

# 1H 2024 Consolidated Results



July 31<sup>st</sup>, 2024

E N E R G Y I N F R A S T R U C T U R E F O R A S U S T A I N A B L E F U T U R E

# 1H 2024 key highlights

## Financial Highlights

- **€ 1,417 m EBITDA Adj.** (+16% yoy)
- **€ 691 m Net income Adj.<sup>1</sup>** (+11% yoy)
- **€ 1,159 m investments** (+58% yoy)
- **€ 16,352 m Net Debt** (€15,270 m in FY 2023)
- **Net cost of debt** at 2.5%

## Key updates

- **M&A:** Signing of **Edison Stocaggio** acquisition enjoying strong industrial rational and Net Profit accretion from 2025
- **Associates: (i) Austria regulatory review** removing volume risk (ii) Terega signed a Joint Development Agreement for the development of the BarMar (iii) OLT maintenance on track
- **Financing:** (i) new € 1 bn Sustainability-Linked credit line (May) (ii) €100 million from EIB to support energy efficiency (July) and (iii) approved the issuance of **hybrid up to € 1.25 bn**

## Gas market

- Global gas demand **up 3%** y-o-y (+50 bcm): industrial demand recovery (~20 bcm) and fast-growing China and India (+10% y-o-y)
- 1H 2024 Italian gas demand stood at **~ 31 bcm** (-4.3% YoY <sup>2</sup>) driven by weak thermoelectric production and mild weather
- Average TTF price at **€ 29.6/MWh** in 1H 2024 (-34% yoy)
- **~ 25%** of gas demand **covered by LNG**

## Regulation and Policy

- National energy and climate plan (**PNIEC**) filed to Europe:
  - ~ 58 bcm of gas demand by 2030 o/w ~ 5 bcm biomethane
  - ~ 1 bcm of H2 by 2030
  - ~ 4 Mton of CCS by 2030
- Snam/Terna updated scenarios to be published in September 2024
- Working Group for the development of **Italian H2 and CCS frameworks** well on progress
- Snam founding partner of the European Network of Network Operators for Hydrogen (**ENNOH**)

1. Net profit Reported at € 634 m (- 9% y-o-y). Adjustments are related to: charges for a settlement agreement amending previous agreements related to Biomethane – Waste business acquisitions (-€43m), charges related to Austrian Associates for the reimbursement of the 2013-2024 premium to volume risk exposure (-€30m), ADNOC discount rate effect (+€4m), Taxes on special items (+€12m).

2. Non weather adjusted

# Progressing on our ambition to be a Pan-European multi-molecules infrastructure

## Gas infrastructure

- 2025 Transport, storage and LNG **tariffs approved**
- Current storage level **~86%**, on track to reach full capacity by October
- **Works for FSRU Ravenna on track**: onshore (90%) and offshore (>50% completed). FSRU left the drydock, conversion works ongoing at Dubai port. To be operational by Q1-25
- **Adriatic Line**: Works for the phase 1 started in June
- **Repower EU grants** milestones related to Adriatic Line and Export met. Works to be completed by 2026

## Energy Transition

- **Supportive Market Test results** on H2 and CCS
- CCS injection to start soon in Ravenna
- **Southern H2 Corridor** trilateral working group meet in Rome
- Energy efficiency: **~ € 1.23 bn** of backlog at June 24
- **Biomethane: 8 plants (~ 18 MW)** won tariffs auctions, of which 3 are already under upgrade to biomethane and **~ 220 requests of connections** in H1 2024 (+32% yoy) o/w **80%** to Snam's regional transportation network
- **Gigafactory** (De Nora) site construction

## Sustainability

- **32%** of Capex Taxonomy aligned and **52%** SDGs aligned
- Strong performance on **scope 1&2** (FY 2024E down ca 17% vs 2022 <sup>1</sup>)
- Well on track on **Sustainability Scorecard** FY targets
- **MSCI rating AA** confirmed
- Shareholders' engagement in preparation of the **Transition Plan** to be presented by Q4 2024

1. On a fully regulated perimeter

# Edison Stoccaggio acquisition

## Deal details

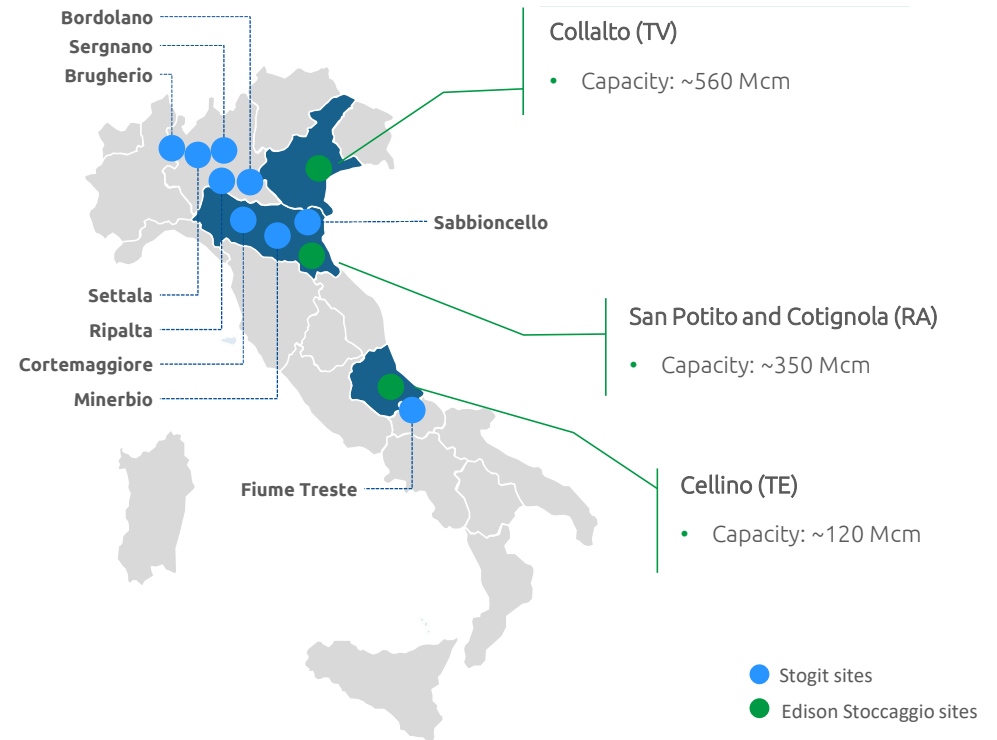
- Acquisition of **100% of Edison Stoccaggio**<sup>1</sup>
  - **3 storage sites** (Collalto, Cellino, San Potito and Cotignola)
  - Total capacity **ca 1.1 bcm**
  - RAB - based regulatory framework
- EV equal to **€560m<sup>2</sup>** (plus potential earn-out on past remuneration, which is a pass-through)
- 2024E Calendar RAB **~ € 500 m<sup>1</sup>** and EBITDA € 52 m (Implied multiples equal to **~ 12% RAB Premium** and **~ 10.8x EV/EBITDA**)
- Long stop date Q1-2025, subject to regulatory approvals
- Deal and capex to be financed with hybrid to preserve financial flexibility

## Strategic rationale

- **Consolidate strategic role** in securing Italian gas supply enhancing the integrated management of the gas transmission and storage with 96% market share
- Increase exposure to Italian regulated activities consistently with the **investment strategy** outlined
- Expand storage business and exploit **operating efficiencies** leveraging on Stogit scale, assets proximity and expertise

**1.5% - 2.0 % Net Income accretion from 2025**

## Geographical footprint



**Synergies leveraging on proximity and Snam's expertise**

1. Net of 10% minorities in San Potito e Cotignola

2. Consideration calculated on the basis of a so-called locked box mechanism on 30 June 2023. A ticking fee at an average rate of about 3% will accrue on the consideration, which will be paid by Snam at the closing

# H2 and CCS Market Test results

## H2

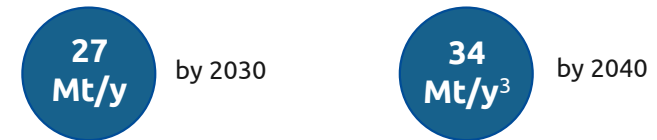
- >100 responding companies, over 220 consumption and production sites
- Reported H2 production and consumption volumes:

[TWh/yr]	By 2030		By 2040	
	Italy	Foreign countries	Italy	Foreign countries
<b>Consumption</b>	14	18,2 <i>Austria and Southern Germany</i>	19,8	52,5 <i>Austria and Southern Germany</i>
<b>Production</b>	6,6	8 <i>North Africa</i>	10,8	29,5 <i>North Africa</i>

- 80% of consumption in chemical, refining, steel, paper and power generation
- By 2040 significant H2 production hubs to emerge in Southern Italy (not enough to fully meet the expected demand) and important role for Italy in transporting H2 volumes from North Africa to Central Europe (Austria and Germany)

## CCS in partnership with ENI

- 61 non-binding expressions of interest, 172 industrial sites in Italy
- Italian CO2 volumes interested in Ravenna project:

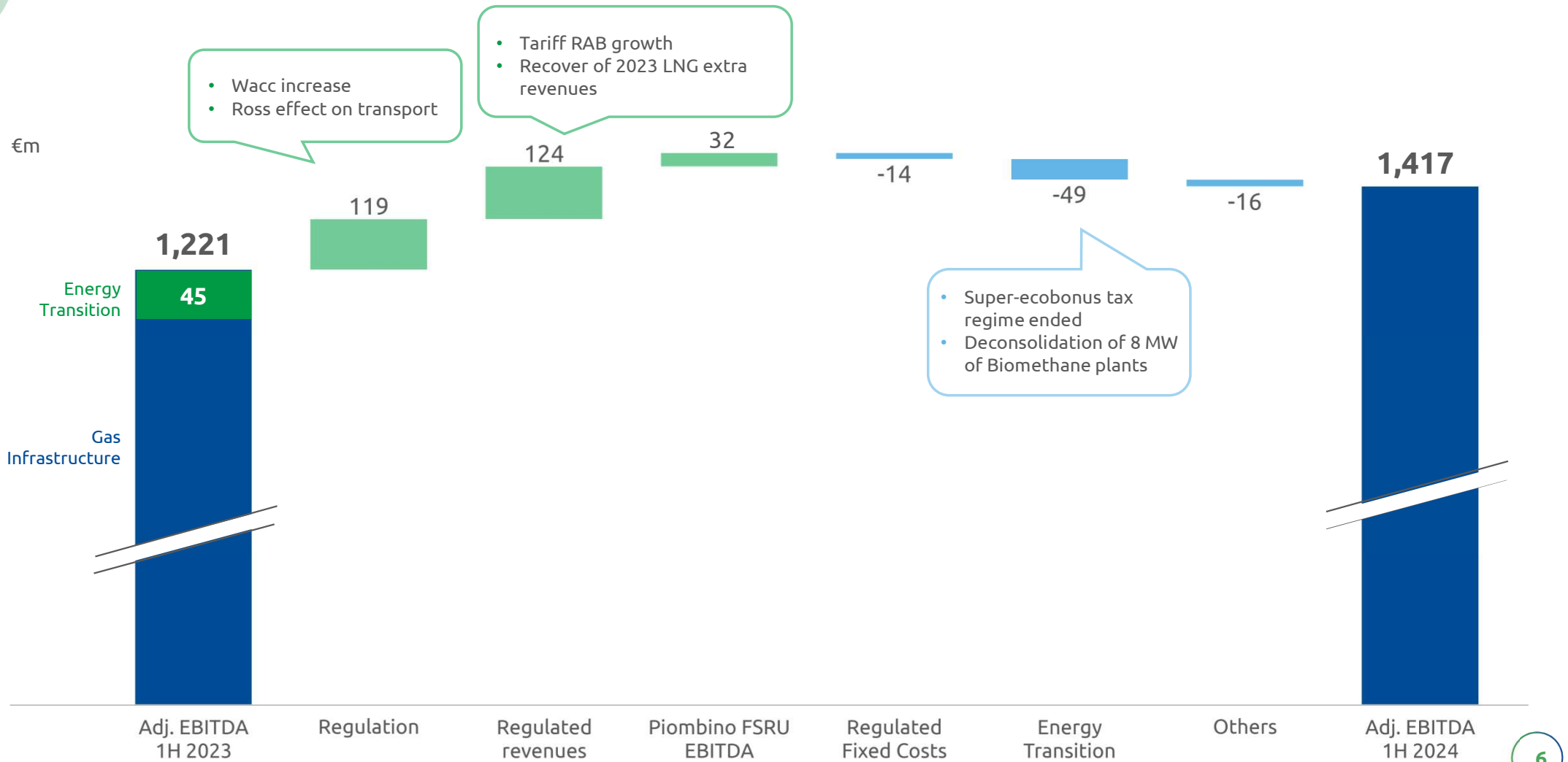


- Emission sites concentrated in the Po Valley and in large industrial districts in Southern Italy
- Strong interest from the Hard-to-Abate sectors of building materials, chemicals, refining, steel, waste-to-energy and power generation sectors

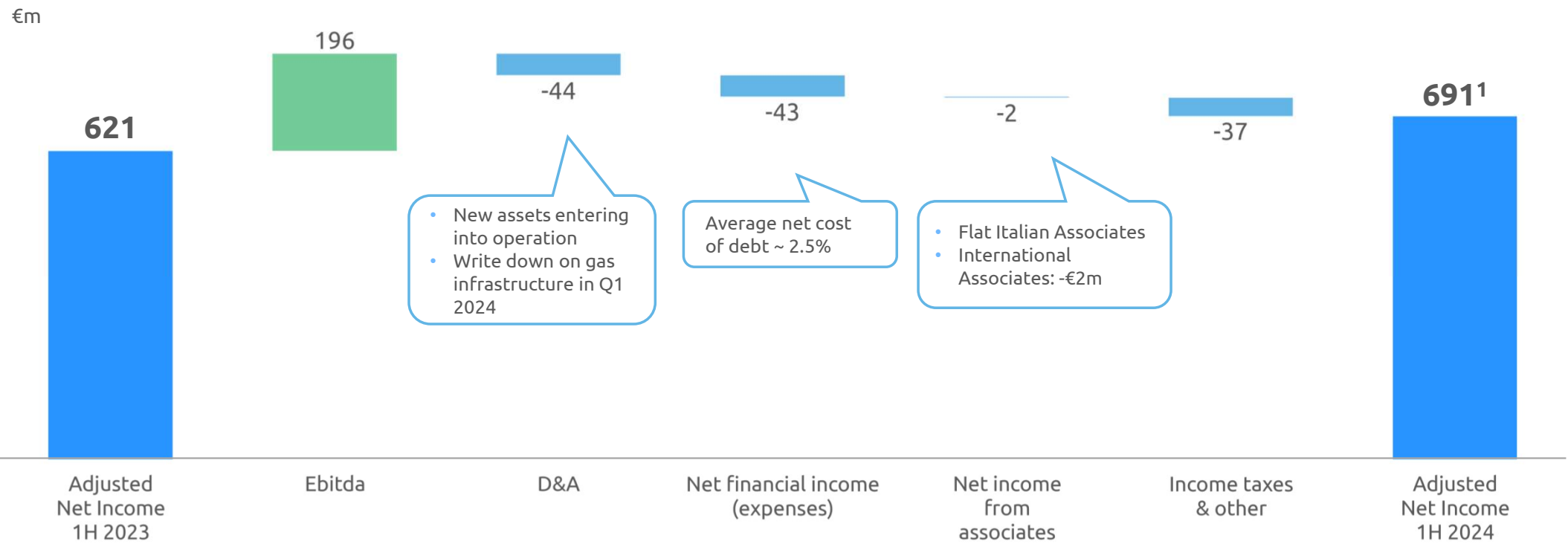
**Strong participation and support: ~ 120 companies responding<sup>1</sup>**  
**Italian respondents represent >50% (~68 Mtpa)<sup>2</sup> of the total CO2 emissions of industrial plants subject to ETS**

1. Including both Italian and foreign respondents, considering only once the companies that responded to both market tests. Company groups that submitted only 1 MDI are counted as one company  
 2. The total emissions from Italian ETS 2022 database is equal to 131 Mtpa for the Hard to Abate and Power sectors, considering each emitter only once. 3. Reported volumes also include plants that will enter operation in the future, not included in the ETS 2022 database

# Adj. EBITDA analysis



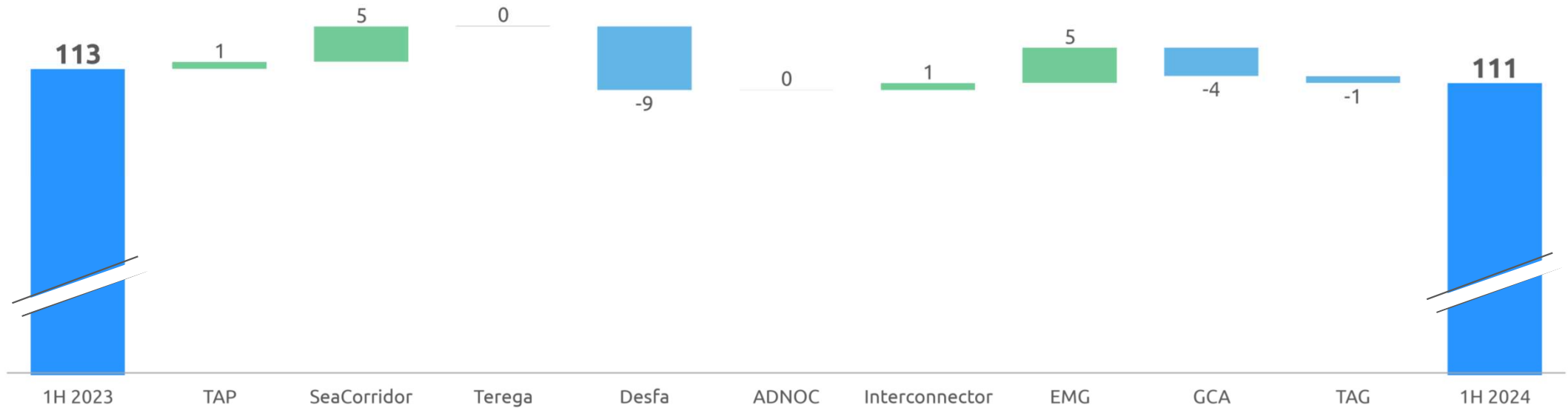
# Adj. Net Income analysis



1. Net profit Reported at € 634 m (- 9% y-o-y). Adjustments are related to: charges for a settlement agreement amending previous agreements related to Biomethane – Waste business acquisitions (-€43m), charges related to Austrian Associates for the reimbursement of the 2013-2024 premium to volume risk exposure (-€30m), ADNOC discount rate effect (+€4m), Taxes on special items (+€12m)

# International associates contribution

€m



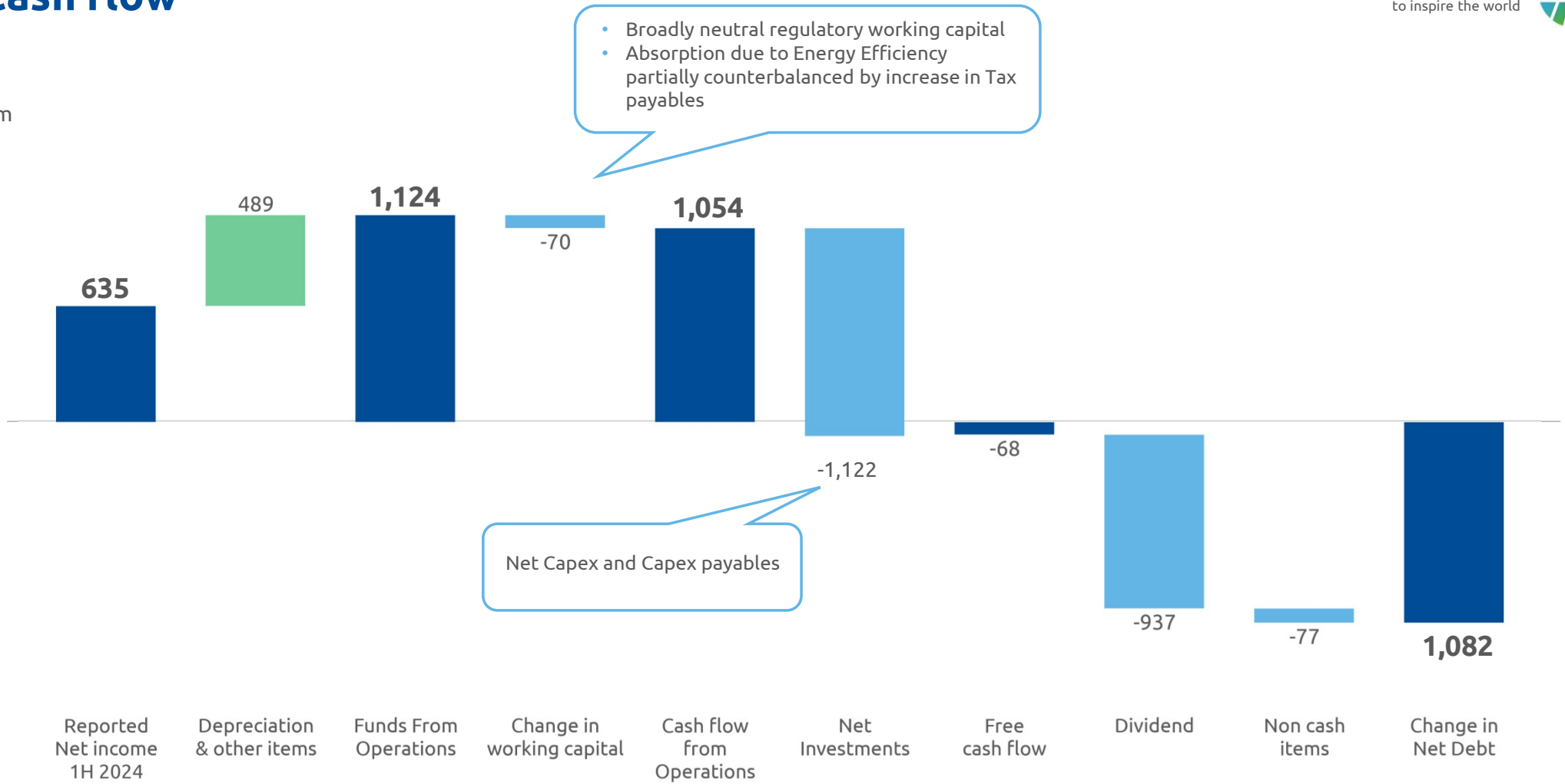
Net income contribution 1H 2024 (€m)	TAP	SeaCorridor	Terega	Desfa	ADNOC	Interconnector	EMG	GCA	TAG
33	28	26	15	15	6	5	0	-17	

**Overall stable contribution from International associates**



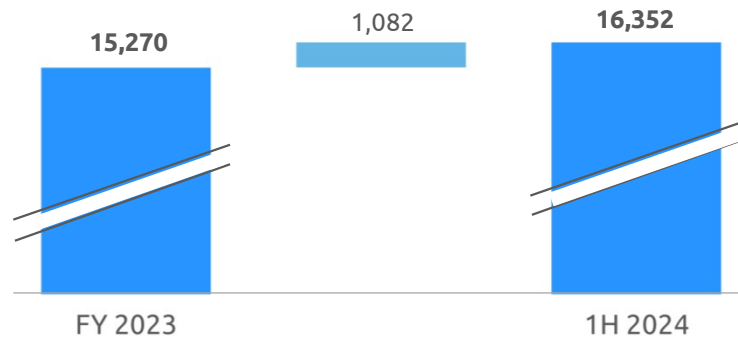
# Cash flow

€m



# Net Debt evolution and financial structure

Net debt evolution (€m)



Average net cost of debt

2.0%

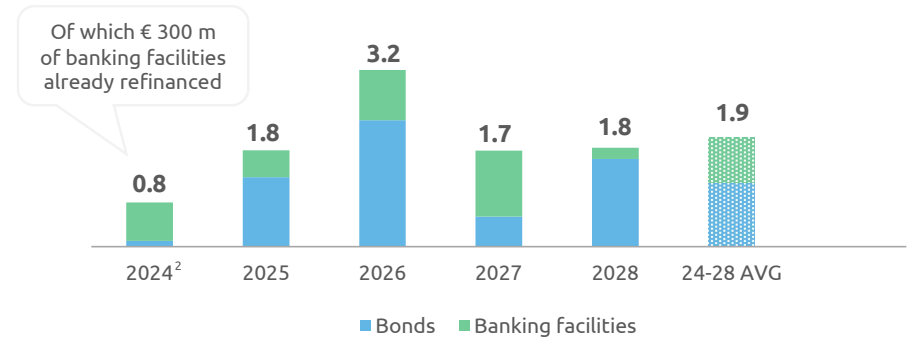
2.5%

Fix / Floating

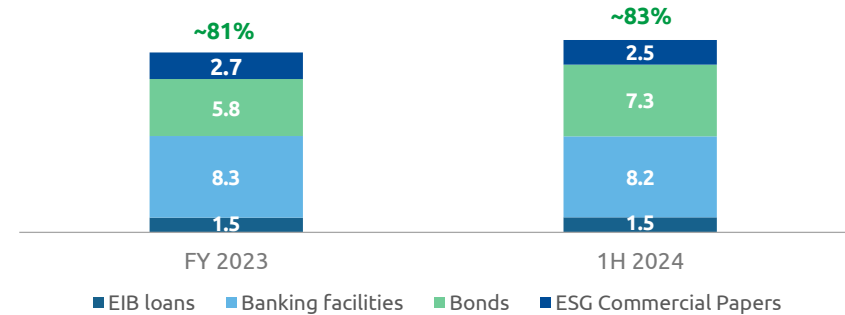
70% / 30%

71% / 29%

Maturities profile (€bn, drawn amount) <sup>1</sup>



Sustainable Finance on Committed financing (€bn)



Continuous focus on cost of debt optimization

1. Excluding uncommitted lines and Commercial Paper

2. Maturities from July to December

# Closing remarks



# Q&A Session



# Financial Annex



# Sustainability Scorecard

Strategic KPIs

KPIs		1H 2024	2024 Target	2027 Target
<b>Green transition</b>	• Avoided CO <sub>2</sub> emissions (ktCO <sub>2</sub> e) <sup>1</sup>	57,6	105	500
	• H <sub>2</sub> readiness length of network certified (km)	1,620	1,900	3,000
<b>Multi-molecule infrastruct.</b>	• Gas Transportation operational availability <sup>2</sup> (%)	>99	>99	>99
	• Production of biomethane (Mscm)	8.8	20	160
	• Invest. related to the CCS Ravenna Project Phase 1+2 (€M) <sup>3</sup>	89.6	120	370
<b>Carbon Neutrality</b>	• Reduction of total natural gas emissions (%)	-58.9 <sup>10</sup>	-57.5	-64.5
	• Introd. ESG criteria in scoring models (% of spending)	60	35	65
	• RES <sup>4</sup> on total electricity consumption (%)	YEARLY	52-55	100
	• Tot. procurem. spending on suppliers w/ decarb. plan (%)	51.6	25	35
<b>Biodiversity &amp; Regener.</b>	• Zero Net Conversion by 2024		-	
	• Net Positive impact by 2027			-
	• Vegetation restored in areas of pipes constr. (%)	YEARLY	99.9	99.9
<b>Financial &amp; CO2</b>	• ESG Finance over total funding available (%)	83		85
	• CapEx EU Taxonomy-aligned (% of total)	32		
	• Revenues EU Taxonomy-aligned (% of total)	YEARLY		
	• CapEx SDG-aligned (% of total)	52		
	• Scope 1 and 2 CO <sub>2</sub> emissions reduction (% v. 2022) <sup>9</sup>	-17 <sup>10</sup>		-25

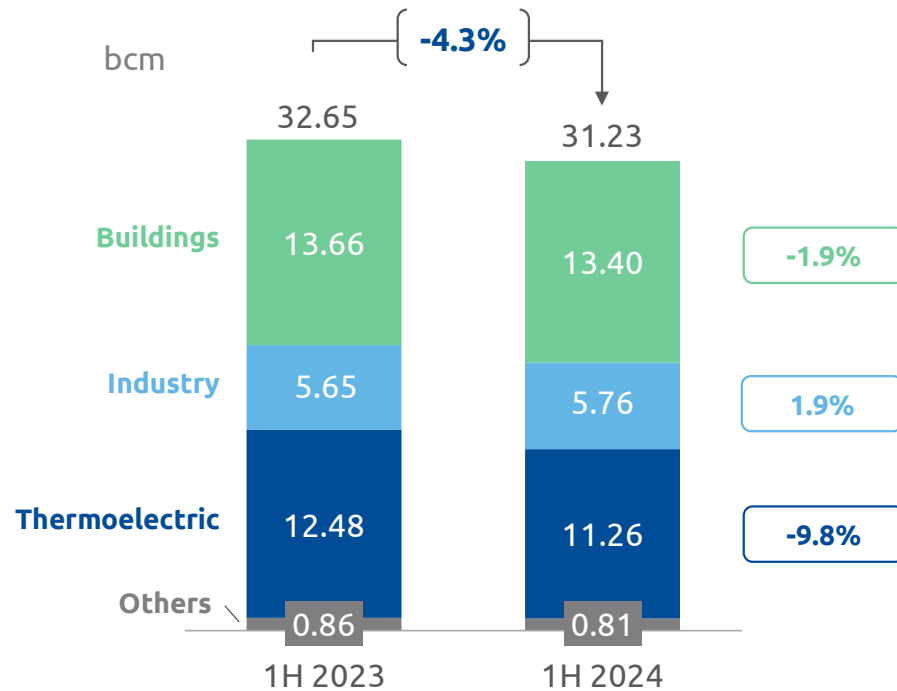
KPIs		1H 2024	2024 Target	2027 Target
<b>People</b>	• Employees engagement index (%)	EVERY TWO YEARS	>80	>80
	• Women in exec. and middle-mgmt. roles (%)	25.4	26	27.5
	• IpFG (Combined Frequency and Severity Index)	0.5	< min. 3y <sup>5</sup>	< min. 3y <sup>5</sup>
	• Gender pay gap (%) <sup>6</sup>	YEARLY	-	+/- 5
	• Participation in welfare initiatives (%)	78	75	80
	• Training hours delivered to employees (h/capita)	YEARLY	36	40
<b>Local Communit.</b>	• Benefits for local communities over reg. revenues (%)	YEARLY	~1	~1
	• Value released at local communities (€M)	YEARLY	>1,000	>1,000
	• Avg customer satis. rate in terms of service quality (1-10)	YEARLY	>=8.1	>=8.1 <sup>7</sup>
<b>Transform. Innovation</b>	• Investments in Innovation over revenues (%)	YEARLY	3	3
	• Start-ups accelerated after PoC (#) <sup>8</sup>	YEARLY	15(25)	27(30)
	• Process digitalized and processes with AI (% of total)	YEARLY	100/12	100/20
	• Projects covered by Security by Design cyber approach (%)	YEARLY	100	100
<b>Sustainable principles</b>	• ESG matters discussed at BoD meetings (>40% of BoD discussions with ESG topic discussed)			
	• 3rd parties subject to procur. Process on which reputational checks are performed (100% of suppliers with reputational checks performed)			
	• Italian territory covered by cyber resilience field tested scenarios (100% of Italian territory covered).			

1. Emissions avoided to 3<sup>rd</sup> parties thanks to the Group's activities and investments in the infrastructure; in a first phase, the emissions avoided from bio-methane activities and energy efficiency interventions are considered  
 2. Previously called "Reliability levels on gas supply" 3. Cumulated figure 2022-2027 net of grants 4. Renewable Energy Source computed on regulated perimeter 5. Snam targets to have an index lower than the minimum of the latest 3 years  
 6. For equivalent organizational positions

7. The target indicated refers to a spontaneous initiative by Snam to measure service quality through the annual survey, using a scale of values from 1 to 10; however, we are expecting a change in the service quality assessment methodology in the coming years. In this case, the annual target will have to be modified accordingly 8. KPI represents both the number of startup accelerated and the number of Proofs of Concept (PoC) 9. Reduction computed on regulated perimeter 10. 2024 Year End Forecast

# Gas demand and flows

## Italian gas demand



Gas demand decline driven by weak thermolectric production and mild weather

1. 1H 2024 decrease due to scheduled maintenace  
Any failure to reconcile the stated figures arises exclusively from rounding

## Gas flows

bcm	1H 2023	1H 2024	Change (bcm)	Change (%)
<b>National production</b>	<b>1.42</b>	<b>1.37</b>	<b>-0.0</b>	<b>-3.1%</b>
<b>Pipelines</b>	<b>24.17</b>	<b>22.61</b>	<b>-1.6</b>	<b>-6.5%</b>
Gela	1.38	0.88	-0.5	-35.9%
Mazara del Vallo	11.38	10.74	-0.6	-5.6%
Passo Gries	4.32	3.10	-1.2	-28.4%
Tarvisio	2.18	2.71	0.5	24.3%
Gorizia	0.01	0.01	0.0	-
Melendugno	4.90	5.17	0.3	5.5%
<b>LNG</b>	<b>8.11</b>	<b>7.59</b>	<b>-0.5</b>	<b>-6.4%</b>
Adriatic LNG	4.28	4.52	0.2	5.5%
OLT	1.99	0.66 <sup>1</sup>	-1.3	-66.8%
Panigaglia	1.76	0.82	-0.9	-53.4%
Piombino	0,08	1.59	1.5	-
<b>Total injection</b>	<b>33.70</b>	<b>31.57</b>	<b>-2.1</b>	<b>-6.3%</b>

~ 25% of gas demand covered by LNG



# Income Statement

€m	1H 2023	1H 2024	Change	Change %
Revenues	1,916	1,799	(117)	(6.1%)
Operating expenses	(695)	(382)	313	(45.0%)
<b>EBITDA</b>	<b>1,221</b>	<b>1,417</b>	<b>196</b>	<b>16.1%</b>
Depreciation & amortisation	(455)	(499)	(44)	9.7%
<b>EBIT</b>	<b>766</b>	<b>918</b>	<b>152</b>	<b>19.8%</b>
Net interest income (expenses)	(87)	(130)	(43)	49.4%
Net income from associates	159	157	(2)	(1.3%)
<b>EBT</b>	<b>838</b>	<b>945</b>	<b>107</b>	<b>12.8%</b>
Income taxes	(205)	(253)	(48)	23.4%
<b>NET PROFIT BEFORE THIRD PARTIES</b>	<b>633</b>	<b>692</b>	<b>59</b>	<b>9.3%</b>
Third Parties Net Profit	(12)	(1)	11	(91.7%)
<b>NET PROFIT</b>	<b>621</b>	<b>691</b>	<b>70</b>	<b>11.3%</b>
<b>EBITDA REPORTED</b>	<b>1,213</b>	<b>1,386</b>	<b>173</b>	<b>14.3%</b>
<b>EBIT REPORTED</b>	<b>758</b>	<b>887</b>	<b>129</b>	<b>17.0%</b>
<b>NET PROFIT REPORTED</b>	<b>698</b>	<b>634</b>	<b>(64)</b>	<b>(9.2%)</b>



# Revenues

€m	1H 2023	1H 2024	Change	Change %
<b>Regulated revenues</b>	<b>1,351</b>	<b>1,623</b>	<b>272</b>	<b>20.1%</b>
Transport	1,061	1,223	162	15.3%
Storage	253	298	45	17.8%
LNG	37	102	65	-
<b>Non regulated revenues</b>	<b>44</b>	<b>20</b>	<b>(24)</b>	<b>(54.5%)</b>
<b>Total Gas Infrastructure Businesses revenues</b>	<b>1,395</b>	<b>1,643</b>	<b>248</b>	<b>17.8%</b>
<b>Energy Transition Businesses revenues</b>	<b>521</b>	<b>156</b>	<b>(365)</b>	<b>(70.1%)</b>
<b>TOTAL REVENUES</b>	<b>1,916</b>	<b>1,799</b>	<b>(117)</b>	<b>(6.1%)</b>

# Operating Costs

€m	1H 2023	1H 2024	Change	Change %
<b>Gas Infrastructure Businesses costs</b>	<b>219</b>	<b>222</b>	<b>3</b>	<b>1.4%</b>
Variable costs	38	26	(12)	(31.6%)
Fixed costs	148	173	25	16.9%
Other costs	33	23	(10)	(30.3%)
<b>Energy Transition Businesses costs</b>	<b>476</b>	<b>160</b>	<b>(316)</b>	<b>(66.4%)</b>
<b>TOTAL COSTS</b>	<b>695</b>	<b>382</b>	<b>(313)</b>	<b>(45.0%)</b>

# Balance Sheet

€m	2023	1H 2024	Change	Change %
<b>Net invested capital</b>	<b>22,950</b>	<b>24,129</b>	<b>1,179</b>	<b>5.1%</b>
<b>Fixed capital</b>	<b>23,002</b>	<b>23,562</b>	<b>560</b>	<b>2.4%</b>
Tangible fixed assets	19,304	19,852	548	2.8%
Intangible fixed assets	1,449	1,488	39	2.7%
Equity-accounted investments	3,019	2,964	(55)	(1.8%)
Other Financial assets	163	165	2	1.2%
Net payables for investments	(933)	(907)	26	(2.8%)
<b>Net working capital</b>	<b>(24)</b>	<b>596</b>	<b>620</b>	<b>-</b>
Receivables	8,181	6,286	(1,895)	(23.2%)
Liabilities	(8,205)	(5,690)	2,515	(30.7%)
<b>Provisions for employee benefits</b>	<b>(28)</b>	<b>(29)</b>	<b>(1)</b>	<b>3.6%</b>
<b>Net financial debt</b>	<b>15,270</b>	<b>16,352</b>	<b>1,082</b>	<b>7.1%</b>
<b>Shareholders' equity</b>	<b>7,680</b>	<b>7,777</b>	<b>97</b>	<b>1.3%</b>

## Alternative performance indicators reconciliation

€m	1H 2023	1H 2024	Change	Change %
<b>EBITDA</b>	<b>1,213</b>	<b>1,386</b>	<b>173</b>	<b>14.3</b>
<b>Exclusion of special items:</b>				
- Capital losses on write-off of assets under development	8		(8)	
- Charges for a settlement agreement		31	31	
<b>Adj. EBITDA</b>	<b>1,221</b>	<b>1,417</b>	<b>196</b>	<b>16.1</b>
<b>EBIT</b>	<b>758</b>	<b>887</b>	<b>129</b>	<b>17.0</b>
<b>Exclusion of special items:</b>				
- Special items from EBITDA	8	31	23	
<b>Adj. EBIT</b>	<b>766</b>	<b>918</b>	<b>152</b>	<b>19.8</b>
<b>Net profit</b>	<b>710</b>	<b>635</b>	<b>(75)</b>	<b>(10.6)</b>
<b>Exclusion of special items:</b>				
- Special items from EBIT	8	31	23	
- Loss (profit) from equity-accounted investments	(76)	42	118	
- ADNOC discount rate effect	(7)	(4)	3	
- Taxation of special items	(2)	(12)	(10)	
<b>Adj. Net profit before third parties</b>	<b>633</b>	<b>692</b>	<b>59</b>	<b>9.3</b>
Non-controlling interests	12	1	(11)	
<b>Adj. Net profit</b>	<b>621</b>	<b>691</b>	<b>70</b>	<b>11.3</b>

# International associates' contribution

Company	%		1H 2023	1H 2024	Delta
<b>TAP</b>	<b>20.00%</b>	<ul style="list-style-type: none"> <li>Inflation-indexed tariffs supporting company's revenues growth</li> <li>5.2 bcm or ~ 17% of Italian imports in 1H 2024</li> </ul>	€ 32 m	€ 33 m	+ € 1 m
<b>SeaCorridor</b>	<b>49.90%</b>	<ul style="list-style-type: none"> <li>One-off fiscal item and a better product mix driving y-o-y growth</li> <li>Strategic route for Italy: 10.7 bcm or ca. 1/3 of overall Italian imports in 1H 2024</li> </ul>	€ 23 m	€ 28 m	+ € 5 m
<b>Teréga</b>	<b>40.50%</b>	<ul style="list-style-type: none"> <li>Stable performance benefiting from regulatory continuity in the first year of the new tariff period and focus on costs efficiency</li> </ul>	€ 26 m	€ 26 m	-
<b>Desfa</b>	<b>35.64%<sup>1</sup></b>	<ul style="list-style-type: none"> <li>Negative y-o-y comparison affected by normalization of auction premia on LNG imports and exports after an above-trend 2023</li> <li>Investment plan progressing, supporting lignite phase-out and SEE gas market development</li> </ul>	€ 24 m	€ 15 m	- € 9 m
<b>Adnoc</b>	<b>5.88%<sup>1</sup></b>	<ul style="list-style-type: none"> <li>Business performance in line with expectations</li> </ul>	€ 15 m	€ 15 m	-
<b>Interconnector</b>	<b>23.68%</b>	<ul style="list-style-type: none"> <li>Sound operating performance limited by inflation adjusted regulatory cap</li> <li>End-2023 bookings underpinning M/L term earnings visibility</li> </ul>	€ 5 m	€ 6 m	+ € 1 m
<b>EMG</b>	<b>25.00%</b>	<ul style="list-style-type: none"> <li>Benefiting from positive non-recurring items related to previous years</li> </ul>	€ 0 m	€ 5 m	+ € 5 m
<b>GCA</b>	<b>19.60%<sup>1</sup></b>	<ul style="list-style-type: none"> <li>First half performance impacted by lower bookings mostly from Germany to Austria (volume risk exposure) and higher revenues in 2023 due to recovery of previous years energy costs</li> <li>New regulatory framework in Austria, starting from 2025, implies volume risk elimination</li> </ul>	€ 4 m	€ 0 m	- € 4 m
<b>TAG</b>	<b>89.22%<sup>2</sup></b>	<ul style="list-style-type: none"> <li>Performance slight below 1H 2023 due to lower bookings (volume risk exposure)</li> <li>New regulatory framework in Austria, starting from 2025, implies volume risk elimination</li> </ul>	- € 16 m	- € 17 m	- € 1 m
			<b>€ 113 m</b>	<b>€ 111 m</b>	<b>- € 2 m</b>

1. Indirect participation

2. DESFA 39.60% voting rights; TAG 84.47% voting rights

## Investments detailed by business

€m	1H 2023	1H 2024
<b>Transport<sup>(1)</sup></b>	471	796
<b>Storage</b>	91	101
<b>LNG<sup>(2)</sup></b>	103	204
<b>Energy Transition<sup>(3)</sup></b>	69	58
<b>Total</b>	<b>734</b>	<b>1,159</b>














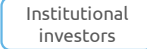





**32% taxonomy aligned and 52% SDGs aligned**

1. Including corporate capex
2. Including greenture (SSLNG and mobility) investments
3. Including Biomethane acquisitions

# Associates Annex



# Pan-European strategic footprint

Company	Geography	Strategic Value	Investment year	%	Book Value 31.12.2023	Net Income contribution (FY23)	Financial and Industrial partners
<b>Value enhancers of Italian infrastructure</b>							
<b>SeaCorridor</b>	<b>Algeria Tunisia</b>	<ul style="list-style-type: none"> <li>First Italian import route after the drop of Russian imports</li> <li>Strategic corridor for H2 import from North Africa</li> </ul>	2023	49.90%	€ 648 m	€ 46 m	 
<b>Desfa</b>	<b>Greece</b>	<ul style="list-style-type: none"> <li>Sizeable capex plan supporting domestic lignite phase out and South-Eastern Europe market development</li> </ul>	2018	35.64% <sup>1,2</sup>	€ 207 m	€ 52 m	  
<b>TAP</b>	<b>Greece Albania Italy</b>	<ul style="list-style-type: none"> <li>In FY 2023 covered ~ 16% of Italian demand</li> <li>1.2 bcm expansion from 2026</li> </ul>	2015	20.00%	€ 404 m	€ 65 m	   
<b>TAG</b>	<b>Austria</b>	<ul style="list-style-type: none"> <li>New regulatory framework with volume-effect sterilization from 2025</li> </ul>	2014	89.22% <sup>2</sup>	€ 228 m	- € 46 m	<b>Verbund</b>
<b>GCA</b>	<b>Austria</b>	<ul style="list-style-type: none"> <li>Strategic H2 corridor toward Central Europe</li> </ul>	2016	19.60% <sup>1</sup>	€ 112 m	€ 19 m	<b>Allianz</b> 
<b>EMG</b>	<b>Egypt Israel</b>	<ul style="list-style-type: none"> <li>Unique export route from Israeli to Egypt</li> <li>Strategic asset in the East-Med area</li> </ul>	2021	25.00%	€ 49 m	€ 4 m	 
<b>De Nora</b>	<b>Italy</b>	<ul style="list-style-type: none"> <li>Leverage on H2 technologies and know how</li> </ul>	2021	21.59%	€ 376 m	€ 15 m	 
<b>OLT</b>	<b>Italy</b>	<ul style="list-style-type: none"> <li>Strategic assets for the security and diversification of Italy's energy supplies</li> </ul>	2020	49.07%	€ 33 m	€ 9 m	   
<b>Adriatic LNG</b>	<b>Italy</b>		2017	30.00% <sup>3</sup>	n.a.	€ 5 m	













1. Indirect participation

2. Desfa: 39.60% voting rights; TAG: 84.47% voting rights

3. Snam's stake after the closing of the exercise of pre-emption right (stake increase from 7.3% to 30%), expected by December 2024.



# Pan-European strategic footprint

Company	Geography	Strategic Value	Investment year	%	Book Value 31.12.2023	Net Income contribution (FY23)	Financial and Industrial partners
<b>Enablers of business optionalities</b>							
<b>Teréga</b>	France	<ul style="list-style-type: none"> <li>Gas infrastructure operator in the South-West of France</li> <li>Partner of the BarMar Corridor</li> </ul>	2013	40.50%	€ 430 m	€ 48 m	  
<b>Adnoc Gas Pipelines</b>	UAE	<ul style="list-style-type: none"> <li>20Y contracted assets</li> <li>Good and visible net income contribution</li> </ul>	2020	5.88% <sup>1</sup>	€ 131 m	€ 30 m	    
<b>Interconnector</b>	Uk-Belgium	<ul style="list-style-type: none"> <li>Bi-directional gas pipeline between the UK and Belgium</li> <li>Capacity booked at almost 50% until 2026</li> </ul>	2012	23.68%	€ 68 m	€ 11 m	
<b>Opportunistic assets</b>							
<b>Italgas</b>	Italy	<ul style="list-style-type: none"> <li>Leader operator in the Italian gas distribution and third in Europe</li> </ul>	2016 (spin-off)	13.49%	€ 313 m	€ 59 m	 
<b>ITM Power</b>	Uk	<ul style="list-style-type: none"> <li>H2 technologies and know how</li> </ul>	2020	2.07%	n.a.	-	

**Solid portfolio contribution: 9% average cash return<sup>2</sup>**

1. Indirect participation  
2. Calculated as 2023 cash-in on price paid

# Sea Corridor

SeaCorridor

## Investment year

2023

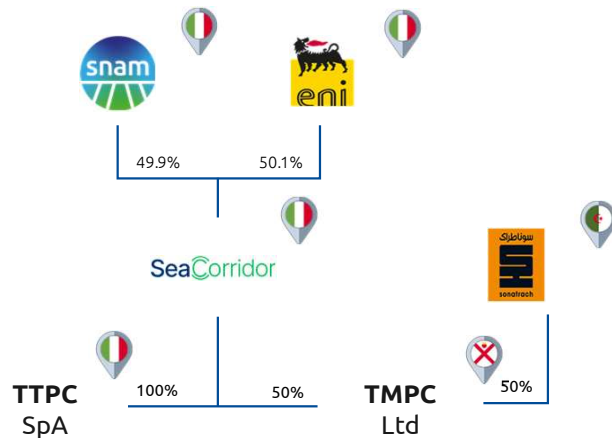
## Geography

Algeria-  
Tunisia

## Stake

49.90%

## Ownership



## Asset Description

Gas pipelines connecting  
Algeria to Italy

**TTPC: 370 km** onshore gas  
pipelines running from the Algeria  
and Tunisia borders to the Tunisia  
coast (2 parallel lines)

**TMPC: 155 km** offshore gas  
pipelines connecting the Tunisian  
coast to Italy (5 parallel lines)

## Accounting treatment

Equity method

## Book Value

(as at Dec. 31, 2023)

€648 m

## Business Model

Contracted business **via a mix of long term and short-term contracts**; TTPC holds the transport rights until 2029 with most of the capacity contracted

## Contribution

€m	2021	2022	2023
Adj. Net Income contribution to Snam	Not into the perimeter		46
No debt at Group level			

# Desfa

## Investment year

2018

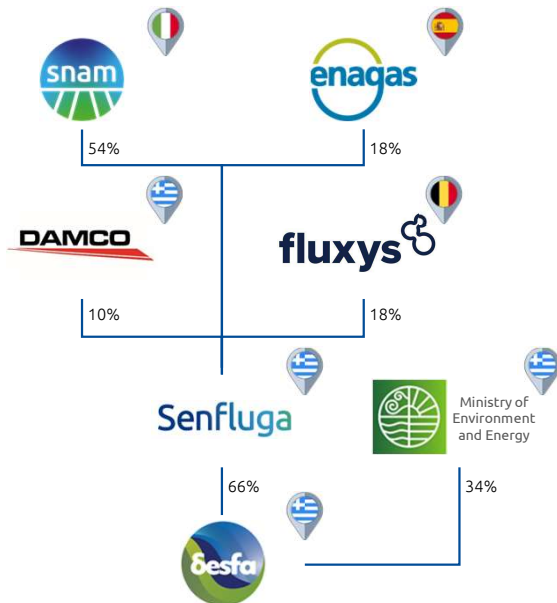
## Geography

Greece

## Stake

35.64%<sup>1</sup>

## Ownership



## Asset Description

Greek natural gas TSO, operating ~ 1,500 km pipeline network and ~8 bcm regassification facility. € 1.3 bn 10Y Capex Plan approved

## Business Model

- **Regulated**
- RAB based on historical cost, Work in Progress remunerated at Wacc
- Wacc 2024-2027 (Nominal pre-tax) 7.85%

## Accounting treatment

Equity method

## Book Value (as at Dec. 31, 2023)

€207 m

## Regulatory parameters and contribution

€m	2021	2022	2023
Adj. Net Income contribution to Snam	22	28	52
€m	2023		
RAB	812		
Net Debt (Desfa+Senfluga)	412		

1. Indirect participation.

TAP



energy  
to inspire the world



### Investment year

2015

### Geography

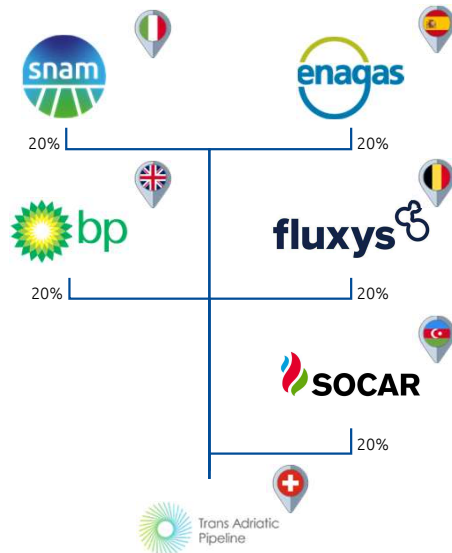
Greece-  
Albania-Italy



### Stake

20.00%

### Ownership



### Asset Description

Last section of the Southern Corridor transporting Azeri gas to Europe.  
**877 km pipeline, 10 bcm/y capacity**  
 Ongoing works for **1.2 bcm expansion, COD expected in 2026**

### Business Model

**25Y contract** (until 2045), Euro denominated with CPI-linked tariffs

### Accounting treatment

Equity method

**Book Value**  
(as at Dec. 31, 2023)

€404 m

### Contribution

€m	2021	2022	2023
Adj. Net Income contribution to Snam	58	60	65

TAG

energy  
to inspire the world

## Investment year

2014

## Geography

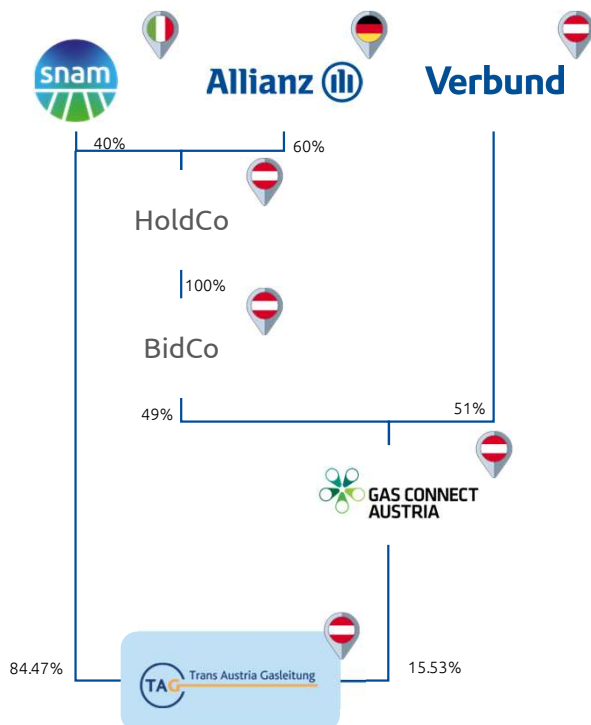
Austria



## Stake

84.47%<sup>1</sup>

## Ownership



## Asset Description

Austria's longest high-pressure pipeline network connecting Italy with Central Europe with **3 parallel lines**, 380 km each;  
**"H2 Readiness of the TAG Pipeline System"** project recognized as PCI by European Commission

## Business Model

- **Regulated**
- Wacc at 3.58% nominal pre-tax (ex risk premium +3.5% on  $K_e$ )
- New regulatory framework from 2025 providing for:
  - **removal of volume risk** and related wacc premium
  - compensation mechanisms to pay-back past risk premia and support a gradual shift to new methodology

## Accounting treatment

Equity method

## Book Value

(as at Dec. 31, 2023)

€228 m

## Regulatory parameters and contribution

€m	2021	2022	2023
Adj. Net Income contribution to Snam	66	58	-46

€m	2023
RAB <sup>2</sup>	~ 960
Net Debt	~ 225

1. 89.22% economic rights

2. Average RAB of 2021-2024 regulatory period as per Cost Decree

## Investment year

2016

## Geography

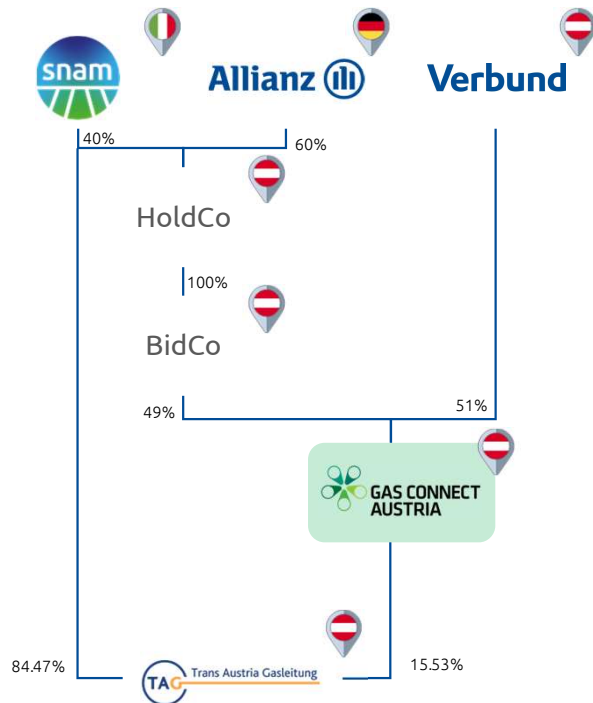
Austria



## Stake

19.60%<sup>1</sup>

## Ownership



## Asset Description

~ 900 km natural gas pipeline operator (transmission + distribution), connecting Germany, Hungary, Slovenia and Slovakia; "H2 Backbone WAG + Penta-West" project recognized as PCI by European Commission

## Business Model

- **Regulated**
- Wacc at 3.58% nominal pre-tax (ex risk premium +3.5% on  $K_e$ )
- New regulatory framework from 2025 providing for:
  - **removal of volume risk** and related wacc premium
  - compensation mechanisms to pay-back past risk premia and support a gradual shift to new methodology

## Accounting treatment

Equity method

### Book Value

(as at Dec. 31, 2023)

€112 m

## Regulatory parameters and contribution

€m	2021	2022	2023
Adj. Net Income contribution to Snam	6	-29 <sup>2</sup>	19

€m	2023
RAB (TSO+DSO) <sup>3</sup>	~680
Net Debt (GCA + BidCo)	~300

1. Indirect participation.

2. Including impairment effects

3. Average RAB of 2021-2024 regulatory period as per Cost Decree

## Investment year

2021

## Geography

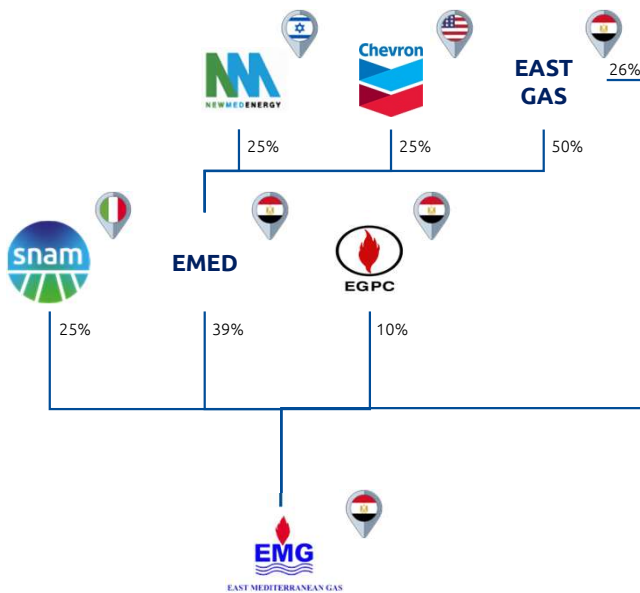
Egypt-Israel



## Stake

25.00%

## Ownership



## Asset Description

EMG is the owner of the **Arish-Ashkelon gas pipeline**, an undersea infrastructure, **90 km long**, connecting the Israeli terminal of Ashkelon to the Egyptian receiving station of Al-Arish.

The pipeline has a daily maximum capacity of around 12 million cubic meters expected to increase further

## Accounting treatment

Equity method

**Book Value**  
(as at Dec. 31, 2023)

€49 m

## Business Model

Supply agreement in place to **cover most of the capacity for +15Y** to be used for Egyptian domestic consumption and re-exported through Egypt's LNG liquefaction facilities

## Contribution

€m	2021	2022	2023
Adj. Net Income contribution to Snam	Not into perimeter <sup>1</sup>	1	4

1. Acquisition December 2021

## Industrie De Nora



## Investment year

2021

## Geography

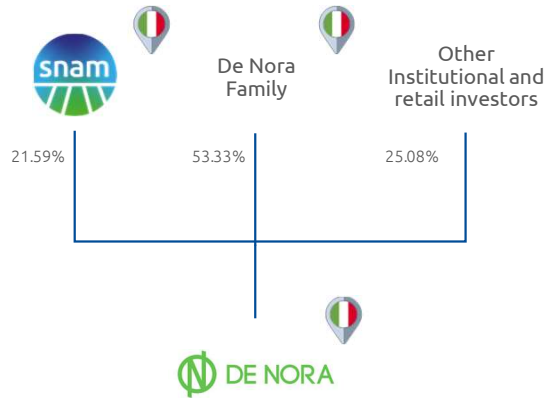
Italy



## Stake

21.59%

## Ownership



## Asset Description

Italian maker of alkaline **electrodes**, essential components for the production of alkaline electrolyzers. De Nora has a 34% stake in TKUCE, one of the global leaders in the development, assembly and installation of alkaline electrolyzers and the production of chlorine and caustic soda

## Business Model

- **Listed Company**
- Market Cap<sup>1</sup>. : € 2.2 bn

## Accounting treatment

Equity method

Book Value  
(as at Dec. 31, 2023)

€376 m

## Contribution

€m	2021	2022	2023
Adj. Net Income contribution to Snam <sup>2</sup>	22	24	15

1. At July 29, 2024

2. Until 2022 stake held by Snam was 25.79%. On April 4<sup>th</sup>, 2023 Snam placed 5.7% of De Nora shares via ABB. In addition, FY 2023 contribution is related only to 9 months due to the application of IFSR 12, the last quarter contribution will be recovered in FY 2024



## Investment year

2020

## Geography

Italy



## Stake

49.07%

## Ownership



## Asset Description

Regassification terminal with a capacity recently expanded **up to 5 bcm** (previously at 3.75 bcm)

## Business Model

- **Regulated**
- **100% of the capacity already booked until thermal year 2026/2027 vs a 64% guarantee factor**

## Accounting treatment

Equity method

## Book Value (as at Dec. 31, 2023)

€33 m

## Regulatory parameters and contribution

€m	2021	2022	2023
Adj. Net Income contribution to Snam	3	-12 <sup>1</sup>	9
€m	2023		
RAB	~609		
Net Debt	~339		

1. Including the impact of the earn-out

## Investment year

2017

## Geography

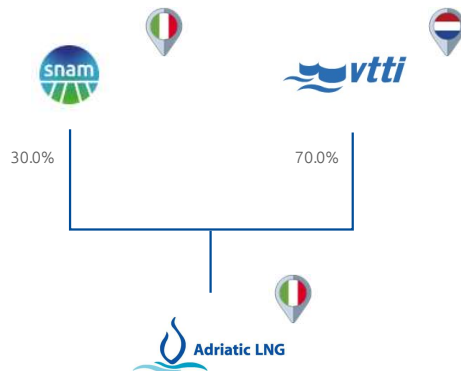
Italy



## Stake

30.00%<sup>1</sup>

## Ownership<sup>1</sup>



## Asset Description

Located about 15 kilometres off the Veneto coast, **is Italy's largest offshore infrastructure** for unloading, storage and regasification of liquefied natural gas (LNG), with an annual technical **regasification capacity of 9.6 billion cubic meters**

## Accounting treatment

Fair value through OCI<sup>2</sup>**Fair Value**  
(as at Dec. 31, 2023)

€24 m

## Business Model

Not regulated but **contractualized until 2034 with Edison**

## Contribution

€m	2021	2022	2023
Adj. Net Income contribution to Snam	0	-7 <sup>3</sup>	5

1. Snam's stake after the closing of the exercise of pre-emption right (stake increase from 7.3% to 30%), expected by December 2024.  
2. Other Comprehensive Income

<sup>3</sup>including the impact of the earn-out

## Investment year

2013

## Geography

France



## Stake

40.50%

## Ownership



## Asset Description

Gas transmission and storage operator in southwestern France, managing **5,000 km** of pipelines and **6,5 bcm** of storage

## Accounting treatment

Equity method

**Book Value**  
(as at Dec. 31, 2023)

€430 m

## Business Model

- **Regulated**
- New regulatory framework started in 2024 with historical RAB annually revalued using inflation (Consumer Price Index) while new investments are treated on a nominal basis, taking new investments and amortization/depreciation into account (Current economic cost method).
- Wacc 2024-2027 set at 4.1% Real Pre-Tax for existing asset and 5.4% Nominal Pre-Tax for new asset on transmission; storage benefits from 0.50% premium on transmission Wacc

## Regulatory parameters and contribution

€m	2021	2022	2023
Adj. Net Income contribution to Snam	39	48	48

€m	2023
RAB	3,016
Net Debt	1,878



### Investment year

2020

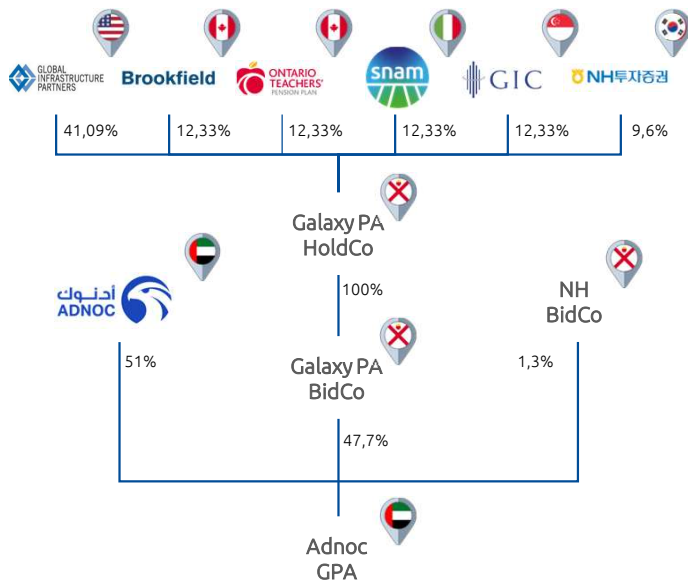
### Geography

United Arab Emirates

### Stake

5.88%<sup>1</sup>

### Ownership



### Asset Description

The Company holds 20Y utilization rights for 38 pipelines in the UAE

### Accounting treatment

Equity method

**Book Value**  
(as at Dec. 31, 2023)

€131 m

### Business Model

20Y ship or pay contract dollar denominated with a guaranteed volume floor

### Contribution

€m	2021	2022	2023
Adj. Net Income contribution to Snam	25	31	30

1. Indirect participation

# Interconnector



## Investment year

2012

## Geography

UK-Belgium



## Stake

23.68%

## Ownership



## Asset Description

235 km, subsea bi-directional pipeline, providing 20 bcm/yr of UK export capacity and 25.5 bcm/year of UK import capacity

## Accounting treatment

Equity method

**Book Value**  
(as at Dec. 31, 2023)

€68 m

## Business Model

Merchant with a regulatory cap on max allowed profit (already reached from 2022 to 2026 due to booking levels already secured)

## Contribution

€m	2021	2022	2023
Adj. Net Income contribution to Snam	7	49	11

## Investment year

2016 (spin-off)

## Geography

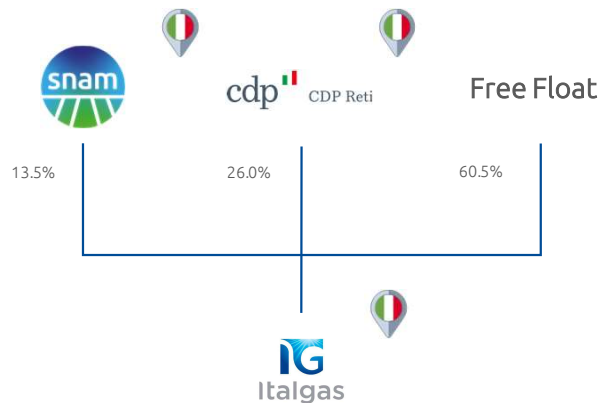
Italy &  
Greece



## Stake

13.49%

## Ownership



## Asset Description

Leader in Italy in the gas distribution and third in Europe with **>83,000 km** network and a presence in **around 2,100 municipalities**. Operating also in energy efficiency and water business in Italy.

## Business Model

- RAB based regulation
- Listed
- Market Cap<sup>1</sup> : € 4 bn

## Accounting treatment

Equity method

## Book Value (as at Dec. 31, 2023)

€313 m

## Regulatory parameters and contribution

€m	2021	2022	2023
Adj. Net Income contribution to Snam	49	54	59

€m	2023
RAB (Italian + Greek gas assets) <sup>2</sup>	~ 9,700
Equity Investments valued using Equity method <sup>3</sup>	~ 132
Net Debt (excluding IFRS 16) <sup>4</sup>	6,555

1. At July 29, 2024  
 2. From Integrated Annual Report FY 2023 – p. 114, 119  
 3. From Integrated Annual Report FY 2023 – p. 285

4. From Integrated Annual Report FY 2023 – p. 12

# Disclaimer

Luca Passa, in his position as manager responsible for the preparation of financial reports, certifies pursuant to paragraph 2, article 154-bis of the Legislative Decree n. 58/1998, that data and accounting information disclosures herewith set forth correspond to the company's evidence and accounting books and entries.

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