarification of the approach adopted by the Company with zero tolerance towards any corrupt practice in relations with public and private stakeholders. The reputational checks conducted on the Business Associates, as well as the acceptance and signing of the Ethics and Integrity Agreement by suppliers and subcontractors and/or the provision of specific contractual clauses on compliance and anti-corruption are the pillars of the control system aimed at preventing the risks associated with illegal conduct and criminal infiltration concerning our third parties, with the aim of guaranteeing transparent relations and professional morality requirements throughout the business chain and for the entire duration of the relationship. Snam is a member of the UN Global Compact and operates within the framework of principles enshrined in that global initiative, principles that are an integral part of its strategies, policies and rules. Among these, the tenth principle of zero tolerance towards all forms of corruption, which is the basis of an established culture of integrity and business ethics, deserves special mention. As confirmation of the Group's constant commitment to preventing and managing corruption risks, Snam was one of the promoters within the Anti-Corruption Committee of the Business at OECD Committee (BIAC) of the drafting of the "Zero Corruption Manifesto", a policy document that contains the 10 principles that have guided the work of companies and that reflect the best practices formalised by the OECD (Organisation for Economic Cooperation and Development).

Since 2016, Snam has been a partner of the General Secretariat of Transparency International and, thanks to its active role in the Italian Chapter of the Business Integrity Forum, it has been involved in various working

tables and institutional events, in which it is called upon to represent its best practices in terms of business integrity and anti-corruption. As part of the partnership, Snam was one of the main players in the revision/update of Transparency International Italy's Charter of Ethical Principles, presented in September 2022. In 2017, Snam began a collaboration with the OECD, becoming part of the Business at OECD Committee (BIAC), and in October 2019 - as the first Italian company - joined the Leadership team as Vice-Chair of the Anti-corruption Committee. Within the OECD, Snam participated in several events, among which the Global Anti-Corruption & Integrity Forum, the Anti-Corruption Committee annual meeting and the 60th Anniversary of the Business at OECD (BIAC) are worth mentioning.

Finally, since 2020, Snam has been a full member of the Integrity & Compliance Taskforce of the B20 Forum and actively participates in the work on the development of its annual Policy Paper for G20 members through the OECD. Also in 2022, the Group collaborated in the preparation of the Policy Recommendation Paper on Integrity & Compliance as part of its participation in the Indonesian Presidency's Integrity & Compliance Taskforce.

As part of multilateral collaborations, in addition to the above, Snam was a guest speaker at the "Business Integrity Forum Academy Day" on 1 June 2022, where Snam's CEO, Stefano Venier, spoke on the "Integrity Supply Chain" and participated in the "BIF Academy Day" panels on 2 June 2022, on the "Sustainable Supply Chain", "BIF Academy" in September, on "Circular Integrity" and at the "BIF National Event" on the "Transparency, anti-corruption, ESG values and SDGs activities" panel discussion.

OPERATIONAL RISKS

Ownership of storage concessions

For Snam, the risk associated with maintaining ownership of storage concessions is attributable to the business in which the subsidiary Stogit operates, based on concessions granted by the Ministry of Economic Development. For eight of the ten concessions (Alfonsine, Brugherio, Cortemaggiore, Minerbio, Ripalta, Sabbioncello, Sergnano and Settala), Stogit filed for an extension with the Ministry of Economic

Development within the legal deadline¹³. The extensions for the concessions in Brugherio, Ripalta, Sergnano, Settala and Sabbioncello were issued at the end of 2020, while those for the concessions in Cortemaggiore and Minerbio were issued in January 2022. For the Alfonsine concession, the relevant proceedings are still pending at the above-mentioned Ministry. For the pending extension, the Company's activities, as provided for by the reference regulations, will continue until the completion of the authorisation procedures that are in progress, as envisaged by the original authorisation, which will be extended automatically on expiry until said completion. One concession (Fiume Trieste), which expired in June 2022, has already been subject to the first ten-year extension in 2011 and an application for the second ten-year extension was submitted on 18 May 2020. Finally, one concession (Bordolano) will expire in November 2031 and may be extended for a further ten years. If Snam is unable to retain ownership of one or more of its concessions or if, at the time of the renewal, the concessions are awarded under terms less favourable than the current ones, there may be negative effects on the Company's operations, results, balance sheet and cash flow.

Malfunction and unplanned service interruption

The risk of malfunction and unplanned service interruption is determined by accidental events, including accidents or malfunctions of equipment or control systems, reduced output of plants, and extraordinary events such as explosions, fires, landslides or other similar events, third-party interference and corrosion, outside of Snam's control. These events could result in a reduction in revenue and could also cause significant damage to people and property, with potential compensation obligations. Although Snam has entered into specific insurance contracts to cover some of these risks, according to industry best practices, the related insurance coverage may be insufficient to cover all losses incurred, compensation obligations or increases in expenses.

Delays in the progress of infrastructure implementation programs

Moreover, there is the possibility that Snam may encounter delays in the progress of infrastructure construction programmes as a result of the numerous uncertainties linked to operational, economic,

regulatory, authorisation, competitive and social factors, or to health or climatic emergency situations beyond its control. Snam is unable to guarantee in absolute terms that the projects for upgrading, maintaining and extending its network will be started, be completed or lead to the expected benefits in terms of tariffs. Additionally, the development projects may require greater investments or longer time frames than those originally planned, affecting Snam's financial position and economic results.

Investment projects may be stopped or delayed due to difficulties in obtaining environmental and/or administrative authorisations or to opposition from political forces or other organisations, or may be influenced by changes in the price of equipment, materials and workforce, by changes in the political or regulatory framework during construction, or by the inability to obtain financing at an acceptable interest rate. Such delays could have negative effects on the Snam Group's operations, results, balance sheet and cash flow. Furthermore, changes in the prices of goods, equipment, materials and workforce could have an impact on Snam's financial results.

Environmental risks

Snam and the sites where it operates are subject to laws and regulation relating to pollution, environmental protection, the use of hazardous substances and waste management. The application of these rules exposes Snam to potential costs and liabilities associated with the operation of its assets. In fact, Snam cannot predict how environmental legislation will evolve over time, nor whether and in what way it may eventually become more binding. Nor can there be any guarantee that the future costs necessary to ensure compliance with environmental regulations will not increase or that these costs can be recovered within the applicable tariff mechanisms or regulation. Also subject to particular uncertainty are the costs arising from possible environmental clean-up obligations on Snam sites, costs that are particularly difficult to estimate both in terms of the extent of the contamination and the appropriate corrective actions to be implemented, and finally the possible sharing of responsibility with other parties.

Although Snam has entered into specific insurance contracts to cover some of the environmental risks, according to the best practices of the sector,

¹³ Concessions may be extended no more than twice for a duration of ten years each.

substantial increases in the costs relating to environmental compliance and other aspects connected to the same cannot be excluded, as well as the costs for the payment of possible penalties that could negatively impact the business, operating results and financial and reputational aspects.

Employees and staff in key roles

Snam's ability to operate its business effectively depends on the skills and performance of its personnel. The loss of "key" personnel or the inability to attract, train or retain qualified personnel (particularly for technical positions in which the availability of appropriately qualified personnel may be limited) or situations in which the capacity to implement the long-term business strategy is influenced negatively due to significant disputes with employees could trigger an adverse effect on the business, financial conditions and operating results. The events related to this risk category may also refer to the topic of Diversity and Inclusion.

Risk associated with foreign shareholdings

Snam's associate companies abroad may be subject to regulatory/legislative risk, conditions of political, social and economic instability, market risks, climate change and the cybersecurity, credit and financial and other risks typical of the natural gas transportation and storage segments identified for Snam such to negatively influence their operations, economic results, balance sheet and cash flows. For Snam, this could have negative impacts on the contribution to profit generated by such investments.

Risks connected with future acquisitions/equity investments

Any investments made as part of joint-venture agreements and any other future investments in Italian or foreign companies may involve an increase in complexity in Snam's operations, and there may be no assurance that these investments will generate the profitability expected from the acquisition or investment decision, and that they will integrate correctly in terms of quality standards, policies and procedures and be consistent with the rest of Snam's operations. The integration process can be costly and require additional investment. Improper management or supervision of the investment made may adversely affect the business, operating results and financial aspects.

EMERGING RISKS

Within the Group's Enterprise Risk Management model, particular attention is given to identifying changes in the reference context in order to seize upon events or macro-trends coming from outside the organisation that could have a significant medium-long term impact (3-5 years and beyond) on Snam's business or on the sector. On the one hand, these changes can give lead to new long-term risks, but also immediately determine consequences for the company, changing the nature and extent of the potential impacts and probability of occurrence of risks already identified. The purpose of the process of identifying emerging risks is to be able to assess their impacts in time, to implement the necessary strategies and related mitigation actions both in terms of prevention and control of the same. In this area, some of the emerging risks identified by Snam are cybersecurity and risks related to the energy transition.

Cybersecurity

Snam carries out its activities through a complex technological architecture relying on an integrated model of processes and solutions capable of promoting the efficient management of the entire country's gas system. The development of the business and the use of innovative solutions capable of continuous improvement, however, require a focus and an ability to continuously adapt to the changing needs to protect cybersecurity. For several years, Snam has made significant investments in digitalisation - from the remote control of activities to the implementation of articulated infrastructures enabling the Internet of Things through which Snam aims to become the most technologically-advanced gas transportation operator in the world, as well as to guarantee increasingly greater security and sustainability in its business processes.

Snam's belief, supported by public data and evidence, is that cybersecurity threats must be assessed and managed with great sensitivity and care, also because they are destined to evolve further in terms of both numbers and complexity. Digital channels are increasingly used unlawfully by various types of perpetrators with varying aims and methods of action: cyber criminals, cyber hijackers, state-sponsored action groups.

The radical changes in working methods and processes that have occurred as a result of the pandemic (including the widespread use of remote working) have

exacerbated some specific types of threat and have made it necessary to increase the level of attention to criminal phenomena that are destined to persist over time. Similarly, technological evolution makes increasingly sophisticated tools available to these wrongdoers, through which consolidated attack techniques can be made more effective and new ones can be developed. In addition to this, the increasing digitalisation of the network with the use of new technologies (e.g. Internet of Things) poses significant challenges for the Group, expanding the potential attack surface exposed by both internal and external threats.

Lastly, the geopolitical tensions should not be underestimated, since the cyber terrain has become, to all effects, an area of economic and political confrontation and conflict. In this scenario, cybersecurity plays an extremely important role as it deals with preventing or tackling very diverse events that can range from the compromise of individual workstations to the degradation of entire business processes in the field of transportation, storage and regasification, with potential effects on the normal capacity to provide the service.

A correct approach to cybersecurity management also makes it necessary to ensure full compliance with the increasingly stringent sector regulations issued at both European and national level, in order to improve the management and control oversight of companies that provide essential services to the country.

Energy transition and development of the hydrogen technologies market

While the climate change demonstrates the real effects of rising temperatures, the energy sector is facing a momentous transformation. While remaining committed to the core business of regulated natural gas transportation, storage and regasification activities, Snam is creating a broad and diversified platform of activities related to the energy transition (in particular, transport and management of renewable energies, such as biomethane and hydrogen, energy efficiency and carbon capture and storage projects) to seize the opportunity to represent a system integrator, able to offer green solutions and contribute to the development of renewable gases.

The consolidated ability to implement and manage projects in the transport and storage of natural gas, the new skills acquired on green gases and on the new trends of the energy transition, the presence along the

main supply corridors of natural gas and hydrogen in the future, combined in a strategy that focuses on ESG factors, will be essential to help develop the energy system of the future, making it competitive, safe and with net zero emissions. The business diversification can reinforce Snam's position as an enabler of the energy transition towards forms of using resources and energy sources that are compatible with environmental protection and gradual decarbonisation, with a long-term vision that is in keeping with the Group purpose and European objectives.

Precisely from this long-term perspective, the new Strategic Vision to 2030 presented by the Company in January 2023 in conjunction with the 2022-2026 Strategic Plan should be read: Snam will be able to seize new and important development opportunities throughout the next decade, in which a strong acceleration of the energy transition is expected in order to achieve carbon neutrality targets with increasing investments, particularly in H2-ready energy transport and storage infrastructures, as well as in green gas development projects (hydrogen and biomethane) and contributing to the decarbonisation of consumption through energy efficiency measures and by investigating CCS (Carbon Capture and Storage) technology, which, although not affected by precise targets defined at European level, appears as a relevant technology for decarbonisation.

In this context, and with particular reference to the Group's strategy, the main risk factors include the risks posed by technological innovation in favour of switching to the use of electric technologies, and/or the delay in the development of new technologies for the production, transport and storage of green hydrogen at competitive costs. To these, the delay or non-implementation of investments (infrastructure, projects, new acquisitions) could be added as a result of the uncertainties related to operational, economic, regulatory, licensing, competitive and social factors, as well as the non-development of the hydrogen market with regard to the value chain expected to feed the infrastructure.

Specifically, with reference to the energy efficiency business, there is a risk, with respect to the current regulatory framework, related to the failure to meet the deadlines for the completion of works for the purposes of obtaining the related tax credits (mainly related to superbonus, ecobonus).

Finally, the uncertainty of the still evolving regulatory plan delays the execution of projects and the funding of hydrogen production.

In other words, these factors can penalise the achievement of the development objectives of the aforementioned activities and, more generally, the opportunity for Snam to benefit from the new megatrends of the energy transition. In this regard, a further

risk factor is emerging relating to the failure to fully achieve, by 2026, the objectives envisaged in the Recovery and Resilience Plan, with potential repercussions on the development of hydrogen and its value chain, as well as on the development of biomethane and LNG (particularly in the heavy transport sector).

Outlook

Outlook

The most recent estimates on the evolution of natural gas demand in Italy for 2023 are lower than for 2022, influenced by overall milder weather conditions, demand curbing measures and the drop in thermoelectric production mainly due to higher electricity imports.

With reference to the current financial year, it is expected that the economic results will benefit from the increase in revenues related to the increased RAB thanks to the investments made, the expansion of the scope with the entry into operation of the new FSRU in Piombino, higher revenues related to fully depreciated assets and flexibility services, as well as the contribution of the energy transition business.

Following the commissioning phase, all works for the commissioning of the FSRU Golar Tundra were completed in May, including the connection activities with the transportation network (Snam Rete Gas). On 4 July, the start of commercial activities was made official, with the arrival of the first ship on 7 July.

In 2023, the interest rates increased further compared to 2022, with an incremental impact on financial expenses, which are already being managed in the first half of the year, and in continuity with what was done in the second part of 2022 through a greater diversification of finance sources and instruments and through the use of more flexible debt instruments. In the medium and long term, it is believed that the Italian tariff system is able to offer, through periodic reviews of the recognised cost of capital, a mitigation of the negative economic impact linked to the trend in interest rates.

During the year, the trend of a decrease in gas flows from Russia to Europe already recorded in 2022 was confirmed. With regard to foreign associate companies, TAG (jointly controlled company) and GCA (associate company) are those with the largest exposure to Russian gas supplies. Following the expiry of most long-term contracts at the end of 2022, in 2023 TAG will be more exposed to market trends and transit volumes. Specifically, gas volumes from Northern Europe to Italy are expected to decrease compared to historical averages, only partly offset by the higher volumes already booked from Italy to Austria in the coming years. However, these assets are considered strategic European assets supporting new gas flows from the South of the Peninsula and the development of European hydrogen transport corridors. With this in mind, in January 2023, Snam finalised the acquisition of 49.9% of SeaCorridor, a company jointly controlled with Eni that manages the international TTPC-TMPC gas pipelines linking Algeria to Italy, a route that today represents the main source of imports from the south and coverage of the lack of imports from the north.

In the ESG area, quarterly monitoring of Snam's performance on the ESG Scorecard KPIs continues and Snam is well positioned to achieve its year-end targets. To date, ESG investors represent more than 40% of institutional investors, well above the industry and Italian average. Furthermore, the assessment on ESG issues provided excellent results and Snam was named by Sustainalytics Best Performer in the gas and utilities sector and was included in the CDP "A List" (formerly the Carbon Disclosure Project), the index that groups together companies that stand out for their commitment and transparency in combating climate change.

Targets for 2023 are confirmed:

- investments of 2.1 billion euro (of which 1.9 billion euro in gas infrastructures and 0.2 billion euro in the energy transition), up by 10% compared to 2022;
- a tariff RAB of approximately 22.4 billion euro, up 5% from 2022;
- a net profit of at least 1.1 billion euro
- a net debt level between 15.0 and 15.5 billion euro, depending on the trend in working capital related to regulated activities.

The image shows an industrial setting with several large, white, cylindrical storage tanks. In the foreground, a set of metal stairs with yellow railings leads up to a platform. Two workers in white protective suits and hard hats are standing on the platform. The scene is brightly lit, casting shadows on the tanks. The text 'CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS' is overlaid in white, bold, sans-serif font across the center of the image.

CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

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Financial statements

Statement of Financial Position

(million euros)	Notes	31.12.2022		30.06.2023	
		Total	of which with related parties	Total	of which with related parties
ASSETS					
Property, plant and equipment	(5)	17,859		18,120	
Intangible assets and goodwill	(6)	1,321		1,356	
Equity investments accounted for using the equity method	(7)	2,313		2,953	
Other non-current financial assets	(8)	172	109	159	93
Non-current inventories - Compulsory inventories	(9)	363		363	
Deferred tax assets	(10)	331		345	
Other non-current assets	(11)	178	1	271	1
Total non-current assets		22,537		23,567	
Current inventories	(9)	3,202		3,129	
Cash and cash equivalents	(12)	1,757		649	
Trade receivables and other receivables	(13)	4,624	995	3,090	412
Current income tax assets	(14)	50		13	
Other current financial assets	(8)	3		3	
Other current assets	(11)	136	1	144	
Total current assets		9,772		7,028	
Assets held for sale	(15)	84		111	
TOTAL ASSETS		32,393		30,706	
LIABILITIES AND SHAREHOLDERS' EQUITY					
Non-current financial liabilities	(16)	11,157	200	10,345	500
Provisions for risks and charges	(17)	574		598	
Deferred tax liabilities	(10)	51		49	
Liabilities for employee benefits		27		27	
Other non-current liabilities	(18)	1,502	1	1,078	1
Total non-current liabilities		13,311		12,097	
Current financial liabilities	(16)	2,523	1	4,913	4
Trade payables and other payables	(19)	8,129	538	5,146	428
Current liabilities for income taxes	(14)	21		62	
Other current liabilities	(18)	868	1	782	1
Total current liabilities		11,541		10,903	
Liabilities directly associated with assets held for sale	(15)	17		26	
TOTAL LIABILITIES		24,869		23,026	
Share capital	(20.1)	2,736		2,736	
Treasury shares	(20.2)	(33)		(33)	
Share premium reserve	(20.3)	611		611	
Reserves	(20.4)	30		31	
Retained earnings	(20.5)	4,124		4,269	
Equity attributable to parent company shareholders		7,468		7,614	
Non-controlling interests		56		66	
TOTAL EQUITY	(20)	7,524		7,680	
TOTAL LIABILITIES AND EQUITY		32,393		30,706	

Income statement

(million euros)	Notes	First half 2022		First half 2023	
		Total	of which with related parties	Total	of which with related parties
Revenues	(25.1)	1,673	717	2,071	1,215
Other operating income	(25.2)	7	1	23	
Total operating revenues and income		1,680		2,094	
Costs for purchase of raw materials, consumables and finished goods	(26.1)	(275)		(572)	(139)
Costs for services	(26.1)	(100)	(20)	(153)	(21)
Personnel costs	(26.2)	(111)	2	(81)	2
Other operating costs and expenses	(26.1)	(55)	(2)	(75)	(2)
Total operating costs and expenses		(541)		(881)	
Depreciation, amortisation and impairment losses on property, plant, equipment and intangible assets	(27)	(432)		(455)	
EBIT		707		758	
Financial income		23	15	40	5
Financial expense		(91)		(127)	(6)
Total Net financial expenses	(28)	(68)		(87)	
Share of profit or loss of equity investments accounted for using the equity method		178		164	
Other income (expense) from equity investments		71		78	
Total Net income from net investments	(29)	249		242	
PROFIT BEFORE TAXES		888		913	
Income taxes	(30)	(199)		(203)	
PERIOD PROFIT		689		710	
Net Profit for the period		689		710	
- parent company shareholders		686		698	
- non-controlling interests		3		12	
Earnings per share (amounts in euro per share)	(31)				
- base		0.207		0.208	
- diluted		0.207		0.208	

Comprehensive Income Statement

(million euros)	Notes	First half-year	
		2022	2023
PERIOD PROFIT		689	710
OTHER COMPONENTS IN THE COMPREHENSIVE INCOME STATEMENT			
Cash flow hedge – effective portion of fair value change	(10)	11	6
Equity investments accounted for using the equity method - portion of other components of the comprehensive income statement (*)	(7)	83	(12)
Tax effect		(3)	(2)
Total components which are or could be reclassified in profit for the period, net of tax effect		91	(8)
Revaluation of defined benefit liabilities for employees			
Equity investments accounted for using the equity method - share of other components in the comprehensive income statement	(7)	1	
Equity investments accounted for at FVTOCI ("fair value through other components in the comprehensive income statement")	(8)	(34)	(2)
Tax effect			
Total components which will not be reclassified in profit for the period, net of tax effect		(33)	(2)
TOTAL OTHER COMPONENTS IN THE COMPREHENSIVE INCOME STATEMENT, NET OF TAX EFFECT		58	(10)
TOTAL COMPREHENSIVE INCOME		747	700
Total comprehensive income statement:		747	700
- parent company shareholders		744	688
- non-controlling interests		3	12

(*) The value essentially refers to the change in fair value of derivative financial instruments hedging investments in associates.

Statement of changes in shareholders' equity

	Shareholders' equity pertaining to parent company shareholders														NON-CONTROLLING INTERESTS' EQUITY	TOTAL EQUITY	
	Notes	Reserves								Retained earnings							
		Share capital	Treasury shares	Share premium reserve	Legal reserve	Reserve for cash flow hedges	Reserve for defined-benefit plans for employees	Fair value reserve for equity investments	Reserve for operations under common control	Other reserves	Profits from previous years	Interim dividend	Profit for the period	TOTAL			
(million euros)																	
BALANCE at 31 December 2021 (a)		2,736	(354)	611	547	(54)	(11)	32	(674)	100	3,117	(343)	1,496	7,203	37	7,240	
- Net profit for the first half of 2022						8		(34)	84				686	686	3	689	
- Other components of the comprehensive income statement														58		58	
Total comprehensive income statement for the first half of 2022 (b)						8		(34)	84				686	744	3	747	
- Adjustment of interim dividend 2021												(2)	(2)			(2)	
- 2021 dividend (0.2620 euros per share), net of interim dividend (0.1048 euros per share)												345	(872)	(527)		(527)	
- Appropriation of 2021 residual net profit											624		(624)				
- Share-based payments (Share Incentive Plan)										3				3		3	
- Bond conversion			318							(17)	80			381		381	
Total transactions with shareholders (c)			318							(14)	704	343	(1,496)	(145)		(145)	
- Acquisition of equity investments with non-controlling interests															12	12	
- Other changes									1	3				4	2	6	
Total other changes (d)									1					4	14	18	
BALANCE AT 30 June 2022 (e=a+b+c+d)		2,736	(36)	611	547	(46)	(11)	(2)	(674)	171	3,824	686	7,806	54	7,860		
- Net profit for the second half of 2022												(15)	(15)	(2)	(17)		
- Other components of the comprehensive income statement						7	7	(10)	46				50		50		
Total comprehensive income statement for the second half of 2022						7	7	(10)	46			(15)	35		35		
- 2022 interim dividend (0.1100 euros per share)												(369)	(369)		(369)		
- Share-based payments (Share Incentive Plan)										3			3		3		
- Allocation of treasury shares for share incentive plan			6						(7)	1					0		
- Purchase of treasury shares			(3)										(3)		(3)		
Total transactions with shareholders			3						(4)	1	(369)		(369)	(2)	(371)		
- Acquisition of equity investments with non-controlling interests															3	3	
- Other changes									(1)	(3)			(4)	1	(3)		
Total other changes									(1)	(3)			(4)	4			
BALANCE at 31 December 2022 (a)	(20)	2,736	(33)	611	547	(39)	(4)	(12)	(674)	212	3,822	(369)	671	7,468	56	7,524	
- Net profit for the first half of 2023													698	698	12	710	
- Other components of the comprehensive income statement						4		(2)	(12)				(10)		(10)		
Total comprehensive income statement for the first half of 2023 (b)						4		(2)	(12)				698	688	12	700	
- 2023 dividend (0.2751 euro per share), net of interim dividend (0.11 euro per share)											(251)	369	(671)	(553)		(553)	
- Share-based payments (Share Incentive Plan)										2			2		2		
Total transactions with shareholders (c)										2	(251)	369	(671)	(551)	(551)		
- Other changes										9			9		(2)	7	
Total other changes (d)										9			9		(2)	7	
BALANCE AT 30 June 2023 (e=a+b+c+d)	(20)	2,736	(33)	611	547	(35)	(4)	(14)	(674)	211	3,571	698	7,614	66	7,680		

Cash flow statement

(million euros)	Notes	First half 2022	First half 2023
PERIOD PROFIT		689	710
<i>Adjustments to reconcile profit for the period to cash flow from operating activities:</i>			
- Depreciation of property, plant and equipment and amortisation of intangible assets and impairment losses	(27)	432	455
- Share of profit or loss of investments accounted for using the equity method	(29)	(178)	(164)
- Dividends			(5)
- Gains on sale of investments		(73)	(76)
- Other net expenses (income) on investments		2	3
- Net losses/(gains) on asset sales		4	8
- Interest income		(22)	(39)
- Interest expense		81	99
- Income taxes	(30)	199	203
- Other changes		3	2
<i>Change in net working capital:</i>			
- Inventories		(1,423)	76
- Trade receivables		552	1,131
- Trade payables		(50)	(672)
- Provisions for risks and charges		3	12
- Other assets and liabilities		2,313	(2,434)
<i>Cash flow from net working capital</i>		1,395	(1,887)
Change in liabilities for employee benefits		1	(1)
Dividends collected		55	121
Interest collected		11	9
Interest paid		(58)	(88)
Income taxes paid net of tax receivables reimbursed		(223)	(69)
CASH FLOWS FROM OPERATING ACTIVITIES		2,318	(719)
<i>- of which with related parties</i>	(33.2)	1,471	1,540
<i>Investments:</i>			
- Property, plant and equipment (*)		(446)	(639)
- Intangible assets	(6)	(69)	(96)
- Acquisition of subsidiaries and businesses, net of liquidity acquired		(360)	(10)
- Long-term financial receivables and other financial assets		(2)	(1)
- Investments (including investments valued at FVTOCI, included in non-current financial assets)		(11)	(417)
- Change in payables and receivables relating to investments		(32)	(49)
<i>Cash flow from investments</i>		(920)	(1,212)
<i>Divestments:</i>			
- Property, plant and equipment		1	4
- Investments (including investments valued at FVTOCI, included in non-current financial assets)		152	162
- Long-term financial receivables and other financial assets		198	22
<i>Cash flow from divestments</i>		351	188
CASH FLOW FROM INVESTMENT ACTIVITIES		(569)	(1,024)
<i>- of which with related parties</i>	(33.2)	177	(464)
Assumption of long-term financial payables		2,318	302
Repayment of long-term financial payables		(1,979)	(376)
Increase (decrease) short-term financial payables		(706)	1,632
Repayment of financial payables for leased assets		(4)	(8)
Dividends distributed	(20.6)	(846)	(919)
Change in minority interests in subsidiaries not involving a change in control		2	
Change in cash and cash equivalents relating to assets held for sale and directly associated liabilities			4
CASH FLOWS FROM FINANCIAL ACTIVITIES		(1,215)	635
<i>- of which with related parties</i>	(33.2)	1	300
PERIOD NET CASH FLOW		534	(1,108)
Cash and cash equivalents at the beginning of the period	(12)	1,337	1,757
Cash and cash equivalents at the end of the period	(12)	1,871	649
CHANGE IN CASH AND CASH EQUIVALENTS		534	(1,108)

(*) For cash flow statement purposes only, the flow includes: (i) the change in inventories of piping and related ancillary materials used in plant construction activities, referring to the natural gas transportation segment (-33 million euro and 4 million euro, respectively, for 2023 and 2022); (ii) subsidies on works for interference with third parties, so called compensation (12 million euro and 18 million euro, respectively, for 2023 and 2022).

Notes to the condensed half-year consolidated financial statements

1) Company information

The Snam Group, consisting of Snam S.p.A., the Italian consolidating company, and its subsidiaries (hereafter referred to as "Snam", the "Snam Group" or the "Group"), is an integrated Group at the forefront of the regulated gas industry (transportation, regasification and storage) and a major player in terms of its regulatory asset base (RAB) in the segment.

In addition to Italy, through its international subsidiaries, Snam also manages infrastructures in Austria, Egypt, United Arab Emirates, France, Greece and the United Kingdom. Snam invests in innovation and in development of new energy transition businesses, from sustainable mobility to biomethane and energy efficiency. It also seeks to enable and promote the development of hydrogen to move forward the decarbonisation of the energy sector and industry.

Snam S.p.A. is a joint-stock company incorporated under Italian law and listed on the Milan Stock Exchange, with registered offices at 7, Piazza Santa Barbara, San Donato Milanese (MI) - Italy.

With a resolution of 1 August 2019, the Board of Directors of CDP S.p.A., which, through its subsidiary CDP Reti S.p.A., holds a 31.4% stake in Snam S.p.A., reclassified the investment relationship in the company, which already qualifies as de facto control under IFRS 10 - Consolidated financial statements from 2014, as a de facto control pursuant to Article 2359, paragraph 1, no. 2) of the Italian Civil Code and Article 93 of the TUF.

No management or coordination activity of CDP S.p.A. has been formalised or exercised over Snam S.p.A.

2) Drafting criteria, macroeconomic background, effects of the Russia-Ukraine conflict and climate change related matters

2.1 Basis of presentation

The condensed half-year consolidated financial statements at 30 June 2023 have been prepared on a going concern basis and in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union (hereinafter defined as IFRS), as well as with the laws and regulations in force in Italy.

Considering the characteristics of the Snam core business, and the uninterrupted continuation of operating activities, as well as the results of the analyses conducted regarding the effects deriving from the Russia-Ukraine conflict, there are no elements that require further study regarding the validity of the going concern assumption.

The condensed half-year consolidated financial statements at 30 June 2023 have been prepared in accordance with the provisions of IAS 34 "Interim Financial Reporting". As permitted by this standard, the condensed half-year consolidated financial statements do not include all the information required in an annual consolidated financial statement and, therefore, must be read together with the Snam Group's consolidated financial statements for the year ended 31 December 2022.

The financial statements are the same as those adopted in the Annual Financial Report. The same consolidation principles and accounting policies are applied in the condensed half-year consolidated financial statements as those described in the Annual Report, except for the international accounting standards effective from 01 January 2023, which are described in note 4.1 "Accounting standards and interpretations applicable from 01 January 2023" of this document.

Current income taxes are calculated on the basis of taxable income existing at the end of the period. Tax payables and receivables for current income taxes are recognised at the amount expected to be paid/recovered to/from the tax authorities by applying the tax laws in force or as substantially enacted at the reporting date and the estimated tax rates on an annual basis. Consolidated companies, non-consolidated subsidiaries, companies controlled jointly with other shareholders, associated companies and other significant equity investments are listed separately in the annex "Snam S.p.A. investments at 30 June 2023", which is an integral part of these notes.

The condensed half-year consolidated financial statements at 30 June 2023, approved by the Board of Directors of Snam S.p.A. in its meeting of 27 July 2023, are subject to a limited audit by Deloitte & Touche S.p.A. The limited audit entails a significantly smaller scope of work than a full audit performed in accordance with established auditing standards. The condensed interim financial statements are presented in euro.

Given their size, items of the financial statements are expressed in millions of euros.

2.2 Macroeconomic context of reference

During the first half of 2023, the world economy is still showing the consequences of a particularly complex historical moment, marked firstly by the pandemic crisis and subsequently by the significant geopolitical tensions following the Russian invasion of Ukraine; the ensuing energy crisis between the European Union and Russia has resulted in an extraordinary European investment plan for the protection of energy security, pursued with a view to diversifying gas supplies.

The actions implemented by the various European countries, also favoured by the mild weather conditions of the last winter season, contributed decisively to the continuation of the downward trend in energy commodity prices, which started in September 2022. Since March 2023, on the Amsterdam spot market (TTF), the price of natural gas has remained consistently below 50 euros per MWh, with minimum peaks around 30 euros per MWh in June.

Despite the slowdown in energy prices, inflation was still very high compared to the European Central Bank's expected targets ($\approx 2\%$). In particular, in Italy, in June 2023, the national consumer price index recorded an increase of just over 6% year-on-year (in December 2022, the same index showed a year-on-year change of around 10%), in line with the values observed on average in the Euro area. Consequently, also in early 2023 the major central banks, including the ECB, continued the path of normalisation of monetary policy, started in 2022, with repeated increases in the key interest rate. In the Euro area, the ECB raised its key interest rate from 2.5% to 4% in the first half of 2023, with four consecutive increases, in February, March, May and June respectively (the Fed raised the benchmark interest rate in the United States from 4.5% to 5.25% during the same period).

The current macroeconomic framework does, however, suggest a not too distant levelling off of the interest rate increase cycle by central banks; Nevertheless, persistent uncertainties and challenges to economic growth, both domestic and European, remain, linked to the geopolitical tensions currently in place, the problems encountered in the banking sector (with the most significant effects observed in the first months of 2023 in the US and Switzerland) and the introduction of new restrictive policies that contribute to hampering the normalisation of the supply chain of materials and essential parts.

On the growth side, the most recent projections for the Italian economy in 2023, indicate an expansion of 1.2%, above the European average.

In this context, in the first half of 2023, the Group was able to operate without interruption and realise planned investments. With reference to indirect consequences of the conflict, the repeated significant increases in reference rates by the main central banks resulted in a generalised increase in the cost of debt which, in the case of Snam, went from an average value of 1.1% at 31 December 2022 to an average value of 1.7% at 30 June 2023.

2.3 Effects of the Russia-Ukraine conflict on the presentation and measurement of items in the consolidated financial statements

2.3.1 Gas Infrastructure

- Within the Transportation, Regasification and Storage business, no direct impacts from the Russia-Ukraine conflict are reported at present.

With reference to indirect impacts, it should be noted that the trend, already recorded in 2022, of decreasing gas flows from Russia to Europe continued in the first months of 2023. The significant actions undertaken in 2022, also in response to Decree-Law No. 17 of 1 March 2022, converted with amendments by Law No. 34 of 27 April 2022, setting forth "*Urgent measures for the containment of electricity and natural gas costs, for the development of renewable energies and for the relaunch of industrial policies*", have made it possible to maintain, at the end of the delivery campaign (31

March 2023), storage filling volumes of approximately 60% of maximum capacity. With the subsequent start of the injection campaign, the stockpiles reached a fill of more than 80% at 30 June 2023, well above the levels present at the same date in 2022 (around 60%).

As part of the actions undertaken to address the energy emergency, during the first half of 2023, on 31 May, the installation and testing activities of the new floating unit (FSRU), named Golar Tundra, at the port of Piombino were also completed.

With the completion of the project, which has a storage capacity of 170 thousand cubic metres of liquefied natural gas and an annual regasification capacity of 5 billion cubic metres of gas, Snam has added a new import point for the Italian market.

Furthermore, again with a view to encouraging the achievement of high storage fill levels, Resolution 3/2023/R/GAS, published by ARERA in January, was issued in 2023. Pursuant to the aforementioned resolution, methods and terms have been defined within which Snam Rete Gas, in its capacity as Balancing Manager, within the scope of the filling service of last resort, has the possibility of injecting into storage the volumes of gas unsold daily on the AGS and MGS platforms of the GSE up to a maximum value of 500 million cubic metres for the thermal year 2023-2024.

In the first half of 2023, the total amount of gas injected pursuant to this resolution was approximately 268 million cubic metres, worth more than 160 million euro.

- Within the Sustainable Mobility business, the negative effects of the Russia-Ukraine conflict on the filling station business persisted in 2023, where the significant increase in natural gas prices seen during 2022 and the first quarter of 2023 led to lower growth in consumption and thus in station deliveries. Consumption is expected to recover in the second half of the year as gas prices stabilise around 25-35 euros/MWh. As far as compressor production and marketing activities are concerned, the critical issues encountered in 2022 related to the procurement of certain raw materials used in the production phase (e.g. stainless steel and components for integrated boards) due to delays in the supply chain, were no longer present in 2023.

2.3.2 Energy transition

- In the context of the Energy Efficiency business, the generalised increase in the costs of raw materials, due to the Russia-Ukraine conflict, did not have any significant economic effects since, in general, the contracts signed with customers envisage specific indexing that protect companies from price escalation. As of January 2023, energy commodity prices settled at lower values than in 2022, however still with increases over the historical average of about 200%. Therefore, there was a slight slowdown in collection times due to the aforementioned cost increase, but with minimal impact. Market forecasts project prices for the remainder of 2023 to be similar to those recorded in the first half of the year and a consequent stabilisation of working capital without any likely further impact;
- With regard to the design and construction of biomethane plants business, the effects of the conflict in Ukraine, essentially related to the increase in the prices of raw materials and construction materials with the associated lengthening of delivery times, did not further exacerbate the situation at the end of 2022. By contrast, biomethane plants did not experience substantial impacts; however, the continuation of the conflict in the second half of 2023 could have impacts that cannot be determined at present.

2.3.3 Foreign and Italian subsidiaries

With regard to the Snam group's foreign subsidiaries, TAG (jointly controlled company) and GCA (associated company) are the companies most exposed to Russian gas supplies. The context in which companies find themselves operating, as of 2022, has changed significantly compared to the past, and, despite the presence of a substantially stable regulatory framework, the differences existing with respect to the regulations in force in the main European countries (essentially with reference to the so-called volume risk), generate uncertainties on the expected returns that, based on the current regulatory framework, are largely dependent on the volumes transported.

With reference to TAG, the progressive reduction in transit flows from Russia continued in the first half of 2023, with a significant reduction in volumes imported into Italy from the Tarvisio entry point (from about 9.3 billion standard cubic metres in the first half of 2022 to about 2.2 billion standard cubic metres in the same period of 2023). In addition, on 31

December 2022, around 85% of the long-term transport capacity contracts expired on 31 December 2022. Consequently, TAG is more exposed than in the past to market trends and the uncertainty associated with gas flows from the north to Italy.

Although exposed to the same volume risk as above, GCA results are less affected by the decline in gas imports from Russia, due to the existence of long-term transport capacity contracts with gradual expiry dates up to 2031. In addition, the company operated mainly as interconnector with Germany from 2022, contributing to the security of supply in Austria while also helping to achieve the filling targets of the Austrian national storage facilities.

Finally, it should be noted that the two Austrian TSO, in line with the regulatory procedure, are interacting with the competent national authorities regarding the definition of the regulatory framework applicable from 2025 (regulatory period 2025-2028) in light of the changed context in which the same companies operate.

With regard to Italian subsidiaries, there are no direct impacts from the Russia-Ukraine conflict.

2.4 Climate change related matters

With regard to climate change-related impacts, we confirm as reported in Note 2.4 Climate change related matters of the 2022 Annual Report, to which we refer.

3) Use of accounting estimates

With reference to the description of the use of accounting estimates, please refer to Note 6 "Assumptions and Uncertainty in Estimates" in the 2022 Annual Financial Report.

4) Recently issued accounting standards

In addition to that indicated in the 2022 Annual Financial Report, to which reference is made, below is a list of the IFRS recently issued by the IASB.

4.1 Accounting standards and interpretations applicable from 01 January 2023

By Regulation no. 2021/2036, issued by the European Commission on 19 November 2021, the regulatory provisions contained in the following document were approved:

- Introduction of **IFRS 17 'Insurance Contracts'**, issued by the IASB on 18 May 2017. The document applies to all insurance contracts and defines the principles of recognition, measurement, presentation and disclosure, replacing IFRS 4. The new standard requires a "Building Block Approach" (BBA) based on expected cash flow and the specification of a "risk adjustment" and of a Contractual Service Margin (CSM) which represents expected profit from insurance contract. This margin is reported in the income statement in the period in which the insurance cover is provided. Moreover, there are two alternative approaches in addition to the BBA which are the "Variable Fee Approach" (VFA) and the Premium Allocation Approach (PAA), applicable in specific cases. The standard also provides for a new method of presentation in the income statement, which presents the following separately: (i) "insurance revenues", (ii) "insurance service expenses" and (iii) "insurance finance income or expenses". The directors have evaluated the possible effects associated with its introduction; the first application of these changes did not have a significant impact on the financial statements, also in light of the policy choices and the exemptions allowed by the standard with reference to insurance contracts issued to subsidiaries, associates and joint ventures.

By Regulation no. 2022/1491, issued by the European Commission on 08 September 2022, the regulatory provisions contained in the following document were approved:

- "**Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information**" published by the IASB on 9 December 2021. The amendment introduces a transition option relating to comparative information on financial assets presented at the date of initial application of IFRS 17. The amendment is intended to avoid temporary accounting mismatches between financial assets and liabilities of insurance contracts, and thus aims to improve the usefulness of comparative information for readers of financial statements.

By Regulation no. 2022/1392, issued by the European Commission on 11 August 2022, the regulatory provisions contained in the following document were approved:

- **"Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction"** published by the IASB on 7 May 2021. The document clarifies how deferred taxes should be accounted for on certain transactions that may generate assets and liabilities of equal amounts, such as leases and decommissioning obligations.

By Regulation no. 2022/357, issued by the European Commission on 02 March 2022, the regulatory provisions contained in the following documents were approved:

- **Amendments related to (i) "Disclosure of Accounting Policies Amendments to IAS 1 and IFRS Practice Statement 2" and (ii) "Definition of Accounting Estimates Amendments to IAS 8"**, published by the IASB on 12 February 2021. The amendments are aimed at improving disclosure on accounting policies in order to provide more useful information to investors and other users of the financial statements and to help companies distinguish changes in accounting estimates from changes in accounting policies.

Snam has analysed the principles and interpretations indicated, where applicable, in order to assess the effects on the financial statements deriving from the new provisions. The adoption of these amendments did not have significant impacts on the Group's consolidated financial statements.

4.2 Accounting standards and interpretations issued by the IASB during the first half of the year and not yet endorsed by the European Commission

In addition to as already indicated in the Annual Report under section 7.2 "Accounting standards and interpretations published by the IASB and not yet endorsed by the European Commission", at the date of this document, the competent bodies of the European Union have not yet completed the endorsement process necessary for the adoption of the amendments described below.

- On 23 May 2023, the IASB published an amendment called **"Amendments to IAS 12 Income Taxes: International Tax Reform – Pillar Two Model Rules"**. The amendment is intended to address the implications of the forthcoming implementation of the OECD Pillar Two rules on income tax accounting. In particular, the purpose of the amendment is to provide timely guidance to the companies involved, in order to avoid the development in practice of interpretations that differ from as indicated in IAS 12; in this regard, the IASB has provisionally decided to amend IAS 12 by introducing a temporary exception to the obligation to account for deferred taxes arising from the implementation of Pillar Two rules. Secondly, the amendment is intended to improve the information provided to readers of financial statements before and after the entry into force of the Pillar Two legislation. The amendments enter into force on 1 January 2023, subject to approval by the European Commission; however, application is not required for interim closures before 31 December 2023.
- On 25 May 2023, the IASB published an amendment called **"Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements"**. The amendment aims to add disclosure requirements and indications, requiring companies to provide qualitative and quantitative information on financial arrangements with suppliers. The amendments will come into force as of 01 January 2024, subject to any subsequent postponements established during the approval process by the European Commission

The Group is currently evaluating the possible effects deriving from the introduction of the amendments indicated.

5) Property, plant and equipment

(million euros)	Property, plant and equipment
Cost at 31.12.2022	29,326
Investments	618
Disposals	(20)
Change in the scope of consolidation	18
Changes in rights of use for leased assets	14
Other changes	19
Cost at 30.06.2023	29,975
- of which rights of use for leased assets	70
Provisions for amortisation and depreciation at 31.12.2022	(11,341)
Total amortisation and depreciation	(383)
Disposals	8
Change in the scope of consolidation	(12)
Other changes	2
Depreciation rights of use for leased assets	(3)
Provisions for amortisation and depreciation at 30.06.2023	(11,729)
- of which rights of use for leased assets	(26)
Provision for impairment losses at 31.12.2022	(126)
Provision for impairment losses at 30.06.2023	(126)
- of which rights of use for leased assets	(1)
NET BOOK VALUE AT 31.12.2022	17,859
NET BOOK VALUE AT 30.06.2023	18,120

Property, plant and equipment (18,120 million euros) primarily relates to transportation infrastructure (14,195 million euros) and storage (2,886 million euros).

Investments¹⁴ (618 million euros) mainly refer to the transport (407 million euros), regasification (98 million euros) and storage (84 million euros) segments.

The change in the scope of consolidation (6 million euro) refers to the assets recorded against the acquisitions of 100% of the share capital of Agriwatt Castel Goffredo Società Agricola a r.l., Soragna Agroenergie S.r.l. and Zibello Agroenergie S.r.l., which are companies that produce electricity using biogas from agricultural waste and biomass.

Depreciation (386 million euro), included those related to the rights-of-use on leased assets, refers to economic and technical depreciation determined on the basis of the useful life of the assets or their remaining possible use by the Company, and, with reference to leased assets, on the basis of the contractual duration if the exercise of any purchase options is not probable.

Disposals (12 million euro, net of the related accumulated depreciation and impairment losses) mainly relate to assets in the transportation segment.

The value of plant and equipment includes the estimated (discounted) costs to be incurred for the removal of facilities and the restoration of sites (109 million euro) mainly relating to the natural gas storage (58 million euro) and transportation (35 million euro) segments.

Other changes (21 million euro) relate to: (i) contributions on works for interference with third parties (so-called "recharges", 12 million euros); (ii) the upward revision of the estimated costs of dismantling and site restoration, mainly attributable to the storage segment, due to the reduction in the expected discount rates (11 million euros in total).

¹⁴ Investments by business segment are shown in the chapter "Operating performance by business segment" in the Interim Report on Operations.

Contractual commitments to purchase property, plant and equipment, and to provide services related to the construction thereof, are reported in Note 22 "Guarantees and commitments".

6) Intangible assets and goodwill

(million euros)	Definite useful life	Indefinite useful life	Total
Cost at 31.12.2022	2,195	96	2,291
Investments	96		96
Change in the scope of consolidation	9	3	12
Disposals	(5)		(5)
Other changes	(4)		(4)
Cost at 30.06.2023	2,291	99	2,390
Provisions for amortisation and depreciation at 31.12.2022	(968)		(968)
Total amortisation and depreciation	(69)		(69)
Disposals	5		5
Other changes			
Provisions for amortisation and depreciation at 30.06.2023	(1,032)		(1,032)
Provision for impairment losses at 31.12.2022	(2)		(2)
Provision for impairment losses at 30.06.2023	(2)		(2)
NET BOOK VALUE AT 31.12.2022	1,225	96	1,321
NET BOOK VALUE AT 30.06.2023	1,257	99	1,356

Intangible assets with definite useful life (1,257 million euros) mainly relate to: (i) concessions for natural gas storage activities (661 million euros); (ii) industrial patent rights and intellectual property rights (305 million euros).

Investments in intangible assets with a finite useful life (96 million euro) mainly relate to the natural gas transportation segment and mainly refer to IT system development projects.

The change in the scope of consolidation (12 million euro) refers to the assets recorded against the acquisitions of 100% of the share capital of Agriwatt Castel Goffredo Società Agricola a r.l., Soragna Agroenergie S.r.l. and Zibello Agroenergie S.r.l., which are companies that produce electricity using biogas from agricultural waste and biomass.

With regard to the comments on the impairment test and the identified Cash Generating Units, the information reported in the note "Intangible Assets and Goodwill" in the Annual Report 2022, to which we refer, is confirmed.

7) Equity investments accounted for using the equity method

(million euros)	Total
Balance at 31.12.2022	2,313
Acquisitions and subscriptions	413
Assignments and reimbursements	(83)
Dividends received	(126)
<i>Effect of equity-accounting method</i>	
- Portion recognised in income statement	164
- Portion recognised in the comprehensive income statement	(12)
Other changes	284
Balance at 30.06.2023	2,953

Purchases and subscriptions (413 million euro) mainly related to the acquisition from Eni of a 49.9% stake in SeaCorridor S.r.l., which holds shares in the companies that operate the TTPC and TMPC gas pipelines.

Assignments and reimbursements (83 million euros) mainly refer to the sale of shares in Industrie De Nora S.p.A., a transaction after which Snam holds 21.59% of the company's share capital (25.79% prior to the sale).

Dividends received (126 million euros) mainly concern the associated companies TAP (38 million euros), Italgas (35 million euros), Interconnector Limited (17 million euros) and Galaxy Pipeline Assets HoldCo (15 million euros).

The effect of the equity-accounting method refers: (i) to the share of the net results for the period of companies accounted for using the equity method (164 million euro) of jointly controlled companies and associates; (ii) to the share recognised in the statement of comprehensive income (-12 million euros), mainly attributable to the change in the fair value of hedging derivative financial instruments of the associate TAP and to exchange rate differences (euros/dollars) of the associate Galaxy Pipeline Assets HoldCo Limited.

Other changes (284 million euro) mainly refer to the estimated contractually agreed earn-outs.

No real guarantees have been established on the equity investments, with the exception of as reported in Note 22.1.1 "Guarantee provided on behalf of the associate TAP".

Consolidated companies, non-consolidated subsidiaries, companies controlled jointly with other shareholders, associated companies and other significant equity investments are listed separately in the Annex "Snam S.p.A. investments at 30 June 2023", which is an integral part of these notes.

8) Other current and non-current financial assets

(million euros)	31.12.2022			30.06.2023		
	Current	Non-current	Total	Current	Non-current	Total
Long-term financial receivables	2	116	118	2	102	104
Minority equity investments accounted at FVTOCI		52	52		48	48
Short-term financial receivables						
- short-term over 90 days	1		1	1		1
Other		4	4		9	9
TOTAL OTHER CURRENT AND NON-CURRENT FINANCIAL ASSETS	3	172	175	3	159	162

Long-term financial receivables (104 million euros) decreased by 14 million euros compared to 31 December 2022, mainly due to the repayment by OLT of a principal portion of the outstanding shareholder loan.

Minority investment accounted at FVTOCI (48 million euros) essentially relates to the valuation of the shares held by Snam in the capital of Terminale GNL Adriatico S.r.l. (7.3% stake), ITM Power PLC (2.072% stake) and Storegga Limited (4.96% stake), respectively amounting to 25 million euros (27 million euros at 31 December 2022), 11 million euros (13 million euros at 31 December 2022) and 10 million euros (same at 31 December 2022).

Changes during the period were as follows:

(million euros)	
Value as at 31.12.2022	52
Change in fair value through other components in the comprehensive income statement	(2)
Assignments and reimbursements	(3)
Other changes	1
Value as at 30.06.2023	48

9) Current and non-current Inventories and third-party natural gas in storage

(million euros)	31.12.2022			30.06.2023		
	Gross value	Provision for impairment losses	Net value	Gross value	Provision for impairment losses	Net value
Raw materials and consumables	848	(15)	833	806	(14)	792
Finished products and goods	2,403	(34)	2,369	2,372	(35)	2,337
Total current inventories	3,251	(49)	3,202	3,178	(49)	3,129
Total non-current inventories - Compulsory inventories	363		363	363		363
TOTAL INVENTORIES CURRENT AND NON-CURRENT	3,614	(49)	3,565	3,541	(49)	3,492

Current inventories, net of the provision for impairment losses (3,129 million euros), mainly refer to purchases made to ensure the security of gas supplies in Italy. In particular, purchases were made in implementation of the following Authority Resolutions: (i) Resolutions No. 274/2022/R/Gas and No. 3/2023/R/Gas, which set forth the provisions governing the filling service of last resort (for a total countervalue of 2,315 million euros); (ii) Resolution No. 165/2022/R/Gas, which provided for the procurement by Snam Rete Gas of volumes to cover system gas and gas for technical consumption of storage facilities (for a total countervalue of 587 million euros).

The value of the inventories of gas purchased against these resolutions is offset by the recognition, for the same amount, of balance sheet liabilities.

The provision for impairment losses essentially relates to the write-down (30 million euros), made in 2014, of 0.4 billion cubic metres of natural gas used in storage activities against strategic gas unduly withdrawn by some service users during 2010 and 2011¹⁵.

9.1 Third-party natural gas in storage

Risks for third-party assets in storage, amounting to 2,845 million euros (9,574 million euros at 31 December 2022), relate to approximately 7 billion cubic metres of natural gas deposited in storage facilities by customers benefiting from the service. The amount was determined by valuing the quantities of gas stored at the assumed unit repurchase cost¹⁶, which is approximately 0.41 euros per standard cubic metre (1.32 euros per standard cubic metre at 31 December 2022).

10) Deferred tax assets/liabilities

(million euros)	31.12.2022	Provisions	Utilisations	Other changes	Change in consolidation area	30.06.2023
Gross deferred tax liabilities	(128)		1	(1)	(2)	(130)
Offsettable deferred tax assets	77			4		81
DEFERRED TAX LIABILITIES	(51)		1	3	(2)	(49)
Gross deferred tax assets	408	18				426
Offsettable deferred tax liabilities	(77)			(4)		(81)
DEFERRED TAX ASSETS	331	18		(4)		345

¹⁵ For more information regarding the progress of the lawsuits under way, see Note 27.3.2 "Recovering receivables from users of the storage system" of the 2022 Annual Financial Report.

¹⁶ Value calculated on the basis of the CCI Tariff, or the wholesale price established by the ARERA every quarter.

11) Other current and non-current assets

(million euros)	31.12.2022			30.06.2023		
	Current	Non-current	Total	Current	Non-current	Total
VAT credits	23		23	11		11
Market value of derivative cash flow hedges	2	2	4	4	1	5
Prepaid expenses	13	9	22	12	16	28
Assets arising from contracts with customers	22		22	29		29
Regulatory activities	42	74	116	26	5	31
Security deposits		14	14		17	17
Other tax credits	17	72	89	52	230	282
- of which: <i>Ecobonus/Sismabonus credits</i>	13	72	85	41	230	271
Other	17	7	24	10	2	12
TOTAL OTHER CURRENT AND NON-CURRENT ASSETS	136	178	314	144	271	415

Assets arising from the valuation at market value of cash flow hedge derivatives (5 million euros in total) refer to 9 Interest Rate Swap (IRS) derivative contracts. IRS contracts are used to hedge the risk of interest rate fluctuations on major floating-rate loans exposed to considerable market volatility. Through derivative contracts, variable-rate liabilities are converted into fixed-rate liabilities from the effective date of the contract.

The fair value hedging derivatives and their classification as a current or non-current asset/liability have been determined using generally accepted financial measurement models and market parameters at the end of the period.

Information on the risks hedged by derivative financial instruments and the policies adopted by Snam to hedge these risks is provided in Note 23 "Financial Risk Management".

Prepaid expenses (28 million euros) mainly refer to upfront fees and the substitute tax on revolving credit lines (17 million euros).

Security deposits (17 million euros), mainly referring to the natural gas transportation segment, relate to payments made to support operating activities.

12) Cash and cash equivalents

Cash and cash equivalents of 649 million euros (1,757 million euros at 31 December 2022) consist mainly of current accounts and bank deposits in euros of the Parent Company with financial institutions (512 million euros), which represent the use of cash held for the Group's financial needs, and cash and cash equivalents from subsidiaries (in total 137 million euros).

The average yield on liquidity investments is 2.55%, which are not restricted in their use.

A comprehensive analysis of the financial situation and major cash commitments during the year can be found in the cash flow statement.

13) Trade receivables and other receivables

(million euros)	31.12.2022	30.06.2023
Trade receivables, gross of provision for impairment losses	4,344	2,962
Provision for bad debt	(100)	(114)
Total trade receivables	4,244	2,848
Other receivables		
- Other receivables from the Energy and Environmental Services Fund (CSEA)	260	85
- Advances to suppliers	50	57
- Receivables for private contributions	50	46
- IRES receivables for the National Tax Consolidation Scheme with former parent Eni	10	10
- Other	10	44
Total other receivables	380	242
TOTAL TRADE RECEIVABLES AND OTHER RECEIVABLES	4,624	3,090

Trade receivables, net of the provision for bad debts (2,848 million euros), are mainly related to the transportation business (1,651 million euros, referring mainly to receivables from users for additional components and default service totalling 1,152 million euros and receivables from gas system balancing activities amounting to 105 million euros), the energy efficiency business (855 million euros) and the natural gas storage business (232 million euros).

Trade receivables include receivables from customers related to energy efficiency projects (804 million euros) pending conversion into tax credits for superecobonus.

The fair value valuation of trade and other receivables does not produce significant effects considering the short period of time between the origination of the receivable and maturity, as well as the contractual conditions provided.

Other receivables from the CSEA (85 million euros) mainly relate to the transport segment and are mainly attributable to receivables for balancing service (57 million euros).

Receivables for private contributions (46 million euros) were recognised in respect of third-party interference works involving the transportation segment (so-called compensation).

IRES receivables for the national tax consolidation regime (10 million euros) mainly related to receivables from the former parent company, Eni, relating to the IRES refund request resulting from the partial IRAP deduction relating to tax years 2007 to 2011 (pursuant to Decree-Law 201/2011).

The item Other includes receivables from joint ventures for dividends (8 million euro).

All receivables are in euros.

Receivables from related parties are described in Note 33, "Related-party transactions".

14) Current and non-current income tax assets/liabilities

(million euros)	31.12.2022	30.06.2023
- Receivables from tax authorities for IRES	47	9
- Receivables from tax authorities for IRAP	3	4
TOTAL CURRENT INCOME TAX ASSETS	50	13
- Payables to tax authorities for IRES	(5)	(52)
- Payables to tax authorities for IRAP	(2)	(9)
- Other tax liabilities	(14)	(1)
TOTAL CURRENT LIABILITIES FOR INCOME TAXES	(21)	(62)

Taxes for the period are explained in Note 30 "Income taxes", to which reference is made.

15) Assets held for sale and liabilities directly associated

Assets held for sale (111 million euros) and directly associated liabilities (26 million euros) refer to the set of assets and liabilities arising from the consolidation of Iniziative Biometano S.p.A., a company 51% owned by Snam through its wholly-owned subsidiary Bioenerys S.r.l., as well as jointly controlled companies and associates held directly and indirectly by Iniziative Biometano S.p.A. itself.

Assets mainly relate to tangible assets (49 million euro) and intangible assets (32 million euro, including goodwill), while liabilities mainly refer to trade payables (5 million euro) and short- and long-term financial liabilities (6 million euro).

The classification of these assets and liabilities as a disposal group held for sale, in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", follows the signing of a binding agreement between the shareholders of Iniziative Biometano S.p.A. in December 2022 and subsequent amendments thereto agreed upon by the parties, aimed at separating the shareholding structure.

16) Current and non-current financial liabilities

	31.12.2022						30.06.2023					
	Current financial liabilities			Non-current financial liabilities			Current financial liabilities			Non-current financial liabilities		
	Short-term liabilities	Short-term portion	Long-term portion maturing within 5 years	Long-term portion maturing in more than 5 years	Total long-term portion	Total debt	Short-term liabilities	Short-term portion	Long-term portion maturing within 5 years	Long-term portion maturing in more than 5 years	Total long-term portion	Total debt
(million euros)												
Bond loans		757	4,527	4,173	8,700	9,457		1,668	3,466	4,174	7,640	9,308
Bank loans	150	479	1,335	896	2,231	2,860	621	321	1,341	831	2,172	3,114
Euro Commercial Paper - ECP	1,128					1,128	2,292					2,292
Other lenders	2		200		200	202	1	3	500		500	504
Financial payables for leased assets		7	18	8	26	33		7	18	15	33	40
TOTAL CURRENT AND NON-CURRENT FINANCIAL LIABILITIES	1,280	1,243	6,080	5,077	11,157	13,680	2,914	1,999	5,325	5,020	10,345	15,258

16.1 Short-term financial liabilities

Short-term financial liabilities, amounting to 2,914 million euros, essentially refer to the issue of short-term "unsecured" securities (Euro Commercial Paper) issued on the money market and placed with institutional investors (2,292 million euros) and the use of uncommitted variable-rate bank credit lines (621 million euros).

The weighted average interest rate on short-term financial liabilities was 3.73%.

16.2 Long-term financial liabilities and short-term portion of long-term financial liabilities

Long-term financial liabilities, including the short-term portion of long-term liabilities, amounted to a total of 12,344 million euros and essentially relate to bond loans (9,308 million euros), bank loans (2,493 million euros), payables to other lenders (503 million euros) and financial payables for leased assets (40 million euros).

The following table provides a breakdown of bond loans, indicating the year of issue, the currency, the average interest rate and the maturity.

(million euros)							
	Nominal value 31.12.2022	Nominal value 30.06.2023	Rate (%)	Issued (year)	Maturity (year)	Balance at 31.12.2022	Balance at 30.06.2023
Euro Medium Term Notes (EMTN)							
Bond 3.25% (a)	365	365	3.250	2014	2024	375	370
Bond 1.50% (a) (b)	155		1.500	2014	2023	157	
Bond 1.375% (a)	140	140	1.375	2015	2023	137	140
Bond 0.875%	1,250	1,250	0.875	2016	2026	1,248	1,254
Bond 1.250% (a)	267	267	1.250	2017	2025	269	268
Floating Bond	106	106	0.836	2017	2024	106	107
Bond 1.375% (a)	553	553	1.375	2017	2027	552	556
Bond 1.000% (a) (c)	423	423	1.000	2018	2023	425	427
Bond 1.250% (Climate Action bond)	500	500	1.250	2019	2025	500	503
Bond 1.625%	250	250	1.625	2019	2030	252	250
Bond 0%	700	700	0	2019	2024	699	699
Bond 1%	600	600	1.000	2019	2034	592	595
Bond 0.75% (Transition bond)	500	500	0.750	2020	2030	499	498
Bond 0% (Transition bond)	600	600	0	2020	2028	597	597
Bond 0% (Transition bond)	500	500	0	2021	2025	500	500
Bond 0.75% (Transition bond) – TAP (d)	250	250	0.750	2021	2030	258	256
Bond 0.625% (Transition bond)	500	500	0.625	2021	2031	495	494
Bond 0.75% (Dual tranche Sustainability-Linked Bond)	850	850	0.750	2022	2029	846	844
Bond 1.25% (Dual tranche Sustainability-Linked Bond)	650	650	1.250	2022	2034	651	647
Bond 3.375% (Taxonomy-Aligned Transition Bond)	300	300	3.375	2022	2026	299	303
Total Euro Medium Term Notes (EMTN)	9,459	9,304				9,457	9,308

- (a) Bond loans subject to the 2022 Liability Management operation.
- (b) Bond loan tapped in January 2015 for an incremental amount of 250 million euros, with the same interest rate and maturity as the original placement.
- (c) Bond loan tapped in November 2018 for an incremental amount of 300 million euro, with the same interest rate and maturity as the original placement.
- (d) True-up bond.

Bank loan payables (3,114 million euros) relate to term loans, of which 1,507 million euros to the European Investment Bank (EIB).

There are no other long-term bank loans denominated in currencies other than the euro.

The weighted average interest rate on borrowings for bank loans used (excluding loans on EIB funding) is 1.69%.

There were no breaches of loan agreements as at the reporting date.

Snam has unused committed credit lines amounting to 7.69 billion euros.

Financial covenants and negative pledge commitments

At 30 June 2023, Snam had bilateral and syndicated loan agreements in place with banks and other financial institutions that were not secured by collateral (except for bank loans for a residual amount of 6.6 million euro relating to subsidiaries active in the biogas/biomethane business).

Part of such contracts envisages, inter alia, compliance with commitments typical of international practice, of which some are subject to specific materiality thresholds, such as: (i) negative pledge commitments pursuant to which Snam and its subsidiaries are subject to limitations concerning the pledging of real property rights or other restrictions on all or part of the respective assets, shares or merchandise; (ii) pari passu and change-of-control clauses; (iii) limitations on certain extraordinary transactions that the Company and its subsidiaries may carry out; and (iv) limits on the debt of subsidiaries.

Failure to comply with these covenants, and the occurrence of other events such as cross-default events could result in Snam's failure to comply and, possibly, trigger the early repayment of the related loan. Exclusively for the EIB loans, the lender may request additional guarantees if Snam's rating is lower than BBB (Standard & Poor's/Fitch Ratings Limited) or lower than Baa2 (Moody's) with at least two of the three rating agencies.

The occurrence of one or more of the aforementioned scenarios could have negative effects on Snam Group's operations, results, balance sheet and cash flow, resulting in additional costs and/or liquidity issues.

At 30 June 2023, the financial debt subject to these restrictive clauses amounted to approximately 3 billion.

Bonds issued by Snam as at 30 June 2023, with a nominal value of approximately 9.3 billion euro, referred to securities issued under the Euro Medium Term Notes programme. The covenants established for the programme's securities are typical of international market practice and consist of, inter alia, negative pledge and pari passu clauses. Specifically, under the negative pledge clause, Snam and its material subsidiaries are subject to limitations to pledging or maintaining encumbrances on all or part of their assets or proceeds to guarantee present or future debt, unless this is explicitly permitted.

16.3 Analysis of financial debt

An analysis of net financial debt with evidence of any transactions with related parties is shown in the table below:

(million euros)	31.12.2022	30.06.2023
A. + B. Cash and cash equivalents	1,757	649
C. Other current financial assets		
D. Liquidity (A + B + C)	1,757	649
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	1,280	2,914
F. Current portion of non-current financial debt (*)	1,243	1,999
G. Current financial debt (E + F)	2,523	4,913
<i>of which with related parties</i>	1	4
H. Net current financial debt (G - D)	766	4,264
I. Non-current financial debt (excluding current portion and debt instruments) (*)	2,457	2,705
J. Debt instruments	8,700	7,640
K. Trade payables and other non-current payables		
L. Non-current financial debt (I + J + K)	11,157	10,345
<i>of which with related parties</i>	200	500
M. Total financial debt (H + L) (**)	11,923	14,609

(*) They include financial payables for leased assets recognised in accordance with IFRS 16 "Leases", of which 33 million euros are long-term and 7 million euros are short-term portions of long-term financial liabilities.

(**) In the absence of specific regulations, net financial debt does not include the estimated earn-out liabilities of 304 million euros recognised under trade and other payables in Note 19.

17) Provisions for risks and charges

	30.06.2023						Final balance	
	Opening balance	Provisions	Increases due to passing of time	Utilisations		Change in consolidation area		Other changes
(million euros)				For expenses	for excess			
Provision for decommissioning and site restoration	498		9	(1)		1	11	518
Provision for litigation	21	1			(2)			20
Provision for tax litigation	11							11
Other provisions	44	7		(2)				49
TOTAL PROVISIONS FOR RISKS AND CHARGES	574	8	9	(3)	(2)	1	11	598

The provision for site decommissioning and restoration (518 million euros) includes the estimated discounted costs that will be incurred to remove infrastructure and restore sites, mainly in the segments of the storage (424 million euros) and transportation of natural gas (72 million euros). Other changes (11 million euros) refer to the effects of the reduction in expected discount rates, mainly with reference to the natural gas storage and transport segment.

18) Other current and non-current liabilities

	31.12.2022			30.06.2023		
	Current	Non-current	Total	Current	Non-current	Total
(million euros)						
Regulatory liabilities	104	112	216	112	90	202
IRPEF withholdings for employees	8		8	9		9
Other taxes	29		29	19		19
Security deposits		1,382	1,382		918	918
Liabilities for connection contributions		6	6		8	8
Fuel gas	718	2	720	633	58	691
Other	9		9	9	4	13
TOTAL OTHER CURRENT AND NON-CURRENT LIABILITIES	868	1,502	2,370	782	1,078	1,860

Regulatory liabilities (202 million euros) mainly refer to the transport segment (126 million euros), largely due to the penalties charged to users that exceeded the capacity committed, to be repaid to the system through tariff adjustments. Security deposits (918 million euro) refer to payments received as guarantees, mainly from users of the balancing service, pursuant to Resolution ARG/gas 45/11.

The item "Fuel gas" (691 million euros), mainly attributable to the transport segment (587 million euros), mainly refers to the liability recognised for the volumes of gas to be used for the operation of the system, in compliance with the provisions of Resolution No. 165/2022/R/Gas "Urgent provisions for the allocation of storage capacity pursuant to Decree No. 138 of the Ministry of Ecological Transition, today Ministry of the Environment and Energy Security of 1 April 2022, n.138.

19) Trade payables and other payables

(million euros)	31.12.2022	30.06.2023
Trade payables for the purchase of goods and services	1,546	875
Total trade payables	1,546	875
Other payables		
- Payables to the Energy and Environmental Services Fund (CSEA)	5,571	3,427
- Payables for investment activities	519	743
- Interim dividend	369	
- Payables to employees	45	25
- Payables to pension and social security institutions	25	22
- Other	54	54
Total other payables	6,583	4,271
TOTAL TRADE PAYABLES AND OTHER PAYABLES	8,129	5,146

Trade payables for the purchase of goods and services (875 million euros) mainly relate to the transport segment (479 million euros, of which 156 million euros from balancing activities) and to the energy transition segment (275 million euros).

Payables for investment activities (743 million euros) also include estimated liabilities for contractually agreed earn-outs.

Payables to the CSEA (3,427 million euros) mainly refer to: (i) payables related to the rebate of amounts obtained from the sale of gas volumes purchased for the last resort filling service in compliance with Resolutions 274/2022/R/Gas and 3/2023/R/Gas (2,315 million euros) and (ii) additional tariff components (1,054 million euros).

Payables to related parties are shown in Note 33 "Transactions with related parties".

20) Shareholders' equity

(million euros)	31.12.2022	30.06.2023
Share capital	2,736	2,736
Treasury shares	(33)	(33)
Share premium reserve	611	611
Legal reserve	547	547
Reserve for cash flow hedges	(39)	(35)
Reserve for defined-benefit plans for employees	(4)	(4)
Fair value reserve for equity investments	(12)	(14)
Reserve for business combinations under common control	(674)	(674)
Other reserves	212	211
Total reserves	30	31
Retained earnings	3,822	3,571
Interim dividend	(369)	
Profit for the period	671	698
Total retained earnings	4,124	4,269
Equity attributable to parent company shareholders	7,468	7,614
Non-controlling interests	56	66
TOTAL EQUITY	7,524	7,680

20.1 Share capital

At 30 June 2023, the share capital consisted of 3,360,857,809 shares without nominal value (at 31 December 2022), against a total value of 2,735,670,475.56 euro (at 31 December 2022).

20.2 Treasury shares

The negative reserve includes the purchase cost of 8,101,437 treasury shares held at 30 June 2023 (also at 31 December 2022), amounting to 33 million euro (also at 31 December 2022).

20.3 Share premium reserve

The share premium reserve at 30 June 2023 amounted to 611 million euro (the same at 31 December 2022).

20.4 Reserves

Legal reserve

The legal reserve amounted to 547 million euros at 30 June 2023 (unchanged at 31 December 2022) and has already reached one-fifth of the share capital as required by Article 2430 of the Italian Civil Code.

Cash flow hedge reserve

The cash flow hedge reserve (-35 million euros, -39 million euros at 31 December 2022) includes the fair value measurement of derivative instruments, net of related tax effects, on 9 interest rate swap (IRS) contracts.

Reserve for defined-benefit plans for employees

The reserve for employee benefit plans (-4 million euros; same at 31 December 2022) includes actuarial losses, net of the related tax effect, recognised in other comprehensive income, in accordance with IAS 19.

Fair value reserve for equity investments

The fair value reserve (-14 million euros; -12 million euros at 31 December 2022) includes the change in fair value, net of tax effects, of non-controlling interests that were designated as FVTOCI at initial recognition (fair value through other comprehensive income). See Note 8 "Other current and non-current financial assets" for further details.

Reserve for business combinations under common control

The business combination under common control reserve (-674 million euros; unchanged from 31 December 2022) recognised in 2009, relates to the value arising from the difference between the purchase cost of the Stogit investment and the related shareholders' equity attributable to the group at the date of completion of the transaction, as part of a business combination under common control (BCUCC) transaction carried out in 2009 with the former parent company Eni.

Other reserves

Other reserves of 211 million euros (212 million euros as at 31 December 2022) mainly refer to the portion of the other elements of the comprehensive income statement of equity investments accounted for using the equity method.

20.5 Retained earnings

Retained earnings include:

- profits relating to previous years equal to 3,571 million euros (3,822 million euros at 31 December 2022); the reduction of 251 million euros, compared to 31 December 2022, is due to the use of the reserve for the distribution of the 2022 dividend;
- profit for the first half of 2023 of 698 million euros.

20.6 Dividends declared and distributed

On 4 May 2023, the Ordinary Shareholders' Meeting of Snam S.p.A. resolved to distribute an interim dividend of 0.1651 euros per share, payable as of 21 June 2023 with ex-dividend date on 19 June 2023 and record date on 20 June 2023 (553 million euros). The dividend for the financial year 2022 is therefore determined between an interim dividend of 0.1100 euros per share (369 million euros), already distributed in January 2023, and the balance of 0.2751 euros per share.

21) Business combinations

Information on business combination transactions carried out in the first half of 2023, recognised in accordance with the provisions of IFRS 3 "Business Combinations" for which, as the definition of a Business Combination (BC) is applicable, Purchase Price Allocation (PPA) activities were performed, is presented below.

During the first half of 2023, three companies operating in the biogas/biomethane business were acquired¹⁷. Consistent with the definition of the Group's CGUs, 3 companies were included within the Agri CGU.

For the purposes of the condensed half-year consolidated financial statements as at 30 June 2023, the company has carried out a preliminary purchase price allocation; the process of identifying the fair value of the assets and liabilities acquired will be completed in the following period, within 12 months from each respective acquisition date.

The three acquisitions were finalised for a total disbursement of 10 million euros, settled in full at closing. The preliminary allocation of the acquisition price resulted in the recognition of goodwill of 3 million euros and the recognition of 9 million euros allocated to intangible assets (attributable to the fair value of the authorisations of the plants held by the companies subject to acquisition), in addition to the related deferred taxes of 2 million euros.

¹⁷ Agriwatt Castel Goffredo Società Agricola a Responsabilità Limitata, Soragna Agroenergie Società Agricola S.r.l. and Zibello Agroenergie Società Agricola S.r.l.

22) Guarantees and commitments

(million euros)	31.12.2022	30.06.2023
GUARANTEES GIVEN ON BEHALF OF COMPANIES UNDER JOINT CONTROL AND ASSOCIATES	1,230	1,129
of which:		
- associate TAP	1,129	1,129
- company under joint control TAG	89	
- other associates	12	
GUARANTEES GIVEN IN THE INTEREST OF SUBSIDIARIES	632	653
TOTAL GUARANTEES	1,862	1,782
COMMITMENTS FOR THE PURCHASE OF GOODS AND SERVICES (*)	2,058	2,341
COMMITMENTS TO SUBSCRIBE UNITS IN INVESTMENT FUNDS	41	45
COMMITMENTS FOR THE SUBSCRIPTION OF SHARES	6	34
TOTAL COMMITMENTS	2,105	2,420

(*) The value includes legally binding orders at the reference date.

22.1 Guarantees given on behalf of companies under joint control and associates

22.1.1 Guarantee given on behalf of the associate TAP

At present, and until repayment of the loan, a mechanism is foreseen to support the repayment of the TAP outstanding financial debt (the so-called "Debt Payment Undertaking") which would be activated, unlike the guarantee on first demand, released upon reaching the "Financial Completion Date" on 31 March 2021, upon the occurrence of specific and determined conditions linked to exceptional events of an extraordinary nature. The maximum pro-rata Snam amount of the guarantee is 1,129 million euros.

The financial documentation signed under the scope of the Project Financing concluded for TAP foresees, moreover, some limitations for the shareholders typical for operations of this type, including: (i) a restriction on the possibility of TAP shares being freely available according to certain time frames; (ii) the pledging of the shares owned by Snam in TOP in favour of the lenders for the entire duration of the loan.

22.2 Guarantees given in the interest of subsidiaries

Guarantees given in the interest of subsidiaries (653 million euros; 632 million euros as at 31 December 2022) mainly relate to:

- (i) guarantee provided on behalf of Snam FSRU Italia S.r.l. in connection with the acquisition of FSRU BW Singapore (326 million euros);
- (ii) guarantees provided in favour of the Italian Revenue Agency mainly on behalf of the subsidiaries Stogit, GNL, Greenture and Bioenerys Agri (114 million euros);
- (iii) indemnities issued in favour of third-parties to guarantee the execution of works (70 million euros);
- (iv) surety guarantees issued by Iniziative Biometano S.p.A. on behalf of companies controlled by the latter (21 million euros).

22.2.1 Guarantees provided on behalf of Snam FSRU Italia S.r.l. in relation to FSRU BW Singapore

With reference to the FSRU "BW Singapore", Snam S.p.A. issued the following Parent Company Guarantee (PCG) on behalf of Snam FSRU Italia S.r.l.:

- (i) PCG issued on 6 July 2022, with the signing of the Share Sale and Purchase Agreement (SPA) for the acquisition of 100% of the share capital of FSRU I Limited (NewCo which upon closing, expected at the end of 2023, will hold FSRU "BW Singapore" as its only asset), in favour of the seller BW Gas Cyprus Limited.

The guarantee covers all payments due at the date of closing from Snam FSRU Italia S.r.l. to the Seller pursuant to the SPA, corresponding to:

- 355 million dollars, or a total of 326 million euros (at the spot exchange rate on 30 June 2023), corresponding to the remaining amount of the acquisition price to be paid to the seller;
 - the value of the fuel and LNG on board the FSRU at the date of closing, which will be determined and ascertained in accordance with the terms of the SPA.
- (ii) PCG issued on 9 March 2023, with the signing of the Development Agreement for the engineering, procurement, modifications, installation and commissioning of the FSRU "BW Singapore", in favour of the contractor BW Fleet Management AS.

The guarantee was issued in the amount of 35 million dollars, corresponding to a total of 32 million dollars (at the spot exchange rate on 30 June 2023), in order to fulfil all the obligations undertaken by Snam FSRU Italia S.r.l. under the Development Agreement.

22.3 Group commitments for the purchase of goods and services

The commitments for the purchase of goods and services (2,341 million euros; 2,058 million as at 31 December 2022) mainly regard the commitments made with suppliers for the purchase of tangible fixed assets and the supply of services relative to the investments being made.

22.4 Commitments to subscribe units in investment funds and shares

Commitments to subscribe units in Investment Funds (45 million euro) relate to: (i) Snam S.p.A.'s residual commitment to the Clean H2 Infra Fund (HY24) (31 million euro), as part of the investment plan that the fund proposes to implement over a total of six years; (ii) commitments to the CDP Corporate Partners I - Energy Tech Fund (14 million euro), as part of the investment plan that the fund proposes to implement over a total of five years. Such funds may be called, even partially and in several instalments, when the Fund identifies potential eligible investments in accordance with the Fund's regulations.

Commitments to subscribe shares essentially refer to agreements signed by Snam International BV as part of the transaction that led the latter to have a shareholding in dCarbonX.

22.5 Other unevaluated commitments and risks

Other unevaluated commitments and risks refer mainly to commitments undertaken at the time of the closing of equity purchase transactions, which will continue to apply after the date of execution of those transactions.

As of 30 June 2023, the commitment related to the contract for the purchase from Eni of Stogit remains, for commitments related to the occurrence of future events, such as: (i) the possible different valuation of the gas owned by Stogit, compared to the valuation recognised by ARERA (Autorità di Regolazione per Energia Reti e Ambiente - Energy, Networks and Environment Regulatory Authority) which may emerge in certain contractually defined circumstances; (ii) the possible transfer of the storage capacity which should be freely available on a negotiable basis rather than a regulated basis, or the transfer of concessions held by Stogit at the time of the share transfer that may become dedicated to mainly storage activities which are no longer regulated.

23) FINANCIAL RISK MANAGEMENT

23.1 Introduction

The main corporate financial risks identified, monitored and, where specified below, managed by Snam are as follows:

- risk arising from exposure to fluctuations on interest rates;
- credit risk arising from the possibility of counterparty default;
- liquidity risk arising from not having sufficient funds to meet short-term financial commitments.

With regard to the risk of exposure to changes in exchange rates, due to the current circumstances, the Snam Group's exposure is currently limited with reference to transactional risk, while exposure to translation risk persists with regard to certain foreign subsidiaries that prepare their financial statements in currencies other than euro. At present, it has been decided not to adopt specific hedging policies for these exposures. For instance, it should be noted that the effects of exchange rate differences deriving from the difference in translation into currency presentation (euro) of the functional currencies of these companies are recognised in the comprehensive income statement.

With regard to other risks that characterise operations, please refer to the chapter "Risk and uncertainty factors" in the Report on Operations.

Snam policies and principles for the management and control of financial risks are described below, in accordance with the approach set out in IFRS 7 - Financial Instruments: Disclosures.

23.2 Risk of changes in interest rates

Interest rate risk is associated with fluctuations in interest rates affecting the market value of the Company's financial assets and liabilities and its net financial expense.

Snam aims to optimise interest rate risk while pursuing its objectives, as defined and approved in the financial plan.

The Snam Group has adopted a centralised organisational model. In accordance with this model, Snam's various departments access the financial markets and use funds to cover financial requirements, in compliance with approved objectives, ensuring that the risk profile stays within defined limits.

At 30 June 2023, the Snam Group used external financial resources in the form of bond loans and bilateral and syndicated loans with banks and other financial institutions, in the form of medium/long-term financial payables and bank credit lines at interest rates indexed to the reference market rates, in particular the Europe Interbank Offered Rate (Euribor), and at fixed rates. The exposure to the risk of changes in interest rates at 30 June 2023, taking into account the hedging transactions put in place, was approximately 25% of the total exposure of the Group (20% at 31 December 2022). At 30 June 2023, Snam had Interest Rate Swap (IRS) derivative contracts in place for a total notional amount of 1,230 million euro, referring: i) to hedges for 106 million euro drawn on a variable-rate bond loan for the same amount maturing in 2024; ii) partial hedges for 1,124 million euro and maturing between 2023 and 2024 on bank loans and loans from other lenders, at variable rates, for a total amount of 1,140 million euro, with maturities between 2025 and 2035.

Though the Snam Group has an active risk management policy, the rise in interest rates relating to floating-rate debt not hedged against interest rate risk could have negative effects on Snam Group's operations, equity situation and financial position. Even considering the limited exposure to changes in interest rates, limited to 25% of the Group's total exposure and fully attributable to the Euribor rate, a possible change in the method of calculating the latter and the related fall-back clauses that may be formulated could result in the Snam Group having to adjust the financial contracts that may be affected by the aforementioned change and/or the management of prospective cash flows.

23.3 Credit risk

The credit risk is the company's exposure to potential losses arising from counterparties failing to fulfil their obligations. Default on or delayed payment of fees may have a negative impact on Snam's economic results and financial balance. For the risk of counterparty breach of commercial contracts, debt collection and any possible disputes are handled by the relevant business units and the centralised Snam departments.

For trade receivables, provisions for bad debts reflect the value of expected losses over the life of the receivable and are made on the basis of the expected credit loss model or specifically on credit positions that present special risk elements. For further details please refer to note No. 5.7 “Financial Instruments” in the Notes to the 2022 Consolidated Financial Statements.

With regard to regulated activities, Snam provides its business services to 282 operators in the gas segment, of which the top 10 operators account for about 65% of the entire market (Eni, Edison and Enel Global Trading holding the top three places). The rules for customer access to the services offered are established by the Authorities and set out in the Network Codes. For each type of service, these documents explain the rules regulating the rights and obligations of the parties involved in selling and providing said services and contain contractual conditions, which significantly reduce the risk of customer default. The Codes require guarantees in coverage of the commitments assumed. In specific cases, if the customer has a credit rating issued by major international organizations, the issue of these guarantees may be mitigated. The regulations also contain specific clauses guaranteeing the neutrality of the entity in charge of balancing, an activity carried out from 01 December 2011 by Snam Rete Gas as major transmission company. In particular, the current balancing rules require that based on financial rating criteria, Snam shall make its purchases and sales on the GME balancing platform to ensure availability of the resources required for secure and efficient movement of the gas from the entry points to the withdrawal points and therefore constant balancing of the network.

For non-regulated assets, a prior analysis of the financial solidity of counterparties is also carried out to minimise this risk. Snam’s maximum exposure to credit risk as at 30 June 2023 is represented by the book value of the financial assets recorded in the financial statements, detailed in Note 13 “Trade and other receivables”.

23.4 Liquidity risk

Liquidity risk is the risk that new financial resources may not be available (funding liquidity risk) or that the Company may be unable to convert assets into cash on the market (asset liquidity risk), meaning that it cannot meet its payment commitments. This may affect profit or loss should the Company be obliged to incur extra costs to meet its commitments or, in extreme cases, lead to insolvency and threaten the Company’s future as a going concern.

Snam’s Risk Management objective is to implement, as part of the financial plan, a financial structure that, consistent with business objectives, guarantees an adequate level of liquidity for the Group, minimising the related opportunity cost and maintaining a balance in terms of debt maturity and structure.

The financial market is characterised by a continuous growth of sources of financing for companies able to improve the environmental impact of their investments. The interest of investors is linked and subordinate to the ability of the companies themselves to achieve certain objectives in terms of environmental sustainability.

From a liquidity risk management perspective, the diversification of funding sources, also through the use of sustainable financial instruments, is therefore crucial to guarantee companies wide access to financial markets at competitive costs, with consequent positive effects on their economic, equity and financial situation.

Similarly, for Snam, the failure to achieve certain KPIs in the ESG area, as part of the Group’s overall objective of making its business more sustainable in the medium to long term, could lead to higher financing costs or lack of access to certain sources of financing.

Mitigation of this risk is based on Snam’s extreme attention to ESG issues, traditionally a significant and structured part of the company’s strategy.

Consistent with this approach, during 2018 Snam finalised the transformation of its 3.2 billion euros syndicated credit lines into sustainable loans, constituting at the time the third largest sustainable loan signed in the world and the first by a gas utility. This loan envisages bonus/malus mechanisms according to the achievement of certain ESG (Environment, Social, Governance) KPIs. In addition, Snam issued (i) in February 2019, its first 500 million euros Climate Action Bond, (ii) between 2020 and 2021 Transition Bonds for 2,350 million euros (iii) in January 2022, the inaugural dual-tranches Sustainability-linked Bond (SLB) for 1.5 billion euros, whose economic performance is linked to the achievement of certain sustainability targets, and (iv) in November 2022 the inaugural EU Taxonomy-Aligned Transition Bond for 300 million euros. These are aimed at financing investments in environmental sustainability and energy transition, while for SLB instruments the return is linked to the achievement of methane and CO₂ emission reduction targets. It should be noted that the January 2022

issue was associated with a Liability Management exercise that led to the repurchase of 350 million euros of bonds to proactively manage future debt maturities and accelerate the transition from plain vanilla bonds to sustainable finance instruments. In 2022, Snam finalised with major relationship banks (i) Revolving Credit Facilities (RCF) for a total of 1.2 billion euros, of which 1.1 billion euros in KPI-linked format (ii) bank loans for 375 million euros, currently all in Green loan and KPI-linked format (iii) a bank loan agreement for 1.5 billion euros with a maximum term of 24 months (1.45 billion euros at 30 June 2023). During the first half of 2023, Snam also finalised (i) a 300 million euros KPI-linked Term-loan and (ii) a KPI-linked Revolving Credit Facility (RCF) with a pool of banks for a total amount of 1.8 billion euros, assisted by the SupportItalia guarantee issued by SACE covering 80% of the amount. During 2020, Snam also renewed its Euro Commercial Paper programme, increased from 2 to 2.5 billion euros, linking it to environmental and social sustainability objectives in line with the sustainable loan and obtaining an ESG rating for the instrument equal to EE assigned by the ESG rating company Standard Ethics, confirmed in 2021 and increased to EE+ in 2022. Finally, in June 2021, Snam signed a loan agreement with the European Investment Bank (EIB) for a total of 150 million euros to support the group's energy efficiency projects in the residential and industrial sectors. Specifically, the agreement concerns initiatives totalling 200 million euros planned by the subsidiary TEP Energy Solutions, which consist mainly in the energy upgrading of residential buildings and the implementation of energy efficiency and decarbonisation measures for industrial activities, including the installation of photovoltaic panels. The loan is characterised by a framework loan structure, which can be used in several tranches within a period of three years; each tranche will have a maximum total duration of 15 years. As at 30 June 2023, this line was utilised for approximately 110 million euros. As shown in section 23.2 "Risk of changes in interest rates", the Company had access to a wide range of funding sources through the credit system and the capital markets (bilateral contracts, pool financing with major domestic and international banks, loan contracts with the European Investment Bank (EIB), bond loans and Commercial Papers).

Snam's objective is to maintain a debt structure that is balanced in composition between bond loans and bank credit, and the availability of usable committed bank credit lines, in line with its business profile and the regulatory environment in which Snam operates.

At 30 June 2023, Snam had unused committed long-term credit lines for an amount of around 7.69 billion euros, of which (i) syndicated credit lines of 6.45 billion euros (ii) Revolving Credit Facilities (RCF) for a total of 1.2 billion euros (iii) approximately 40 million euros relating to the framework loan signed with the EIB in June 2021. At 30 June 2023, Snam has a Euro Medium Term Notes (EMTN) programme in place for a maximum total nominal value of 13 billion, 9.3 billion euro of which used, and a Euro Commercial Paper Programme (ECP) for a maximum total nominal value of 2.5 billion euro, 2,295 million euro of which used at 30 June.

Snam's cash and cash equivalents mainly refer to current accounts and bank deposits readily collectable.

The Group's main long-term financial payables include covenants that are typical of international practice, such as negative pledge and pari passu clauses. Failure to meet these clauses, and the occurrence of other events, for example cross-default events, may result in Snam's failure to comply and could trigger the early repayment of the relative loan, resulting in additional costs and/or liquidity issues. There are no covenants among commitments that involve compliance with ratios of an economic and/or financial nature.

Among the factors that define the risk perceived by the market, creditworthiness, assigned to Snam by rating agencies, plays a decisive role because it influences their ability to access sources of financing and the related economic conditions. A worsening of this creditworthiness could therefore constitute a limitation on access to the capital market and/or an increase in the cost of sources of financing, with consequent negative effects on the Group's economic situation, equity and financial position.

Snam's long term rating is: (i) Baa2 with negative outlook, confirmed on 06 September 2022 by Moody's Investor Services; (ii) BBB+ with stable outlook, confirmed on 13 June 2023 by Standard & Poor's Global Rating ("S&P"); (iii) BBB+ with stable outlook, confirmed on 20 March 2023 by Fitch Ratings ("Fitch"). Snam's long-term rating by Moody's, Fitch and Standard & Poor's is a notch higher than that of Italian sovereign debt. Based on the methodology adopted by Moody's and S&P, the downgrade of one notch from the current rating of the Republic of Italy would lead to a corresponding reduction of Snam's current rating. In this regard, it should be noted that on 19 May 2023, Moody's confirmed the rating of the Italian Republic, maintaining the negative outlook, which had already been lowered on 5 August 2022; this action had caused Snam's Outlook to be revised to negative on 9 August 2022. On 26 July 2022, S&P revised the Italian Republic's Outlook from positive to stable, with corresponding action on Snam's Outlook on 29 July 2022. The next reviews of the Rating

Agencies for the Italian Republic are scheduled for 20 October 2023 for S&P, 10 November 2023 for Fitch, 17 November 2023 for Moody's.

The company's short-term rating, used as part of the Snam commercial paper programme, is P-2 for Moody's, A-2 for S&P and F2 for Fitch.

Although the Snam Group has relations with diverse counterparties with a high credit standing, based on the management policy and ongoing monitoring of their credit risk, the default of a counterparty or the difficulty to liquidate assets on the market could have negative effects on Snam Group's operations, equity situation and financial position.

23.5 Fair value of financial instruments

Below is the classification of financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy defined on the basis of the significance of the inputs used in the measurement process. More specifically, in accordance with the characteristics of the inputs used for measurement, the fair value hierarchy comprises the following levels:

- a) level 1: prices listed (and not amended) on active markets for the same financial assets or liabilities;
- b) level 2: measurements made on the basis of inputs differing from the listed prices referred to in the previous point, which, for the assets/liabilities submitted for measurement, are directly (prices) or indirectly (price derivatives) observable;
- c) level 3: inputs not based on observable market data.

In relation to the foregoing, the classification of the assets and liabilities measured at fair value in the statement of financial position, according to the fair value hierarchy, regarded: (i) derivative financial instruments classified at level 2 and disclosed in Note No. 11 "Other current and non-current assets" (5 million euro); (ii) minority interests in Adriatic LNG, Istituto Treccani and Storegga Limited, valued at FVTOCI, classified at level 3 a and disclosed in Note No. 8 "Other current and non-current financial assets" (36 million euro in aggregate); (iii) the minority interest in ITM Power, valued at FVTOCI, classified at level 1 and disclosed in note No. 8 "Other current and non-current financial assets" (11 million euro); (iv) the estimated earn-out liabilities of 304 million euro, classified at level 3 and disclosed in note No. 19 "Trade and other payables".

24) Criminal and tax disputes and proceedings with the regulatory authority ARERA

Snam is involved in civil, administrative and criminal cases and legal actions related to its normal business activities. Based on the information currently available, and taking into account the existing risks, Snam believes that these proceedings and actions will not have a material adverse effect on its condensed consolidated half-year financial statements.

Below is a summary of the most significant proceedings for which there have been significant developments compared to those presented in the 2022 Annual Financial Report.

At 30 June 2023, risks concerning compensation and disputes related to litigation that is ongoing but where the risk of losing the case is not considered probable amounted to 48 million euros (42 million euros at 31 December 2022).

24.1 Proceedings with the Autorità di Regolazione per Energia Reti e Ambiente - ARERA

Snam Rete Gas S.p.A. - Investigation into violations on the subject of natural gas metering with regard to Snam Rete Gas S.p.A and request for information

By way of Resolution VIS 97/11, notified on 15 November 2011, ARERA initiated a proceeding to ascertain the existence of violations with regard to natural gas metering, in relation to alleged anomalies in the measurement of gas with reference to 45 plants; by way of Resolution 431/2012/S/Gas, the proceeding was associated with another proceeding, regarding the same facts alleged against the Company, which had been launched against the gas distribution company concerned.

Snam Rete Gas submitted a proposal of commitments with respect to the contested conduct which, by way of Resolution 332/2015/S/gas, ARERA declared to be inadmissible, deeming that it was not suitable to restore the balance of interests that existed prior to the contested violations or to eliminate any immediate and direct consequences of the contested violations.

Upon completion of the investigation on 20 October 2017, the ARERA notified the results to Snam Rete Gas, which confirmed the charges made when the proceedings were initiated. The Company requested that time limits be granted for it to make its defence and, to this end, was summoned for the hearing before the Authority's panel held on 1 March 2018, where it filed a defence brief. At the conclusion of the proceedings, although the Authority accepted part of the Company's arguments considered relevant in terms of the quantification of the penalty, with Resolution 206/2018/S/gas of 5 April 2018 it issued Snam Rete Gas with an administrative fine of 880,000 euro. The Company, while paying the fine, challenged Resolution 206/2018/S/gas before the Regional Administrative Court of Milan. The Regional Administrative Court, in sentence No. 2141/2022, upheld the Company's appeal. ARERA appealed against this sentence before the Council of State. A hearing on the merits was held at the beginning of March 2023. The Council of State, in sentence No. 3977/2023, has: (i) accepted ARERA's challenge to the existence of the interruption of the five-year limitation period, but, (ii) after having first acknowledged that the Authority did not consider it necessary to establish a general and preventive time limit for the duration of the sanctioning proceedings with the approval of the relative Regulation as per Resolution 243/2012/E/Com and that the Authority disregarded the self-determined term for the duration of the sanctioning proceedings against Snam Rete Gas as per Resolution VIS 97/11 of 27 October 2011 (225 days), ruled that it was not necessary to depart from its position formed over time on the peremptory (and not orderly) nature of the time limit for the duration of ARERA's sanctioning procedures, with the consequence of making the penalty illegitimate where imposed beyond that time limit (as occurred in the this case); and (iii) as a consequence, confirmed the judgment under appeal (i.e. the annulment of Resolution No 206/2018/S/Gas) for a second and different reasoning.

25) Revenues and other operating income

(million euros)	First half-year	
	2022	2023
Revenue	1,673	2,071
Other operating income	7	23
TOTAL REVENUES AND OTHER OPERATING INCOME	1,680	2,094

The reasons for the most significant changes are explained in the Interim Report on Operations in the chapter "Comments on the economic and financial results and other information", to which reference is made.

Revenues from related parties are shown in note 33 "Transactions with related parties".

25.1 Revenues

Below is a breakdown of revenues from contracts with customers, broken down by existing operating segments³³:

(million euros)	First half-year	
	2022	2023
Natural gas transportation segment	1,117	1,239
Natural gas storage segment	249	253
Regasification of Liquefied Natural Gas (LNG) segment	13	37
Energy Transition segment	276	515
Other segments	10	22
Other revenues not allocated to segments	8	5
TOTAL REVENUES	1,673	2,071

The group's revenues are mainly generated in Italy. An analysis of revenues by business segment, showing eliminations and consolidation adjustments, is provided in Note 32 "Information by business segment".

Revenues mainly refer to the transport (1,239 million euros; 1,117 million euros in the first half of 2022), energy transition (515 million euros; 276 million euros in the first half of 2022), natural gas storage (253 million euros; 249 million euros in the first half of 2022) and LNG regasification (37 million euros; 13 million euros in the first half of 2022) segments.

Revenue from the transportation segment is shown net of items relating to tariff components for the transportation service, in addition to the tariff, destined to cover general charges of the gas system (2,223 million euros; 728 million euros in the first half of 2022). The amounts collected by Snam are paid, for the same amount, to the Cassa per i Servizi Energetici e Ambientali (CSEA).

Revenues from transportation, storage and regasification include fees to cover energy costs, which amount to 205 million euros (85 million euros in the first half of 2022). On the basis of the provisions of the regulatory framework in force for the fifth regulatory period, from 1 January 2020, the energy costs relating to the costs for the purchase of fuel gas, previously subject to contribution in kind by the shippers, the charges for the purchase of CO2 emission rights and electricity consumption, are covered in revenues through the variable fee.

Revenues related to the Energy Transition segment include: (i) revenues from energy efficiency projects (441 million euro); (ii) fees for the construction and operation of biogas and biomethane plants (74 million euro).

25.2 Other operating income

Other operating income of 23 million euros (7 million euros in the first half of 2022) mainly relates to releases of balance sheet items relating to previous years and income from insurance reimbursements.

³³ In accordance with IFRS 15 "Revenues from contracts with customers", paragraph 114, Snam has chosen to disaggregate revenues on the basis of existing operating segments. This presentation takes into account information that is subject to periodic review by the highest operating decision maker for the purpose of assessing the financial performance of operating segments and information used by the entity or the users of the entity's financial statements to assess the entity's financial performance.

26) Operating costs and expenses

(million euros)	First half	
	2022	2023
Raw materials, consumables and finished goods	275	572
Services	100	153
Personnel cost	111	81
Other operating costs and expenses	55	75
TOTAL OPERATING COSTS AND EXPENSES	541	881

The reasons for the most significant changes are explained in the Interim Report on Operations under "Comments on the economic and financial results and other information".

26.1 Purchases, service provisions and other costs

(million euros)	First half-year	
	2022	2023
Costs for purchase of raw materials, consumables and finished goods	1,690	808
Changes in inventories of raw materials, consumables and finished goods	(1,387)	(216)
Total cost of raw materials and ancillary, consumables and goods incurred during the period	303	592
Costs for services	179	249
CO2 emission rights	17	23
Capital losses from the disposal of property, plant and equipment and intangible assets	3	10
Indirect taxes and duties	8	9
Cost of rents and leases	16	6
Net allocations (uses) to provisions for risks and charges	4	5
Other expenses	7	22
Total other operating costs and expenses incurred during the period	55	75
<i>To deduct:</i>		
Increases for internal work	(107)	(116)
- of which costs for purchase of raw materials, consumables, supplies and goods	(28)	(20)
- of which costs for services	(79)	(96)
TOTAL COSTS RECOGNISED IN THE INCOME STATEMENT	430	800

26.2 Personnel cost

(million euros)	First half-year	
	2022	2023
Wages and salaries	93	98
Social security contributions (pensions and healthcare assistance)	26	27
Employee benefits	8	8
Other expenses	10	4
TOTAL PERSONNEL COST INCURRED DURING THE PERIOD	137	137
Quota of capitalised costs	(26)	(56)
TOTAL PERSONNEL COST RECOGNISED IN THE INCOME STATEMENT	111	81

26.3 Average number of employees

The average number of payroll employees included in the scope of consolidation, broken down by status, is as follows:

Professional status	30.06.2022	31.12.2022	30.06.2023
Executives	147	145	138
Middle Managers	624	639	666
Office workers	1,907	1,925	1,997
Manual workers	828	841	876
AVERAGE NUMBER OF EMPLOYEES	3,506	3,550	3,677

The average number of employees is calculated on the basis of the monthly number of employees for each category.

27) Depreciation, amortisation and impairment losses on property, plant, equipment and intangible assets

(million euros)	First half-year	
	2022	2023
Property, plant and equipment	367	386
Intangible assets	59	69
TOTAL AMORTISATION/DEPRECIATION	426	455
Impairment losses on property, plant and equipment	4	
Impairment losses of intangible assets	2	
TOTAL IMPAIRMENT LOSSES	6	
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES	432	455

For more details about amortisation, depreciation and impairment losses relating to property, plant and equipment and intangible assets, please see Note 5 "Property, plant and equipment", and Note 6 "Intangible assets and goodwill".

An analysis of amortisation, depreciation and impairment losses by business segment can be found in Note 32 "Information by business segment".

28) Net financial expenses

(million euros)	First half-year	
	2022	2023
- Interest income and other financial income on short-term financial assets	(5)	(9)
- Interest income on long-term financial receivables	(7)	(2)
- Other financial income	(11)	(29)
TOTAL FINANCIAL INCOME RECOGNISED IN THE INCOME STATEMENT	(23)	(40)
- Interest expense and other financial expenses on bond loans	86	58
- Fees on loans and bank credit lines	4	11
- Interest expense on credit facilities and loans due to banks and other lenders	5	47
Charges related to gross financial debt	95	116
- Financial charges related to derivative instruments		
- Accretion discount	4	9
- Other financial expense	2	10
Total financial expenses incurred during the period	101	135
- Share of capitalised financial expenses	(10)	(8)
TOTAL FINANCIAL EXPENSES RECOGNISED IN THE INCOME STATEMENT	91	127
TOTAL NET FINANCIAL EXPENSES	68	87

Interest income on long-term financial receivables (2 million euros) relates to the OLT Shareholder Loan.

Other financial income (29 million euros) mainly relate: (i) to interest on late payments invoiced to end customers and distribution users in relation to unpaid invoices for the default service provided by Snam Rete Gas (16 million euros); (ii) income from recapitalisation for ecobonus receivables (8 million euros); (iii) to the effects of the restatement of future cash flows related to the partial repayment of the Shareholders Loan by OLT (3 million euros).

Expense related to gross financial debt (116 million euros) include the following: (i) interest expense and other charges on bonds (Euro 58 million), related to interest on 19 bond issues; (ii) interest paid to banks on revolving credit lines and maturing loans for a total of 47 million euros; (iii) the portion attributable to the year of Up-Front Fee commissions on revolving credit facilities (7 million euros) and (iv) commissions on non-utilisation of credit facilities (4 million euros).

Other financial expenses (10 million euro) mainly refer to the accrual to the bad debt provision for default interest related to the default service of Snam Rete Gas (7 million euro) and exchange rate differences (1 million euro).

Financial expenses related to the passage of time mainly relate to the provisions for decommissioning and site restoration of the storage and transportation segments.

Financial expense capitalised related to the portion of financial expense capitalised pursuant to investment activities.

29) Net income from equity investments

(million euros)	First half-year	
	2022	2023
Income from investments accounted for using the equity method	178	180
Expenses from investments accounted for using the equity method		(16)
Portion of profit or losses of investments accounted for using the equity method	178	164
Dividends from minority investments accounted for at FVTOCI		4
Other income from investments	71	74
Other income (expense) from equity investments	71	78
TOTAL INCOME/(EXPENSES) FROM EQUITY INVESTMENTS	249	242

An analysis of the share of profit or loss of investments accounted for using the equity method is given in Note 7 "Investments accounted for using the equity method".

30) Income taxes

(million euros)	First half-year					
	2022			2023		
	IRES	IRAP	Total	IRES	IRAP	Total
Current taxes	183	33	216	188	34	222
Current taxes for the period	182	33	215	190	34	224
Adjustments for current taxes relating to previous years	1		1	(2)		(2)
Deferred taxes	(17)		(17)	(19)		(19)
Deferred taxes	(1)		(1)	(1)		(1)
Deferred tax assets	(16)		(16)	(18)		(18)
TOTAL INCOME TAXES RECOGNISED IN THE INCOME STATEMENT	166	33	199	169	34	203

31) Earnings per share

Earnings per share, equal to 0.208 euros per share (0.207 euros per share in the first half of 2022), are calculated by dividing the profit for the period attributable to the shareholders of the parent company Snam (698 million euros; 686 million euros in the first half of 2022) by the weighted average number of Snam shares outstanding during the period, excluding treasury shares (3,352,756,372 shares; 3,320,315,638 shares in the first half of 2022).

Diluted earnings per share is calculated by dividing the profit for the period attributable to shareholders of the parent company Snam, net of the tax effect, by the weighted average number of shares outstanding in the period, excluding treasury shares, and those potentially deriving from the long-term share incentive plans (2020, 2021 and 2022 grants).

The weighted average number of outstanding shares used for the calculation of diluted earnings per share is 3,354,976,235 and 3,324,538,155 in the first half of 2023 and 2022, respectively.

31.1 Reconciliation of basic and diluted earnings per share

The reconciliation of the weighted average number of outstanding shares used to determine basic and diluted earnings per share is set out below:

	First half-year	
	2022	2023
Weighted average number of outstanding shares used to calculate basic earnings per share	3,320,315,638	3,352,756,372
Number of potential shares for long-term incentive plans	4,222,517	2,219,863
Weighted average number of outstanding shares used to calculate diluted earnings per share	3,324,538,155	3,354,976,235
Profit for the period attributable to parent company shareholders (million euros)	686	698
Basic earnings per share (amounts in euros per share)	0.207	0.208
Diluted earnings per share (amounts in euros per share)	0.207	0.208

32) Information by business segment

Consistent with the Strategic Plan, and in accordance with IFRS 8 "Operating Segments", the segments identified by the Group as at 30 June 2023 are as follows:

- **Transport segment**, attributable to the legal entities that carry out, at Group level, the transport and dispatching of natural gas in Italy (Snam Rete Gas, ITG and Enura);
- **Storage segment**, attributable to the legal entity that provides natural gas storage services in Italy (Stogit);
- **Regasification segment**³⁴, attributable to the legal entity providing the liquefied natural gas regasification service (LNG Italia) and the legal entities owning floating regasification plants - FSRU (Snam FSRU Italia and Ravenna LNG Terminal);
- **Energy Transition segment** including companies active in the energy efficiency business attributable to the legal entities of the Renovit Group, and in the biogas/biomethane business attributable to the legal entities of the Bioenergys Group, as well as the start-up activities in the hydrogen field. This last segment, due to exceeding the materiality thresholds of IFRS 8, also confirmed in the Plan period, from 2022 constitutes an operating segment subject to separate reporting.

The "Other segments", not subject to separate reporting, mainly include the sustainable mobility business, an activity that is being repositioned within the Gas Infrastructures business insofar as it is no longer focused solely on the automotive sector, but is oriented towards the construction of mid-stream infrastructures dedicated to heavy transport, shipping and railways.

Other unallocated amounts essentially relate to head office activities of Snam corporate and insurance captives.

In order to assess the performance of the operating segments, Snam management mainly analyses adjusted EBITDA (net of any non-recurring costs or revenues, or costs or revenues resulting from events or transactions that are not representative of normal business activity) and adjusted EBIT, for which a reconciliation with the related reported values is provided.

In addition to the above measures, the Executive Board regularly analyses revenues and investments for each business.

In order to allow for a better reconciliation with what is represented for management purposes, the representation of revenues has been modified, distinguishing "Regulated revenues", relating to services subject to regulation by the ARERA authority, from "Other revenues" and "Other income" not subject to such regulation, instead of the distinction between "Revenues from ordinary operations" and "Other revenues and income".

Revenue is generated by applying regulated tariffs or market conditions. The revenue was mainly generated in Italy; costs were incurred almost entirely in Italy.

³⁴ Segment reported separately as a business subject to specific regulation, even if the materiality thresholds of IFRS 8 are not exceeded.

(million euros)	Reporting segments					Amounts not allocated to segments	Reconciliation of adjusted values with reported values	Total
	Transportation segment	Storage Segment	Regasification Segment	Energy Transition segment	Other segments			
FIRST HALF 2022								
Regulated revenues	1,076	249	13					1,338
Other non-regulated revenues	59			276	10	8		353
<i>to deduct: inter-segment revenues</i>	(18)							(18)
Total revenues from third parties	1,117	249	13	276	10	8		1,673
Other operating income	5	2	1			2		10
<i>to be deducted: other inter-segment operating income</i>	(2)	(1)						(3)
Total revenues and other operating income from third parties	1,120	250	14	276	10	10		1,680
EBITDA	923	208	9	19	(2)	(2)	(16)	1,139
Depreciation, amortisation and impairment losses on property, plant, equipment and intangible assets	(345)	(60)	(5)	(10)	(1)	(6)	(5)	(432)
EBIT	578	148	4	9	(3)	(8)	(21)	707
Investments in Property, plant and equipment and intangible assets	430	60	10	25	8	4		537
FIRST HALF 2023								
Regulated revenues	1,239	253	37					1,529
Other non-regulated revenues	74	1	1	515	22	5		618
<i>to deduct: inter-segment revenues</i>	(74)	(1)	(1)					(76)
Total revenues from third parties	1,239	253	37	515	22	5		2,071
Other operating income	13	4		6		4		27
<i>to be deducted: other inter-segment operating income</i>	(3)	(1)						(4)
Total revenues and other operating income from third parties	1,249	256	37	521	22	9		2,094
EBITDA	944	217	18	45	(1)	(2)	(8)	1,213
Depreciation, amortisation and impairment losses on property, plant, equipment and intangible assets	(362)	(60)	(7)	(20)		(6)		(455)
EBIT	582	157	11	25	(1)	(8)	(8)	758
Investments in Property, plant and equipment and intangible assets	466	91	100	49	2	5		714

Revenue is generated by applying regulated tariffs or market conditions. The revenue was mainly generated in Italy; costs were incurred almost entirely in Italy.

33) Transactions with related parties

From 1 August 2019, CDP S.p.A. reclassified its equity investment in Snam, already classified as de facto control pursuant to international accounting standard IFRS 10 – Consolidated financial statements from 2014, as de facto control pursuant to Article 2359, paragraph 1 of the Italian Civil Code and Article 93 of the TUF.

Given the existence of de facto control by CDP S.p.A. over Snam S.p.A., Snam related parties, based on the current group ownership structure, are represented not only by Snam subsidiaries, associates and joint ventures, but also by the parent company CDP S.p.A. and its subsidiaries, including joint ventures, and associates, as well as by the subsidiaries, including joint ventures, and associates of the Ministry for the Economy and Finance (MEF) and in any case any other related parties in accordance with IAS 24, as in force over time. Members of the Board of Directors, Statutory Auditors and Key Managers, and their relatives and entities they control, including jointly with Snam, CDP and CDP Reti, are also regarded as related parties.

As explained in detail below, related-party transactions mainly concern the exchange of goods and the provision of regulated services in the gas segment. Transactions between Snam and related parties are part of ordinary business operations and are generally settled under market conditions, i.e. the conditions that would be applied between two independent parties. All the transactions carried out were in the interest of the companies of the Snam Group.

Pursuant to the provisions of the applicable regulations, Snam has adopted internal guidelines to ensure the transparency and substantive and procedural fairness of transactions with related parties, carried out by the company or by its subsidiaries.

Directors and auditors declare their interests affecting the Company and the Group every six months, and/or when changes in said interests occur; they also inform the Chief Executive Officer (or the Chairman, in the case of the Chief Executive Officer), who in turns informs the other directors and the Board of Statutory Auditors, of individual transactions that the Company intends to carry out and in which they have an interest.

Snam is not subject to management and coordination. Snam performs management and coordination activities, pursuant to Article 2497 et seq. of the Italian Civil Code, with respect to the directly and indirectly controlled companies falling within the scope of consolidation.

In the context of transactions with related parties, pursuant to the disclosure obligations established by Consob Regulation no. 17221 of 12 March 2010, with reference to transactions between related parties which fall under the "Exclusion cases" pursuant to art. 13, paragraph 3, letter c) of the RPT Regulation and paragraph 3.2, point 8), of the RPT Guidelines, there are no reports in this regard.

The amounts involved in commercial, financial and other transactions with the above-mentioned related parties are shown below for the current year and the previous one for comparison purposes. The nature of the most significant transactions is also stated.

33.1 Commercial and other transactions

Commercial and other transactions can be broken down as follows:

	30/06/2022			First half 2022				
	Receivables	Other assets/ Other liabilities	Payables	Costs (a)			Revenues (b)	
(million euros)				Goods	Services	Other	Goods	Services
Joint ventures, associates								
- Trans Austria Gasleitung GmbH	9	(1)	7					1
- Trans Adriatic Pipeline AG	7							1
- Others	1							
	17	(1)	7					2
Snam Foundation			1			2		
Companies controlled by the parent company Cassa Depositi e Prestiti								
- Sace Group			6					
- Others	1							1
	1		6					1
Joint ventures of the Parent Company Cassa Depositi e Prestiti								
- Saipem Group			17		15			
- Others			1	1				
			18	1	15			
Subsidiaries excluded from the scope of consolidation								
- Snam Middle East BV (in liquidation)			4					
- Others			2		1			
			6		1			
Companies owned or controlled by the State								
- Gestore dei mercati energetici S.p.A. (GME) (c)	23	1	576				4	
- Enel Group (d)	62		46		1			215
- Eni Group (d)	161		148		18		7	489
- Others	3		2					
	249	1	772		19		11	704
Total	267		810	1	35	2	11	707

(a) These include costs for goods and services used for investment purposes.

(b) Before tariff components that are offset in costs.

(c) Costs for the purchase of goods do not include gas purchases made pursuant to ARERA Resolution No. 274/2022/R/Gas.

(d) Including balance sheet figures relating to balancing activities.

	30/06/2023			First half 2023				
	Receivables	Other assets/Other liabilities	Payables	Costs (a)			Revenues (b)	
				Goods	Services	Other	Goods	Services
(million euros)								
Joint ventures, associates								
- Interconnector Limited								8
- SeaCorridor S.r.l.	9	(1)				(1)		
- Others	5	(1)	1			(1)		2
	14	(2)	1			(2)		10
Snam Foundation			2			2		
Parent company								
- Cassa Depositi e Prestiti S.p.A.						1		
						1		
Companies controlled by the parent company Cassa Depositi e Prestiti								
- Others	1		3					
	1		3					
Joint ventures of the Parent Company Cassa Depositi e Prestiti								
- Saipem Group			28		27			
- Others			1	2				
			29	2	27			
Companies owned or controlled by the State								
- Gestore dei mercati energetici S.p.A. (GME)	18		26				2	10
- Enel Group (c)	117		18					465
- Eni Group (c)	260		338	137	46		2	726
- Invitalia Group			9		11			
- Others	2	1	2		1			
	397	1	393	137	58		4	1,201
Total	412	(1)	428	139	85	1	4	1,211

(a) These include costs for goods and services used for investment purposes.

(b) Before tariff components that are offset in costs.

(c) Including balance sheet figures relating to balancing activities.

33.1.1 Companies under joint control and associates

The most significant trade transactions with joint ventures and associates mainly concern:

- dividend receivables from SeaCorridor;
- service and consulting revenues to Interconnector Limited.

33.1.2 Companies under joint control of the parent company Cassa Depositi e Prestiti (Italian investment bank)

The most significant transactions with companies under the joint control of Cassa Depositi e Prestiti include the purchase by Saipem of design and works supervision services for the realisation of natural gas transportation and storage infrastructures, regulated by agreements signed at normal market conditions.

33.1.3 Companies owned or controlled by the State

The key transactions with State-owned or controlled companies relate to:

- the provision to the Eni Group and the Enel Group of natural gas transport, regasification and storage services, which are settled on the basis of tariffs set by the Authority;
- purchase from the Eni Group of electricity used for operations.

33.2 Financial transactions

Transactions of a financial nature are analysed in the table below:

(million euros)	30/06/2022			First half 2022
	Receivables	Payables	Guarantees and commitments	Income
Joint ventures, associates				
- East Mediterranean Gas Company S.A.E.	9			
- OLT Offshore LNG Toscana S.p.A.	99			15
- Società Agricola Assoro biometano S.r.l.			12	
- Trans Adriatic Pipeline AG			1,129	
- Trans Austria Gasleitung GmbH (*)			89	
Companies controlled by the parent company Cassa Depositi e Prestiti				
- CDP Corporate Partners			10	
Subsidiaries excluded from the scope of consolidation				
- Arbolia S.p.A. Benefit Company		2		
- Cogenest S.r.l.	2			
	110	2	1,240	15

(*) The maximum guarantee totals 100 million euros, based on the respective stakes of the shareholders Snam and GCA in the company's share capital.

(million euros)	30/06/2023			First half 2023	
	Receivables	Payables	Guarantees and commitments	Income	Expenses
Joint ventures, associates					
- East Mediterranean Gas Company S.A.E.	6				
- OLT Offshore LNG Toscana S.p.A.	87			5	
- Trans Adriatic Pipeline AG			1,129		
Companies controlled by the parent company Cassa Depositi e Prestiti					
- Cassa Depositi e Prestiti CDP Group		503	14		(6)
Subsidiaries excluded from the scope of consolidation					
- Others		1			
	93	504	1,143	5	(6)

33.2.1 Companies under joint control and associates

Financial transactions with joint ventures and associates mainly include:

- the so-called "Debt Payment Undertaking" guarantee in favour of TAP²⁸, i.e. a mechanism to support the repayment of TAP's outstanding financial debt that would be called, unlike the first-demand guarantee, upon the occurrence of specific and determined conditions related to exceptional and extraordinary events;
- the long-term financial receivable in favour of OLT and the related interest income.

²⁸ For further information, please refer to Note 22.1.1 "Guarantee provided on behalf of TAP's affiliate company".

33.2.2 Parent company

Financial transactions with Cassa Depositi e Prestiti mainly concern loans granted by the parent company to Snam S.p.A. and related financial expenses.

33.2.3 Impact of related-party transactions or positions on the balance sheet, income statement and statement of cash flows

The impact of related-party transactions or positions on the balance sheet and income statement is summarised in the following table:

(million euros)	30.06.2022			30.06.2023		
	Total	Related Entities	% Share	Total	Related Entities	% Share
Statement of financial position						
Other current and non-current financial assets	189	110	58.2	162	93	57.4
Trade receivables and other receivables	2,797	267	9.5	3,090	412	13.3
Other current and non-current assets	551	1	0.2	415	1	0.2
Other current and non-current liabilities	1,981	1	0.1	1,860	2	0.1
Current financial liabilities	3,519	2	0.1	4,913	4	0.1
Trade payables and other payables	3,753	810	21.6	5,146	428	8.3

The impact of related-party transactions on the income statement is summarised in the following table:

(million euros)	First half-year 2022			First half-year 2023		
	Total	Related Entities	% Share	Total	Related Entities	% Share
Income Statement						
Revenue	1,673	717	42.9	2,071	1,215	58.7
Other operating income	7	1	14.3	23		
Costs for purchase of raw and ancillary materials, consumables and finished goods	275			572	139	24.3
Costs for services	100	20	20.0	153	21	13.7
Personnel costs	111	(2)		81	(2)	
Other operating costs and expenses	55	2	3.6	75	2	2.7
Financial income	23	15	65.2	40	5	12.5
Financial expense	91			127	6	4.7

Related-party transactions are generally governed on the basis of market conditions, i.e. the conditions that would be applied between two independent parties.

The principal cash flows with related parties are shown in the following table.

(million euros)	First half-year	
	2022	2023
Operating revenues and income	718	1,215
Operating costs and expenses	(22)	(160)
Change in trade receivables and other current receivables	287	583
Change in trade payables and other current payables	483	(95)
Change in other current and non-current assets		1
Interest collected (paid)	5	(4)
Cash inflow from operating activities	1,471	1,540
Investments:		
- Tangible and intangible assets	(16)	(65)
- Equity investments		(405)
- Change in payables and receivables related to investment activities	(4)	(14)
Cash flows from investment activities	(20)	(484)
- Financial receivables (repayments)	197	20
Cash flow from divestment activities	197	20
Net cash flow from investment activities	177	(464)
Assumption of long-term financial payables		300
Increase (decrease) short-term financial payables	1	
Cash flows from financing activities	1	300
Total cash flows to related entities	1,649	1,376

The incidence of cash flows with related parties is shown in the table below:

(million euros)	First half-year 2022			First half-year 2023		
	Total	Related Entities	% Share	Total	Related Entities	% Share
Cash flow from operating activities	2,318	1,471	63.5	(719)	1,540	
Net cash flow from investment activities	(569)	177		(1,024)	(464)	45.3
Cash flows from financing activities	(1,215)	1		635	300	47.2

34) Significant events after the end of the first half of the year

There were no significant events after the end of the half year, other than those reported in the "Performance in the first half of 2023 - Significant events occurring after the end of the half year" section of the Interim Report on Operations.

Certification of the condensed half-year financial statements pursuant to Article 154-bis, paragraph 5, of Legislative Decree 58/1998 (TUF)

1. The undersigned Stefano Venier and Luca Ogliandolo, in their respective capacities as Chief Executive Officer and Manager responsible for preparing the Company's financial reports of Snam S.p.A., hereby certify, also taking into account the provisions of article 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998:
 - the adequacy in relation to the characteristics of the company and
 - the effective application of the administrative and accounting procedures for the preparation of the condensed consolidated half-year financial statements at 30 June 2023, during the first half of 2023.
2. The administrative and accounting procedures for the preparation of the condensed consolidated interim financial statements at 30 June 2023 have been defined and their adequacy assessed on the basis of the standards and methodologies defined in accordance with the Internal Control - Integrated Framework model issued by the Committee of Sponsoring Organisations of the Treadway Commission, which represents a reference framework for the internal control system generally accepted at the international level.
3. It is also certified that:
 - 3.1 The condensed consolidated half-year financial statements at 30 June 2023:
 - a) have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
 - b) correspond to the information contained in the accounting ledgers and records;
 - c) provide a true and fair representation of the equity, economic and financial situation of the Issuer and the whole of the companies included in the scope of consolidation;
 - 3.2 The Interim Report on Operations includes a reliable analysis of references to important events that occurred in the first six months of the year and their impact on the condensed consolidated interim financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year. The Interim Report on Operations also includes a reliable analysis of the information regarding transactions with related parties.

27/07/2023

/Signature/ Stefano Venier

Stefano Venier

Chief Executive Officer

/Signature/Luca Ogliandolo

Luca Ogliandolo

Manager responsible for preparing the Company's financial reports

Independent Auditors' Report

Deloitte.

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REPORT ON REVIEW OF THE HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
Snam S.p.A.

Introduction

We have reviewed the accompanying half-yearly condensed consolidated financial statements of Snam S.p.A. and subsidiaries (the “Snam Group”), which comprise the statement of financial position as of June 30, 2023, the income statement, the comprehensive income statement, the statement of changes in shareholders’ equity and the cash flow statement for the six month period then ended, and a summary of significant accounting policies and other explanatory notes. The Directors are responsible for the preparation of the half-yearly condensed consolidated financial statements in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on the half-yearly condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the criteria recommended by the Italian Regulatory Commission for Companies and the Stock Exchange (“Consob”) for the review of the half-yearly financial statements under Resolution n° 10867 of July 31, 1997. A review of half-yearly condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

Sede Legale: Via Tortona, 25 - 20144 Milano | Capitale Sociale: Euro 10.328.220,00 i.v.

Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03049560166 - R.E.A. n. MI-1720239 | Partita IVA: IT03049560166

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-yearly condensed consolidated financial statements of Snam Group as at June 30, 2023 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by
Paola Mariateresa Rolli
Partner

Milan, Italy
August 1, 2023

This report has been translated into the English language solely for the convenience of international readers.

ANNEXES

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Annexes to the notes to the consolidated financial statements

Snam S.p.A. Investments at 30 June 2023

In accordance with the provisions of Consob Communication DEM/6064293 of 28 July 2006 and articles 38 and 39 of Legislative Decree 127/1991, a list of Snam S.p.A. subsidiaries, joint ventures and associates at 30 June 2023, as well as other significant investments, is provided below.

The companies are divided by segment of activity and are listed in alphabetical order. For each company, the following information is provided: the name, registered office, share capital, the currency in which it is expressed, shareholders and respective ownership percentages; for consolidated companies, the consolidated percentage pertaining to Snam is indicated; for unconsolidated companies in which Snam has an interest, the valuation criterion is indicated.

At 30 June 2023, the companies of Snam S.p.A. are broken down as follows:

	Subsidiaries		Joint ventures and associates		Other significant investments (*)	Total
	Italy	Abroad	Italy	Abroad	Abroad	
Companies consolidated on a line-by-line basis	59	2				61
Investments of consolidated companies (**)	10	5	8	11	2	36
Valued with the equity method	4	3	6	10		23
Valued with the cost criterion	6	2	2	1	1	12
Valued with the fair value method					1	1
Investments of non-consolidated companies			1	5		6
Owned by joint ventures			1	5		6
TOTAL COMPANIES	69	7	9	16	2	103

(*) It covers investments in companies other than subsidiaries, joint ventures and associates exceeding 2% or 10% of the capital, respectively, whether listed or unlisted.

(**) The following investments are not significant: (i) investments in subsidiaries accounted for using the equity method and the cost method; (ii) investments in associates accounted for using the cost method.

CONSOLIDATING COMPANY

COMPANY NAME	REGISTERED OFFICE	CURRENCY	SHARE CAPITAL	SHAREHOLDERS	% OWNERSHIP
Snam S.p.A.	San Donato Milanese (MI)	EURO	2,735,670,475.56	C.D.P. Reti S.p.A.	31.35%
				Romano Minozzi	7.46%
				Snam S.p.A.	0.24%
				Minorities	60.95%

SUBSIDIARIES

COMPANY NAME	REGISTERED OFFICE	FINANCIAL STATEMENTS CURRENCY	SHARE CAPITAL	SHAREHOLDERS	% OWNERSHIP	% CONSOLIDATED PERTAINING TO SNAM	METHOD OF CONSOLIDATION OR VALUATION CRITERION (*)
BIOGAS/BIOMETHANE							
Agriwatt Castel Goffredo Società Agricola a r.l.	Como	EURO	100,000	Bioenergys Agri S.r.l.	100%	100%	C.I.
Bietifin S.r.l.	Bologna	EURO	500,000	Bioenergys Agri S.r.l.	100%		Co.
Bioenergys S.r.l.	San Donato Milanese (MI)	EURO	5,000,000	Snam S.p.A.	100%	100%	C.I.
Bioenergys Agri S.r.l. (formerly IES Biogas S.r.l.)	Pordenone	EURO	100,000	Bioenergys S.r.l.	100%	100%	C.I.
Bioenergys Ambiente S.r.l. (formerly Renerwaste S.r.l.)	San Donato Milanese (MI)	EURO	1,710,764	Bioenergys S.r.l.	100%	100%	C.I.
Biogas Brusio Società Agricola a r.l.	Cittadella (PD)	EURO	10,000	Iniziativa Biometano S.p.A. Minorities	99.9% 0.1%	50.9%	C.I.
Biowaste CH4 Anzio S.r.l.	San Donato Milanese (MI)	EURO	700,000	Bioenergys Ambiente S.r.l.	100%	100%	C.I.
Biowaste CH4 Foligno S.r.l.	San Donato Milanese (MI)	EURO	4,347,618	Bioenergys Ambiente S.r.l.	100%	100%	C.I.
Biowaste CH4 Genova S.r.l.	San Donato Milanese (MI)	EURO	4,127,000	Bioenergys Ambiente S.r.l.	100%	100%	C.I.
Biowaste CH4 Group S.r.l.	San Donato Milanese (MI)	EURO	22,000	Bioenergys Ambiente S.r.l.	100%	100%	C.I.
Biowaste CH4 Tuscania S.r.l.	San Donato Milanese (MI)	EURO	5,950,000	Bioenergys Ambiente S.r.l.	100%	100%	C.I.
Ca' Bianca Società Agricola a r.l.	Cittadella (PD)	EURO	10,000	Iniziativa Biometano S.p.A. Minorities	70% 30%	36%	C.I.
Cogenest S.r.l.	Padua	EURO	20,000	Iniziativa Biometano S.p.A. Minorities	98% 2%		PN
EBS Società Agricola a r.l.	Cittadella (PD)	EURO	104,725	Iniziativa Biometano S.p.A. Minorities	94.53% 5.47%	48.21%	C.I.
Ecoprogetto Milano S.r.l.	San Donato Milanese (MI)	EURO	1,000,000	Renerwaste Lodi S.r.l. Bioenergys Ambiente S.r.l.	55% 45%	100%	C.I.
Ecoprogetto Tortona S.r.l.	San Donato Milanese (MI)	EURO	1,000,000	Bioenergys Ambiente S.r.l.	100%	100%	C.I.
Emiliana Agroenergia Società Agricola S.r.l.	Piacenza	EURO	30,000	Bioenergys Agri S.r.l.	100%	100%	C.I.
Enersi Sicilia S.r.l.	San Donato Milanese (MI)	EURO	400,000	Bioenergys Ambiente S.r.l.	100%	100%	C.I.
Govone Biometano S.r.l.	Pordenone	EURO	70,000	Bioenergys Agri S.r.l.	100%		Co.
IES Biogas S.r.l. (in liquidation)	Buenos Aires (Argentina)	ARS	100,000 (a)	Bioenergys Agri S.r.l. Bioenergys S.r.l.	95% 5%		Co.
Iniziativa Biometano S.p.A.	San Donato Milanese (MI)	EURO	18,000,002	Bioenergys S.r.l. Minorities	51% 49%	51%	C.I.
Maiero Energia Società Agricola a r.l.	Cittadella (PD)	EURO	10,000	Iniziativa Biometano S.p.A.	100%	51%	C.I.
Motta Energia Società Agricola a r.l.	Cittadella (PD)	EURO	50,000	Iniziativa Biometano S.p.A. Minorities	94.80% 5.20%	48.35%	C.I.

(*) C.I. = Line-by-line consolidation; Co. = Valuation at cost; PN = Valuation at equity

(a) The value is expressed in Argentinian Pesos (ARS).

COMPANY NAME	REGISTERED OFFICE	FINANCIAL STATEMENTS CURRENCY	SHARE CAPITAL	SHAREHOLDERS	% OWNERSHIP	% CONSOLIDATED PERTAINING TO SNAM	METHOD OF CONSOLIDATION OR VALUATION CRITERION (*)
MZ Biogas Società Agricola a r.l.	Cittadella (PD)	EURO	119,000	Iniziative Biometano S.p.A. Minorities	99.90% 0.10%	50.90%	C.I.
Piacentina Agroenergia Società Agricola S.r.l.	Piacenza	EURO	28,000	Bioenerys Agri S.r.l.	100%	100%	C.I.
Piazzola Nuove Energie Società Agricola a r.l.	Cittadella (PD)	EURO	10,000	Iniziative Biometano S.p.A.	100%		PN
Renerwaste Cupello S.r.l.	San Donato Milanese (MI)	EURO	1,000,000	Bioenerys Ambiente S.r.l. Minorities	85% 15%	100%	C.I.
Renerwaste Lodi S.r.l.	San Donato Milanese (MI)	EURO	10,000	Bioenerys Ambiente S.r.l.	100%	100%	C.I.
Società Agricola Agrimetano S.r.l.	Faenza (RA)	EURO	60,000	Bioenerys Agri S.r.l.	100%	100%	C.I.
Società Agricola Agrimezzana Biogas S.r.l.	San Rocco al Porto (LO)	EURO	30,000	Bioenerys Agri S.r.l.	100%	100%	C.I.
Società Agricola Ariano Biometano S.r.l.	Cittadella (PD)	EURO	10,000	Iniziative Biometano S.p.A. Minorities	98% 2%	50%	C.I.
Società Agricola Asola Energie Biogas S.r.l.	Asola (MN)	EURO	60,000	Bioenerys Agri S.r.l.	100%	100%	C.I.
Società Agricola Astico Biometano S.r.l.	Cittadella (PD)	EURO	10,000	Iniziative Biometano S.p.A.	100%		PN
Società Agricola Biostellato 1 S.r.l.	Pordenone	EURO	10,000	Bioenerys Agri S.r.l.	100%	100%	C.I.
Società Agricola Biostellato 2 S.r.l.	Pordenone	EURO	10,000	Bioenerys Agri S.r.l.	100%	100%	C.I.
Società Agricola Biostellato 3 S.r.l.	Pordenone	EURO	10,000	Bioenerys Agri S.r.l.	100%	100%	C.I.
Società Agricola Biostellato 4 S.r.l.	Pordenone	EURO	10,000	Bioenerys Agri S.r.l.	100%	100%	C.I.
Società Agricola Carignano Biogas S.r.l.	Bologna	EURO	100,000	Bioenerys Agri S.r.l.	100%	100%	C.I.
Società Agricola G.B.E. Gruppo Bioenergie S.r.l.	Pordenone	EURO	20,000	Società Agricola Sangiovesi S.r.l.	100%	100%	C.I.
Società Agricola Isola Biometano a r.l.	Cittadella (PD)	EURO	10,000	Iniziative Biometano S.p.A. Minorities	70% 30%		PN
Società Agricola La Valle Green Energy S.r.l.	Cerea (VR)	EURO	10,000	Bioenerys Agri S.r.l.	100%	100%	C.I.
Società Agricola Sangiovesi S.r.l.	Pordenone	EURO	20,000	Bioenerys Agri S.r.l. Società Agricola SQ Energy S.r.l.	50% 50%	100%	C.I.
Società Agricola San Giuseppe Agroenergia S.r.l.	Bologna	EURO	450,000	Bioenerys Agri S.r.l.	100%	100%	C.I.
Società Agricola Santo Stefano Energia S.r.l.	Casalmoro (MN)	EURO	60,000	Bioenerys Agri S.r.l.	100%	100%	C.I.
Società Agricola SQ Energy S.r.l.	Pordenone	EURO	100,000	Bioenerys Agri S.r.l.	100%	100%	C.I.
Società Agricola Tessagli Agroenergia S.r.l.	Commissaggio (MN)	EURO	29,000	Bioenerys Agri S.r.l.	100%	100%	C.I.
Società Agricola T4 Energy S.r.l.	Pordenone	EURO	200,000	Bioenerys Agri S.r.l.	100%	100%	C.I.
Società Agricola Zoppola Biogas S.r.l.	Pordenone	EURO	10,000	Società Agricola Sangiovesi S.r.l.	100%	100%	C.I.
Soragna Agroenergie Società Agricola S.r.l.	Sorbolo Mezzani (PR)	EURO	60,000	Bioenerys Agri S.r.l.	100%	100%	C.I.
Zibello Agroenergie Società Agricola S.r.l.	Sorbolo Mezzani (PR)	EURO	60,000	Bioenerys Agri S.r.l.	100%	100%	C.I.

(*) C.I. = Line-by-line consolidation; Co. = Valuation at cost; PN = Valuation at equity

COMPANY NAME	REGISTERED OFFICE	FINANCIAL STATEMENTS CURRENCY	SHARE CAPITAL	SHAREHOLDERS	% OWNERSHIP	% CONSOLIDATED PERTAINING TO NAM	METHOD OF CONSOLIDATION OR VALUATION CRITERION (*)
ENERGY EFFICIENCY							
Evolve S.p.A.	Milan	EURO	1,450,000	Renovit S.p.A. Benefit Company Minorities	70% 30%	60.05%	C.I.
Mieci S.p.A.	Milan	EURO	200,000	Renovit S.p.A. Benefit Company Minorities	70% 30%	60.05%	C.I.
Renovit S.p.A. Benefit Company	San Donato Milanese (MI)	EURO	4,375,000	Snam S.p.A. CDP Equity S.p.A. Minorities	60.05% 30% 9.95%	60.05%	C.I.
TEA Innovazione Due S.r.l.	Brescia	EURO	20,000	Tep Energy Solution S.r.l.	100%		Co.
TEP Energy Solution S.r.l.	Rome	EURO	1,000,000	Renovit S.p.A. Benefit Company	100%	60.05%	C.I.
Tlux S.r.l.	Piancogno (BS)	EURO	50,000	Mieci S.p.A. Minorities	85% 15%	60.05%	C.I.
MOBILITY & LIQUEFACTION							
Cubogas S.r.l.	San Donato Milanese (MI)	EURO	1,000,000	Greenture S.p.A.	100%	100%	C.I.
Greenture S.p.A. (formerly Snam4Mobility S.p.A.)	San Donato Milanese (MI)	EURO	2,320,000	Snam S.p.A.	100%	100%	C.I.
REGASIFICATION							
GNL Italia S.p.A.	San Donato Milanese (MI)	EURO	17,300,000	Snam S.p.A.	100%	100%	C.I.
Ravenna LNG Terminal S.r.l.	San Donato Milanese (MI)	EURO	10,000	Snam FSRU Italia S.r.l. (formerly Asset Company 11 S.r.l.)	100%	100%	C.I.
Snam FSRU Italia S.r.l. (formerly Asset Company 11 S.r.l.)	San Donato Milanese (MI)	EURO	10,000	Snam S.p.A.	100%	100%	C.I.
NATURAL GAS STORAGE							
Stogit S.p.A.	San Donato Milanese (MI)	EURO	152,205,500	Snam S.p.A.	100%	100%	C.I.
NATURAL GAS TRANSPORTATION							
Asset Company 2 S.r.l.	San Donato Milanese (MI)	EURO	10,000,000	Snam S.p.A.	100%	100%	C.I.
Enura S.p.A.	San Donato Milanese (MI)	EURO	3,700,000	Snam S.p.A. Minorities	55% 45%	55%	C.I.
Infrastrutture Trasporto Gas S.p.A.	San Donato Milanese (MI)	EURO	10,000,000	Asset Company 2 S.r.l.	100%	100%	C.I.
Snam Rete Gas S.p.A.	San Donato Milanese (MI)	EURO	1,200,000,000	Snam S.p.A.	100%	100%	C.I.
CORPORATE AND OTHER ACTIVITIES							
Arbolia S.r.l. Benefit Company	San Donato Milanese (MI)	EURO	100,000	Snam S.p.A.	100%		Co.
Asset Company 4 S.r.l.	San Donato Milanese (MI)	EURO	100,000	Snam S.p.A.	100%		Co.

(*) C.I. = Line-by-line consolidation; Co. = Valuation at cost; PN = Valuation at equity

COMPANY NAME	REGISTERED OFFICE	FINANCIAL STATEMENTS CURRENCY	SHARE CAPITAL	SHAREHOLDERS	% OWNERSHIP	% CONSOLIDATED PERTAINING TO SNAM	METHOD OF CONSOLIDATION OR VALUATION CRITERION (*)
Asset Company 9 S.r.l.	San Donato Milanese (MI)	EURO	10,000	Snam S.p.A.	100%		Co.
Asset Company 10 S.r.l.	San Donato Milanese (MI)	EURO	10,000	Snam S.p.A.	100%	100%	C.I.
Gasrule Insurance D.A.C.	Dublin (Ireland)	EURO	20,000,000	Snam S.p.A.	100%	100%	C.I.
Snam Energy Services Private Limited	New Delhi (India)	INR	1,000,000	Snam International B.V. Snam S.p.A.	99,999% 0.001%		Co.
Snam Gas & Energy Services (Beijing) Co., Ltd	Beijing (China)	RMB	15493800 (b)	Snam International B.V.	100%		PN
Snam International B.V.	Amsterdam (Netherlands)	EURO	6,626,800	Snam S.p.A.	100%	100%	C.I.
Snam International (UK) Ltd (in liquidation)	Maidenhead (United Kingdom)	GBP	1,800,000 (d)	Snam International B.V.	100%		PN
Snam Middle East BV Business Services Co. (in liquidation)	Riyadh (Saudi Arabia)	SAR	15,000,000 (c)	Snam International B.V.	100%		PN

(*) SE = Valuation at equity; Co. = Valuation at cost

(b) The Company is a joint venture

(c) The value is expressed in GBP.

(d) The value is expressed in USD.

COMPANIES UNDER JOINT CONTROL AND ASSOCIATES

COMPANY NAME	REGISTERED OFFICE	FINANCIAL STATEMENTS CURRENCY	SHARE CAPITAL	SHAREHOLDERS	% OWNERSHIP	METHOD OF CONSOLIDATION OR VALUATION CRITERION (*)
Albanian Gas Service Company SH.A.	Tirana (Albania)	ALL	875,000 (a)	Snam S.p.A. Minorities	25% 75%	Co.
AS Gasinfrastruktur Beteiligung GmbH (b)	Vienna (Austria)	EURO	35,000	Snam S.p.A. Minorities	40% 60%	PN
AS Gasinfrastruktur GmbH	Vienna (Austria)	EURO	35,000	AS Gasinfrastruktur Beteiligung GmbH	100%	
dCarbonX Limited	London (United Kingdom)	GBP	4.16 (c)	Snam International B.V. Minorities	44.45% 55.55%	PN
East Mediterranean Gas Company S.A.E. (EMG)	Cairo (Egypt)	USD	147,000,000 (d)	Snam International B.V. Minorities	25% 75%	PN
EIS Energy Investment Solution S.r.l. (in liquidation)	Milan	EURO	100,000	TEP Energy Solution S.r.l. Minorities	40% 60%	Co.
Galaxy Pipeline Assets HoldCo Limited	Jersey	USD	1,979,221,357 (d)	Snam S.p.A. Minorities	12.33% 87.67%	PN
Industrie De Nora S.p.A.	Milan	EURO	18,268,204	Asset Company 10 S.r.l. Minorities	21.59% 78.41%	PN
Interconnector Limited	London (United Kingdom)	GBP	12,754,680 (c)	Snam International B.V. Minorities	23.68% 76.32%	PN
Interconnector Zeebrugge Terminal B.V.	Brussels (Belgium)	EURO	123,946	Interconnector Limited Snam International B.V. Minorities	48% 25% 27%	PN
Italgas S.p.A.	Milan	EURO	1,002,016,255	Snam S.p.A. C.D.P. Reti S.p.A. Minorities	13.47% 26.00% 60.53%	PN
Latina Biometano S.r.l.	Rome	EURO	10,000	Bioenergys Agri S.r.l. Minorities	32.50% 67.50%	Co.
OLT Offshore LNG Toscana S.p.A. (b)	Milan	EURO	40,489,544	Snam S.p.A. Minorities	49.07% 50.93%	PN

(*) SE = Valuation at equity; Co. = Valuation at cost

(a) The value is expressed in Albanian Lek (ALL).

(b) The Company is a joint venture

(c) The value is expressed in GBP.

(d) The value is expressed in USD.

COMPANY NAME	REGISTERED OFFICE	FINANCIAL STATEMENTS CURRENCY	SHARE CAPITAL	SHAREHOLDERS	% OWNERSHIP	METHOD OF CONSOLIDATION OR VALUATION CRITERION (*)
SeaCorridor S.r.l. (b)	San Donato Milanese (MI)	EURO	100,000,000	Snam S.p.A. Eni S.p.A.	49.90% 50.10%	PN
Senfluga Energy Infrastructure Holdings S.A.	Athens (Greece)	EURO	20,125,050	Snam S.p.A. Minorities	54% 46%	PN
Sicilian Biogas Refinery - SBR S.r.l.	Catania	EURO	12,000	Iniziative Biometano S.p.A. Minorities	32% 68%	PN
Société pour la Construction du Gazoduc Transtunisien (SCOGAT) S.A.	Tunis (Tunisia)	TND	200,000	SeaCorridor S.r.l. Third-party shareholders	99.8% 0.20%	
Sviluppo Biometano Sicilia - SBS S.r.l.	Cittadella (PD)	EURO	10,000	Iniziative Biometano S.p.A. Minorities	50% 50%	PN
Teréga Holding S.A.S. (b)	Pau (France)	EURO	505,869,374	Snam S.p.A. Minorities	40.50% 59.50%	PN
Teréga S.A.S.	Pau (France)	EURO	489,473,550	Teréga Holding S.A.S.	100%	
Teréga S.A.	Pau (France)	EURO	17,579,088	Teréga S.A.S.	100%	
Teréga Solutions S.A.S.	Pau (France)	EURO	13,300,000	Teréga S.A.S.	100%	
Trans Austria Gasleitung GmbH (b)	Vienna (Austria)	EURO	76,566	Snam S.p.A. Minorities	84.47% 15.53%	PN
Trans Adriatic Pipeline AG	Baar (Switzerland)	EURO	1,049,293,650 (e)	Snam International B.V. Minorities	20% 80%	PN
Trans Tunisian Pipeline Company S.p.A. (TTPC)	San Donato Milanese (MI)	EURO	1,098,000	SeaCorridor S.r.l.	100%	

(*) SE = Valuation at equity; Co. = Valuation at cost

(b) The Company is a joint venture

(e) The value is expressed in CHF.

OTHER SIGNIFICANT INVESTMENTS

COMPANY NAME	REGISTERED OFFICE	FINANCIAL STATEMENTS CURRENCY	SHARE CAPITAL	SHAREHOLDERS	% OWNERSHIP	METHOD OF CONSOLIDATION OR VALUATION CRITERION (*)
ITM POWER PLC	Sheffield (United Kingdom)	GBP	30,657,908 (a)	Snam S.p.A. Minorities	2.072% 97.92%	FVTOCI
PRISMA - European Capacity Platform GmbH	Leipzig (Germany)	EURO	261,888	Snam Rete Gas S.p.A. Minorities	14.66% 85.34%	Co.

(*) Co. = Valuation at cost; FVTOCI = Valuation at Fair Value Through OCI.

(a) The value is expressed in GBP.

Changes in the consolidation area in the first half of 2023

Name	Segment	Direct shareholder	% ownership	Change
Agriwatt Castel Goffredo Società Agricola a r.l.	Biogas/Biomethane	Bioenerys Agri S.r.l.	100%	entry
Soragna Agroenergie Società Agricola S.r.l.	Biogas/Biomethane	Bioenerys Agri S.r.l.	100%	entry
Zibello Agroenergie Società Agricola S.r.l.	Biogas/Biomethane	Bioenerys Agri S.r.l.	100%	entry
Golar LNG NB13 Corporation	Regasification	Snam FSRU Italia S.r.l.	100%	exit

Changes in the scope of consolidation in the second half 2022

Name	Segment	Direct shareholder	% ownership	Change
Biowaste CH4 Genova S.r.l.	Biogas/Biomethane	Bioenerys Ambiente S.r.l.	100%	entry
Società Agricola Biostellato 1 S.r.l.	Biogas/Biomethane	Bioenerys Agri S.r.l.	100%	entry
Società Agricola Biostellato 2 S.r.l.	Biogas/Biomethane	Bioenerys Agri S.r.l.	100%	entry
Società Agricola Biostellato 3 S.r.l.	Biogas/Biomethane	Bioenerys Agri S.r.l.	100%	entry
Società Agricola Biostellato 4 S.r.l.	Biogas/Biomethane	Bioenerys Agri S.r.l.	100%	entry
Società Agricola SQ Energy S.r.l.	Biogas/Biomethane	Bioenerys Agri S.r.l.	100%	entry
Società Agricola T4 Energy S.r.l.	Biogas/Biomethane	Bioenerys Agri S.r.l.	100%	entry
Società Agricola Sangiovanni S.r.l.	Biogas/Biomethane	Bioenerys Agri S.r.l. - SQ Energy S.r.l.	50% - 50%	entry
Ravenna LNG Terminal S.r.l.	Regasification	Snam FSRU Italia S.r.l.	100%	entry
Società Agricola G.B.E. Gruppo Bio Energie S.r.l.	Biogas/Biomethane	Società Agricola Sangiovanni S.r.l.	100%	entry
Società Agricola Zoppola Biogas S.r.l.	Biogas/Biomethane	Società Agricola Sangiovanni S.r.l.	100%	entry
Società Agricola Agrimezzana Biogas S.r.l.	Biogas/Biomethane	Bioenerys Agri S.r.l.	100%	entry
Società agricola Asola Energie Biogas S.r.l.	Biogas/Biomethane	Bioenerys Agri S.r.l.	100%	entry
Società agricola La Valle Green Energy S.r.l.	Biogas/Biomethane	Bioenerys Agri S.r.l.	100%	entry
Società Agricola Tessagli Agroenergia S.r.l.	Biogas/Biomethane	Bioenerys Agri S.r.l.	100%	entry
Biowaste CH4 Tuscania S.r.l.	Biogas/Biomethane	Bioenerys Ambiente S.r.l.	100%	entry
Piacentina Agroenergia Società Agricola Consortile a r.l.	Biogas/Biomethane	Bioenerys Agri S.r.l.	100%	entry
San Giuseppe Agroenergia Società Agricola Consortile a r.l.	Biogas/Biomethane	Bioenerys Agri S.r.l.	100%	entry
Santo Stefano Energia Società Agricola Consortile a r.l.	Biogas/Biomethane	Bioenerys Agri S.r.l.	100%	entry
Emiliana Agroenergia Società Agricola Consortile a r.l.	Biogas/Biomethane	Bioenerys Agri S.r.l.	100%	entry
Carignano Biogas - Società Agricola Consortile a r.l.	Biogas/Biomethane	Bioenerys Agri S.r.l.	100%	entry
Agrimetano Società Agricola Consortile a r.l.	Biogas/Biomethane	Bioenerys Agri S.r.l.	100%	entry

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