



HALF-YEAR FINANCIAL REPORT **2024**

Energy Infrastructure for
a Sustainable Future



Snam is the leading European operator in natural gas transportation with a network, in Italy and abroad, of around 38,000 km. The company also operates in storage, in which it holds more than 17% of the capacity at European level, and in regasification, with an annual capacity of 13.5 billion cubic metres of gas, which will rise to 18.5 billion cubic metres in 2025 following the commissioning of the Ravenna regasification terminal. Its medium- to long-term goal is to develop and consolidate an energy infrastructure system for a sustainable future, establishing itself as a multi-molecule operator both nationally and across Europe, with a focus on innovation and promoting the role of gas as a transitional energy source. 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 energy 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.

Snam also intends to reduce direct greenhouse gas emissions by 25% by 2027, 40% by 2030 and 50% by 2032, to achieve carbon neutrality (100%) by 2040, offsetting emissions that cannot be eliminated through selected off-setting projects and also involving associate companies and suppliers. Snam is pursuing net zero on all emissions (thus including indirect emissions) by 2050. The Group is also working on reducing natural gas emissions in its assets: Snam has achieved a 55% reduction in 2023 compared to 2015 and set a target of -64% for 2027.

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



HALF-YEAR FINANCIAL REPORT 2024



Energy Infrastructure
for a Sustainable Future

Corporate bodies

BOARD OF DIRECTORS (*)

Chair

Monica de Virgiliis ^{(1) (2) (3)}

Chief Executive Officer

Stefano Venier ⁽¹⁾

Board members

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⁾

AUDIT AND RISK COMMITTEE AND RELATED-PARTY TRANSACTIONS (**)

Piero Manzoni - Chairman

Augusta Iannini

Laura Cavatorta

SUSTAINABILITY AND ENERGY TRANSITION SCENARIOS COMMITTEE (**)

Laura Cavatorta - Chairwoman

Massimo Bergami

Qinjing Shen

Rita Rolli

BOARD OF STATUTORY AUDITORS (*)

Chair

Stefano Gnocchi ⁽⁶⁾

Standing auditors

Gianfranco Chinellato ⁽⁵⁾

Ines Gandini ⁽⁵⁾

Alternate auditors

Federica Albizzati ⁽⁶⁾

Maria Gimigliano ⁽⁵⁾

Federico Sambolino ⁽⁵⁾

APPOINTMENTS AND REMUNERATION

COMMITTEE (**)

Rita Rolli - Chairwoman

Massimo Bergami

Alessandro Tonetti

AUDITING COMPANY (***)

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) Director candidates in the list submitted by the shareholder CDP Reti S.p.A.

(2) Appointed Chairman of the Board of Directors upon the proposal of the shareholder CDP Reti S.p.A.

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

(4) Director candidates in the list presented jointly by Institutional Investors.

(5) Statutory Auditor candidates in the list submitted by the shareholder CDP Reti S.p.A.

(6) Statutory Auditor candidates in the list presented jointly by Institutional Investors.

Group Structure at 30 June 2024

The changes in the scope of consolidation of the Snam Group at 30 June 2024¹ compared to 31 December 2023 concerned:

- (i) The merger by incorporation of four companies operating in the Biomethane - Agri business and seven companies operating in the Biomethane - Waste business;

The changes in the Snam Group's scope of consolidation at 30 June 2024 compared to 30 June 2023 also included:

- (i) the acquisition, by the subsidiary Bioenerys Agri S.r.l., of 100% of the capital of four companies active in the production of electrical energy through the use of agricultural waste and biomass, of which two companies within the scope of the sale of Iniziative Biometano S.p.A.;
- (ii) the acquisition, by the subsidiary Bioenerys Ambiente S.r.l., of 100% of the capital of two companies owning plants for the production of biomethane from FORSU;
- (iii) the acquisition by Snam FSRU Italia S.r.l. of FSRU I Limited, the company that owns the Floating, Storage and Regasification Unit (FSRU) "BW Singapore";
- (iv) the sale of Iniziative Biometano S.p.A., a company 51% owned by Snam through its wholly-owned subsidiary Bioenerys S.r.l., as well as four companies controlled by the same Iniziative Biometano S.p.A.

The Group's structure at 30 June 2024 is shown below:

¹ More information is provided in the "Snam S.p.A. investments at 30 June 2024" annex to the notes to the condensed half-year consolidated financial statements.

GROUP STRUCTURE AT 30 JUNE 2024

ENERGY TRANSITION

BIOMETHANE / BIOGAS

Bioenergys S.r.l. 100%

BIOMETHANE - AGRI

- Bioenergys Agri S.r.l. 100%**
- › Agriwatt Castel Goffredo Società Agricola a r.l. **100%**
 - › Bietifin S.r.l. **100%**
 - › Biogas Brusco Società Agricola a r.l. **99.90%**
 - › BYS Società Agricola Impianti S.r.l. **100%**
 - › Emiliana Agroenergia Società Agricola S.r.l. **100%**
 - › Maiero Energia Società Agricola a r.l. **100%**
 - › Moglia Energia Società Agricola a r.l. **100%**
 - › MST S.r.l. **100%**
 - › MZ Biogas Società Agricola a r.l. **99.90%**
 - › Società Agricola Agrimetano Pozzonovo S.r.l. **100%**
 - › Società Agricola Agrimetano Ro 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 Sangiovanni S.r.l.
(50% Bioenergys 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%**
 - › Zibello Agroenergie Società Agricola S.r.l. **100%**

BIOMETHANE - WASTE

- Bioenergys Ambiente S.r.l. 100%**
- › Biowaste CH4 Legnano S.r.l. **100%**
 - › BYS Ambiente Impianti S.r.l. **100%**
 - › CH4 Energy S.r.l. **100%**
 - › Enersi Sicilia S.r.l. **100%**
 - › Renerwaste Cupello S.r.l. **85%**

ENERGY EFFICIENCY

Renovit S.p.A. 60.05%

- › Evolve S.p.A. **70%**
- › Renovit Public Solutions S.p.A. **70%**
- › T-Lux S.r.l. **100%**
- › TEP Energy Solution S.r.l. **100%**

HYDROGEN

Asset Company 10 S.r.l. 100%

SCOPE OF CONSOLIDATION



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%
› FSRU I Limited 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%

SCOPE OF CONSOLIDATION

VALUED USING THE EQUITY

NATIONAL INVESTMENTS:

Ecos S.r.l. **33.34%**
Industrie De Nora S.p.A. **21.59%**
Italgas S.p.A. **13.46%**
OLT Offshore LNG Toscana S.p.A. **49.07%**
SeaCorridor S.r.l. **49.90%**
Zena Project S.p.A. **35.93%**

INTERNATIONAL INVESTMENTS:

AS Gasinfrastruktur Beteiligung GmbH **40%**
dCarbonX Limited **50%**
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%**
Teréga Holding S.A.S. **40.50%**
Trans Adriatic Pipeline AG (TAP) **20%**
TAG GmbH **84.47%**
Senfluga Energy Infrastructure Holdings S.A. **54%**

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 ,inparticular in the section "Outlook" relating to: the evolution of gas natural demand, investment plans, future operating performance, execution of projects.

Forward-looking statements by their nature involve risk and uncertainty because they depend on the occurrence of future events and developments. Actual results may therefore differ from those announced in relation to various factors, including: 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 companies included in the scope of consolidation.



INTERIM MANAGEMENT
REPORT

Interim management report

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Performance in the first half of 2024

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 2024 relate to: (i) the costs arising from the signing of settlement agreements, amending previous framework agreements for new investments and the purchase of shareholdings relating to the Biomethane - Waste business (€43 million, €31 million net of the related taxes); (ii) the estimate of the costs incurred by the Austrian subsidiaries TAG and GCA, connected to the repayment of the higher revenues obtained in exchange for the risk premium for the period 2013-2024, to be implemented by reducing the allowed revenues over a 15-year period starting from 2025² (€30 million); (iii) the proceeds from the normalisation of the interest rates used to discount the contractual tariffs of the subsidiary ADNOC Gas Pipeline Assets, an indirect subsidiary of Galaxy Pipeline Assets HoldCo Limited (€4 million).

It should also be noted that, with resolution 139/2023/R/gas which regulates the sixth regulatory period of the natural gas transport service, starting from 1 January 2024, the Authority has established that the variable tariff fee applied to users to cover the gas supply costs, necessary for the operation of the transport network, is paid in full to CSEA, not representing a revenue component. The gas supply costs actually incurred are recognised in full, on a monthly basis, by CSEA itself.

Therefore, with reference to the first half of 2023, the period under comparison, the revenues covering the gas supply costs (€178 million) necessary for the operation of the transport network, have been reclassified as a reduction of the related costs.

ADJUSTED RESULTS^{3 4}

The **adjusted EBITDA** for the first half of 2024 amounted to €1,417 million, up by €196 million (+16.1%) compared to the corresponding value in the first half of 2023. The increase was due to the growth recorded by the gas infrastructure business (+€245 million; +20.8%), thanks to the higher related regulated revenues

Adjusted EBITDA

€1,417 million; +16.1%

² This mechanism follows the issuance by the Austrian regulator on 29 May 2024 of the Final Cost Decree and Tariff Ordinance (the "Decree"), which defines the reference framework applicable to the new regulatory period (2025-2027). The Decree has significantly modified the previous regulatory framework and, inter alia, in addition to providing for the elimination of volume risk for the two TSOs, it has also defined compensatory mechanisms for the companies, which will be operational from 2025.

³ 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 and financial results - Non GAAP measures" section.

⁴ An analysis of EBITDA and EBIT by business segment is provided in the chapter "Operating Performance by Business Segment".

mainly to the increase in WACC and the implementation of the investment plan in all business segments, to the effects of the application of ROSS (Regulation by Expenditure and Service Objectives) to the natural gas transportation service, and to the greater contribution of the regasification segment. The contribution of energy transition businesses (-€49 million) and, in particular, energy efficiency decreased due to the end of the Superbonus incentives.

Adjusted EBIT

€918 million; +19.8%

Adjusted EBIT for the first half of 2024 amounted to 918 million, up €152 million (+19.8% compared to the corresponding value of the first half of 2023), following the aforementioned increase in gross operating margin, partially offset by higher amortisation, depreciation and impairment (-€44 million, equal to 9.7%) mainly due to the entry into service of new assets and the impairment of assets in progress.

Group Adjusted net profit

€691 million; +11.3%

Group adjusted net profit for the first half of 2024 amounted to €691 million, up €70 million (+11.3%) compared to the corresponding value achieved in the first half of 2023 (€621 million). The increase in operating profit was absorbed by: (i) higher net financial charges (-€43 million, equal to 49.4%) mainly due to the higher average cost of net debt (equal to approximately 2.5%; 1.7% in the first half of 2023), attributable to the changed interest rate scenario, and to the higher average debt, partly mitigated by the increase in income related to the active management of liquidity; (ii) higher income taxes (-€48 million, equal to 23.4%) mainly due to the increase in the pre-tax result. The management of shareholdings stands at results substantially in line with the first half of 2023.

Cash flow

-€68 million

Cash flow from operating activities (+€1,054 million), impacted to a limited extent by the dynamics of working capital related to the balancing activity and by the credits for Superbonus and other minor bonuses, made it possible to almost entirely finance the net investments of the period (€1,122 million, including the change in debt for investment), generating a negative free cash flow of €68 million. Net financial debt, including cash flow from equity (-€937 million), deriving from the payment of the 2023 dividend to shareholders, and non-cash changes (-€77 million), recorded an increase of €1,082 million compared to 31 December 2023, reaching €16,352 million.

Total investments

€1,159 million

In the first half of 2024, **total investments** amounted to €1,159 million, up 62.3% compared to the first half of the previous year, due to increased investments in the gas infrastructure business, in particular for the upgrading of the Ravenna terminals, the creation of the related connections to the transport network and the works on the Adriatic Line. Total investments are 52% and 32% aligned with the Sustainable Development Goals (SDGs) and the European Taxonomy respectively. With reference to investments by business segment, €792 million are related to the transport segment (€466 million in the first half of 2023; +70.0%), €101 million to the storage segment (€91 million in the first half of 2023) and €185 million to the regasification segment (€100 million in the first half of 2023). Investments in businesses related to the energy transition amount to €58 million (€49 million in the first half of 2023).

Key economic data (a)

(million euros)	First half-year		Abs. change	Change %
	2023	2024		
Total Revenues (a)	1,916	1,799	(117)	(6.1)
Gas Infrastructure Business Revenues (a)	1,395	1,643	248	17.8
- of which regulated revenues (a)	1,351	1,623	272	20.1
Energy Transition Business Revenues	521	156	(365)	(70.1)
EBITDA (b)	1,221	1,417	196	16.1
EBIT (b)	766	918	152	19.8
Net profit (b) (c)	621	691	70	11.3
Special items	77	(57)	(134)	
Reported net profit (c)	698	634	(64)	(9.2)

- (a) In order to provide a homogeneous representation of revenues and costs between the two periods being compared, the revenues covering the costs of supplying the gas necessary for the operation of the transport network (self-consumption, network losses and Unaccounted Gas - CNG) in the first half of 2023 (€178 million) have been reclassified as a reduction of the related costs.
- (b) Figures are stated in the adjusted configuration.
- (c) Held by Snam shareholders.

Key Balance Sheet and Financial Data

(million euros)	First half-year		Abs. change	Change %
	2023	2024		
Technical investments	714	1,159	445	62.3
Net invested capital at period-end	22,289	24,129	1,840	8.3
Equity (including minority interests)	7,680	7,777	97	1.3
Snam Shareholders' equity	7,614	7,730	116	1.5
Net financial debt	14,609	16,352	1,743	11.9
Free Cash Flow	(1,743)	(68)	1,675	

Key share and income figures

		First half-year		Abs. change	Change %
		2023	2024		
Number of shares in the share capital	(millions)	3,360.9	3,360.9		
Number of shares outstanding at period-end	(millions)	3,352.8	3,353.6	0.9	
Average number of shares outstanding during the period	(millions)	3,352.8	3,353.6	0.9	
Period-end official price per share	(€)	4.787	4.131	(0.656)	(13.7)
Net profit per share (*) (**)	(€)	0.208	0.189	(0.019)	(9.1)
Adjusted net profit per share (*) (**)	(€)	0.185	0.206	0.021	11.4

(*) 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 2024, 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 segment⁵ which includes energy efficiency and biogas/biomethane activities, as well as start-up activities in the hydrogen and Carbon Capture and Storage (CCS) segments.

⁵ For more information, see Note 30 "Information by business segment" of the Notes to the Condensed half-year financial statements.

Key operating figures

	First half-year		Abs. change	Change %
	2023	2024		
Natural gas transportation (a)				
Natural gas injected into the National Gas Transportation Network (billion cubic metres) (b)	33.70	31.57	(2.13)	(6.3)
Gas demand (b)	32.65	31.23	(1.42)	(4.3)
Regasification of Liquefied Natural Gas (LNG) (a)				
LNG regasification (billion cubic meters)	1.85	2.37	0.52	28.1
Natural gas storage (a)				
Total storage capacity (billion cubic metres) (c)	16.5	16.9	0.40	2.4
Natural gas moved through the storage system (billion cubic metres)	7.48	7.92	0.44	5.9
Energy Transition				
Number of operating biomethane/biogas plants (d)	33	35	2	6.1
Backlog (e)	1,220	1,233	13	1.1
Employees in service at the period end (number) (f)				
<i>of which:</i>				
- Transportation Segment	1,911	1,960	49	2.6
- Regasification segment	77	82	5	6.5
- Storage segment	71	76	5	7.0
- Energy Transition sector (g)	624	639	15	2.4
- Corporate and other activities (g)	998	1,046	48	4.8

(a) With reference to the first half of 2024, gas volumes are expressed in Standard cubic meters (Smc) with an average Higher Heating Value (HHV) of approximately 38.1 MJ/Smc (10.573 Kwh/Smc) for the transport and regasification activity and 39.3 MJ/Smc (10.919 Kwh/Smc) for the natural gas storage activity for the thermal year 2024-2025.

(b) The data for the first half of 2024 is current as at 10 July 2024. The corresponding value for 2023 has been definitively updated.

(c) Of which 4.48 billion cubic metres related to strategic gas and 12.40 billion cubic metres related to capacity available for modulation, mining and balancing services (so-called working gas). The available capacity at 30 June 2024 is that declared to the Electricity, Gas and Water Authority at the start of the 2024-2025 thermal year. As a result of the allocation processes for the storage services offered for the thermal year 2024-2025, all available capacity was fully allocated.

(d) The value does not include four temporarily non-operational plants. The figure as of 30 June 2024 includes the Marsala plant currently in the commissioning phase.

(e) Indicates the value of revenues accruing after 2024, associated with contracts awarded and entered into as at 30 June 2024.

(f) Fully consolidated companies.

(g) The Energy Transition segment includes resources dedicated to decarbonisation projects. The corresponding values for 2023 have been restated.

Natural gas transportation

The **volumes of gas injected into the network** in the first half of 2024 amounted to a total of 31.57 billion cubic meters, down 2.13 billion cubic meters (-6.3%) compared to the first half of 2023, due to lower demand and the drop in exports. **Gas demand** in the first half of 2024, equal to 31.23 billion cubic meters, recorded a reduction compared to the corresponding period of 2023 (-1.42 billion cubic meters; -4.3%), attributable to the decrease in consumption: (i) of the thermoelectric segment (-1.22 billion cubic metres; -9.8%) due to the increased hydroelectric production due to heavy rainfall in the period and the increase in production from renewable sources, effects partly absorbed by the increase in electricity demand and the reduced use of other fossil fuels in thermoelectric generation; (ii) of the residential and tertiary segment (-0.26 billion cubic metres; -1.9%), mainly due to overall milder temperatures compared to the first half of 2023, particularly in the winter months. Industrial segment consumption is substantially in line with the previous half-year (+0.11 billion cubic metres; +1.9%).

Adjusted for the climate effect, gas demand amounted to 32.75 billion cubic meters, recording a reduction of 0.40 billion cubic meters (-1.2%) compared to the corresponding value of the first half of 2023 (33.15 billion cubic meters), in line with the progressive increase in energy efficiency measures and the modernisation of heating systems to achieve greater efficiency.

Storage of natural gas

Gas volumes moved in the storage system in the first half of 2024 amounted to 7.92 billion cubic meters, up 0.44 billion cubic meters, or 5.9%, compared to the first half of 2023, following higher injections from storage.

The **total storage capacity** as of 30 June 2024 is equal to 16.9 billion cubic meters (an increase of 0.4 billion compared to 30 June 2023), of which 4.5 billion cubic meters related to strategic storage (unchanged compared to the thermal year 2023-2024)⁶ and 12.4 billion cubic meters of available capacity. As of 30 June 2024, the available capacity for the thermal year 2024-2025 is 100% allocated (entirely allocated with reference to the thermal year 2023-2024).

At the end of the delivery campaign (31 March 2024), the storage filling volumes amounted to approximately 60% of the maximum capacity. With the subsequent start of the injection campaign, storages reached, as of 30 June 2024, a fill of over 82%, in line with the levels present on the same date in 2023.

Liquefied Natural Gas (LNG) regasification

In the first half of 2024, 2.37 billion cubic meters of gas were regasified (1.85 billion cubic meters in the first half of 2023) and 37 **unloads were carried out from methane tankers** (44 unloads in the first half of 2023). The increase in regasified volumes is mainly attributable to the entry into service of the FSRU plant in Piombino, operational since July 2023, which in the first half of 2024 regasified a total of 1.52 billion cubic meters, carrying out 17 unloadings from methane tankers (2.64 billion cubic meters and 29 unloads since the start of operations of the terminal). This effect was partly offset by the reduction in regasified volumes at the Panigaglia LNG terminal (La Spezia), 0.85 billion in the first half of 2024 compared to 1.85 billion in the same period of 2023, impacted by the effects of the Russia-Ukraine conflict on the gas market.

Energy transition

As of 30 June 2024, there are 35 biomethane/biogas plants in operation, an increase of two compared to the same period in 2023, with an installed capacity of 40 MW in line with 30 June 2023. The increase is due to: (i) the entry into the portfolio, in the second half of 2023, of seven new waste (FORSU) and agricultural plants for a total of 8 MW of installed power; (ii) the exit in the second half of 2023, following the sale of Iniziativa Biometano S.p.A., of four biogas and agricultural biomethane plants with an installed operating capacity of 8 MW; (iii) the suspension of operations of the waste-derived biomethane production plant (FORSU) in Tortona with an installed power of 2 MW.

With reference to energy efficiency, the total backlog is equal to €1,233 million, of which over 95% refers to EnPC (Energy Performance Contract) contracts.

⁶ With a press release dated 2 February 2024, the Ministry of the Environment and Energy Security confirmed for the thermal year 2024-2025 (1 April 2024 - 31 March 2025) the strategic gas storage volume equal to 4.62 billion cubic metres, of which 4.5 billion cubic metres will be held by Stogit.

Snam share performance

Snam shares closed the first half of 2024 at a price of €4.13, down 11.3% compared to the price recorded at the end of 2023, equal to €4.66.

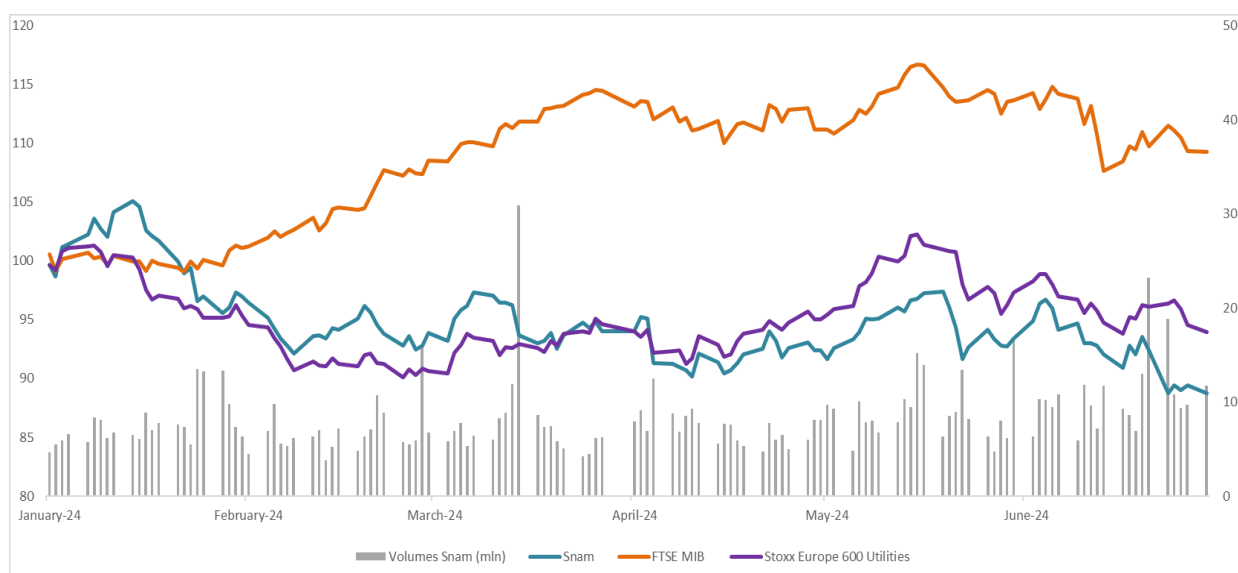
The average value of the share during the semester was €4.42, with a maximum of €4.89 reached in mid-January and a minimum of €4.13 recorded at the end of the first semester.

In the first half of 2024, European stock markets recorded positive performances, and in particular the FTSE MIB was among the best European indices with a double-digit performance gross of dividends. At the same time, bond markets have seen yields rise. Long maturities closed the semester close to the levels recorded a year ago. This dynamic was driven by inflation rates which, although down from the peaks recorded in the last two years, are still high and have led central banks to slow down the process of monetary easing. This led to an underperformance of the utilities segment, the worst in the stock market since the beginning of the year. In particular, the regulated segment, which is particularly sensitive to interest rates, underperformed the rest of the segment.

In the first half of 2024, Snam recorded a solid economic and financial performance, paying, in January and June, both tranches of the dividend for the 2023 financial year, for a total of €0.282 per share (equal to a Dividend Yield of 6.4%).⁷

The company continued to make investments aimed at guaranteeing the country's energy security, ensuring infrastructures for diversified and sustainable supplies in the long term and supporting the transition path, also through projects considered strategic at European level. 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 Utilities price comparison (1 January 2024 - 30 June 2024)



⁷ Dividend Yield calculated as the ratio between the dividend paid and the average price of the stock in the semester, equal to €4.42

Main events

Security of supply and energy diversification

Floating regasification units - FSRU

During the visit of the Minister of the Environment and Energy Security, Gilberto Pichetto Fratin, last 12 July to the Ravenna shipyards, the deadline of the first quarter of 2025 for the entry into service of the regasification plant was confirmed.

With the entry into service of the BW Singapore, a regasification vessel purchased by Snam in December 2023 and equipped with an annual regasification capacity of 5 billion cubic meters, on a par with the Piombino regasification plant operational since July 2023, the country's overall regasification capacity will rise to 28 billion cubic meters per year. This volume corresponds to approximately 45% of Italian gas demand in 2023.

To ensure the safety and diversification of energy sources for our country, the Piombino regasification vessel, which was registered in the Italian naval register on 27 June and changed its name from Golar Tundra to Italis LNG, in just under a year of operation, has received 29 loads of liquefied natural gas, coming from five different countries, for a total of 2.6 billion cubic metres of gas introduced into the national network.

Snam for the energy transition

Hydrogen for the decarbonisation of steel: the first trial in Italy is underway

The first experiment conducted in Italy at a steel plant that involves the use of hydrogen in the processing of steel products was launched on 3 July.

The collaboration involves, in addition to Snam, TenarisDalmine, a Tenaris company, world leader in the production of pipes and services for the energy world and Tenova, a leading company in the development and supply of sustainable solutions for the green transition of the metallurgical industry, will have an initial duration of 6 months and intends to evaluate the performance and reliability of the use of hydrogen in the steel industry and, more generally, in the hard-to-abate segments that are most difficult to decarbonise.

Sustainable Finance

Snam recently published the Sustainable Finance Framework 2024, which updates the previous

document defined in 2021 and integrates the Green world with the Sustainability-linked one, focusing on transparency in capital allocation and clarity in the Company's objectives.

In line with this commitment, in February 2024, Snam issued the first Green bond, with a nominal value of €500 million, aimed at financing projects aligned with the European Taxonomy, at the same time as the first Sustainability-linked bond, with a nominal value of €1 billion, linked to scope 3 emissions reduction objectives, as well as scope 1&2. The operation saw, for the first time ever by a European company, the combination of the two instruments in a single issue.

In March 2024, Snam also signed an ESG-linked loan (linked to the achievement of sustainable objectives) of €200 million with a 4-year maturity with Cassa di Risparmio di Chieti (CDP)⁸ for the reconstruction of the Ravenna-Chieti gas pipeline. The work will strengthen the infrastructure dedicated to the transport of natural gas from the South to the North of Italy and will also be compatible with the transport of hydrogen. It will thus guarantee the security and competitiveness of the country's energy system by pursuing the decarbonisation objectives outlined by the European Union.

In May 2024, Snam signed a new Sustainability-linked credit line, for a total amount of €1 billion, compliant with the new Group Sustainable Finance Framework. The revolving credit line has a three-year maturity and is linked to specific sustainability objectives, the achievement of which by Snam determines the margin applicable to the financing.

Furthermore, at the end of June 2024, Snam signed a loan with the European Investment Bank (EIB) for a total of €100 million aimed at supporting energy requalification interventions of public buildings and energy efficiency measures for industrial activities. This is a framework loan that can be used in multiple tranches over a period of 3 years. Each tranche will have a maximum total duration of 15 years.

During the first half of 2024, Snam made extensive use of the Euro Commercial Paper programme to issue ESG notes for a total of approximately €2.5 billion.

These initiatives aim to further integrate the financial strategy with the Group's sustainability targets and

⁸ The financing is configured as an ordinary transaction between related parties of minor importance and concluded under conditions equivalent to those of the market.

with the company's commitment to achieving carbon neutrality by 2040.

As of 30 June 2024, Snam's sustainable finance weight is approximately 83%, up from 81% at the end of 2023 and in line with the 85% target for 2027.

Snam: first company to receive Moody's Net Zero Assessment published globally

In the context of the publication of the new Sustainable Finance Framework, Snam was the first company globally to receive the "Net Zero Assessment" from Moody's, an independent assessment of companies' commitment to achieving decarbonisation objectives. Specifically, the Net Zero Assessment includes Moody's assessment of the solidity of the transition plan of the entities analysed with respect to a zero-emission path consistent with the objectives of the 2015 Paris Agreement on climate change. The analysis confirmed the robustness of the Scope 1 and 2 emissions action plan thanks to mature, proven and scalable technologies.

Snam at the top of CDP's (formerly Carbon Disclosure Project) "A LIST" for the third consecutive year and first in the Sustainalytics index for ESG commitment

Snam has been reconfirmed at the top of the Sustainalytics index for the gas utility segment (first out of 96), one of the main independent ESG and corporate governance analysis, rating and research companies. The Sustainalytics rating model covers a broad range of industry- and company-specific ESG risk themes. Also in the first quarter, Snam was included in the CDP Carbon Disclosure Project A-list, and a similar result was obtained with reference to the Suppliers Engagement Rating, also by CDP: in Italy only 3 companies have obtained the double A. These awards confirm the Group's commitment to reducing emissions and combating climate change as well as the adoption of ESG practices across the entire value chain, through the adoption of an all-round sustainable approach applied on multiple fronts: from the new biodiversity target to regeneration, from local communities to internal DE&I (diversity, equity, inclusion) activities within the company, to carbon neutrality.

Snam awarded with the "Transition Bond of the Year Award" for the second consecutive year

Snam received, for the second consecutive year, the "Transition Bond of the Year" award from Environmental Finance, for the EU Taxonomy aligned transition bond convertible into Italgas shares issued in

September 2023 as an innovative sustainable finance instrument.

Snam included among the 500 most sustainable companies in the world

Snam is among the top 500 most sustainable companies in the world in the special ranking of the World's Most Sustainable Companies for 2024, created by Statista and the American weekly Time with the aim of highlighting the best practices of companies in terms of sustainability.

Snam's second Tax Transparency Report published

In line with Snam's path towards sustainability, the Group has prepared the new Tax Transparency Report for 2023 with which, for the second consecutive year, it confirms its commitment to tax transparency towards tax authorities and all stakeholders.

The Report, published on a voluntary basis, aims to represent the Group's tax strategy and tax governance as well as provide an overview of taxes paid at national and international level. The document also describes the ESG impacts of the tax variable and provides a summary of how the Group's activities contribute to the creation of value for the community.

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

In addition to what has already been reported in the previous paragraphs, the following significant events occurred after the end of the first half of the year are reported:

Agreement for the acquisition of 100% of Edison Stocaggio S.p.A.

On 25 July 2024, Edison S.p.A. and Snam S.p.A. signed an agreement for the sale to Snam, by Edison, of 100% of the company Edison Stocaggio S.p.A.. Subject to the satisfaction of the conditions precedent set out in the contract, the transaction is expected to be completed by March 2025 at a base price of €561 million, subject to certain contractually defined price adjustment mechanisms. Edison Stocaggio S.p.A. contributes to the security of the national energy system through three natural gas storage facilities located in Cellino (TE), Collalto (TV) and San Potito e Cotignola (RA) and with a total capacity of approximately 1 billion cubic meters per year.

Board approval for a potential hybrid bond

In the context of Snam strategic plan and related financing for the next 12 months, in addition to traditional financing instruments, the board of directors

has approved a potential issuance of hybrid bonds, to be completed by the 31 December 2025, for a maximum total amount of 1.25bn, to finance recent strategic and non-organic initiatives of the Group, including the acquisition of Edison Stocaggio S.p.A. and relevant investment plan. The Board has considered a hybrid bond to be the best instrument to

support such investments, taking into consideration that it would (i) keep the current financial flexibility of the Company, including the rating agencies metrics, allowing the Company's organic growth (ii) further diversify its funding mix and investor base and (iii) optimize its financial structure.

Operating performance in business segments

Natural gas transportation

The reporting of the natural gas transportation segment includes the values of the companies Snam Rete Gas, Infrastrutture Trasporto Gas and Enura.

Key performance indicators

(million euros)	First half-year		Abs. change	Change %
	2023	2024		
Regulated revenues (a) (b) (c)	1,061	1,223	162	15.3
Other non-regulated revenues	87	154	67	77.0
Total revenues (a) (b) (c)	1,148	1,377	229	19.9
EBITDA (*)	944	1,091	147	15.6
EBIT (*)	582	705	123	21.1
Technical investments (d)	466	792	326	70.0
- of which development	89	277	188	
- of which replacement and other	377	515	138	36.6
Natural gas injected into the National Gas Transportation Network (billion cubic metres) (e)	33.70	31.57	(2.13)	(6.3)
Gas transportation network (kilometres in use)	32,873	32,865	(8)	(0.0)
- of which National Network	9,773	9,755	(18)	(0.2)
- of which Regional Network	23,100	23,110	10	0.0
Employees in service at the period end (number)	1,911	1,960	49	2.6

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

(a) Before consolidation eliminations.

(b) Net of revenues which, in accordance with tariff regulations, are offset by costs (pass-through item) relating to the modulation service amounting to €48 million in the first half of 2024 (€43 million in the first half of 2023).

(c) In order to provide a homogeneous representation of revenues and costs between the two periods being compared, the revenues covering the costs of supplying the gas necessary for the operation of the transport network (self-consumption, network losses and Unaccounted Gas - CNG) in the first half of 2023 (€178 million) have been reclassified as a reduction of the related costs.

(d) Investments remunerated at a pre-tax real base WACC of 5.1% for 2023 and 5.9% for 2024.

(e) The data for the first half of 2024 is current as at 10 July 2024. The corresponding value for 2023 has been definitively updated and is aligned with that published by the Ministry of Business and Made in Italy. Gas volumes are expressed in standard cubic metres (scm) with an average higher heating value (HHV) of 38.1 MJ/Scm (10.573 kWh/scm).

Results

Total revenues amounted to €1,377 million, up €229 million, or 19.9%, compared to the first half of 2023, mainly due to the growth in regulated revenues.

Regulated revenues amounted to €1,223 million, up €162 million, or 15.3%, mainly due to: (i) the revision of the WACC with an increase from 5.1% in 2023 to 5.9% in 2024 (+€73 million); (ii) the increase in the RAB base (+€56 million, including the effect of lower input based incentives) due to new investments; (iii) the application of ROSS (Regulation for Spending and Service Objectives) (+€33 million). These effects were partly offset by lower revenues from flexibility services

offered to users (-€5 million), attributable in particular to the default service.

Other non-regulated revenues (€154 million) increased by €67 million, or 77.0%, compared to the first half of 2023, following higher chargebacks for technical services provided to other group companies, in particular Snam FSRU, which are reflected in the costs incurred for the provision of the related services, partly absorbed by the lower positive one-off effects compared to the first half of 2023.

EBITDA amounted to €1,091 million, up €147 million, or 15.6% compared to the first half of 2023. The higher regulated revenues were partly absorbed by the

increase in costs for services provided by the parent company Snam.

EBIT amounted to €705 million, up €123 million, or 21.1%, compared to the first half of 2023. The

above-mentioned increase in gross operating margin was partly absorbed by higher depreciation (-€11 million; equal to 2.9%) mainly due to the entry into operation of new assets and higher write-downs of assets in progress (-€13 million).

Technical investments

(million euros)				
Type of investment	First half-year	First half-year	Abs. change	Change %
	2023	2024		
Development	89	277	188	
Replacement and other	377	515	138	36.6
	466	792	326	70.0

Technical investments in the first half of 2024 amounted to €792 million, an increase of €326 million (+70.0%) compared to the same period last year (€466 million).

The main **Development** investments (€277 million) concern:

- investments for the construction of connections for €138 million, of which €107 million for the Ravenna regasification plant, €15 million for biomethane plants, €11 million for industrial plants and €5 million for connections to Greenture GNC plants;
- investments in enhancement (€13 million), mainly attributable to the hybrid power plant in Poggio Renatico (€7 million);
- investments in new network/plants (€120 million), mainly relating to: (i) to the Sestino Minerbio gas pipeline for the delivery of materials (€79 million); (ii) to the Sulmona power plant (€21 million) for engineering and preparatory works for the construction of the Sulmona-Foligno gas pipeline (€7 million).

Replacement and other investments (€515 million) mainly concern: (i) works aimed at maintaining the safety and quality of the plants (€380 million); (ii) the construction of the Group's new headquarters (€41 million); (iii) projects relating to the development of information systems, as well as the implementation of existing ones (€73 million).

Operating performance

Gas injections and withdrawals in the transportation 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 elementary datum is measured in energy (MJ) and is obtained by multiplying the actual measured physical cubic metres by the corresponding calorific value.

The volumes of gas injected into the network in the first half of 2024 amounted to a total of 31.57 billion cubic meters, down 2.13 billion cubic meters (-6.3%) compared to the first half of 2023, due to lower demand and the drop in exports.

Injections to the grid from domestic production fields or their collection and treatment centres amounted to 1.37 billion cubic meters, a decrease of 0.05 billion cubic meters (-3.5%) compared to the first half of 2023.

Gas volumes introduced from entry points interconnected with foreign countries recorded a reduction of 2.09 billion cubic meters (-6.5% compared to the first half of 2023).

The injections into the network from the entry points interconnected with the LNG regasification terminals, equal to 7.59 billion cubic meters, recorded a reduction of 6.4% compared to the first half of 2023, a half-year influenced by the impacts of the Russia-Ukraine conflict.

Gas injected into the network (*)

(billions of m3)	First half-year		Abs. change	Change %
	2023	2024		
Domestic production	1.42	1.37	(0.05)	(3.5)
Entry points (**)	32.28	30.19	(2.09)	(6.5)
Mazara del Vallo	11.38	10.74	(0.64)	(5.6)
Meledugno	4.90	5.17	0.27	5.5
Cavarzere (LNG)	4.28	4.52	0.24	5.6
Passo Gries	4.32	3.10	(1.22)	(28.2)
Tarvisio	2.18	2.71	0.53	24.3
Piombino (LNG)	0.08	1.59	1.51	
Gela	1.38	0.88	(0.50)	(36.2)
Panigaglia (LNG)	1.76	0.82	(0.94)	(53.4)
Livorno (LNG)	1.99	0.66	(1.33)	(66.8)
Gorizia	0.01		(0.01)	(100)
	33.70	31.57	(2.13)	(6.3)

(*) The data for the first half of 2024 is current as at 10 July 2024. The corresponding value for 2023 has been definitively updated.

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

Liquefied Natural Gas (LNG) regasification

The disclosure of the Liquefied Natural Gas - LNG regasification segment includes the values of the companies GNL Italia, Snam FSRU Italia, FSRU I Limited and Ravenna LNG Terminal.

Key performance indicators

(million euros)	First half-year		Abs. change	Change %
	2023	2024		
Regulated revenues (a) (b)	37	102	65	
Other non-regulated revenues	1		(1)	
Total revenues (a) (b)	38	102	64	
EBITDA	18	74	56	
EBIT	11	52	41	
Technical investments (c)	100	185	85	85.0
Regasified LNG volumes (billion cubic meters) (d)	1.85	2.37	0.52	28.1
Tanker loads (number)	44	37	(7)	(15.9)
Employees in service at the period end (number)	77	82	5	6.5

(a) Before consolidation eliminations.

(b) Net of revenues which, in applying tariff regulations, are offset by costs (pass-through items) relating to the recharging of charges for the natural gas transportation service provided by Snam Rete Gas S.p.A. (€11 million; €6 million in the first half of 2023) and gas sales for system balancing (€7 million; €6 million in the first half of 2023).

(c) Investments remunerated at the pre-tax real basic WACC equal to 6.1% for 2023 and equal to 6.7% for 2024.

(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 higher heating value (HHV) of 38.1 MJ/Scm (10.573 kWh/scm).

Results

Total revenues amounted to €102 million, up €64 million compared to the first half of 2023, due to higher regulated revenues.

Regulated revenues include variable fees (€5 million; -€2 million compared to the first half of 2023) applied to users to cover costs related to energy consumption (electricity and CO₂) and record an increase of €65 million compared to the first half of 2023.

This increase was mainly due: (i) the recognition of revenues related to the higher volumes regasified in 2023, compared to the revenues defined by the Regulatory Authority for the same year (+€29 million compared to the higher revenues relating to 2022 recognised in 2023); (ii) revenues related to the start of operations of the Piombino regasification plant (+€43 million). These effects were partly offset by the lower operating activity of the Panigaglia terminal, compared

to the first half of 2023, significantly impacted by the effects of the Russia-Ukraine conflict.

EBITDA amounted to €74 million, up €56 million compared to the first half of 2023, thanks to higher regulated revenues partly absorbed by costs related to the start-up of operations of the Piombino FSRU plant relating, in particular, to O&M maintenance services and maritime services.

EBIT amounted to €52 million, an increase of €41 million compared to the first half of 2023. The aforementioned increase in EBITDA was partly absorbed by higher depreciation (-€15 million), partly connected to the entry into operation of the FSRU plant in Piombino, the time period of which is correlated to the duration of the state concession (3 years starting from the date of start of commercial operation of the terminal).

Technical investments

(million euros)	First half-year	First half-year	Abs. change	Change %
	2023	2024		
Type of investment				
Capacity building and development	93	175	82	88.2
Maintenance and other	7	10	3	42.9
	100	185	85	85.0

Technical investments in the first half of 2024 amount to €185 million⁹, a significant increase compared to the first half of 2023 (+€85 million) mainly due to investments relating to the Ravenna terminal.

Investments in **capacity development and enhancement**, amounting to €175 million, essentially relate to:

- the activities for the adaptation of the mooring platform of the FSRU of Ravenna (€123.8 million);
- the works carried out on the regasification vessel BW Singapore owned by FSRU I Limited (€28.1 million);
- dredging of the seabed at the Ravenna site (€16 million);
- works to increase the regasification capacity of the Panigaglia plant by approximately 30% by 2028 (€3.3 million);
- the costs for the construction of the works on the Piombino dock (€2 million).

Maintenance and other investments amount to €10 million and mainly relate to investments aimed at guaranteeing the safety and modernisation of the systems at the Panigaglia plant (€7.8 million) and to interventions for the maintenance of the Piombino dock (€0.7 million).

Operating performance

In the first half of 2024, 2.37 billion cubic meters of gas were regasified (1.85 billion cubic meters in the first half of 2023) and 37 unloads were carried out from

methane tankers (44 unloads in the first half of 2023). The increase in regasified volumes is mainly due to the entry into service of the FSRU plant in Piombino, operational since July 2023, which in the first half of 2024 regasified a total of 1.52 billion cubic meters of LNG, carrying out 17 unloads from methane tankers. This effect was partly offset by the reduction in regasified volumes at the Panigaglia LNG terminal (La Spezia), equal to 0.85 billion cubic meters in reference to the same period of 2023, with volumes for the first half of 2024 in line with the values prior to the Russia-Ukraine conflict.

Since the start of operations, the FSRU terminal in Piombino has regasified a total of 2.64 billion cubic meters of LNG, with 29 unloads from methane tankers. The excellent result achieved has allowed the introduction of greater quantities of natural gas into the national transport network, contributing substantially to the diversification of supplies and the security of the national energy system.

In December 2023, with the aim of ensuring greater security and diversification of Italy's energy supplies, in a challenging and evolving global context, Snam completed the acquisition of 100% of the share capital of FSRU I Limited, owner of FSRU BW Singapore. The vessel will be located off the coast of Ravenna and is scheduled to enter service in the first quarter of 2025.

With the entry into service of BW Singapore, the country's total regasification capacity will increase to 28 billion cubic meters per year, a volume corresponding to approximately 45% of Italy's gas demand in 2023.

⁹ The investments made by GNL Italia for the construction of the ferry to be used in the Truck Loading service (€6 million in the first half of 2024) are attributed to the "Mobility and Liquefaction" sector of the Gas Infrastructure business.

Natural gas storage

The natural gas storage segment information includes the values of the company Stogit.

Key performance indicators

(million euros)	First half-year		Abs. change	Change %
	2023	2024		
Regulated revenues (a) (b)	253	298	45	17.8
Other non-regulated revenues	5	2	(3)	
Total revenues (a) (b)	258	300	42	16.3
EBITDA	217	256	39	18.0
EBIT	157	192	35	22.3
Technical investments (c)	91	101	10	11.0
Concessions (number)	10	10		
- of which operational (d)	9	9		
Natural gas moved in storage (billions of cubic metres) (e)	7.48	7.92	0.44	5.9
- of which injection	3.47	4.02	0.55	15.9
- of which withdrawn	4.01	3.90	(0.11)	(2.7)
Total storage capacity (billions of cubic metres)	16.5	16.9	0.4	2.4
- of which available(f)	12.0	12.4	0.4	3.3
- of which strategic	4.5	4.5		
Employees in service at the period end (number)	71	76	5	7.0

(a) Before consolidation eliminations.

(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 €83 million in the first half of 2023 (€105 million in the first half of 2023).

(c) Investments remunerated at the pre-tax real basic WACC equal to 6.0% for 2023 and equal to 6.6% for 2024.

(d) With working gas capacity for modulation services.

(e) The volumes of gas are expressed in Standard cubic metres (Scm) with an average Higher Heating Value (HHV) equal to about 39.6 MJ/Scm (10.919 kWh/Scm) for natural gas storage for the thermal year 2024-2025. The corresponding value for 2023 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 €300 million, up compared to the first half of 2023 (+€42 million; equal to 16.3%), following higher regulated revenues.

Regulated revenues amounted to €298 million, up €45 million, or 17.8%, compared to the first half of 2023. Regulated revenues include variable fees (€4 million; unchanged compared to the first half of 2023) applied to users to cover costs related to energy consumption (purchase of CO₂ emission rights). The higher revenues are mainly related to: (i) the growth of the WACC from 6.0% in 2023 to 6.6% in 2024 (+€13 million); (ii) the increase in RAB (+€18 million); (iii) higher revenues relating to output-based services (+€13 million) mainly

due to the counterflow service and the effects of the provisions of ARERA resolution 76/2024/R/Gas of 12 March 2024, regarding the shares of revenue retention by the company.

EBITDA amounted to €256 million, up €39 million, or 18.0% compared to the first half of 2023, essentially due to higher revenues, partly absorbed by lower capitalised costs.

EBIT amounted to €192 million, up €35 million, or 22.3%, compared to the first half of 2023, against the aforementioned increase in EBITDA and with amortisation in line with the previous period.

Technical investments

(million euros)	First half-year		Abs. change	Change %
	2023	2024		
Type of investment				
Development of new fields and upgrading of capacity	16	19	3	18.8
Maintenance and other	75	82	7	9.3
	91	101	10	11.0

Technical investments in the first half of 2024 amounted to €101 million, an increase of €10 million (+11.0%) compared to the first half of 2023 (€91 million).

Investments in the **development of new fields and capacity enhancement** (€17 million) mainly relate to: (i) engineering activities aimed at the renovation of the Ripalta treatment plant (€3.8 million); (ii) engineering activities for the replacement and reconstruction of the Sergnano wells (€2.8 million); (iii) connection activities of the new Cortemaggiore wells to enhance peak performance (€2.3 million); (iv) recognition of

environmental compensation charges on Ripalta following the authorisation for overpressure operation (€1.9 million) and (v) drilling of two new wells at Minerbio to enhance storage activities (€1.7 million).

Maintenance and other investments (€82 million) mainly relate to: (i) to activities to adapt the clusters and the Minerbio treatment plant (€31.1 million); (ii) IT investments for the purchase and updating of software licenses (€7 million); (iii) real estate projects for the redevelopment of the operational headquarters (€7 million).

Operating performance

Gas moved in the Snam storage system

Gas volumes moved in the storage system in the first half of 2024 amounted to 7.92 billion cubic meters, up 0.44 billion cubic meters, or 5.9%, compared to the first half of 2023. The increase is mainly attributable to higher injections from storage.

The total storage capacity as of 30 June 2024 is equal to 16.9 billion cubic meters (an increase of

0.4 billion cubic meters compared to 30 June 2023), of which 4.5 billion cubic meters related to strategic storage (unchanged compared to the thermal year 2023-2024).

ARERA regulations

Approval of transport revenues 2025

With Resolution 216/2024/R/gas, published on 30 May 2024, the Authority approved the recognised revenues and tariff fees for the natural gas transportation and metering service for the year 2025. The recognised revenues of Snam Rete Gas and Infrastrutture Trasporto Gas amount to a total of €2,857 million (including €50 million of incentive to maintain fully depreciated assets in operation). The RAB used to calculate the 2025 revenue for transmission, dispatching and metering activities is €19.6 billion and includes the estimated investments for 2024.

The resolution also approved some amendments to the RTTG (Tariff Regulation for Gas Transmission), in particular regarding the implementation of changes necessary to fully integrate the ROSS regulation (Regulation for Spending and Service Objectives) approved with Resolutions 163/2023/R/com and 497/2023/R/com, the approval of the ROSS parameters (choice of the regulatory menu, capitalisation rate and activation of the Z-factor) and the correction of some material errors.

Urgent provisions regarding the gas transport service at the redelivery points of the company Acciaierie d'Italia S.p.A.

With Resolution 260/2024/R/gas of 25 June 2024, the Authority approved urgent provisions regarding the gas transport service at the redelivery points of the company Acciaierie d'Italia S.p.A., providing, in derogation from the timeframes of the Network Code, more flexible timeframes for the request for the assignment of transport capacity on a monthly basis, for the request for the discontinuation of points which involves the activation of the default transport service on the first day of the following month, or for the renunciation of the annual capacity assigned.

Approval of regasification revenues 2025

With Resolution 253/2024/R/gas, published on 28 June 2024, the Authority approved the recognised revenues and tariff fees for the regasification service for the year 2025. Furthermore, the resolution provides for changes to the "tariff regulation for the regasification service for the sixth regulatory period" (RTRG 6PR GNL) following DCO 56/2024/R/gas in order to allow full alignment with the ROSS criteria in relation to inflationary items and ex post redeterminations common to all energy infrastructure services subject to these criteria. The resolution also defines, in cases of capacity allocated at a regulated rate, a compensation mechanism for higher or lower tariff levels of one year (including those possibly deriving from the revision of the WACC) in the tariff levels of year t+2 (with a specific additional fee of the Cqs), providing that the related revenue is anticipated by CSEA for the purposes of applying the revenue coverage factor during year t+1 and, once collected by the regasification companies during the following year, paid to CSEA.

With regard to the Panigaglia terminal, the tariffs for the year 2025 were determined on the basis of reference revenues of €36.6 million and energy costs of approximately €7.4 million. The RAB for the LNG regasification activity is €190.4 million. At the same time, the Authority gave the go-ahead for the payment of the amounts due for the adjustments of the costs recognised for electricity consumption for the regasification chain and for Emission Trading System (ETS) certificates for the year 2023. With reference to the year 2023, the entitlements relating to the revenue coverage factor were zero.

For the Piombino terminal, the tariffs for the year 2025 were determined on the basis of reference revenues of €94 million and energy costs of approximately €7.2 million. The RAB for the LNG regasification activity is equal to €447.1 million.

For the Ravenna terminal, the tariffs for the year 2025 were determined on the basis of reference revenues of €99.2 million and energy costs of approximately €7.2 million. The RAB for the LNG regasification activity is equal to €412.5 million.

Amendments to RAST and definition of incentive parameters for the fifth storage incentive period (5PI)

With Resolution 76/2024/R/Gas, published on 12 March 2024, the Authority updated RAST on the basis of the evolution of storage services that occurred in the last two years and defined the incentive criteria for storage companies for the two-year period 2024-2025.

In particular, the resolution provides for:

- the definition of short-term products with associated implicit allocation of further benefits;
- confirmation of the services subject to incentives, with the exception of services already provided to users and not used;
- the introduction of a specific incentive mechanism in the case of provision of services with implicit allocation.

Provisions for the allocation of storage capacity, for the thermal year 2024/2025

With Resolution 129/2024/R/Gas, published on 2 April 2024, the Authority integrated the provisions regarding the allocation of storage capacity for the thermal year 2024/2025, taking into account what is defined in Ministerial Decree No. 131 of 28 March 2024.

In particular, the resolution provides for:

- the confirmation of the non-application of technical consumption costs to users, providing for the coverage of the cost at CSEA;
- the use of residual gas present in storage supplied by Snam Rete Gas for the management of self-consumption by storage companies;
- the definition of a penalty for failure to fill up in October 2024 for users, equal to the highest of the fee defined by the regulatory framework (depending on the outcome of the auctions) and €1.5/MWh;
- the allocation to the Energy Services Manager (GSE) and Snam Rete Gas of the space capacity for Thermal Year 24/25 and corresponding injection and delivery capacity, for a value equal to the gas stocks resulting as of 31 March 2024. The capacities are granted at a regulated rate with cost coverage at CSEA;
- the revocation of the capacity granted in the event of violation of regulation 2023/4271 for subsequent transfer to third parties.

Energy transition businesses

The Energy Transition segment, in line with the reporting examined by the Company Management, aggregates the energy efficiency business attributable to the legal entities of the Renovit group, and the biomethane/biogas business attributable to the legal entities of the Bioenergys group, as well as the start-up activities in the hydrogen segment and Carbon Capture and Storage (CCS) projects.

Key performance indicators

(million euros)	First half-year		Abs. change	Change %
	2023	2024		
Total Revenues (a)	521	156	(365)	(70.1)
Adjusted operating costs (*) (a)	476	160	(316)	(66.4)
Adjusted EBITDA (*)	45	(4)	(49)	
Amortisation, depreciation and impairment losses	20	21	1	5.0
Adjusted EBIT(*)	25	(25)	(50)	
Technical investments	49	58	9	18.4
Biomethane/Biogas operational data				
Installed and operating megawatts (MW) (b)	40	40		
No. Biomethane/Biogas plants in operation (c)	33	35	2	6.1
Operational data Energy Efficiency				
Installed Megawatts (MW) (d)	58	76	18	31.0
Backlog (e)	1,220	1,233	13	1.1
Employees in service as of 30 June (number)	624	639	15	2.4

(*) The values relating to the first half of 2024 are shown in the adjusted configuration, net of special items represented by the charges deriving from the signing of settlement agreements, amendments to previous framework agreements for new investments and the purchase of shareholdings relating to the Biomethane - Waste business (€31 million). No special items were identified in the first half of 2023.

(a) Before adjustments with other business segments.

(b) Theoretical power of the plant in operation.

(c) The value does not include four temporarily non-operational plants. The value as at 30 June 2023 includes Marsala plant in decommissioning phase.

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

(e) Indicates the value of revenues accruing after 2024, associated with contracts awarded and entered into as at 30 June 2024.

Results

Total revenues amounted to €156 million, down €365 million, or 70.1%, compared to the first half of 2023. The decrease is mainly attributable to the contraction in energy efficiency (-€352 million), in particular due to the conclusion of activities related to the deep redevelopment of private and public buildings (ex-IACP) subject to the Superbonus building incentive mechanism and other minor bonuses.

EBITDA, negative for €4 million, recorded a reduction of €49 million compared to the first half of 2023, mainly due to the contraction of energy efficiency projects.

EBIT, negative for €25 million, records a decrease of €50 million compared to the first half of 2023, due to the effects described above.

Technical investments

Technical investments in the first half of 2024 amount to €58 million, an increase compared to the first half of 2023 (+€9 million; +18.4%) and mainly related to:

- **energy efficiency investments** amounting to €16 million, mainly attributable to: (i) engineering activities, support for the authorisation process and construction of plants for industrial and tertiary segment

customers (€10 million); (ii) investments for the development of new IT infrastructure and the purchase of new applications (€1 million); (iii) works for engineering activities and upgrading of public administration facilities and buildings (€2 million); (iv) works for engineering and energy requalification activities of the building/plant system in the private residential segment (€2 million);

- **investments in biomethane and biogas** amounting to €17 million mainly related to the conversion of biogas plants to biomethane;
- **investments in decarbonisation projects** amounting to €25 million, mainly relating to engineering activities for the Ravenna Project for the capture and storage of CO₂ (CCS).

Operating performance

As of 30 June 2024, there are 35 biomethane/biogas plants in operation, with an increase of two plants compared to the same period in 2023, and with an installed power of 40 MW, in line with the same period in 2023. The increase is due to the addition of seven

new waste (FORSU) and agricultural plants to the portfolio with a total installed capacity of around 9 MW. Furthermore, during the year, four biogas and agricultural biomethane plants left the Bioenergy portfolio following the sale of Iniziative Biometano S.p.A., for an installed operating power of around 8 MW. During 2024, the operation of one biomethane production plant from waste (FORSU), located in Tortona, with an installed power of around 2 MW, was suspended.

The megawatts (MW) installed on co-trigeneration and photovoltaic plants for customer energy efficiency interventions amount to 76, up compared to the first half of 2023 (+18 MW), mainly due to the commissioning of approximately 15 plants for industrial customers.

With regard to the backlog, there is a slight growth compared to the first half of 2023 on the total perimeter, obtained through the replacement of short-term backlog, linked to the end of deep requalification interventions, with long-term backlog from Energy Performance Contracts.

Reference regulatory framework

Biomethane

The plants currently in operation for the production of biomethane from FORSU fall within the scope defined by the incentive scheme of the Ministerial Decree 2018, valid for newly built or reconverted plants that entered into operation by 31 December 2023, which recognises an incentive lasting 10 years.

The potential beneficiaries indicated by the Ministerial Decree of 15 September 2022 (DM 15/22), which aims to support investments for the construction of new biomethane production plants and for the total or partial reconversion of existing plants, include the group's plants that use agricultural biomass and livestock effluents, currently intended for the production of biogas.¹⁰

In particular, the group has planned the reconversion of the entire portfolio held, consisting of 30 plants, in order to benefit not only from the incentives provided by Ministerial Decree 15/22 but also from the non-repayable financing of a maximum value of 40% of the investment attributable to these plants, introduced against the resources made available by the NRRP.

Ministerial Decree 15/22 provides for a single method of access to incentives through participation in public competitive procedures carried out with the downward auction mechanism. To benefit from the incentives provided by Ministerial Decree 15/22, the plants undergoing reconversion must participate and be among the successful bidders in one of the auctions scheduled by GSE11. Within 90 days of the closing of the auctions, the GSE is required to publish the rankings indicating the admitted projects that will be able to benefit from the incentives provided for by Ministerial Decree 15/22, provided that they complete the reconversion works and enter into operation no later than 18 months from the date of publication of the ranking. As of 30 June 2024, all the plants subject to reconversion for which there was participation in the auction (7 of the 30 plants held) have already been awarded the contracts in the GSE rankings, and for three of them

¹⁰ The biogas produced by these plants is used to produce electricity.

¹¹ The procedure will be completed with the publication in April 2025 of the ranking relating to the last of the auctions called.

the conversion works have already started. Furthermore, in order to access the non-repayable funding provided by the NRRP, the plants must enter into operation no later than 30 June 2026.

Energy efficiency

Renovit operates in compliance with European and Italian legislation aimed at accelerating energy efficiency and the ecological transition process, through redevelopment and energy efficiency interventions for the residential, industrial and tertiary markets, and the public market. 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's activity is the Energy Performance Contract (EPC), defined in our legal system by Legislative Decree 115/2008, in implementation of Community Directive CE/32/06. This is accompanied by the Energy Service contract, established by Presidential Decree No. 412 of 26 August 1993. In interactions with Public Bodies, we would like to highlight in particular the adherence to the provisions of Legislative Decree 36/2023, the new Public Contracts Code, effective from 1 July 2023 (for public notices or calls for tender published before this date, the provisions of Legislative Decree 50/2016 will continue to apply). This includes compliance with the regulations prescribed therein, especially in relation to the necessary requirements and modalities for participation in public tenders, the discipline of the Public Private Partnership and the requirements dictated by the Minimum Environmental Criteria in the implementation of interventions. Finally, the self-consumption initiatives spread throughout the territory will be planned and implemented in accordance with ARERA's Resolution 727/2022/R/EEL of 27 December 2022, and according to the Decree of the Minister of the Environment and Energy Security No. 414 of 7 December 2023. Renovit also operates in full compliance with the technical standards (UNI/EN standards) laid down 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, following an orientation path between the different opportunities. With regard to the efficiency of residential buildings, following the publication of D.L. 39/2024, the so-called 'Block on assignments Decree', Renovit has been subject to a series of restrictions of considerable impact. Among the main ones are:

- the exclusion of the use of the invoice discount and receivable assignment for the entire residential segment, including public housing (IACP), housing cooperatives, ONLUS / RSA;
- the impossibility for companies to spread out over 10 years all tax deductions relating to expenses incurred for works supported by the Superbonus and other minor bonuses, in the absence of a discount on the invoice, starting from 1 January 2024.

Nonetheless, excluding the retroactivity of the aforementioned decree, Renovit continues to operate within the scope of tax deductions for the redevelopment and recovery of the building heritage, both for all the "110 works" contracted and not completed prior to the entry into force of D.L. 39/2024, and by taking advantage of the residual deduction rates provided for by art. 119 of D.L. 34/2022 (the so-called Relaunch Decree) and subsequent amendments. Furthermore, still in the residential segment, we would like to point out the use of the "Energy plus service" regulated by paragraphs 4 and 5 of Annex II of Legislative Decree No. 115 of 30 May 2008. Interventions in the civil/tertiary, industrial and public sectors, on the other hand, mainly benefit from the incentives provided by the Conto Termico, 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, and by the White Certificates mechanism, or Energy Efficiency Certificates, in force since 2005 and most recently amended by Ministerial Decree of 21 May 2021. Renovit is also alongside 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 (NRRP) 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.

Commentary on the economic and financial results and other information

Commentary on the economic and financial results

Introductory note: with resolution 139/2023/R/gas which regulates the sixth regulatory period of the natural gas transport service, starting from 1 January 2024, the Authority has established that the variable tariff fee applied to users to cover the gas supply costs, necessary for the operation of the transport network, is paid in full to CSEA, consequently not representing a revenue component. The gas supply costs actually incurred are recognised in full, on a monthly basis, by CSEA itself.

Therefore, with reference to the first half of 2023, the period under comparison, the revenues covering the gas supply costs (€178 million) necessary for the operation of the transport network, have been reclassified as a reduction of the related costs.

PROFIT AND LOSS ACCOUNT

(million euros)	First half 2023		First half 2024		2024 adjusted vs 2023 adjusted	
	Reported	Adjusted (*)	Reported	Adjusted (*)	Abs. change	Change %
Regulated revenues (**)	1,351	1,351	1,623	1,623	272	20.1
Non-regulated revenues	44	44	20	20	(24)	(54.5)
Gas Infrastructure Business Revenues (**)	1,395	1,395	1,643	1,643	248	17.8
Energy Transition Business Revenues	521	521	156	156	(365)	(70.1)
TOTAL REVENUES (**)	1,916	1,916	1,799	1,799	(117)	(6.1)
Gas Infrastructure Business Operating Costs (**)	(227)	(219)	(222)	(222)	(3)	1.4
Energy Transition Business Operating Costs	(476)	(476)	(191)	(160)	316	(66.4)
TOTAL OPERATING COSTS (**)	(703)	(695)	(413)	(382)	313	(45.0)
EBITDA	1,213	1,221	1,386	1,417	196	16.1
Amortisation, depreciation and impairment losses	(455)	(455)	(499)	(499)	(44)	9.7
EBIT	758	766	887	918	152	19.8
Net financial expenses	(87)	(87)	(130)	(130)	(43)	49.4
Net income from equity investments	242	159	119	157	(2)	(1.3)
Profit before taxes	913	838	876	945	107	12.8
Income taxes	(203)	(205)	(241)	(253)	(48)	23.4
Net profit	710	633	635	692	59	9.3
- held by Snam shareholders	698	621	634	691	70	11.3
- non-controlling interests	12	12	1	1	(11)	(91.7)

(*) Values exclude special items.

(**) In order to provide a homogeneous representation of revenues and costs between the two periods being compared, the revenues covering the costs of supplying the gas necessary for the operation of the transport network (self-consumption, network losses and Unaccounted Gas - CNG) in the first half of 2023 (€178 million) have been reclassified as a reduction of the related costs.

Summary reconciliation of adjusted results (*)

(million euros)	First half-year			
	2023	2024	Abs. change	Change %
EBITDA	1,213	1,386	173	14.3
Exclusion of special items	8	31	23	
Adjusted EBITDA	1,221	1,417	196	16.1
EBIT	758	887	129	17.0
Exclusion of special items	8	31	23	
Adjusted EBIT	766	918	152	19.8
Net profit	710	635	(75)	(10.6)
- Held by Snam shareholders	698	634	(64)	(9.2)
- Non-controlling interests	12	1	(11)	(91.7)
Exclusion of special items	(77)	57	134	
Adjusted net profit	633	692	59	9.3
- Held by Snam shareholders	621	691	70	11.3
- Non-controlling interests	12	1	(11)	(91.7)

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

Analysis of adjusted income statement items

In accordance with IFRS 8 "Operating Segments", the Snam Group has identified the following operating segments: Transportation, Storage, Regasification and Energy Transition, which includes the biogas/biomethane business, energy efficiency and start-up activities in hydrogen and Carbon Capture and Storage (CCS).

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

Revenue by segment

(million euros)	First half-year			
	2023	2024	Abs. change	Change %
Transportation Segment (*)	1,148	1,377	229	19.9
Storage Segment	258	300	42	16.3
Regasification Segment	38	102	64	
Energy Transition Segment	521	156	(365)	(70.1)
Other segments	22	8	(14)	(63.6)
Amounts not allocated to segments	9	10	1	11.1
Consolidation eliminations	(80)	(154)	(74)	92.5
TOTAL REVENUES (*)	1,916	1,799	(117)	(6.1)

(*) 2023 data restated. For more information, see the introductory note to this section.

Regulated and non-regulated revenues

(million euros)	First half-year			
	2023	2024	Abs. change	Change %
Gas Infrastructure Business Revenues (*)	1,395	1,643	248	17.8
Regulated revenues (*)	1,351	1,623	272	20.1
- Transport Segment (*)	1,061	1,223	162	15.3
- Storage Segment	253	298	45	17.8
- Regasification Segment	37	102	65	
Non-regulated revenues	44	20	(24)	(54.5)
Energy Transition Business Revenues	521	156	(365)	(70.1)
- Energy Transition Segment	521	156	(365)	(70.1)
TOTAL REVENUES (*)	1,916	1,799	(117)	(6.1)

(*) 2023 data restated. For more information, see the introductory note to this section.

Total revenues achieved in the first half of 2024 amounted to €1,799 million, down by €117 million (-6.1%) compared to the first half of 2023, mainly due to the decline in revenues from the energy transition businesses (-€365 million; -70.1%), particularly in the energy efficiency segment, partly absorbed by the increase in revenues from the gas infrastructure business (+€248 million; +17.8%) due to higher regulated revenues.

Regulated revenues amounted to €1,623 million, up €272 million (+20.1%) compared to the first half of 2023. This increase was mainly due: (i) the increase in WACC in all business segments (+€86 million); (ii) higher revenues connected to the growth of the RAB of the transport and storage segments (+€74 million, including lower “input-based” incentives) thanks to the implementation of the investment plan; (iii) the effects of the application of the ROSS (Regulation for Spending and Service Objectives) to the natural gas transport service (+€33 million); (iv) revenues related to the start of operations of the Piombino regasification plant (+€43 million); (v) the recognition of revenues in light of the higher regasified volumes in 2023 (+€29 million compared to the higher revenues relating to 2022 recognised in 2023); (vi) output-based incentives (+€8 million), mainly due to the counterflow service provided to users of the storage service and the effects of the provisions of ARERA resolution 76/2024/R/Gas of 12 March 2024, regarding the shares of revenue retention by the company (+€13 million), partly absorbed by the lower incentives connected to the default service (-€5 million).

Non-regulated revenue (€20 million), decreased by €24 million, equal to 54.5% compared to the first half of 2023, mainly due to lower one-off income.

Revenues from the energy transition businesses amounted to €156 million, down €365 million, or 70.1%, compared to the first half of 2023, due to the lower contribution of energy efficiency (-€352 million) in particular due to the end of the Superbonus incentives and other minor bonuses and biomethane (-€13 million), also following the change in the corporate perimeter.

Operating costs (*)

(million euros)	First half-year			
	2023	2024	Abs. change	Change %
Gas Infrastructure Business Costs	219	222	3	1.4
Fixed costs	148	173	25	16.9
Variable costs	38	26	(12)	(31.6)
Other costs	33	23	(10)	(30.3)
Energy Transition Business Costs	476	160	316	(66.4)
TOTAL OPERATING COSTS	695	382	313	(45.0)

(*) Excluding special items.

(**) 2023 data restated. For more information, see the introductory note to this section.

Operating costs for the first half of 2024 amounted to €382 million, a decrease of €313 million, equal to 45.0%, compared to the first half of 2023, mainly due to lower activity volumes in the energy efficiency segment.

Operating costs for the gas infrastructure business amounted to €222 million, substantially in line with the first half of 2023 (+€3 million, equal to 1.4%). The higher costs associated with the start-up of operations of the Piombino FSRU plant, in particular relating to O&M maintenance services and maritime services and the increase in labour costs also in light of the extension of welfare services offered to employees, were absorbed by the higher capitalised costs.

Operating costs of the energy transition businesses amounted to €160 million, down €316 million, or 66.4%, compared to the first half of 2023. The reduction is attributable to a reduction in the volumes of activity of the energy efficiency business and lower costs of the biogas/biomethane business following the change in the corporate perimeter.

The number of employees at 30 June 2024 (3,803 people) is analysed below by professional status.

	First half-year		Abs. change	Change %
	2023	2024		
Professional qualification				
Executives	130	127	(3)	(2.3)
Middle Managers	663	683	20	3.0
Office workers	2,005	2,122	117	5.8
Manual workers	883	871	(12)	(1.4)
TOTAL EMPLOYEES IN SERVICE	3,681	3,803	122	3.3

The increase of 122 employees compared to 2023 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.

EBITDA by segment (*)

(million euros)	First half-year		Abs. change	Change %
	2023	2024		
Transportation Segment	944	1,091	147	15.6
Storage Segment	217	256	39	18.0
Regasification Segment	18	74	56	
Energy Transition Segment	45	(4)	(49)	
Other segments	(1)	1	2	
Amounts not allocated to segments	(2)	(1)	1	(50.0)
TOTAL EBITDA	1,221	1,417	196	16.1

(*) Excluding special items.

Depreciation, amortisation and impairment losses by segment (*)

(million euros)	First half-year		Abs. change	Change %
	2023	2024		
Depreciation	455	486	31	6.8
Transportation Segment	362	373	11	3.0
Storage Segment	60	64	4	6.7
Regasification Segment	7	22	15	
Energy Transition Segment	20	21	1	5.0
Other segments		1	1	
Amounts not allocated to segments	6	5	(1)	(16.7)
Impairment losses (Recovery of value)		13	13	
TOTAL AMORTISATION AND DEPRECIATION	455	499	44	9.7

(*) Excluding special items.

Depreciation, amortisation and write-downs (€499 million) increased by €44 million, or 9.7%, compared to the first half of 2023, mainly attributable to higher depreciation related to the entry into service of new infrastructure, including the Piombino FSRU plant, and higher write-downs of assets in progress in the transport segment.

EBIT by segment (*)

(million euros)	First half-year		Abs. change	Change %
	2023	2024		
Transportation Segment	582	705	123	21.1
Storage Segment	157	192	35	22.3
Regasification Segment	11	52	41	
Energy Transition Segment	25	(25)	(50)	
Other segments	(1)	0	1	(100.0)
Amounts not allocated to segments	(8)	(6)	2	(25.0)
TOTAL OPERATING PROFIT	766	918	152	19.8

(*) Excluding special items.

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

Net financial expenses

(million euros)	First half-year		Abs. change	Change %
	2023	2024		
Financial expense related to net financial debt	107	198	91	85.0
Interest and other expenses on short- and long-term debt	116	233	117	
- Interest income and other income	(9)	(35)	(26)	
Other net financial expense (income)	(12)	(50)	(38)	
- Financial charges related to the passage of time (accretion discount)	9	9		
- Other net financial expense (income)	(21)	(59)	(38)	
Financial expense charged to assets	(8)	(18)	(10)	
TOTAL NET FINANCIAL EXPENSES	87	130	43	49.4

Net financial expenses (€130 million) increased compared to the first half of 2023 (+€43 million; +49.4%). The increase is due, in particular, to the increase in net financial debt and the higher average cost of net debt which stood at approximately 2.5% in the first half of 2024 compared to 1.7% in the corresponding period of 2023. The increase in the average cost of debt is mainly attributable to the changed interest rate scenario recorded in the period between the two half-years being compared, mitigated by the increase in income related to the active management of liquidity. Furthermore, the increase in financial charges was partly absorbed by higher default interest in the default service, by the increase in capitalised financial charges and by higher income resulting from the effect of the passage of time of credits for Superbonus and other minor bonuses.

Net income from equity investments (*)

(million euros)	First half-year		Abs. change	Change %
	2023	2024		
Share of profit or loss of investments accounted for using the equity method	157	158	1	0.6
Other (expenses) and income from equity investments	2	(1)	(3)	
TOTAL NET INCOME FROM EQUITY INVESTMENTS	159	157	(2)	(1.3)

(*) Excluding special items.

Net income from equity investments (€157 million) is substantially in line with the first half of 2023 (-1.3%).

With reference to international equity investments, we highlight the greater contribution of EMG due, in large part, to the recognition of one-off income relating to previous financial years and the better result of SeaCorridor, also as a result of one-off tax benefits. These effects were mainly absorbed by the lower contribution of the Greek DESFA, especially due to lower auction premiums at the export point to Bulgaria and at the entry point from the Revithoussa LNG terminal, while the other subsidiaries confirmed the solid performance recorded in 2023. The contribution of Italian subsidiaries is substantially in line with the first half of 2023.

Income taxes (*)

(million euros)	First half-year		Abs. change	Change %
	2023	2024		
Current taxes	224	277	53	23.7
Deferred taxes	(19)	(24)	(5)	26.3
TOTAL INCOME TAXES	205	253	48	23.4
Tax rate adjusted (%)	24.5	26.8	2.3	

(*) Excluding special items.

Income taxes for the first half of 2024 amounted to €253 million, up compared to the corresponding period of the previous financial year (€48 million; +23.4%) mainly due to the increase in the pre-tax result and the abolition, from 2024, of the ACE benefit.

The adjusted tax rate stands at 26.8% (24.5% in the first half of 2023).

Non-GAAP measures

In addition to the financial figures required by IFRS, Snam presents in its management report some figures derived from the latter, even though they are not required by IFRS or 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 should be viewed as supplementary and does not supersede the information prepared in line with IFRS.

In accordance with the recommendations of CONSOB and ESMA regarding alternative performance indicators, the following paragraphs 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 indicators¹² compliant with the International Accounting Standards.

Adjusted EBITDA, EBIT and net profit

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 2024 relate to: (i) the costs arising from the signing of settlement agreements, amending previous framework agreements for new investments and the purchase of shareholdings relating to the Biomethane - Waste business (€43 million, €31 million net of the related taxes); (ii) the estimate of the costs incurred by the Austrian subsidiaries TAG and GCA, connected to the repayment of the higher revenues obtained in exchange for the risk premium for the period 2013-2024, to be implemented by reducing the allowed revenues over a 15-year period starting from 2025 (€30 million); (iii) the proceeds from the normalisation of the interest rates used to discount the contractual tariffs of the subsidiary ADNOC Gas Pipeline Assets, an indirect subsidiary of Galaxy Pipeline Assets HoldCo Limited (€4 million).

Special item

Income components are classified as special items, if significant, when: (i) they result from non-recurring events or transactions or from transactions or events which do not occur frequently in the ordinary course of business; or (ii) they result from events or transactions which are not representative of normal business operations. The tax effect linked to the items excluded from the adjusted net profit calculation are determined based on the nature of each revenue item that is 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 statutory cash flow 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 cash change for the period, after the cash flows related to the financial payables/assets (credit/debit repayments/financial payables) have been added/subtracted, to self-owned capital (payment of dividends/net purchase of treasury shares/capital injections), as well as the effects on cash and cash equivalents of changes in the scope of consolidation and exchange differences arising from conversion; or (ii) on the

¹² 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.

change in net financial debt for the period, after the flows relating to self-owned capital have been added/subtracted, as well as the effects on net financial debt of changes in the scope of consolidation and exchange differences arising on conversion.

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.

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 2023			First half 2024			2024 adjusted vs 2023 adjusted	
	Reported	SPECIAL ITEM	Adjusted	Reported	SPECIAL ITEM	Adjusted	Abs. change	Change %
Regulated revenues	1,351		1,351	1,623		1,623	272	20.1
Non-regulated revenues	44		44	20		20	(24)	(54.5)
Gas Infrastructure Business Revenues	1,395		1,395	1,643		1,643	248	17.8
Energy Transition Business Revenues	521		521	156		156	(365)	(70.1)
TOTAL REVENUES	1,916		1,916	1,799		1,799	(117)	(6.1)
Gas Infrastructure Business Operating Costs	(227)	8	(219)	(222)		(222)	(3)	1.4
Energy Transition Business Operating Costs	(476)		(476)	(191)	31	(160)	316	(66.4)
TOTAL OPERATING COSTS	(703)	8	(695)	(413)	31	(382)	313	(45.0)
EBITDA	1,213	8	1,221	1,386	31	1,417	196	16.1
Amortisation, depreciation and impairment losses	(455)		(455)	(499)		(499)	(44)	9.7
EBIT	758	8	766	887	31	918	152	19.8
Net financial expenses	(87)		(87)	(130)		(130)	(43)	49.4
Net income (expenses) from equity investments	242	(83)	159	119	38	157	(2)	(1.3)
Pre-tax profit	913	(75)	838	876	69	945	107	12.8
Income taxes	(203)	(2)	(205)	(241)	(12)	(253)	(48)	23.4
Net profit	710	(77)	633	635	57	692	59	9.3
- held by Snam shareholders	698	(77)	621	634	57	691	70	11.3
- non-controlling interests	12		12	1		1	(11)	(91.7)

Detail of special items

(million euros)	First half-year		Abs. change	Change %
	2023	2024		
EBITDA	1,213	1,386	173	14.3
<i>Exclusion of special items</i>				
Capital loss from the disposal of current assets	8		(8)	(100.0)
Costs for signing settlement agreements		31	31	
Adjusted EBITDA	1,221	1,417	196	16.1
EBIT	758	887	129	17.0
<i>Exclusion of special items</i>				
Exclusion of special items EBITDA	8	31	23	
Adjusted EBIT	766	918	152	19.8
Net profit	710	635	(75)	(10.6)
<i>Exclusion of special items</i>				
Special item of EBIT	8	31	23	
Expenses (income) from equity investments	(76)	42	118	
ADNOC rate change effect	(7)	(4)	3	(42.9)
Taxation on special items	(2)	(12)	(10)	
Adjusted net profit (Group and non-controlling)	633	692	59	9.3
Non-controlling interests	12	1	(11)	(91.7)
Group adjusted net profit	621	691	70	11.3

Reclassified statement of financial position

The reclassified statement of financial position combines the assets and liabilities of the mandatory schedule published in the Annual Financial Report and the Half-Year Financial Report according to the criterion of functionality for the management of the enterprise, conventionally divided into the three basic functions: investment, operations and financing. Management believes that this format presents useful information for investors as it allows identification of the sources of financing (equity and third-party funds) and the investment of financial resources in fixed and working capital.

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

RECLASSIFIED STATEMENT OF FINANCIAL POSITION (*)

(million euros)	31.12.2023	30.06.2024	Abs. change
Fixed capital	23,002	23,562	560
Property, plant and equipment	18,941	19,489	548
- of which Rights of use on leased assets	44	57	13
Non-current inventories - Compulsory inventories	363	363	
Intangible assets and goodwill	1,449	1,488	39
Investments accounted for using the equity method	3,019	2,964	(55)
Other financial assets	163	165	2
Net payables for investments	(933)	(907)	26
Net working capital	(24)	596	620
Liabilities for employee benefits	(28)	(29)	(1)
NET INVESTED CAPITAL	22,950	24,129	1,179
Shareholders' equity	7,680	7,777	97
- Snam Shareholders' equity	7,635	7,730	95
- Minority interests	45	47	2
Net financial debt	15,270	16,352	1,082
- of which Financial payables for leased assets (**)	33	53	20
COVERAGE	22,950	24,129	1,179

(*) (*) For the reconciliation of the Reclassified statement of financial position to the statutory financial statements, see "Reconciliation of the reclassified financial statements to the statutory financial statements" below.

(**) Of which €42 million long-term and €11 million short-term portions of non-current financial payables.

Fixed capital (€23,562 million) increased by €560 million compared to 31 December 2023, mainly due to the increase in property, plant and equipment.

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

(million euros)	Buildings, installations and machinery	Intangible assets and goodwill	Total
BALANCE AS AT 31 DECEMBER 2023	18,941	1,449	20,390
Technical investments	1,043	116	1,159
Amortisation, depreciation and impairment losses	(422)	(77)	(499)
Transfers, write-offs and derecognition	(5)		(5)
Other changes	(68)		(68)
BALANCE AS OF 30 JUNE 2024	19,489	1,488	20,977

Technical investments for the first half of 2024 amount to €1,159 million¹³ (€714 million in the first half of 2023) and mainly refer to the transport segments (€792 million; €466 million in the first half of 2023), regasification (€185 million; €100 million in the first half of 2023) and natural gas storage (€101 million; €91 million in the first half of 2023).

The other changes (-€68 million) mainly refer to the change in the inventory of pipes and related accessory materials used in the construction of the plants, relating to the natural gas transport segment (-€39 million) and to the effects

¹³ An analysis of the technical investments made by each business segment is provided in the chapter "Operating performance by business segment" of this Report.

deriving from the adjustment of the current value of the disbursements for the costs of dismantling and restoring the sites, following the increase in the expected discount rates (-€37 million).

Equity investments

Investments accounted for using the equity method (€2,964 million) mainly refer to jointly controlled companies and associates. Further information is provided 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 (€165 million) mainly relate to: (i) long-term financial receivables (€102 million), mainly relating to the Shareholders Loan granted by Snam to the jointly controlled company OLT; (ii) to minority interests valued at Fair Value Through OCI (FVTOCI) in the companies Terminale GNL Adriatico S.r.l. (€21 million), Storegga Limited (€14 million) and ITM Power PLC (€7 million).

As part of the OLT refinancing during 2022, some limitations were envisaged for typical shareholders for transactions of this type, including: the pledge of the shares held by Snam in OLT in favour of the lenders for the entire duration of the loan; the assignment of the remaining shareholders' credit as collateral.

Net working capital

(million euros)	31.12.2023	30.06.2024	Abs. change
Trade receivables	4,359	2,372	(1,987)
Inventories	2,810	2,183	(627)
Tax assets	421	867	446
Other assets	216	457	241
Provisions for risks and charges	(663)	(622)	41
- of which: Provision for decommissioning and site restoration	(565)	(534)	31
Trade payables	(987)	(757)	230
Accruals and deferrals from regulated activities	(131)	(78)	53
Net deferred tax liabilities	316	338	22
Derivative liabilities/(assets)	(10)	(2)	8
Tax liabilities	(125)	(330)	(205)
Other liabilities	(6,230)	(3,832)	2,398
- of which: Payables to the Cassa per i Servizi Energetici e Ambientali (CSEA)	(4,037)	(2,397)	1,640
- of which: Payable for interim dividend	(369)		369
NET WORKING CAPITAL	(24)	596	620

Net working capital amounted to €596 million, an increase of €620 million compared to 31 December 2023 (negative for €24 million). This increase was mainly due: (i) the reduction in net liabilities for the gas transportation system balancing service (+€399 million), essentially due to credits for net gas purchases made in the last months of the half-year against the recording of debts for net sales in the last months of 2023; (ii) the reduction in security deposits connected to the gas system balancing activity (+€278 million), resulting from the reduction in gas purchase and sale prices on the balancing market compared to December 2023; (iii) the reduction of debt towards Snam shareholders in exchange for the payment of the 2023 interim dividend (+€369 million); (iv) the change in net working capital related to the energy efficiency business (+€158 million). These effects were partially offset: (i) from higher net liabilities for additional tariff components (-€316 million); (ii) from the increase in tax liabilities (+€205 million) in light of the tax burden for the period; (iii) from the lower net exposure for bad debts of the default service (-€121 million, net of the advance received from CSEA in June 2024).

Comprehensive income statement

(million euros)	First half-year	
	2023	2024
PERIOD PROFIT	710	635
OTHER COMPONENTS OF COMPREHENSIVE INCOME STATEMENT		
Cash flow hedge – effective portion of fair value change	6	7
Investments accounted for using the equity method - portion of other components in the comprehensive income statement (*)	(12)	14
Tax effect	(2)	(2)
Total components which are or could be reclassified in profit for the period, net of tax effect	(8)	19
Revaluation of defined benefit liabilities for employees		
Equity investments accounted for at FVTOCI ("fair value through other comprehensive income")	(2)	(2)
Tax effect		
Total components which will not be reclassified in profit for the period, net of tax effect	(2)	(2)
TOTAL OTHER COMPONENTS IN THE COMPREHENSIVE INCOME STATEMENT, NET OF TAX EFFECT	(10)	17
TOTAL COMPREHENSIVE INCOME STATEMENT	700	652
Total comprehensive income statement:	700	652
- held by Snam shareholders	688	651
- non-controlling interests	12	1

(*) The figure essentially refers to the change in the fair value of derivative financial instruments held for hedging purposes by investments in associated and jointly controlled companies.

Shareholders' equity

(million euros)	
Shareholders' equity at 31 December 2023	7,680
<i>Increases owing to:</i>	
- Comprehensive income	652
- Capital increase of non-controlling interests	1
- Other changes	11
	664
<i>Decreases owing to:</i>	
- Final 2023 dividend	(567)
- Other changes	
	(567)
Shareholders' equity at 30 June 2024	7,777
- held by Snam shareholders	7,730
- non-controlling interests	47

Information on the individual items of shareholders' equity as well as their changes compared to 31 December 2023 is provided in Note 19 "Shareholders' equity" of the Notes to the condensed half-year consolidated financial statements.

As of 30 June 2024, Snam held 7,244,579 treasury shares in its portfolio, equal to 0.22% of the share capital (the same as at 31 December 2023), for a total book value of €30 million and an average cost of €4.133 per share (the same as at 31 December 2023). The market value of treasury shares at 30 June 2024 amounts to approximately €30 million¹⁴. For more information on treasury shares, please refer to the section "Other information - Treasury shares" below.

¹⁴ Calculated by multiplying the number of treasury shares by the period-end official price of €4.131 per share.

Net financial debt

(million euros)	31.12.2023	30.06.2024	Abs. change
Financial debt and bond	16,652	18,291	1,639
Current financial payables (*)	4,904	4,153	(751)
Non-current financial payables	11,705	14,069	2,364
Financial payables for leased assets (**)	43	53	10
Payables for investment activities		16	16
Financial receivables and cash and cash equivalents	(1,382)	(1,939)	(557)
Cash and cash equivalents	(1,382)	(1,939)	(557)
NET FINANCIAL DEBT	15,270	16,352	1,082

(*) Includes the current portion of long-term financial debt.

(**) Of which €42 million long-term and €11 million short-term portions of non-current financial payables.

Cash flow from operating activities (€1,054 million), impacted to a limited extent by the dynamics of working capital related to the balancing activity and by credits for Superbonus and other minor bonuses, made it possible to almost entirely finance the net investments of the period (€1,122 million, of which €1,128 million relating to technical investments and €8 million relating to investments in equity investments), generating a negative free cash flow of €68 million. Net financial debt, including cash flow from equity (€937 million), resulting from the payment of the 2023 dividend to shareholders and non-cash changes, recorded an increase of €1,082 million compared to 31 December 2023, reaching €16,352 million.

(million euros)	31.12.2023	30.06.2024	Abs. change
Bond loans	9,876	11,089	1,213
- of which short-term (*)	1,217	455	(762)
Bank loans	3,549	3,967	418
- of which short-term (*)	1,003	1,232	228
Euro Commercial Paper - ECP (**)	2,679	2,460	(219)
Financial payables for leased assets	43	53	10
Payables for investment activities		16	16
Other lenders	505	706	201
TOTAL FINANCIAL DEBTS AND BONDS	16,652	18,291	1,639

(*) Includes the current portion of long-term financial debt.

(**) Entirely short-term.

Financial payables and bonds are denominated in euros and mainly refer to bond loans (€11,089 million, equal to 61%), bank loans (€3,967 million, equal to 22%, of which €1,459 million provided by the European Investment Bank - EIB) and Euro Commercial Paper (€2,460 million, equal to 13%).

Bond recorded an increase of €1,213 million compared to 31 December 2023 mainly following the issue: (i) in February 2024 of the first Green bond, maturing in 2028, with a nominal amount of €500 million; (ii) in February 2024 of a Sustainability-Linked bond, maturing in 2034, with a nominal amount of €1,000 million; (iii) in April 2024 of a floating bond, maturing in 2026, with a nominal amount of €750 million. These changes were partly offset by the repayment of two bond loans that reached their natural maturity, for a total nominal value of €1,065 million.

Bank loans increased by €418 million compared to 31 December 2023, mainly due to the subscription of new Term Loan financing for a total nominal value of €450 million.

The Euro Commercial Papers (€2,460 million) involve unsecured short-term securities issued on the money market and placed with institutional investors.

Amounts due to other lenders amounting to €706 million (€505 million as at 31 December 2023) essentially refer to a Term Loan with a nominal value of €700 million to the parent company Cassa Depositi e Prestiti.

Cash and cash equivalents of €1,939 million (€1,382 million as at 31 December 2023) mainly refer to the Parent Company's euro-denominated bank accounts and deposits with financial institutions (€1,688 million) and cash from subsidiaries (a total of €251 million).

As of 30 June 2024, Snam had unused committed credit lines amounting to €5.7 billion.

Information on financial covenants is provided in Note 15 "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 measure that allows the reconciliation of the two statements is the "free cash flow", i.e. the cash surplus or deficit remaining after the financing of investments. Free cash flow closes alternately: (i) with the change in cash for the period, after adding/deducting all cash flows related to financial liabilities/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	
	2023	2024
Net profit	710	635
<i>Adjusted for:</i>		
- Amortisation, depreciation and other non-monetary components	219	371
- Net capital losses (gains) on asset sales	8	4
- Dividends, interest and income taxes	258	345
Change in net working capital	(1,887)	(331)
Dividends, interest and income tax collected (paid)	(27)	30
Cash inflow from operating activities	(719)	1,054
Technical investments	(735)	(1,110)
Technical divestments	4	1
Acquisition of subsidiaries and business units, net of cash and equivalents acquired	(10)	0
Equity investments	(255)	(2)
Change in long- and short-term financial receivables	21	(2)
Other changes relating to investment activities	(49)	(9)
Free cash flow	(1,743)	(68)
Repayment of financial payables for leased assets	(8)	(7)
Change in current and non-current financial liabilities	1,558	1,569
Equity cash flow	(919)	(937)
Change in cash and cash equivalents relating to assets held for sale and directly associated liabilities	4	
Net cash flow for the period	(1,108)	557

CHANGE IN NET FINANCIAL DEBT

(million euros)	First half-year	
	2023	2024
Free cash flow	(1,743)	(68)
Equity cash flow	(919)	(937)
Change in financial payables for leased assets	(15)	(17)
Trade and other long-term payables		(16)
Financial payables and receivables from companies entering the scope of consolidation	(7)	
Change in cash and cash equivalents relating to assets held for sale and directly associated liabilities	4	
Other changes	(6)	(44)
Change in net financial debt	(2,686)	(1,082)

Reconciliation of the reclassified financial statements to the mandatory financial statements

Reclassified statement of financial position (*follows*)

(million euros)

	31.12.2023			30.06.2024	
	Reference to the Notes to the Consolidated financial Statements	Partial values from legally required statement	Values from reclassified scheme	Partial values from legally required statement	Values from reclassified scheme
Reclassified statement of financial position items (where not explicitly stated, the component is obtained directly from the mandatory prospectus)					
Fixed capital					
Property, plant and equipment			18,941		19,489
Non-current inventories - Compulsory inventories			363		363
Intangible assets and goodwill			1,449		1,488
Investments accounted for using the equity method			3,019		2,964
<i>Other financial assets, consisting of:</i>			163		165
- Other non-current financial assets	(8)	161		162	
- Other current financial assets		2		3	
<i>Net payables for investments, consisting of:</i>			(933)		(907)
- Payables for investment activities	(18)	(938)		(939)	
- Payables for investment activities reclassified in financial debt (*)				16	
- Receivables for contributions from private individuals and other receivables for investment activities	(13)	5		16	
Total fixed capital			23,002		23,562
Net working capital					
Trade receivables			4,359		2,372
Current inventories			2,810		2,183
<i>Tax receivables, consisting of:</i>			421		867
- Current income tax assets	(14)	15		22	
- VAT credits	(11)	31		32	
- Other tax credits	(11)	372		810	
- IRES receivables for National Tax Consolidation from former parent company Eni	(13)	3		3	
Trade payables			(987)		(757)
<i>Tax payables, consisting of:</i>			(125)		(330)
- Current income tax liabilities	(14)	(53)		(319)	
- IRPEF withholdings for employees	(17)	(7)		(9)	
- Other taxes	(17)	(65)		(2)	
<i>Deferred tax assets (liabilities), consisting of:</i>			316		338
- Deferred tax assets	(10)	375		394	
- Deferred tax liabilities	(10)	(59)		(56)	
Provisions for risks and charges			(663)		(622)
Market value of derivative financial instruments	(11) (17)		(10)		(2)
<i>Other assets, consisting of:</i>			216		457
- Other receivables from the Energy and Environmental Services Fund (CSEA)	(13)	78		216	
- Advances to suppliers	(13)	39		41	
- Other receivables	(13)	21		59	
- Other assets	(11)	78		141	
<i>Assets and liabilities from regulated activities, consisting of:</i>			(131)		(78)
- Regulatory assets	(11)	18		13	
- Regulatory liabilities	(17)	(149)		(91)	
<i>Other liabilities, consisting of:</i>			(6,230)		(3,832)
- Other payables	(18)	(504)		(103)	
- Other payables from the Energy and Environmental Services Fund (CSEA)	(18)	(4,037)		(2,397)	
- Other liabilities	(17)	(1,689)		(1,332)	
total net working capital			(24)		596
Liabilities for employee benefits			(28)		(29)
NET INVESTED CAPITAL			22,950		24,129

Reclassified Statement of financial position

(million euros)

	31.12.2023			30.06.2024	
	Reference to the Notes to the Consolidated financial Statements	Partial values from legally required statement	Values from reclassified scheme	Partial values from legally required statement	Values from reclassified scheme
Reclassified statement of financial position items (where not explicitly stated, the component is obtained directly from the mandatory prospectus)					
NET INVESTED CAPITAL			22,950		24,129
Snam Shareholders' equity			7,635		7,730
Minority interests			45		47
Total Shareholders' Equity	(19)		7,680		7,777
Net financial debt					
<i>Financial liabilities, consisting of:</i>	(15)		16,652		18,291
- Non-current financial liabilities		11,740		14,111	
- Current financial liabilities		4,912		4,164	
- Payables for investment activities reclassified in financial debt (*)				16	
Cash and cash equivalents			(1,382)		(1,939)
- Cash and cash equivalents		(1,382)		(1,939)	
Total net financial debt			15,270		16,352
COVERAGE			22,950		24,129

(*) Referring to long-term payables with a significant implicit financial component.

Reclassified cash flow statement (follows)

(million euros)	First half-year			
	2023		2024	
Reclassified statement items and reconciliation of statutory statement items	Partial values from legally required statement	Values from reclassified scheme	Partial values from legally required statement	Values from reclassified scheme
PROFIT FOR THE PERIOD		710		635
<i>Adjusted for:</i>				
Amortisation, depreciation and other non-monetary components:		219		371
- Depreciation of property, plant and equipment and amortisation of intangible assets and impairment losses	455		499	
- Share of profit or loss of investments accounted for using the equity method	(164)		(132)	
Other expenses (income) from equity investments	(73)		0	
- Change in liabilities for employee benefits	(1)		1	
- Other changes	2		3	
Net losses (gains) on asset sales, write-offs and derecognition		8		4
Dividends, interest, income tax:		258		345
- Dividends	(5)		0	
- Interest income	(39)		(105)	
- Interest expense	99		209	
- Income taxes	203		241	
Change in net working capital:		(1,887)		(331)
- Inventories	76		627	
- Trade receivables	1,131		1,447	
- Trade payables	(672)		(234)	
- Change in provisions for risks and charges	12		(3)	
- Other assets and liabilities	(2,434)		(2,168)	
Dividends, interest and income tax collected (paid):		(27)		30
- Dividends collected	121		164	
- Interest collected	9		35	
- Interest paid	(88)		(163)	
- Income taxes (paid) refunded	(69)		(6)	
CASH FLOW FROM OPERATING ACTIVITIES		(719)		1,054
Technical investments:		(735)		(1,110)
- Property, plant and equipment	(639)		(994)	
- Intangible assets	(96)		(116)	
Technical divestments:		4		1
- Property, plant and equipment	4		1	
Acquisition of subsidiaries and business units, net of cash and equivalents acquired		(10)		0
Equity investments:		(255)		(2)
- Equity investments	(417)		(5)	
- Equity Divestments	162		3	
Short-term and long-term financial receivables:		21		(2)
- Assumption of long-term financial receivables	(1)		(4)	
- Repayments of long-term financial receivables	22		2	
Repayments of short-term financial receivables	0		0	
Other changes relating to investment activities:		(49)		(9)
- Change in net payables for investments	(49)		(9)	
FREE CASH FLOW		(1,743)		(68)

Reclassified cash flow statement

(million euros)	First half-year			
	2023		2024	
	Partial values from legally required statement	Values from reclassified scheme	Partial values from legally required statement	Values from reclassified scheme
Reclassified statement items and reconciliation of statutory statement items				
FREE CASH FLOW		(1,743)		(68)
Change in financial payables:		1,550		1,562
Increase in non current financial liabilities	302		2,686	
- Repayment of long-term financial payables	(376)		(1,119)	
- Increase (decrease) short-term financial payables	1,632		2	
- Repayment of financial payables for leased assets	(8)		(7)	
Equity cash flow:		(919)		(937)
- Dividends paid	(919)		(938)	
- Change in minority interests in subsidiaries not involving a change in control			1	
Change in cash and cash equivalents relating to assets held for sale and directly associated liabilities		4		
NET CASH FLOW FOR THE PERIOD		(1,108)		557

Other information

Transactions with related parties

For a description of the main transactions with related parties, please refer to Note 31 "Transactions with related parties" in the Notes to the condensed half-year consolidated financial statements.

Treasury shares

At 30 June 2024, Snam held 7,244,579 treasury shares, equal to 0.22% of the share capital (the same at 31 December 2023), with a total book value of €30 million and an average cost of €4.133 per share (unchanged compared to 31 December 2023). The market value of treasury shares at 30 June 2024 amounts to approximately €30 million¹⁵.

The share capital at 30 June 2024 consisted of 3,360,857,809 shares (the same at 31 December 2023), with no nominal value, for a total value of €2,736 million.

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 7 May 2024, authorised, subject to revocation of the resolution to authorise a purchase of treasury shares by the Ordinary Shareholders' Meeting on 4 May 2023, 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 and up to a maximum limit of shares in portfolio equal to 3.27% of subscribed and paid-up share capital.

¹⁵ Calculated by multiplying the number of treasury shares by the period-end official price of €4.131 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 21 “Financial Risk Management” of the Notes to the Condensed half-year consolidated financial statements.

STRATEGIC RISKS

Regulatory and legislative risk

Regulatory and legislative risk for Snam, in particular, is associated with the regulation of activities within the gas segment. The decisions made by the Italian Regulatory Authority for Energy, Networks and the Environment (ARERA), as well as the National Regulatory Authorities of the countries where its foreign subsidiaries are based, could significantly influence the company’s operations, results, and financial stability. This is also true for changes in European and national regulations, and more broadly, alterations to the regulatory reference framework.

Given the specific nature of its business and the environment in which Snam operates, alterations to the regulatory framework concerning the determination of benchmark tariffs hold particular significance.

With reference to energy transition businesses, starting from 31 December 2023, the maximum tax benefit rate of 110% for the Superbonus has ceased to apply. The tax benefits envisaged for the years 2024 and 2025 are those regulated by law 77/2020 and subsequent amendments, respectively equal to 70% for 2024 and 65% for 2025. It is believed that this overall system of incentives for energy efficiency and for the entire construction segment in general, can be maintained also for future financial years even if in a context of progressive reduction, however, future regulatory revisions could have impacts on the economic and financial performance of the Group.

The potential impact of future changes in legislative and tax policies on Snam’s business and the industry in which it operates cannot be predicted.

Macroeconomic and geo-political risk

Given the specific nature of the business in which Snam operates, the risks associated with political, social and economic instability in the countries where natural gas is sourced continue to be of primary importance. These risks are particularly evident in the gas transportation segment. Most of the natural gas transported in the Italian national network is historically imported or transits through countries in the MENA area (Middle East and North Africa, in particular Algeria, Tunisia, Libya and, in the TANAP-TAP perspective, Turkey together with the states bordering the Eastern Mediterranean) and in the former Soviet bloc (Russia, Ukraine, Azerbaijan and Georgia), national realities subject to political, social and economic instability.

The Russian-Ukrainian conflict, now in its third year, continues to destabilise global and regional energy dynamics, increasing uncertainty surrounding gas flows from these areas. Furthermore, in 2024, the worsening of tensions in the Middle East, with intensified clashes between armed groups in Libya and internal conflicts in Algeria and Tunisia, has further complicated the geopolitical situation, increasing the risks of impacts on natural gas supplies. The deterioration of maritime security in the Red Sea, highlighted by numerous attacks on commercial vessels, has created further concerns for the security of transit routes crucial to international trade and Italian import-export.

Economically, the first half of 2024 saw a slowdown in global economic growth, partly due to rising interest rates and persistent inflation, which compressed energy demand and contributed to significant fluctuations in commodity prices. This situation has led to an increase in supply costs and has negatively affected the competitiveness of European and national companies, further aggravating energy poverty. The gas price on the Amsterdam spot market (TTF) has

shown a recovery from the lows of 2023, remaining around €30 per MWh in mid-2024, with spikes due to geopolitical events.

Snam, in response to these developments, has prioritised security of supply, ensuring greater flexibility and adequate sizing of gas infrastructure. The measures adopted include the purchase of new floating regasification units (FSRU) and the upgrading of existing infrastructure. In particular, the "Italis LNG" regasification terminal, acquired in June 2022 and located in Piombino, started operating in July 2023, providing a storage capacity of 170 thousand cubic meters of LNG and an annual regasification capacity of 5 billion cubic meters of gas. The second FSRU, called "BW Singapore" was built in 2015 and also has a maximum storage capacity of approximately 170 thousand cubic meters of liquefied natural gas and a nominal regasification capacity of approximately 5 billion cubic meters per year and will be located in the upper Adriatic, near the coast of Ravenna. Furthermore, work has started on the Adriatic Line, Snam's new gas pipeline on the North-South Italy route.

If shippers using the transportation service via Snam networks are hindered from supplying or transporting natural gas from or through the aforementioned countries due to adverse conditions, or are otherwise impacted to a degree that results in or promotes a subsequent failure to meet their contractual obligations to Snam, this could negatively affect the business, as well as the assets, liabilities, income, and cash flows of the Snam Group.

Furthermore, Snam is susceptible to macroeconomic risks stemming from dislocations or volatility in financial markets, or circumstances arising from external events, which could potentially affect liquidity and access to financial markets. Persistent geopolitical tensions and extreme volatility in energy markets make it essential to maintain a diversified and resilient supply strategy.

Market risk

In relation to the risk associated with gas demand, it should be noted that based on the tariff system currently applied by the Regulatory Authority for Energy, Networks and Environment (hereinafter also ARERA or the Authority) to natural gas transportation activities, the revenues of Snam, through its directly controlled transportation companies, are partially related to the volumes redelivered. ARERA, however, confirmed for the sixth regulatory period (2024-2027), with Resolution 139/2023/R/gas, the guarantee

mechanism with respect to the portion of revenue correlated 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 the total permitted revenues from transport activities are guaranteed.

Based on the tariff system currently used by ARERA for natural gas storage activities, Snam revenues generated through Stogit are associated with the use of infrastructure. In any case, ARERA has implemented a mechanism to guarantee reference revenues, enabling companies to cover the majority of the revenues recognised. Up until the fourth regulatory period (2015-2019), the minimum guaranteed level of recognised revenues was roughly 97%. However, for the fifth regulatory period (2020-2025), Resolution 419/2019/R/gas expanded the guarantee to cover all recognised revenues (100%). The same resolution also introduced an enhanced incentive mechanism (defined by subsequent Resolution No. 232/2020/R/gas) through 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.

Lastly, regarding the tariff regulation criteria for the LNG regasification service for the fifth regulatory period (2020-2023), Resolution 474/2019/R/gas has affirmed the mechanism to ensure reference revenues at a guaranteed minimum level of 64%. With Resolution No. 196/2023/R/gas on the tariff regulation criteria for the sixth regulatory period (2024-2027), this mechanism was confirmed and for new regasification terminals pursuant to Decree-Law No. 50/2022 (Article 5) a fund was established, with an allocation of €30 million for each of the years from 2024 to 2043, to cover the share of revenues for the regasification service, including the cost of purchasing and/or building new plants, with priority for the share exceeding the application of the revenue coverage factor. Generally, alterations to the prevailing regulatory framework could potentially have adverse impacts on the operations, assets, liabilities, income, and cash flows of the Snam Group.

Abroad, market risk protections are offered by French, Greek and Austrian regulations, although for the latter the tariff framework does not guarantee coverage for volume risk until 1 January 2025, the date of entry into

force of the new regulatory system that will eliminate this risk. Another type of protection comes from TAP's long term contracts, GCA (with gradual expiry dates up to 2031), Teréga (with gradual expiry of the long term contracts at the point of interconnection with Spain starting in 2023) and ADNOC Gas Pipeline (20 years tariff-based with minimum ship or pay).

UK regulations do not guarantee coverage against volume risk, but the current capacity reservations of the subsidiary Interconnector already exceed the regulatory cap for the period 2023-2026.

With reference to the investee company SeaCorridor, a joint venture that manages the international pipelines connecting Algeria to Italy, although operating in an unregulated context and exposed to volume risk, the company can benefit from medium-long term contracts already in place and a prospect of utilisation close to maximum capacity given that it represents one of the main sources of imports to replace Russian gas. In addition, the contractual agreements of the sale and purchase with Eni provide protection for Snam against fluctuations in volumes with respect to pre-set estimates.

In the first half of 2024, gas prices were on average lower than in the same period of 2023, the first part of which was mainly affected by the effects of the Russian-Ukrainian conflict. However, significant volatility remained in the markets. Despite a year-on-year decline, gas prices remained above pre-conflict levels, still reflecting the instability and uncertainty surrounding the global geopolitical situation.

With regard to gas, Snam has continued to mitigate this risk thanks to measures adopted in recent years, including:

- investments in new import capacity and supply routes, such as the EastMed pipeline;
- wide availability of gas storage capacity, covering more than 25% of current gas demand, which has improved the system's resilience to supply disruptions;
- efficient management of the network through coordination with other infrastructure operators and the possible adoption of innovative tools to deal with extraordinary emergencies, such as peak shaving through regasification terminals and the interruptibility service of withdrawals from the transport network. These tools, provided for by the national emergency plan (MASE management), have demonstrated their effectiveness,

ensuring continuity of supplies even in situations of peak demand.

For some segments, particularly private users, there is a risk that the perception of high prices will consolidate as a structural reality. This could lead to a reduction or interruption of gas supplies in favour of other energy carriers such as electricity.

Climate change risk

The achievement of global climate goals will result in significant investments in the decarbonisation of the energy segment over the next 30 years.

In recent years, Snam has repositioned itself to benefit from new opportunities linked to the energy transition, thanks to infrastructures that will be crucial for achieving decarbonisation objectives, presence in energy transition businesses, international growth and a disciplined approach to investments.

Snam is therefore 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 set out in the Paris Agreement adopted at the Climate Conference (COP 21). This objective is also consistent with the UNEP (UN Environment Programme) targets for reducing CO₂ emissions, with which a protocol has been signed.

With regard to the risks associated with the emissions market, in field of the application of the European Union directives concerning the sale of permits relating to carbon dioxide emissions and the rules on controlling 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, also through the introduction of a new carbon border adjustment mechanism (CBAM), has confirmed a constant reduction in the emission allowances issued free of charge. 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 are no longer sufficient to comply with the regulatory conformity obligations relative to ETS mechanisms, which is why Snam Group companies procure the additional allowances required on the market.

With Resolution 139/2023/R/gas of 5 April 2023, ARERA defined the criteria for the sixth regulatory

period (2024-2027) of the natural gas transportation and metering service, also providing for the recognition of costs related to the Emission Trading System (ETS). Resolutions 419/2019/R/gas and 196/2023/R/gas also introduced the recognition of ETS-related costs for the storage service (regulatory period 2020-2025) and the regasification service (2024-2027).

Climate change scenarios could also lead to a change in the choice of energy mixes in different 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 and medium-term, gas could benefit from its greater sustainability compared to other fossil fuels and represent a bridge solution towards the complete decarbonisation of some segments.

On the other hand, individual policies and choices could lead to a progressive decrease in consumption of natural gas with a consequent impact on the current use of infrastructure. The increase in decarbonisation targets at international and European level, including support for the energy transition that should allow the elimination of fossil fuels by 2050, expressed in the COP 28 and G7 press releases and the possible new legislative proposals on an intermediate target of 90% emission reduction by 2040, in addition to the policies already adopted on the energy transition (such as the Fit for 55 package and the EU Taxonomy) and the publication of studies of primary importance in the international energy panorama (such as the roadmap for Net Zero by the International Energy Agency - IEA), could in fact accelerate the progressive reduction in demand and supply of fossil natural gas. 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) in the energy mix, and of CO₂ capture and storage systems (CCS), thereby promoting Snam's 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 changes in gas demand on the Snam Group's equity, economic and financial situation, see the paragraph "Market risk" in this chapter and "Malfunction and

unexpected service interruption" in the chapter on operational risks.

Lastly, Snam has signed the Methane Guiding Principles, which commit the company to further reducing methane emissions deriving from its activities in natural gas infrastructure. In adhering to these principles, Snam is also committed to encouraging other players in the entire gas supply chain - from 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. The company has participated, and is still actively involved, in the various UN forums that have enabled the development of the framework to provide governments and 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.

Since 2021, Snam has increased its methane emissions reduction target from -45% to -55% by 2025 compared to 2015 for operating assets, a target that has already been achieved in 2023, two years ahead of the UN recommendations. During 2023, Snam updated its methane emissions reduction target for 2030 compared to 2015, bringing it from -65% to -70% (and to -72% in 2032) in relation to the operational business, confirming the Company's commitment to reporting activities and to the reduction of methane emissions.

Energy transition and development of the hydrogen technologies market

While the climate change demonstrates the real effects of rising temperatures, the energy segment is facing a momentous transformation. Without prejudice to Snam's commitment 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 capacity to implement and manage projects in natural gas transportation and storage, the

newly acquired expertise in green gases and new opportunities related to the energy transition, and the presence along the main supply corridors for natural gas and hydrogen in the future, combined in a strategy that puts ESG factors at the centre, will be essential to help develop the energy system of the future, making it competitive and secure, with zero net emissions. Business diversification can strengthen Snam's position as an enabler of the energy transition towards forms of using resources and energy sources compatible with environmental protection and progressive decarbonisation, with a long-term vision consistent with the Group's purpose and European objectives.

It is precisely in this long-term perspective that the new Strategic Vision to 2030 presented by the Company in January 2024 should be read in conjunction with the 2023-2027 Strategic Plan: 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, in particular, in H2-ready energy transportation and storage infrastructures that will enable the development of the hydrogen backbone in the long term, as well as in innovative projects for the development of green gases (hydrogen and biomethane) and contributing to the decarbonisation of consumption through energy efficiency measures and enabling the adoption of CCS (Carbon Capture and Storage) technology with the development of a CO₂ transportation and storage infrastructure for the decarbonisation of primary industrial centres.

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 towards the use of electrical technologies, and/or the delay in the development of new technologies for the production, transportation and storage of low-carbon and green gases and CO₂ transportation and storage infrastructures at competitive costs. In addition to these we could add the delay or failure to make investments (infrastructure, projects, new acquisitions) as a result of uncertainties related to operational, economic, regulatory, authorisation, competitive and social factors, as well as the delay to develop the hydrogen market with regard to the value chain that should fuel its infrastructure.

With specific reference to the energy efficiency business, given the current regulatory framework in force, there is a risk connected to the failure to meet

the deadlines for the completion of all the documentary fulfilments required for the recognition of the tax credit related to the Superbonus and other minor bonuses; this risk, although significantly limited, could prevent their transformation into tax credits generated for the works carried out.

Finally, it must be considered that the uncertainty of the still evolving regulatory plan slows down the realisation of projects and the implementation of financing for hydrogen production and the development of other decarbonisation projects of interest to the group (i.e. CCS).

These factors, in other words, may penalise the achievement of the development objectives of the aforementioned activities and, more generally, the opportunity for Snam to benefit from the opportunities created by the energy transition. In this regard, an additional risk factor is emerging concerning the failure to fully achieve the targets set out in the National Recovery and Resilience Plan (NRRP) by 2026, with potential repercussions on the development of hydrogen and its value chain, as well as on the development of biomethane and LNG (especially in the heavy transportation segment).

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 penalties as well as financial and non-financial, economic and/or reputational damage.

Moreover, the violation of specific regulations (by way of example but not limited to: the violation of regulations aimed at protecting the health and safety of workers and the environment, the violation of regulations to combat corruption) may entail administrative liability for the company pursuant to Legislative Decree No. 231 of 8 June 2001, with consequent interdictory and/or pecuniary sanctions, including significant ones. Snam, which has always inspired the exercise of its business activities with ethical principles and principles of fairness and transparency, has therefore adopted an adequate internal control and risk management system aimed at enabling the identification, measurement, management, prevention and monitoring of the main risks relating to the activities carried out.

Snam is strongly committed to pursuing an anti-corruption policy or mission, seeking to identify potential vulnerabilities and remove them, strengthening controls and constantly working to raise awareness among employees and third parties on how to identify and prevent corruption in various business contexts.

In January 2024, the Integrated Compliance & Business Integrity Function participated in the presentation of the 2023 edition of Transparency International's Corruption Perception Index, a measurement of the perception of corruption in the public sector and politics.

In June 2024, Snam hosted the BIF Event 2024 dedicated to the topic of Business Ethics and Sustainability promoted by the Business Integrity Forum of Transparency International Italia, the initiative aimed to provide an overview of the new challenges of corporate compliance in terms of sustainability starting from the Corporate Sustainability Directive (CSRD) of the European Union, which came into force in January 2023, also including the issues of human rights and environmental content of the Corporate Sustainability Due Diligence Directive (CSDDD), recently adopted by the European Parliament with the aim of promoting sustainable and responsible corporate behaviour.

Since 2017, Snam has been working with the Organisation for Economic Cooperation and Development (OECD), joining the Business at OECD Committee (BIAC), and in October 2019, as the first Italian company, it joined the Leadership as Vice-Chair of the Anticorruption Committee. In 2024, confirming the Group's constant commitment to preventing and managing corruption risks and with a view to enhancing its mission, Snam participated in various initiatives promoted by BIAC, such as "Compliance without borders" aimed at encouraging a comparison with other entities in order to share the expertise gained in managing corruption risks related to corporate activity. Furthermore, in 2023 Snam adopted the principles of the "Zero Corruption Manifesto", promoted by the BIAC Anticorruption Committee, a programmatic document that contains the 10 principles that have guided and guide the operations of companies and that reflect the best practices formalized by the OECD, and participated in several events, including the OECD Annual Conference in Paris "Racing to zero - Education and Digitalization as Enablers in Fighting Corruption". Within the framework of multilateral collaborations, in addition to the above, Snam also participated in the

work of the BIAC Committees: "Corporate Governance Committee, within which it followed the revision process of the OECD Guidelines for Multinational Enterprises"; "Responsible Business Conduct Committee", following the update of the "Revised G20/OECD Principles of Corporate Governance" document; "Governance and Principles for Transparency and Integrity in Lobbying and Influence".

OPERATIONAL RISKS

Ownership of storage concessions

For Snam, the risk associated with retaining ownership of the storage concessions is attributable to the business in which the subsidiary Stogit operates, based on concessions granted by the Ministry of Business and Industry. For eight of the ten concessions (Alfonsine, Brugherio, Cortemaggiore, Minerbio, Ripalta, Sabbioncello, Sergnano and Settala), Stogit filed for an extension with the Ministry of Enterprise and Made in Italy within the legal deadline. The extensions for the concessions of Brugherio, Ripalta, Sergnano, Settala and Sabbioncello were issued at the end of 2020, with a new expiry date of 31 December 2026, while those for the concessions of Cortemaggiore and Minerbio were issued in January 2022, also expiring on 31 December 2026. 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 Treste), which expires in June 2022, was already subject to its first 10-year extension in 2011, and an application was filed for a second 10-year extension on 18 May 2020. Finally, one concession (Bordolano) will expire in November 2031 and can be extended for another ten years. If Stogit is unable to retain ownership of one or more of its concessions or, at the time of renewal, the conditions of the concessions are less favourable than they currently are, this could have an adverse effect on its business and its economic, asset and financial situation.

Malfunction and unexpected 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. Such 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 taken out specific insurance policies to cover some of these risks according to industry best practices, the related insurance cover could be insufficient to meet all the losses incurred, compensation obligations or cost increases.

Delays in the progress of infrastructure implementation programmes

In addition, 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 emergencies beyond its control. Snam is therefore 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. In addition, development projects may require higher investments or a longer timeframe than initially estimated, affecting Snam's financial equilibrium and economic results.

Investment projects may be halted or delayed due to difficulties in obtaining environmental and/or administrative permits, opposition from political forces or other organisations, or may be affected by changes in the price of equipment, materials and labour, or changes in the political or regulatory framework during construction, or 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. In addition, changes in the prices of goods, equipment, materials and workforce could have an impact on Snam's financial results.

Environmental risks

Snam sites are compliant with laws and regulations on pollution, prevention and control, environmental protection, 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. Indeed, 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 remedial actions to be put in place, and finally the possible sharing of responsibility with other parties.

Although Snam has stipulated specific insurance contracts to cover some of the environmental risks, according to best practices in the sector, negative impacts cannot be excluded, such as substantial increases in costs relating to environmental compliance and other aspects connected to it, costs for the payment of possible sanctions that could negatively impact the business, operating or financial results and reputational impacts.

Cybersecurity

Snam carries out its activities through a complex technological architecture relying on an integrated model of processes and solutions capable of fostering the efficient management of the gas system for the entire country. However, the development of business and the use of innovative solutions suitable for constantly improving it require continuous attention and ability to adapt to the changing needs of cybersecurity protection. For several years, Snam has been carrying out important investments in digitalisation - from the remote control of activities to the implementation of articulated infrastructure enabling the Internet of Things - via which it 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 conviction, supported by public data and evidence, is that cybersecurity threats must be assessed and managed with great sensitivity and attention as they are subject to continuous evolution, both in terms of number and complexity. The digital channel is increasingly used illicitly by different types of players with different purposes and modes of action: cyber

criminals, cyber hackers, 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 smartworking) 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 sphere 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.

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 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 holdings

Risk associated with 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. This may have a negative impact on Snam's contribution to profit generated by these investments.

Risks related to future acquisitions/equity investments

Every investment made under the scope of joint-venture agreements and any future investment in Italian or foreign companies could involve an increase in the complexity of the Snam Group's operations without any consequent certainty that these investments generate the anticipated income under the scope of the acquisition or investment decision, and are correctly integrated in terms of quality standards, policies and procedures consistent with the rest of Snam's operations. The integration process could require additional costs and investments. Inadequate management or supervision of the investment made may adversely affect business, operating results and financial aspects.

EMERGING RISKS

Within the Group's Enterprise Risk Management model, particular attention is paid to identifying changes in the reference context in order to capture events or macro-trends coming from outside the organisation that may have a significant medium- to long-term impact (3-5 years and more) on Snam's business or the sector. These changes may, on the one hand, cause new risks to emerge in the long term, but also immediately have consequences for the company, changing nature and extent of potential impacts and the probability of occurring of already identified risks. The purpose of the process of identifying emerging risks is to succeed in assessing their impact in good time, to thus be able to put in place the necessary strategies and related mitigation measures, both in terms of prevention and control. In this area, some of the emerging risks identified by Snam are exposure to global LNG market dynamics and technological innovation and Artificial Intelligence (AI).

Exposure to global LNG market dynamics

With the gradual release of gas from Russia, to compensate for what had previously been imported, a series of measures were introduced to ensure greater diversification of import sources, in particular by integrating increasing shares of LNG into the gas system through increased regasification capacity (new FSRUs). This new configuration of the gas system calls for further reflection on security of supply. Previously, most of the gas imported came from countries bordering Europe (Russia, Azerbaijan, North Africa) interconnected with the Continent thanks to the presence of a pipeline network capable of ensuring the stability of contractual relations with interlocutors over time and consequently favouring continuity of supply from importing countries. In contrast, LNG is a more flexible source whose routes are more sensitive to global market dynamics (increased gas demand in Asia, changes in shale gas extraction policies in the US, competition between countries for resources, etc.).

We have therefore moved from a regional gas market with limited competition to an extremely competitive global one with the risk that, both in the short and long term, exogenous factors of a geopolitical nature could have a direct impact on the sustainability of supplies, aggravating the country's energy security and also destabilising the energy system at a European level.

Not only that, this eventuality could also favour fuel switching measures, as has already happened in part with the increase in the use of coal in Europe in 2022, with direct consequences on Snam's business (i.e. reduction in gas demand, with limited impact at present given the current regulatory framework, management of network operations in more critical conditions) and potential reprioritisation of investment strategies.

To this end, Snam is already taking a number of mitigation actions that result in supporting the development of green and decarbonised gas. In particular, the growth of biomethane volumes (through new production plants and the construction of the connection of these plants to the Snam network) can contribute to the sustainability of the gas system as a renewable, programmable and locally produced source. Similarly, the development of a hydrogen transportation network provides the possibility of realising a multi-molecule energy system by extending the available resources, as it is conditioned by global market dynamics also by the possibility of enabling the future import of shares of this gas from North Africa via pipeline.

Technological Innovation and Artificial Intelligence (AI)

The changing geopolitical context and the awareness of increasingly complex scenarios make it necessary to identify more effective solutions to consciously invest in innovation and the valorisation of technological assets, with the aim of ensuring the development of new solutions as a support and opportunity for the evolution of corporate businesses in the near future also in the light of a multi-molecule energy system. Technological innovation and, in parallel, the development of artificial intelligence, has a direct impact on Snam's business, and if not managed and exploited in the right way in the long term, it could lead to negative repercussions in relation to both the regulated business and the business associated with the energy transition.

A development not focused on technology neutrality (but aimed more at finding innovative solutions without molecular valorisation) could lead to a faster reduction in demand for natural gas than envisaged in the reference scenarios (Snam-Terna Scenarios) and also have an impact on green gas development and carbon capture, transportation and storage technologies. This would be a risk with impacts potentially leading to a revision of the company's growth strategy and business model.

To mitigate this risk, in 2023, among other things, a process was launched to define an organic, transparent and integrated innovation development and management process among the various stakeholders involved that can be aligned with Snam's strategic and industrial objectives, and an Innovation and Technology Committee was established. The aim is to identify early technological trajectories useful to the company to support the gas system in the energy transition. The activities and results identified by the Committee have the internal purpose of analysing and assessing technologies that may impact Snam's business and reduce the risk that the gas system may be exposed to innovation by the development of non-gas oriented technologies. In the face of the aforementioned mitigation actions, however, there remains a residual risk due to exogenous factors mainly associated with the external expertise that Snam makes use of (research bodies, universities, start-ups) which, if inadequate, may render risk mitigation ineffective.

Outlook

Outlook

The most recent estimates on the evolution of natural gas demand in Italy for 2024 predict a slight decline compared to 2023, mainly influenced by the decline in gas-fired thermoelectric production due to the greater net import of electricity from other countries.

With reference to the current financial year, the economic results benefit from the increase in revenue due to the growth in RAB, thanks to the investments made, the updating of the WACC and the introduction of the new ROSS (Regulation by Objectives of Expenditure and Service) regulation for transportation.

In the period under review, Snam:

- announced, together with Edison, the start of exclusive negotiations for the sale of 100% of Edison Stocaggio, concluded with the agreement announced to the market on 25 July 2024;
- exercised its right of pre-emption to increase its shareholding in Terminale GNL Adriatico S.r.l., a regasification terminal operating in the waters off Porto Viro (Rovigo), from the current 7.3% to 30%.

These operations reflect Snam's focus on ensuring a safe, diversified and sustainable energy system for the country.

In June, the European Central Bank cut its key interest rates by 25 basis points, for the first time since 2019. However, the global environment and the path of rate reduction remain uncertain and high interest rates will continue to have an incremental impact on financial costs during 2024. The main levers for optimising the financial structure concern an increasing diversification of financing sources and instruments, as well as the dynamic management of working capital and treasury flows. At the same time, Snam intends to maintain adequate flexibility with respect to rating metrics and a solid financial structure.

With reference to the equity investments held by Snam in the Austrian companies TAG and GCA, we would like to point out the issue, by the Austrian regulator on 29 May 2024, of the Final Cost Decree and Tariff Ordinance (the "Decree"), which defines the reference framework applicable to the new regulatory period (2025-2027). The decree has significantly modified the previous regulatory framework and, in addition to providing for the elimination of volume risk for the two TSOs, it has defined, inter alia, compensatory mechanisms for the companies, which will be operational from 2025. Snam, in close collaboration with the two Austrian TSOs, is examining the implications of the new regulatory framework that will be implemented in the coming months within the Corporate Plans.

With reference to the situation in the Middle East, the conflict in the Gaza Strip does not have a direct impact on Snam's assets and the operation of the pipeline linking Israel and Egypt (EMG), which is operating in an ordinary manner at the moment. Even with regard to the recent escalation of maritime attacks in the Red Sea, no critical issues have been recorded regarding the management of operational activities and the implementation of the investment programme. However, a prolonged interruption of ship transits (e.g. LNG ships) through the Suez Canal this year could give rise to international tensions, with the consequent impact on the prices of energy goods for which Italy, and Europe in general, are highly dependent on foreign imports. This turbulence could weigh on the world economy, increasing production costs and further affecting national and European economic stability and growth, as well as causing further challenges in managing energy supply sources. Snam will continue to monitor the evolution of the situation in the Middle East, the possible consequences and the effects on the Group.

In the ESG area, monitoring of Snam's performance on the KPIs of the Sustainability Scorecard continues, with respect to which good progress of the KPIs is highlighted with respect to the end-of-year targets. In particular, expected Scope 1&2 emissions for 2024 are down 17% compared to the 2022 baseline, a further improvement compared to the -10% reported in 2023.

Confirmed financial targets for 2024, already improved at the presentation of the quarterly report, as follows:

- investments of €3.0 billion (of which €2.8 billion in gas infrastructure and €0.2 billion in the energy transition);

- a tariff RAB of €23.8 billion;
- an adjusted EBITDA level greater than €2.75 billion;
- an adjusted net profit of approximately €1.23 billion;
- a net debt level of approximately €17.5 billion.



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Financial statements

Statement of financial position

(million euros)	Notes	31.12.2023		30.06.2024	
		Total	of which with related parties	Total	of which with related parties
ASSETS					
Property, plant and equipment	(5)	18,941		19,489	
Intangible assets and goodwill	(6)	1,449		1,488	
Investments accounted for using the equity method	(7)	3,019		2,964	
Other non-current financial assets	(8)	161	93	162	93
Non-current inventories - Compulsory inventories	(9)	363		363	
Deferred tax assets	(10)	375		394	
Other non-current assets	(11)	281	1	501	1
Total non-current assets		24,589		25,361	
Current inventories	(9)	2,810		2,183	
Cash and cash equivalents	(12)	1,382		1,939	
Trade and other receivables	(13)	4,505	659	2,707	296
Current income tax assets	(14)	15		22	
Other current financial assets	(8)	2		3	
Other current assets	(11)	222		501	
Total current assets		8,936		7,355	
TOTAL ASSETS		33,525		32,716	
LIABILITIES AND SHAREHOLDERS' EQUITY					
Non-current financial liabilities	(15)	11,740	500	14,111	700
Provisions for risks and charges	(16)	663		622	
Deferred tax liabilities	(10)	59		56	
Liabilities for employee benefits		28		29	
Other non-current liabilities	(17)	1,211		848	
Total non-current liabilities		13,701		15,666	
Current financial liabilities	(15)	4,912	4	4,164	6
Trade payables and other payables	(18)	6,466	619	4,196	463
Current income tax liabilities	(14)	53		319	
Other current liabilities	(17)	713	1	594	1
Total current liabilities		12,144		9,273	
TOTAL LIABILITIES		25,845		24,939	
Share capital	(19.1)	2,736		2,736	
Treasury shares	(19.2)	(30)		(30)	
Share premium reserve	(19.3)	611		611	
Reserves	(19.4)	(10)		18	
Retained earnings	(19.5)	4,328		4,395	
Snam Shareholders' equity		7,635		7,730	
Minority interests		45		47	
TOTAL SHAREHOLDERS' EQUITY	(19)	7,680		7,777	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		33,525		32,716	

Income statement

(million euros)	Notes	First half 2023		First half 2024	
		Total	of which with related parties	Total	of which with related parties
Revenues	(23.1)	2,071	1,215	1,793	1,061
Other operating income	(23.2)	23		6	1
Total operating revenues and income		2,094		1,799	
Costs for purchase of raw materials, consumables and finished goods	(24.1)	(572)	(139)	(94)	(5)
Costs for services	(24.1)	(153)	(21)	(157)	(94)
Personnel costs	(24.2)	(81)	2	(84)	2
Other operating costs and expenses	(24.1)	(75)	(2)	(78)	(3)
Total operating costs and expenses		(881)		(413)	
Depreciation, amortisation and impairment losses	(25)	(455)		(499)	
EBIT		758		887	
Financial income		40	5	111	2
Financial expenses		(127)	(6)	(241)	(15)
Total net financial expenses	(26)	(87)		(130)	
Share of profit or loss of investments accounted for using the equity method		164		132	
Other income (expenses) from equity investments		78		(13)	
Total net income from equity investments	(27)	242		119	
PROFIT BEFORE TAXES		913		876	
Income taxes	(28)	(203)		(241)	
PERIOD PROFIT		710		635	
Period profit		710		635	
- held by Snam shareholders		698		634	
- non-controlling interests		12		1	
Earnings per share (amounts in euros per share)	(29)				
- basic		0.208		0.189	
- diluted		0.208		0.189	

Comprehensive income statement

(million euros)	Notes	First half-year	
		2023	2024
PERIOD PROFIT		710	635
OTHER COMPONENTS OF COMPREHENSIVE INCOME			
Cash flow hedge – effective portion of fair value change		6	7
Investments accounted for using the equity method - share of other components of comprehensive income (*)	(7)	(12)	14
Tax effect		(2)	(2)
Total components which are or could be reclassified in profit for the period,		(8)	19
Revaluation of defined benefit liabilities for employees			
Equity investments accounted for at FVTOCI ("fair value through other comprehensive income")	(8)	(2)	(2)
Tax effect			
Total components which will not be reclassified in profit for the period, net of tax effect		(2)	(2)
TOTAL OTHER COMPONENTS IN THE COMPREHENSIVE INCOME STATEMENT, NET OF		(10)	17
TOTAL COMPREHENSIVE INCOME STATEMENT		700	652
Total comprehensive income statement:		700	652
- held by Snam shareholders		688	651
- non-controlling interests		12	1

(*) The figure essentially refers to the change in the fair value of derivative financial instruments held for hedging purposes by investments in associated and jointly controlled companies.

Statement of changes in shareholders' equity

	Shareholders' equity pertaining to Snam's shareholders														TOTAL NON-CONTROLLING INTERESTS	TOTAL SHAREHOLDERS' EQUITY	
	Notes	Share capital	Treasury shares	Share premium reserve	Legal reserve	Reserves					Retained earnings						
						Cash flow hedge reserve	Reserve for defined benefit plans for	Fair value reserve for equity investments	Reserve for business combinations under common control	Other reserves	Profits from previous years	Interim dividend	Profit for the year	TOTAL			
(million euros)																	
BALANCE AT 31 DECEMBER 2022		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 comprehensive income						4	(2)		(12)					(10)		(10)	
Total comprehensive income statement for the first half of 2023						4	(2)		(12)				698	688	12	700	
- Dividend for the year 2022 (€0.2751 per share), net of interim dividend (€0.11 per share)											(251)	369	(671)	(553)		(553)	
- Share-based payments (Share Incentive Plan)										2				2		2	
Total transactions with shareholders										2	(251)	369	(671)	(551)		(551)	
- Other changes										9				9	(2)	7	
Total other changes										9				9	(2)	7	
BALANCE AS OF 30 JUNE 2023		2,736	(33)	611	547	(35)	(4)	(14)	(674)	211	3,571		698	7,614	66	7,680	
- Net profit for the second half of 2023													437	437	(2)	435	
- Other components of comprehensive income						3	(2)	(1)	(38)					(38)		(38)	
Total comprehensive income statement for the second half of 2023						3	(2)	(1)	(38)				437	399	(2)	397	
- Interim dividend 2023 (€0.1128 per share)												(378)	(378)			(378)	
- Share-based payments (Share Incentive Plan)										3				3		3	
- Allocation of treasury shares for share incentive plan										6							
- Purchase of treasury shares										(3)				(3)		(3)	
Total transactions with shareholders										3	(378)		(378)	(378)		(378)	
- Acquisition of controlling interests with non-controlling interests															(15)	(15)	
- Acquisition of non-controlling interests without change of control															(4)	(4)	
Total other changes															(19)	(19)	
BALANCE AT 31 DECEMBER 2023		2,736	(30)	611	547	(32)	(6)	(15)	(674)	170	3,571	(378)	1,135	7,635	45	7,680	

Shareholders' equity pertaining to Snam's shareholders																
	Notes	Reserves									Retained earnings			NON-CONTROLLING INTERESTS	TOTAL SHAREHOLDERS' EQUITY	
		Share capital	Treasury shares	Share premium reserve	Legal reserve	Cash flow hedge reserve	Reserve for defined benefit plans for employees	Fair value reserve for equity investments	Reserve for business combinations under common control	Other reserves	Profits from previous years	Interim dividend	Period profit			TOTAL
(million euros)																
BALANCE AT 31 DECEMBER 2023	(19)	2,736	(30)	611	547	(32)	(6)	(15)	(674)	170	3,571	(378)	1,135	7,635	45	7,680
- Net profit for the first half of 2024													634	634	1	635
- Other components of comprehensive income, net of tax effect						5	(2)		14					17		17
Total comprehensive income statement for the first half of 2024						5	(2)		14				634	651	1	652
- Dividend for the year 2023 (€0.2820 per share), net of interim dividend (€0.1128 per share)											190	378	(1,135)	(567)		(567)
- Share-based payments									3					3		3
Total transactions with shareholders									3		190	378	(1,135)	(564)		(564)
- Capital increase from non-controlling interests															1	1
- Other changes									8					8		8
Total other changes									8					8	1	9
BALANCE AS OF 30 JUNE 2024	(19)	2,736	(30)	611	547	(27)	(6)	(17)	(674)	195	3,761		634	7,730	47	7,777

Cash flow statement

(million euros)	Notes	First half 2023	First half 2024
PERIOD PROFIT		710	635
<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	(25)	455	499
- Share of profit or loss of investments accounted for using the equity method	(27)	(164)	(132)
- Dividends		(5)	0
- Gains on sale of investments		(76)	0
- Net losses/(gains) on asset sales		3	
- Net capital losses (capital gains) on asset sales		8	4
- Interest income		(39)	(105)
- Interest expense		99	209
- Income taxes	(28)	203	241
- Other changes		2	3
<i>Change in net working capital:</i>			
- Inventories		76	627
- Trade receivables		1,131	1,447
- Trade payables		(672)	(234)
- Provisions for risks and charges		12	(3)
- Other assets and liabilities		(2,434)	(2,168)
<i>Cash flow from net working capital</i>		<i>(1,887)</i>	<i>(331)</i>
Change in liabilities for employee benefits		(1)	1
Dividends collected		121	164
Interest collected		9	35
Interest paid		(88)	(163)
Income taxes paid net of tax receivables reimbursed		(69)	(6)
CASH FLOW FROM OPERATING ACTIVITIES		(719)	1,054
<i>- of which with related parties</i>	(31.2)	1,540	1,135
<i>Investments:</i>			
- Property, plant and equipment (*)		(639)	(994)
- Intangible assets	(6)	(96)	(116)
- Acquisition of subsidiaries and business units, net of cash and equivalents acquired		(10)	0
- Long-term financial receivables and other financial assets		(1)	(4)
- Equity investments (including equity investments accounted for at FVTOCI included in the item non-current financial assets)		(417)	(5)
- Change in payables and receivables relating to investments		(49)	(9)
<i>Cash flow from investments</i>		<i>(1,212)</i>	<i>(1,128)</i>
<i>Divestments:</i>			
- Property, plant and equipment		4	1
- Equity investments (including equity investments accounted for at FVTOCI included in the item non-current financial assets)		162	3
- Long-term financial receivables and other financial assets		22	2
<i>Cash flow from divestments</i>		<i>188</i>	<i>6</i>
CASH FLOW FROM INVESTING ACTIVITIES		(1,024)	(1,122)
<i>- of which with related parties</i>	(31.2)	(464)	(138)
Assumption of long-term financial payables		302	2,686
Repayment of long-term financial payables		(376)	(1,119)
Increase (decrease) short-term financial payables		1,632	2
Repayment of financial payables for leased assets		(8)	(7)
Dividends distributed	(19.6)	(919)	(938)
Capital increase subsidiaries - non-controlling interests			1
Change in cash and cash equivalents relating to assets held for sale and directly associated liabilities		4	
CASH FLOW FROM FINANCING ACTIVITIES		635	625
<i>- of which with related parties</i>	(31.2)	300	200
NET CASH FLOW FOR THE PERIOD		(1,108)	557
Cash and cash equivalents at the beginning of the period	(12)	1,757	1,382
Cash and cash equivalents at the end of the period	(12)	649	1,939
CHANGE IN CASH AND CASH EQUIVALENTS		(1,108)	557

(*) For the purposes of the Cash Flow Statement 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 and €39 million, respectively, for 2023 and 2024); (ii) subsidies on works for interference with third parties, so called compensation (€12 million and €10 million, respectively, for 2023 and 2024).

Notes to the condensed half-year consolidated financial statements

1) Corporate information

The Snam Group, which comprises Snam S.p.A., the Italian parent company, and its subsidiaries (collectively known as "Snam", the "Snam Group" or the "group"), is a leading integrated group in the regulated gas industry, specialising in transportation, regasification, and storage. It is a significant player in the industry, particularly in terms of its regulatory asset base (RAB).

In addition to Italy, through its international subsidiaries, Snam also operates infrastructure in Austria, Tunisia, Egypt, the United Arab Emirates, France, Greece and the United Kingdom. Snam invests in innovation and the development of new businesses in the energy transition, from sustainable mobility to biomethane and energy efficiency, and also aims to enable and promote the development of hydrogen and Carbon Capture and Storage (CCS) processes to promote the decarbonisation of the energy segment 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 San Donato Milanese (Milan) - Italy, in Piazza Santa Barbara 7.

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.

CDP S.p.A. has neither formalised nor exercised management and coordination activities over Snam S.p.A..

2) Basis of preparation, macroeconomic background and effects of climate change-related matters

2.1 Basis of presentation

The condensed half-year consolidated financial statements at 30 June 2024 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) approved by the European Union (hereinafter referred to as IFRS), as well as the legislative and regulatory provisions 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 on the reference macroeconomic context, 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 2024 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 2023.

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 1 January 2024, which are described in note 4.1 "Accounting standards and interpretations applicable from 1 January 2024" of this document.

Current income taxes are calculated on the basis of the taxable income existing at the end of the period. Current income tax payables and receivables are recognised at the amount expected to be paid to/recovered from the tax authorities using tax laws in effect or substantively enacted at the reporting date and estimated annual tax rates. 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 2024", which is an integral part of these notes.

The condensed consolidated half-year financial statements at 30 June 2024, approved by the Board of Directors of Snam S.p.A. at the meeting of 31 July 2024, are subject to a limited audit by Deloitte & Touche S.p.A.. The limited audit involves a significantly smaller scope of work than a full audit carried out in accordance with established auditing principles. The condensed half-year consolidated financial statements are presented in euro.

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

2.2 Macroeconomic context

The slowdown in inflation observed since the end of 2023 had fuelled and kept alive, in the first weeks of 2024, significant expectations regarding a progressive, and not too distant, start of the process of reducing market interest rates by the main central banks, including the European Central Bank ("ECB") and the Federal Reserve ("FED"). Forecasts were driven by expectations that inflation would quickly ease, allowing central banks to step in and ease monetary tightening.

As the weeks went by and the first macroeconomic data of 2024 were released, financial markets first saw the possibility of observing expansionary monetary policies as early as the first quarter of 2024 fade away, and secondly they pushed expectations of further interest rate cuts forward in time, with greater uncertainty regarding the overall number of reductions possible by the end of the year. In light of the evidence gathered, central banks have stressed the need to carefully monitor the evolution of the inflationary framework before implementing monetary policy easing measures.

In June 2024, after a series of 10 consecutive increases between July 2022 and September 2023, the ECB announced a reduction in market interest rates for the first time; In response to this decision, the main refinancing rate went from 4.5% to 4.25%, a change of 25 basis points. The rate cut was accompanied by a forecast of a more gradual easing of monetary policies and the expectation of higher interest rates for a longer period, with possible changes expected by the end of 2024, albeit modest.

At the same time, the FED did not intervene during the first half of 2024, keeping the reference interest rate unchanged at 5.50% set in July 2023.

At the end of the first half of 2024, despite the slowdown in energy prices, inflation still stood at levels higher than the targets expected by the European Central Bank ($\approx 2\%$). In particular, the latest estimates developed by Eurostat report the expected inflation for 2024 in the Euro Area at 2.5%, a slight reduction compared to the previous estimates (developed in May 2024 and which indicated a value equal to 2.6%). In Italy, the latest estimates from the Bank of Italy, drawn up in June 2024, report an expected inflation of 1.1% in 2024 and slightly above 1.5% on average in the following two years. The sharp reduction compared to last year (in 2023, inflation recorded in Italy was 5.7%) is mainly attributable to the reduction in energy prices (in the first six months of 2024, the TTF index never exceeded €36 per MWh, a price that during 2023 reached maximum prices even above €60 per MWh).

The same calculations by the Bank of Italy provide a forecast of the growth of the Italian economy in 2024 which should stand at 0.6% with a progressive improvement for the two-year period 2025 and 2026 (expected growth of 0.9% and 1.1% respectively).

At the Euro Area level, the current macroeconomic picture shows a progressive improvement in the main indicators, despite the international scenario being characterised by high geopolitical uncertainty and tensions in multiple geographical areas; the worsening of existing conflicts, or the emergence of new crisis fronts, could however contribute significantly to making the path of monetary policy easing undertaken by the ECB in June 2024 difficult, also influencing growth and general economic activity.

In this context, during the first half of 2024, the Group was able to operate seamlessly and successfully implement planned investments.

Finally, it should be noted that the significant increases in reference rates by the main central banks, initiated as regards the ECB starting from July 2022, have led to a general increase in the cost of debt which, in the case of Snam, went from an average value of 2% at 31 December 2023 to an average value of 2.5% at 30 June 2024.

2.3 Climate change related matters

With regard to climate change-related impacts, we confirm as reported in Note 2.3 Climate change related matters of the 2023 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 2023 Annual Financial Report.

4) Recently issued accounting standards and relevant accounting standards

In addition to that indicated in the 2023 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 1 January 2024

With Commission Regulation (EU) 2023/2579, issued by the European Commission on 20 November 2023, the regulatory provisions contained in the following document were approved:

- **"Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback"**. The document aims to clarify how subsequent valuations should be carried out by an entity in the context of a sale and leaseback transaction. The amendments enter into force on 1 January 2024.

With regulation No. 2023/2822, issued by the European Commission on 19 December 2023, the regulatory provisions contained in the following documents were approved:

- **"Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current"** and **"Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants"**. The documents are intended to clarify how to classify payables and other short-term or long-term liabilities. The amendments enter into force on 1 January 2024.

With Commission Regulation (EU) 2024/1317, issued by the European Commission on 15 May 2024, the regulatory provisions contained in the following documents were approved:

- **"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 enter into force on 1 January 2024.

Snam has analysed the standards 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 effects 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 approved by the European Commission

In addition to what is already indicated in the 2023 Annual Financial Report in paragraph 7.2 "Accounting standards and interpretations published by the IASB and not yet approved by the European Commission", at the reference date of this document, the competent bodies of the European Union have not yet completed the approval process necessary for the adoption of the amendments described below.

- On 30 May 2024, the IASB published an amendment called **"Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)"**. The document clarifies some problematic aspects that

emerged from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary upon the achievement of ESG objectives (e.g. green bonds). In particular, the IASB has modified the requirements relating to (i) the extinguishment of financial liabilities through an electronic payment system and (ii) the classification of financial assets of ESG type. The amendments enter into force as of 1 January 2026, subject to any subsequent postponements determined during the endorsement by the European Commission. However, early application is permitted.

- On 9 April 2024, the IASB published a new accounting standard called **“IFRS 18 - Presentation and Disclosure in Financial Statements”**. The new accounting standard will replace IAS 1 (Presentation of Financial Statements) with the aim of improving the way in which companies communicate their financial reports. In particular, it will improve financial reporting through: (i) the request for additional subtotals within the income statement, (ii) the request for information on performance measures defined by management and (iii) the inclusion of new principles for the grouping of information reported in the financial statements. The amendments enter into force as of 1 January 2027, subject to any subsequent postponements determined in the course of approval by the European Commission, earlier application is however permitted.
- On 9 May 2024, the IASB published a new accounting standard called **“IFRS 19 - Subsidiaries without Public Accountability: Disclosures”**. The new standard aims to simplify and reduce the cost of preparing financial information by subsidiaries, while maintaining the usefulness of their financial statements. The disclosure requirements in IFRS 19 are a reduced version of those in IFRS standards. The amendments enter into force as of 1 January 2027, subject to any subsequent postponements determined during the endorsement by the European Commission. However, early application is permitted.

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

4.3 Income taxes - Global Minimum Tax (Pillar II)

Effective from 1 January 2024, the Snam Group falls within the scope of the second pillar income taxes provided for by Directive 2022/2523, adopted in Italy by Legislative Decree 209/2023 (“the Decree”), aimed at ensuring a minimum global level of taxation for multinational groups of companies. Specifically, Snam S.p.A., together with its “minority subsidiaries” (i.e. other “entities” consolidated item by item by CDP in which Snam holds a “controlling interest”), qualifies as a “minority subgroup” (see Article 38, paragraph 1, letter c, of the Decree), attributable to the CDP Group. The latter has as its “parent company”, Cassa Depositi e Prestiti S.p.A. (CDP), which qualifies as an Ultimate Parent Entity - UPE - as it consolidates “item by item” various “entities” (including CDP Reti and Snam as well as other entities in which Snam holds a stake) and is not, in turn, consolidated “item by item” by another “entity”. As required by paragraph 4.A of IAS 12, in derogation from the provisions of this standard, Snam has not detected or communicated information on deferred tax assets and liabilities relating to second pillar income taxes.

Based on known or reasonably estimable information, Snam Group’s exposure to second pillar income taxes as of June 2024 is estimated at €390 thousand in the Netherlands and €100 thousand in Ireland.

It should be noted that the above estimate was made taking into account the specific conditions set out in the Decree and the OECD regulations (so-called GloBE Rules) for the treatment of “minority-owned subgroups” with regard to both the so-called “transitional simplified regimes” and the “global minimum tax” (full compliance). These conditions are briefly reported below:

- **Transitional simplified regimes** (also “Transitional CbCR Safe Harbour Tests”): as provided for by the implementing decree issued by the MEF pursuant to Article 39, paragraph 3 of the Decree (and in line with the OECD document on Transitional Safe Harbours), the three tests envisaged (i.e. De Minimis, Simplified ETR Test, Routine Profit Test) have been applied in all jurisdictions in which the Snam Group is present, also considering the economic quantities (e.g. profit or loss before taxes; current and deferred taxes; revenues), attributable to the other constituent entities, located therein, belonging to the other subgroups of the CDP Group;

- **Global Minimum Tax** (Top-up Tax calculation): the effective tax rate in Ireland and the Netherlands and the consequent Top-up Tax (TuT), was determined separately from the rest of the Group to which it belongs, in line with the provisions of paragraph 2 of Article 38 of the Decree (so-called separate blending), while the ordinary regime applicable in the absence of minority subgroups does not apply, according to which the effective tax rate of a country is determined by considering all the companies of the group (other than investment entities) located there (so-called jurisdictional blending).

5) Property, plant and equipment

(million euros)	Property, plant and equipment
Cost at 31.12.2023	31,326
Investments	1,043
Divestments	(18)
Changes in rights of use for leased assets	17
Other changes	(87)
Cost at 30.06.2024	32,281
- of which rights of use for leased assets	94
Accumulated depreciation at 31.12.2023	(12,121)
Depreciation	(405)
Divestments	12
Other changes	2
Depreciation rights of use for leased assets	(4)
Accumulated depreciation at 30.06.2024	(12,516)
- of which rights of use for leased assets	(35)
Provision for impairment losses at 31.12.2023	(264)
Impairment	(13)
Divestments	1
Provision for impairment losses at 30.06.2024	(276)
- of which rights of use for leased assets	(2)
NET BOOK VALUE AS AT 31.12.2023	18,941
NET BOOK VALUE AS AT 30.06.2024	19,489

Property, plant and equipment (€19,489 million) mainly relates to transport infrastructure (€14,800 million) and storage (€2,983 million).

Investments¹⁶ (€1,043 million) mainly refer to the transport segments (€724 million), chiefly relating to works aimed at maintaining safety and quality levels of plants as well as investments in the development of new transport capacity.

Depreciation (€405 million), including that relating to rights of use for leased assets, refers to economic-technical depreciation determined on the basis of the useful life of the assets, or on their residual possibility of use by the company, and, with reference to leased assets, on the basis of the contractual duration if the exercise of the possible purchase option is not probable.

The value of the plant and machinery includes the estimate of the costs, discounted, that will be incurred for the removal of the structures and the restoration of the sites (€101 million) mainly relating to the storage (€53 million) and natural gas transportation (€27 million) segments.

Other changes (-€87 million) essentially relate to: (i) the change in inventories of piping and related ancillary materials used in plant construction activities, referring to the natural gas transportation segment (-€39 million); (ii) the upward revision of estimated site decommissioning and restoration costs, mainly related to the storage segment, against the increase of expected discount rates (-€37 million in total); (iii) subsidies on works for interference with third parties (so-called "compensation", -€10 million).

Contractual commitments for the acquisition of property, plant and equipment, as well as for the provision of services related thereto, are indicated in Note 20 'Guarantees and Commitments'.

¹⁶ Investments by business segment are illustrated in the chapter "Business Segment Performance" of the Interim Management Report.

6) Intangible assets and goodwill

(million euros)	Finite useful life	Indefinite useful life	Total
Cost at 31.12.2023	2,404	80	2,484
Investments	116		116
Other changes	(2)		(2)
Cost at 30.06.2024	2,518	80	2,598
Accumulated depreciation at 31.12.2023	(1,012)		(1,012)
Depreciation	(77)		(77)
Other changes	2		2
Accumulated depreciation at 30.06.2024	(1,087)		(1,087)
Provision for impairment losses at 31.12.2023	(23)		(23)
Provision for impairment losses at 30.06.2024	(23)		(23)
NET BOOK VALUE AS AT 31.12.2023	1,369	80	1,449
NET BOOK VALUE AS AT 30.06.2024	1,408	80	1,488

Intangible assets with definite useful life (€1,408 million) mainly relate to: (i) concessions for natural gas storage activities (€659 million); (ii) industrial patent rights and intellectual property rights (€318 million).

Investments in intangible assets with a finite useful life (€116 million) mainly relate to the natural gas transportation segment and mainly refer to It system development projects.

6.1 Impairment Testing

During the first half of 2024, impairment indicators were identified with reference to the CGUs represented by the Energy Efficiency business (CGU Energy Efficiency) and the Biomethane Waste business (CGU Biomethane Waste). The trigger events follow information coming from external sources, in particular, the entry into force, in the first half of 2024, of the legislative provisions related to the Superbonus Decree 2024¹⁷ for the Energy Efficiency CGU, both from internal sources with the signing of *settlement agreements*, amending previous framework agreements for investments and purchase of shares, pertaining to the Biometano Waste CGU.

The impairment tests for the Energy Efficiency and Biomethane Waste CGUs were carried out using the same Plans and the same methodology used for the purposes of preparing the consolidated financial statements closed on 31 December 2023, integrating the Plans themselves to take into account both the effects on cash flows deriving from the trigger events and the updating of the main parameters used (discount rates). The above tests did not reveal the presence of impairment losses as of 30 June 2024.

With regard to the considerations regarding the remaining identified Cash Generating Units, what is reported in note No. 9.2 "Intangible assets and goodwill - Impairment testing" of the 2023 Annual Financial Report is confirmed, to which reference is made.

¹⁷ The conversion law No. 67 of 23 May 2024, of Legislative Decree 39/2024 (so-called Superbonus 2024 decree, or tax relief decree) containing urgent measures regarding tax relief pursuant to articles 119 and 119-ter of Legislative Decree 34/2020, was published in the Official Journal No. 123 of 28 May 2024.

7) Investments accounted for using the equity method

(million euros)	Total
Balance at 31.12.2023	3,019
Acquisitions and subscriptions	5
Dividends received	(208)
<i>Effect of accounting using the equity method</i>	
- Amount recognised through profit and loss	132
- Amount recognised through comprehensive income	14
Other changes	2
Balance at 30.06.2024	2,964

The dividends received (€208 million) mainly concern the jointly controlled companies SeaCorridor S.r.l. (€95 million) and Teréga (€20 million) and the associated companies Italgas (38 million), TAP (€31 million) and Galaxy Pipeline Assets HoldCo Limited (€15 million).

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 (€132 million) of jointly controlled companies and associates; (ii) to the share recognised in the statement of comprehensive income (-€14 million), 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.

No real guarantees have been established on the equity investments, with the exception of as reported in Note 20.1.1 "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 2024", which is an integral part of these notes.

7.1 Impairment Testing

With reference to the investments accounted for using the equity method, as of 30 June 2024, within the CGU represented by the shareholdings held by Snam in the Austrian companies TAG and AS Gasinfrastruktur Beteiligung GmbH (a company that indirectly participates in the operating company GCA), we would like to point out the issue, by the Austrian regulator on 29 May 2024, of the Final Cost Decree and Tariff Ordinance (the "Decree"), which defines the reference framework applicable to the new regulatory period (2025-2027).

The Decree has significantly modified the previous regulatory framework and, inter alia, in addition to providing for the elimination of volume risk for the two TSOs, it has also defined compensatory mechanisms for the companies, which will be operational from 2025¹⁸. At present, Snam, in close collaboration with the two Austrian TSOs, is delving into the implications of the new framework regulatory framework as well as the strategies to be implemented (in terms of financial structure, operating costs, investments, etc.), on the basis of which the new corporate plans will be drawn up.

In the outlined context of uncertainty, pending the formation of the new Plans, and awaiting feedback on some clarifications requested by the companies to the regulator, concerning aspects of the new framework, the registration value of the shareholdings reflects the assessments conducted for the purposes of the consolidated financial statements at 31 December 2023.

¹⁸ In this regard, the net result used for the purposes of the equity valuation pursuant to IAS 28 of the related investments as of 30 June 2024 includes the best estimate of the costs relating to the return of the higher revenues obtained in exchange for the risk premium pertaining to the period 2013-2024, to be implemented by reducing the allowed revenues over a 15-year period starting from 2025.

8) Other current and non-current financial assets

(million euros)	31.12.2023			30.06.2024		
	Current	Non-current	Total	Current	Non-current	Total
Long-term financial receivables		102	102	102	102	102
Minority investment accounted at FVTOCI		50	50	47	47	47
Short-term financial receivables	2		2	3		3
Securities and fund units		7	7	11	11	11
Other		2	2	2	2	2
TOTAL OTHER CURRENT AND NON-CURRENT FINANCIAL ASSETS	2	161	163	3	162	165

Long-term financial receivables (€102 million) are attributable mainly to the Shareholders Loan granted by Snam to the jointly controlled company OLT.

Minority equity investments valued at FVTOCI (€47 million) essentially relate to the valuation of the shares held by Snam in the capital of: (i) Terminale GNL Adriatico S.r.l. (7.3% share) for €21 million (€24 million at 31 December 2023); (ii) Storegga Limited (5.19% share) for €14 million (same as at 31 December 2023); (iii) ITM Power PLC (2.069% share) for €7 million (€9 million at 31 December 2023).

The changes that occurred during the period, with reference to investments valued at FVTOCI, are analysed as follows:

(million euros)	
Value at 31.12.2023	50
Change in fair value recognised in other comprehensive income	(2)
Disposals and redemptions	(3)
Other changes	2
Value at 30.06.2024	47

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

(million euros)	31.12.2023			30.06.2024		
	Gross value	Provision for impairment losses	Net value	Gross value	Provision for impairment losses	Net value
Raw materials, consumables and finished goods	787	(15)	772	728	(15)	713
Finished products and goods	2,072	(34)	2,038	1,504	(34)	1,470
Total current inventories	2,859	(49)	2,810	2,232	(49)	2,183
Total non-current inventories - Compulsory inventories	363		363	363		363
TOTAL CURRENT AND NON-CURRENT INVENTORIES	3,222	(49)	3,173	2,595	(49)	2,546

Current inventories, net of the provision for impairment losses (€2,183 million), 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 €1,445 million); (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 €524 million).

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 mainly relates to the write-down made in 2014, of 0.4 billion cubic metres of natural gas used in storage activities for strategic gas unduly withdrawn by some users of the service during 2010 and 2011¹⁹ (€30 million).

9.1 Third-party natural gas in storage

Risks for third-party assets held in storage, amounting to €3,456 million (€3,302 million at 31 December 2023), relate to approximately 7.9 billion cubic metres of natural gas stored 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 cost²⁰, equal to approximately €0.44 per standard cubic meter (the same as at 31 December 2023).

¹⁹ For more information on the developments of ongoing legal proceedings, please refer to Note 27.3.2 'Recovery of claims against storage system users' of the 2023 Annual Financial Report.

²⁰ Value calculated on the basis of the CCI Tariff, i.e. the wholesale marketing price, established quarterly by ARERA.

10) Deferred tax assets/liabilities

(million euros)	31.12.2023	Provisions	Uses	Other changes	30.06.2024
Deferred tax liabilities, before offsetting	(141)		3		(138)
Offsetting with deferred tax assets	82				82
DEFERRED TAX LIABILITIES	59		3		(56)
Deferred tax assets, before offsetting	457	25	(4)	(2)	476
Offsettable deferred tax liabilities	(82)				(82)
DEFERRED TAX ASSETS	(375)	25	(4)	(2)	394

11) Other current and non-current assets

(million euros)	31.12.2023			30.06.2024		
	Current	Non-current	Total	Current	Non-current	Total
Deferred charges	15	15	30	32	8	40
VAT credits	31		31	32		32
Assets arising from contracts with customers	28		28	28		28
Security deposits		18	18		18	18
Regulatory assets	14	4	18	9	4	13
Market value of cash flow hedge derivatives	4		4	6		6
Other tax credits	129	243	372	394	416	810
- of which: Superbonus Credits and Other Minor Bonuses	102	243	345	386	416	802
Other	1	1	2		55	55
TOTAL OTHER CURRENT AND NON-CURRENT ASSETS	222	281	503	501	501	1,002

The market value of cash flow hedge derivative financial instruments (€6 million) mainly refers to nine Interest Rate Swap (IRS) derivative contracts, used to hedge the risk of interest rate fluctuations on variable rate bonds and bank loans. Through derivative contracts, variable-rate liabilities are converted into fixed-rate liabilities from the effective date of the contract.

The fair value of hedging derivative contracts, as well as the classification between current and non-current assets/liabilities, were determined on the basis of valuation models commonly used in the financial sector and on 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 21 "Financial Risk Management".

Deferred charges (€40 million) mainly relate to Up-Front Fees and substitute tax on revolving credit lines (€ 11 million) and to the advance provision of services (€11 million).

Assets from contracts with customers (€28 million) relate to contract work in progress on biogas plants.

Security deposits (€18 million), mainly referring to the natural gas transportation segment, relate to payments made to support operating activities.

Other tax credits include credits for Superbonus and other minor bonuses related to energy efficiency projects (€802 million). The increase, compared to 31 December 2023, equal to €457 million, is due to the certifications completed during

the first half of 2024. Given its large fiscal capacity, the Snam Group plans to use these credits within the time frame established by current legislation.

12) Cash and cash equivalents

Cash and cash equivalents of €1,939 million (€1,382 million at 31 December 2023) mainly refer to the Parent Company's current accounts and bank deposits in euro with financial institutions (€1,688 million), which represent the use of liquidity held for the Group's financial needs, and cash received from subsidiaries (a total of €251 million).

The average yield on the Parent Company's liquidity investments, not subject to constraints in their use, is equal to 4.3%.

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

13) Trade and other receivables

(million euros)	31.12.2023	30.06.2024
Trade receivables, including the provision for bad debts	4,519	2,534
Provision for bad debts	(160)	(162)
Total trade receivables	4,359	2,372
Other receivables		
- Other receivables from the Energy and Environmental Services Fund (CSEA)	78	216
- Receivables from companies under joint control and associated companies		45
- Advances to suppliers	39	41
- Receivables for contributions from private individuals and other receivables for investments	5	16
- IRES receivables for National Tax Consolidation from former parent company Eni	3	3
- Other	21	14
Total other receivables	146	335
TOTAL TRADE AND OTHER RECEIVABLES	4,505	2,707

Trade receivables, net of the bad debt provision (€2,372 million), mainly relate to: (i) the transport segment (€1,082 million), mainly relating to credits towards users for additional components (€482 million), for the default service (€308 million), credits for previous corrected factors (€231 million) and relating to the gas system balancing service (€121 million); (ii) the energy efficiency business (€772 million).

Trade receivables include receivables from customers relating to energy efficiency projects (€663 million) awaiting conversion, expected by the end of 2024, into tax credits for Superbonus and other minor bonuses. Given its large fiscal capacity, the Snam Group plans to use these credits within the time frame established by current legislation.

They also include receivables related to the storage segment, including the credit for VAT invoiced to users in previous years for the use of strategic gas withdrawn and not restored (€77 million, unchanged from 31 December 2023).

The fair value measurement of trade receivables and other receivables, with the exception of receivables originating from energy efficiency services falling within the so-called Superbonus and other minor bonuses, does not produce significant effects given the short period of time between the origin of the receivable and its expiry and the contractual conditions.

The provision for bad debt (€162 million) mainly relates to: (i) receivables arising from the balancing service, in relation to resolution 608/2015/R/gas by which the Authority had ordered the partial recognition, for the gas balancing manager (Snam Rete Gas), of uncollected receivables relating to the period from 1 December 2011 to 23 October 2012 (€70 million, including related interest); (ii) trade credits related to the energy efficiency business (€52 million), in order to reflect the risk that some credits deriving from the Superbonus and other minor bonuses do not transform into tax credits.

Other receivables from the CSEA (€216 million) mainly relate to the transport segment and are mainly attributable to receivables for balancing service (€182 million).

All receivables are in euros.

Receivables from related parties are indicated in Note 31 'Transactions with related parties'.

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

(million euros)	31.12.2023	30.06.2024
- Receivables from the tax authorities for IRES (corporation tax)	7	14
- Receivables from the tax authorities for IRAP (regional trade income tax)	8	8
TOTAL CURRENT INCOME TAX ASSETS	15	22
- Payables to the tax authorities for IRES (corporation tax)	(43)	(267)
- Payables to the tax authorities for IRAP (regional trade income tax)	(9)	(50)
- Other tax liabilities	(1)	(2)
TOTAL CURRENT INCOME TAX LIABILITIES	(53)	(319)

Taxes for the period are explained in Note 28 "Income taxes", to which reference is made.

15) Current and non-current financial liabilities

(million euros)	31.12.2023						30.06.2024					
	Current financial liabilities		Non-current financial liabilities				Current financial liabilities		Non-current financial liabilities			
	Short-term liabilities	Short-term portion	Long-term portion due within 5 years	Long-term portion due after 5 years	Total long-term portion	Total debt	Short-term liabilities	Short-term portion	Long-term portion due within 5 years	Long-term portion due after 5 years	Total long-term portion	Total debt
Debtenture loans		1,217	4,439	4,220	8,659	9,876	455	6,266	4,368	10,634	11,089	
Bank loans	250	753	1,756	790	2,546	3,549	472	760	2,009	726	2,735	3,967
Euro Commercial Paper - ECP	2,679					2,679	2,460					2,460
Other lenders	2	3	500		500	505	1	5	700		700	706
Financial payables for leased assets		8	22	13	35	43		11	28	14	42	53
TOTAL CURRENT AND NON-CURRENT FINANCIAL LIABILITIES	2,931	1,981	6,717	5,023	11,740	16,652	2,933	1,231	9,003	5,108	14,111	18,275

15.1 Short-term financial liabilities

Short-term financial liabilities, amounting to €2,933 million, mainly relate to the issue of short-term 'unsecured' securities (Euro Commercial Paper) issued on the money market and placed with institutional investors (€2,460 million) and the use of uncommitted variable-rate bank credit lines (€450 million).

The weighted average interest rate on short-term financial liabilities is 4.0% (3.86% as of 31 December 2023).

15.2 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, amount to a total of €15,342 million and include bond loans (€11,089 million), bank loans (€3,495 million), debts to other lenders (€705 million), represented by Term Loan loans with the parent company CDP, and financial debts for leased assets (€53 million).

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 31.12.2023	Nominal Value 30.06.2024	Rate (%)	Issue (year)	Maturity (year)	Balance at 31.12.2023	Balance at 30.06.2024
Euro Medium Term Notes (EMTN)							
Bond 3.25% (a)	365		3.250	2014	2024	376	
Bond 0.875%	1,250	1,250	0.875	2016	2026	1,249	1,255
Bond 1.250% (a)	267	267	1.250	2017	2025	270	268
Bond Floating (b)	106	106	0.836	2017	2024	107	107
Bond 1.375% (a)	553	553	1.375	2017	2027	552	556
1.250% Bond (Climate Action Bond)	500	500	1.250	2019	2025	501	504
Bond 1.625%	250	250	1.625	2019	2030	252	251
Bond 0%	700		0	2019	2024	700	
Bond 1%	600	600	1.000	2019	2034	593	596
Bond 0.75% (Transition bond)	500	500	0.750	2020	2030	500	499
Bond 0% (Transition bond)	600	600	0	2020	2028	598	598
Bond 0% (Transition bond)	500	500	0	2021	2025	500	500
Bond 0.75% (Transition bond) - TAP (c)	250	250	0.750	2021	2030	257	255
Bond 0.625% (Transition bond)	500	500	0.625	2021	2031	496	498
Bond 0.75% (Dual tranche Sustainability-Linked Bond)	850	850	0.750	2022	2029	847	845
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	304
Bond 4% (EU Taxonomy-Aligned Transition Bond)	650	650	4.000	2023	2029	644	657
Green Bond 3.375%		500	3.375	2024	2028		503
Bond 3.875% (Sustainability-linked)		1,000	3.875	2024	2034		1,005
Bond Floating (b)		750	3.462	2024	2026		755
Total Euro Medium Term Notes (EMTN)	9,391	10,576				9,392	10,603
Bond 3.250% (EU Taxonomy-Aligned Transition Bond Convertible)	500	500	3.250	2023	2028	484	486
TOTAL BOND LOANS	9,891	11,076				9,876	11,089

- (a) Liability Management 2022 bond loans.
 (b) Floating rate bond loan, converted to a fixed rate through an Interest Rate Swap (IRS) hedging derivative contract.
 (c) True-up bond loan.

Bank loan payables (€3,495 million) relate to term loans, of which €1,459 million to the European Investment Bank (EIB).

There are no 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 3.4%.

The average maturity on long-term financial liabilities is 4.7 years (5.4 years for the first half of 2023).

There are no breaches of clauses related to the financing contracts.

Snam has unused committed credit lines amounting to €5.7 billion.

Financial covenants and negative pledge contractual clauses

At 30 June 2024, Snam had unsecured bilateral and syndicated loan agreements in place with banks and other financial institutions.

Some of these agreements require, inter alia, compliance with commitments typical of international practice, some of which are subject to specific materiality thresholds, such as: (i) negative pledge commitments under which Snam and its subsidiaries are subject to limitations on the creation of security interests or other liens over all or part of their respective assets, shares or commodities; (ii) pari passu and change of control clauses; (iii) limitations on certain extraordinary transactions that the company and its subsidiaries may carry out; (iv) limits on the indebtedness of subsidiaries.

Failure to comply with these covenants, as well as the occurrence of other events, such as cross-default events, may result in a default by Snam and, possibly, may cause the related loan to become due in advance. Exclusively for the EIB loans, the lender has the option to request additional guarantees if Snam's rating is lower than BBB (Standard & Poor's/Fitch) 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 results, financial position and cash flow, resulting in additional costs and/or liquidity issues.

At 30 June 2024, the financial debt subject to these restrictive clauses amounted to approximately €4.2 billion.

Bonds issued by Snam at 30 June 2024, with a nominal value of approximately €11.1 billion, mainly 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.

15.3 Analysis of net financial debt

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

(million euros)	31.12.2023	30.06.2024
A. + B. Cash and cash equivalents	1,382	1,939
C. Other current financial assets		
D. Liquidity (A + B + C)	1,382	1,939
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	2,931	2,933
F. Current portion of non-current financial debt (*)	1,981	1,231
G. Current financial debt (E + F)	4,912	4,164
<i>of which with related parties</i>	4	6
H. Net current financial debt (G - D)	3,530	2,225
I. Non-current financial debt (excluding current portion and debt instruments) (*)	3,081	3,477
J. Debt instruments	8,659	10,634
K. Trade and other non-current payables		16
L. Non-current financial debt (I + J + K)	11,740	14,127
<i>of which with related parties</i>	500	700
M. Total financial debt (H + L) (**)	15,270	16,352

(*) They include financial payables for leased assets recognised in accordance with IFRS 16 'Leases', of which €42 million are long-term and €11 million 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 €282 million recognised under trade and other payables in Note 18.

16) Provisions for risks and charges

(million euros)	30.06.2024						Closing balance
	Opening balance	Provisions	Increase for the passing of time	Uses		Other changes	
				for costs	for surplus		
Provision for decommissioning and site restoration	565		9	(2)		(38)	534
Provision for legal disputes	20				(4)		16
Provision for tax litigation	18			(1)			17
Other funds	60	1		(6)			55
TOTAL PROVISIONS FOR RISKS AND CHARGES	663	1	9	(9)	(4)	(38)	622

The provision for site decommissioning and restoration (€534 million) includes the estimated discounted costs that will be incurred to remove infrastructure and restore sites, mainly in the segments of the storage (€437 million) and transportation of natural gas (€67 million). The other variations (-€38 million) mainly refer to the effects deriving from the increase in expected discount rates, mainly with reference to the natural gas storage and transportation segment.

17) Other current and non-current liabilities

(million euros)	31.12.2023			30.06.2024		
	Current	Non-current	Total	Current	Non-current	Total
Security deposits		1,040	1,040		679	679
Fuel gas	532	100	632	533	100	633
Regulatory liabilities	99	50	149	38	53	91
- IRPEF withholdings for employees	7		7	9		9
Market value of non-hedging financial derivatives		14	14		8	8
Liabilities for connection contributions		7	7		8	8
Other taxes	65		65	2		2
Other	10		10	12		12
TOTAL OTHER CURRENT AND NON-CURRENT LIABILITIES	713	1,211	1,924	594	848	1,442

Security deposits (€679 million) refer to payments received as guarantees, mainly from users of the balancing service, pursuant to resolution ARG/gas 45/11.

The item "Fuel gas" (€633 million), mainly attributable to the transportation segment (€523 million), principally 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 165/2022/R/Gas "Urgent provisions for the allocation of storage capacity pursuant to Decree No. 138 of the Ministry of Ecological Transition, now the Ministry of the Environment and Energy Security of 1 April 2022".

Regulatory liabilities (€91 million) relate to the transport segment (€87 million) for penalties charged to users who exceeded their committed capacity, to be returned to the system through tariff adjustments.

The market value of non-hedging financial derivatives (€8 million) relates to the embedded option component of the bond loan convertible into Italgas S.p.A. ordinary shares.

18) Trade payables and other payables

(million euros)	31.12.2023	30.06.2024
Trade payables for the purchase of goods and services	987	757
Total trade payables	987	757
Other payables		
- Payables to the Cassa per i Servizi Energetici e Ambientali (CSEA)	4,037	2,397
- Payables for investment activities	938	939
- Interim dividend	378	
- Payables to personnel	45	26
- Payables to social security institutions	25	22
- Others	56	55
Total other payables	5,479	3,439
TOTAL TRADE AND OTHER PAYABLES	6,466	4,196

Trade payables for the purchase of goods and services (€757 million) are mainly related to the transportation segment (€451 million, of which €160 million from balancing activities) and the energy transition segment (€193 million).

Payables for investment activities (€939 million) also include estimated liabilities for contractually agreed earn-outs.

Payables to CSEA (€2,397 million) mainly refer to: (i) payables related to the retrocession 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 (€1,445 million); (ii) payables for additional tariff components (€837 million); (iii) payables for gas energy products (€80 million).

Payables to related parties are illustrated in Note 31 'Transactions with related parties'.

19) Shareholders' equity

(million euros)	31.12.2023	30.06.2024
Share capital	2,736	2,736
Treasury shares	(30)	(30)
Share premium reserve	611	611
Legal reserve	547	547
Cash flow hedge reserve	(32)	(27)
Reserve for defined benefit plans for employees	(6)	(6)
Fair value reserve for equity investments	(15)	(17)
Reserve for business combinations under common control	(674)	(674)
Other reserves	170	195
Total reserves	(10)	18
Profits from previous years	3,571	3,761
Interim dividend	(378)	
Period profit	1,135	634
Total retained earnings	4,328	4,395
Equity of the parent company	7,635	7,730
Minority interests	45	47
TOTAL SHAREHOLDERS' EQUITY	7,680	7,777

19.1 Share capital

The share capital at 30 June 2024 consisted of 3,360,857,809 shares without nominal value (unchanged from 31 December 2023), with a total value of €2,735,670,475.56 (unchanged from 31 December 2023).

19.2 Treasury shares

The negative reserve includes the purchase cost of 7,244,579 treasury shares held at 30 June 2024 (also at 31 December 2023), amounting to €30 million.

19.3 Share premium reserve

The share premium reserve at 30 June 2024 amounted to €611 million (the same as at 31 December 2023).

19.4 Reserves

Legal reserve

The legal reserve at 30 June 2024 amounted to €547 million (the same as at 31 December 2023) and had 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 coverage reserve (-€27 million; -€32 million at 31 December 2023) includes the fair value measurement of hedging derivatives, net of the related tax effects.

Reserve for defined benefit plans for employees

The reserve for defined employee benefit plans (-€6 million; same at 31 December 2023) 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 for equity investments (-€17 million; -€15 million at 31 December 2023) 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). For more details, see Note 8 'Other current and non-current financial assets'.

Reserve for business combinations under common control

The reserve for business combinations under common control (-€674 million; unchanged from 31 December 2023), 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 (€195 million; €170 million at 31 December 2023) mainly refer to the portions of other comprehensive income of investments accounted for using the equity method, in particular, to changes in the fair value of hedging derivatives.

19.5 Retained earnings

Retained earnings include:

- profits from previous years, amounting to €3,761 million (€3,571 million at 31 December 2023). The increase in the reserve, equal to €190 million, is due to the allocation of the profit for the 2023 financial year;
- profit for the first half of 2024 of €634 million.

19.6 Dividends declared and distributed

On 7 May 2024, the Ordinary Shareholders' Meeting of Snam S.p.A. resolved to distribute an interim dividend of €0.1692 per share, payable as of 26 June 2024 with ex-dividend date on 24 June 2024 and record date on 25 June 2024 (€567 million). The dividend for the financial year 2023 is therefore determined between an interim dividend of €0.1128 per share (€378 million), distributed in January 2024, and the balance of €0.2820 per share.

20) Guarantees and commitments

(million euros)	31.12.202	30.06.202
GUARANTEES GIVEN ON BEHALF OF COMPANIES UNDER JOINT CONTROL AND ASSOCIATED COMPANIES	1,129	1,129
of which:		
- <i>associated company TAP</i>	1,129	1,129
GUARANTEES GIVEN ON BEHALF OF SUBSIDIARIES	371	484
TOTAL GUARANTEES	1,500	1,613
COMMITMENTS FOR THE PURCHASE OF GOODS AND SERVICES (*)	2,407	2,478
COMMITMENTS FOR THE SUBSCRIPTION OF INVESTMENT FUND UNITS	40	35
COMMITMENTS FOR THE SUBSCRIPTION OF SHARES	28	23
TOTAL COMMITMENTS	2,475	2,536

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

20.1 Guarantees given on behalf of companies under joint control and associated companies

20.1.1 Guarantee provided on behalf of the associated company TAP

At present and until the repayment of the loan, a mechanism is in place to support the repayment of TAP's outstanding debt ('Debt Payment Undertaking') which would be activated, unlike the first-demand guarantee, released with 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 amount for Snam of the guarantee is €1,129 million. The financial documentation signed in the context of the Project Financing concluded for TAP also provides for certain limitations for shareholders that are typical for transactions of this type, including: (i) a limitation on the possibility of freely disposing of shares in TAP according to certain timelines; (ii) the pledge of the shares held by Snam in TAP in favour of the lenders for the entire duration of the loan.

20.2 Guarantees given on behalf of subsidiaries

Guarantees given on behalf of subsidiaries (€484 million; €371 million as at 31 December 2023) mainly relate to:

- (i) guarantees provided in favour of the Revenue Agency mainly on behalf of the subsidiaries Stogit, GNL, Greenture and Bioenerys Agri (€254 million);
- (ii) indemnities issued in favour of third parties as a performance bond (€75 million);
- (iii) the Parent Company Guarantee provided in the interest of Snam FSRU Italia S.r.l. issued 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 (€69 million).

20.3 Group commitments for the purchase of goods and services

Commitments for the purchase of goods and services (€2,478 million; €2,407 million at 31 December 2023) mainly relate to commitments undertaken with suppliers for the purchase of plant, property and equipment, and the provision of services related to investments in progress.

20.4 Commitments to subscribe to investment fund units and shares

Commitments to subscribe to investment fund units (€35 million; €40 million at 31 December 2023) concern: (i) Snam S.p.A.'s residual commitment to the Clean H2 Infra Fund (HY24) (€24 million), as part of the investment programme that

the fund proposes to carry out over a total of six years from the final closing date (13 December 2023); (ii) commitments to the CDP Corporate Partners I - Energy Tech Fund (€11 million), as part of the investment programme that the fund proposes to carry out over a total of five years from the first closing date (18 May 2022). Such funds may be called up, even partially and in several tranches, upon the identification by the Fund of potential eligible investments pursuant to the Fund's Regulation.

Commitments for the subscription of shares (€23 million; €28 million at 31 December 2023) essentially refer to the agreements signed by Snam International B.V. as part of the transaction that led the latter to hold an equity investment in dCarbonX.

20.5 Other commitments and related risks not valued

Other commitments and related risks not valued mainly refer to commitments undertaken at the time of closing equity purchase transactions, intended to operate also after the date of execution of such transactions.

As of 30 June 2024, the commitments related to the purchase contract from Eni to Stogit remain, 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, the energy regulator, that could arise in certain contractually defined circumstances; (ii) the possible transfer of storage capacity that should become freely available on a negotiated basis and no longer regulated, or the transfer of concessions, among those held by Stogit, at the time of the transfer of the shares that may be dedicated primarily to storage activities no longer subject to regulation.

21) Financial risk management

21.1 Introduction

In the area of business risks, the main financial risks identified, monitored and, to the extent specified below, managed by Snam are as follows:

- the risk arising from exposure to interest rate fluctuations;
- the credit risk arising from the possibility of default by a counterparty;
- liquidity risk arising from a lack of financial resources to meet short-term commitments;
- the risk arising from exposure to exchange rate fluctuations;
- the risk arising from exposure to fluctuations in commodity prices.

The financial risk management and control activity is overseen centrally by Snam and is aimed at defining an adequate financial structure and monitoring the corresponding risk limits, in order to preserve financial sustainability and rating. Snam therefore develops strategies and Key Risk Indicators (KRI) for the optimisation and control of the risk profile, taking appropriate account of the context in which it operates, its Risk Appetite Framework and the Group's overall value system.

In particular, in Snam, the financial risk management and control activity is structured on the basis of the following process:

- definition of appropriate KPIs and related limits;
- management;
- monitoring and reporting.

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

The following is a description of Snam's policies and principles for the management and control of financial risks, in accordance with the approach required by IFRS 7 - Financial Instruments: additional disclosures.

21.2 Risk of changes in interest rates

The risk of changes in interest rates relates to fluctuations in interest rates that affect the market value of the company's financial assets and liabilities, the level of net financial expenses, and, specifically, the level of revenues recognised in respect of regulated businesses.

One of Snam's objectives is to minimise interest rate risk in pursuing the objectives defined and approved in the financial plan.

The Snam Group adopts a centralised operating organisational model, which, in accordance with this model, ensures coverage of needs, through access to financial markets, and the use of funds, in line with the approved objectives, guaranteeing maintenance of the risk profile within the defined limits.

At 30 June 2024, the Snam Group had used external financial resources in the form of debenture loans and bilateral and syndicated loan agreements with banks and other lenders, in the form of financial debt and bank credit lines at interest rates indexed to market benchmark rates, and 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 2024, taking into account the hedging transactions put in place, was approximately 29% of the total exposure of the Group (30% at 31 December 2023). With reference to hedging operations, Snam uses interest rate derivative contracts in order to guarantee the objective of optimising the risk of interest rate fluctuations. At 30 June 2024, Snam had Interest Rate Swap (IRS) derivative contracts in place with a notional amount totalling €1,306 million. Hedges against interest rate changes refer to: (i) floating rate bonds with maturities between 2024 and 2026; (ii) variable rate bank loans with maturities between 2027 and 2028.

Although the Snam Group has an active risk management policy, consistent with the revenue recognition mechanism, an increase in interest rates on unhedged variable-rate debt could have a negative impact on the Snam Group's business and financial position. Despite considering the limited exposure to changes in interest rates, which is limited to around 29% of the Group's total exposure and is fully attributable to the Euribor rate, a possible change in the method of calculating the latter and the related "fallback" clauses that may be formulated, could entail the need for the Snam Group to adjust the financial contracts that may be impacted by the aforementioned change and/or the management of forward-looking cash flows.

21.3 Credit risk

Credit risk represents the company's exposure to potential losses arising from the failure of counterparties to meet their obligations. The non-payment or delayed payment of amounts due could adversely affect Snam's economic results and financial equilibrium. With regard to the risk of counterparty default in contracts of a commercial nature, credit management is entrusted to the responsibility of the business units and to Snam's centralised functions for activities related to credit recovery and any litigation management.

For trade receivables, provisions for bad debts reflect the value of expected losses over the life of the receivable and are determined on a collective basis according to the expected credit loss model, in line with the requirements of the relevant accounting standards, or on the basis of individual and analytical assessments for credit exposures that present specific risk elements (e.g., litigation or in the presence of detailed information available on the recoverability of the exposure). For further details, please refer to Note 5.7 'Significant Accounting Policies' - 'Non-derivative financial assets - receivables and debt securities' of the Notes to the 2023 consolidated financial statements, to which reference is made.

With regard to regulated activities, Snam provides its business services to 404 operators in the gas segment, considering that the top 10 operators account for about 66% 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 laid down by the Authority and are set out in the Codes, i.e. in documents that establish, for each type of service, the rules governing the rights and obligations of the parties involved in the process of selling and providing the services themselves, and that define contractual clauses which significantly reduce the risks of non-compliance by customers. The Codes provide for the granting of guarantees to cover the obligations undertaken. In certain cases, if the customer has a credit rating issued by leading international bodies, the

furnishing of these guarantees may be mitigated. The regulatory framework has also provided for specific clauses in order to guarantee the neutrality of the entity in charge of the Balancing activity, which has been carried out since 1 December 2011 by Snam Rete Gas in its capacity as a major transportation company. In particular, the current balancing regulation requires Snam, on the basis of economic merit criteria, to operate mainly by buying and selling via the GME balancing platform, in order to guarantee the resources necessary for the safe and efficient movement of gas from the entry points to the withdrawal points, to ensure the constant balance of the network. For regulated assets, the model for determining expected losses considers the guarantee and hedging mechanisms described above.

In the context of the activities related to the energy efficiency business, the credit risk is linked to the failure to convert these credits into tax credits, given the numerous practices related to the Superbonus and other minor bonuses, as well as the complex and intricate process of converting commercial credits into tax credits for the Superbonus and other minor bonuses, which must be completed by the end of 2024.

Snam's maximum exposure to credit risk as at 30 June 2024 is represented by the book value of the financial assets recorded in the financial statements, detailed in Note 13 "Trade and other receivables".

21.4 Liquidity risk

Liquidity risk represents the risk that, due to the inability to raise new funds (funding liquidity risk) or to liquidate assets on the market (asset liquidity risk), the company is unable to meet its payment commitments, thus causing an impact on the economic result in the event that the company is forced to incur additional costs to meet its commitments or, as an extreme consequence, a situation of insolvency that puts the company's business at risk.

The objective of Snam's Risk Management is to monitor, within the scope of the Strategic Plan, that the financial structure, in line with the business objectives, guarantees an adequate level of liquidity for the Group, maintaining a balance in terms of duration and composition of the debt.

Snam's goal is therefore to maintain a balanced debt structure, in terms of the composition between debenture loans and bank receivables and the availability of undrawn committed bank credit lines, in keeping with the business profile and regulatory context in which Snam operates.

In addition, the financial market is characterised by a steady growth in sources of financing for companies that are able to improve the environmental impact of their investments. Investor interest is linked to and conditional on the ability of the companies themselves to achieve certain goals in terms of environmental sustainability.

With a view to the correct management of liquidity risk, the diversification of funding sources, including the use of sustainable finance instruments, is therefore crucial to guaranteeing the Group broad access to financial markets at competitive costs, with consequent positive effects on the Group's financial position and performance.

Likewise, for Snam, the failure to achieve certain KPIs in the ESG area, within the Group's general objective of making its business more sustainable in the medium to long term, could lead to higher financing costs or the failure to access certain sources of financing.

The mitigation of this risk also involves Snam's extreme attention to ESG issues, which traditionally constitute a significant and structured part of the company's strategy. Consistent with this approach, since 2018, Snam has increasingly used sustainable finance instruments, reaching the target of 80% of total 'committed' sources in 2023 three years early. With the presentation of the 2023-27 Strategic Plan, the target was raised to 85% of total funding, to be reached by 2027.

Specifically, in 2023, Snam issued on the bond market (i) in September, its first EU Taxonomy-Aligned Transition Bond convertible into existing Italgas ordinary shares maturing in 2028 for a nominal amount of €500 million, and (ii) in November, its second EU Taxonomy-Aligned Transition Bond for €650 million to finance energy transition projects and, in particular, the Eligible Projects defined in Snam's Sustainable Finance Framework published in November 2021. During 2023, Snam also finalised with major relationship banks (i) bank loans for €1.4 billion, in a Green loan and KPI-linked format (ii) a KPI-linked Revolving Credit Facility (RCF) with a pool of banks for a total amount of €1.8 billion, backed by a SupportItalia guarantee issued by SACE covering 80% of the amount. Lastly, in November 2023, Snam renewed its Euro Commercial Paper programme, increased from €2.5 billion to €3.5 billion and associated with environmental and social sustainability objectives in line with the sustainable loan, obtaining for the instrument an initial ESG rating of EE assigned by the ESG rating company Standard Ethics, increased to EE+ during 2022 and confirmed in November 2023.

Furthermore, it should be noted that: (i) in February 2024, a new Sustainable Finance Framework was published for the issue of green and sustainability-linked financial instruments to reinforce the company's continued commitment to the energy transition; (ii) Snam received a Second Party Opinion from ISS; (iii) based on the new framework, a €1.5 billion sustainable loan was issued in February 2024, in dual tranches with the first €500 million Snam Green Bond and a €1 billion Sustainability-Linked Bond (SLB); (iv) in the first part of the year, bank lines for €750 million were finalised, of which €650 million in KPI-linked format and €100 million signed with the European Investment Bank (EIB); (v) a €750 million floating rate bond was issued in April; (vi) a €1 billion KPI-linked revolving pooled facility was finalised in May; (vii) during the second quarter, the Revolving Credit Facilities (RCF) line of €1.8 billion, backed by the SupportItalia guarantee issued by SACE, was cancelled early

Lastly, at 30 June 2024, Snam had unused committed long-term credit lines worth approximately €5.7 billion, mainly: (i) revolving credit lines in pool of €4.2 billion; (ii) bilateral RCF lines for a total of €1.2 billion; (iii) committed bank lines not yet disbursed, including the EIB financing of €100 million. As of 30 June 2024, Snam has a Euro Medium Term Notes (EMTN) programme, for a maximum total nominal value of €13 billion, used for approximately €10.6 billion, and a Euro Commercial Paper Programme (ECP), used as of 30 June 2024 for €2.5 billion.

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

The Group's main long-term financial debts contain covenants typical of international practice concerning, inter alia, negative pledge and pari passu clauses. Failure to comply with these clauses, as well as the occurrence of other events, such as cross-default events, may result in Snam's default and, possibly, may cause the related loan to become due in advance, leading to additional costs and/or liquidity problems. Commitments do not include covenants requiring compliance with economic and/or financial ratios.

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

Snam's long-term rating is equal to: (i) Baa2 with a stable outlook, confirmed on 9 February 2024 by Moody's Investor Services; (ii) BBB+ with a stable outlook, confirmed on 30 April 2024 by Standard & Poor's Global Rating ('S&P'); (iii) BBB+ with a stable outlook, confirmed on 28 March 2024 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 17 November 2023 Moody's confirmed the rating of the Italian Republic, improving the outlook to stable from negative; this action led to the revision of Snam's outlook from negative to stable on 21 November 2023. The next reviews of the Rating Agencies for the Italian Republic are scheduled for 18 October 2024 for S&P, 18 October 2024 for Fitch, 22 November 2024 for Moody's.

Although the Snam Group has relationships with diversified counterparties with a high credit standing, based on a policy of managing and continuously monitoring their active credit risk, the default of an active counterparty or the difficulty of selling off assets on the market could have a negative impact on the Snam Group's financial position and performance.

21.5 Exchange risk

In relation to the risk of exposure to changes in exchange rates, due to the cases currently in place, the Snam group's exposure is currently limited to transactional risk, while exposure to translation risk remains with reference to certain foreign subsidiaries that prepare their financial statements in currencies other than the euro. At present, it has been decided not to adopt specific hedging policies for these exposures. In this regard, it should be noted that the effects of exchange rate differences arising from the translation into the presentation currency (euro) of the functional currencies of these companies are recognised in the Statement of Comprehensive Income.

21.6 Risk of fluctuations in raw material prices

By virtue of the context in which it operates, Snam is currently exposed to a limited extent to the risk deriving from fluctuations in raw material prices. However, there remain minor exposures in some business segments and essentially

linked to the price of gas. Even in a context of limited impact at consolidated level, Snam's objective in managing this risk is aimed at protecting the value of cash flows and the related economic result from unfavourable movements in the price risk component to which it is exposed, by negotiating derivative instruments in order to mitigate the aforementioned risk.

21.7 Fair value of financial instruments

The classification of financial assets and liabilities measured at fair value in the statement of financial position according to the fair value hierarchy defined on the basis of the significance of the inputs used in the measurement process is shown below. In particular, depending on the characteristics of the inputs used for valuation, the fair value hierarchy has 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 are unobservable inputs.

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" (€6 million); minority interests in Adriatic LNG, Istituto Treccani, Storegga Limited and De Nora Technologies, valued at FVTOCI, classified at level 3 a and disclosed in Note 8 "Other current and non-current financial assets" (€40 million in aggregate); (iii) the minority interest in ITM Power, valued at FVTOCI, classified at level 1 and illustrated in Note No. 8 "Other current and non-current financial assets" (€7 million); (iv) the estimated earn-out liabilities of €282 million, classified at level 3 and disclosed in Note No. 18 "Trade and other payables".

22) Criminal and tax litigation and proceedings with the regulatory authority ARERA

Snam is a party in civil, administrative and criminal proceedings and in legal actions related to the normal course of its business. 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 and/or events with an impact on the Group's litigation.

At 30 June 2024, 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 €31 million (€61 million at 31 December 2023).

22.1 Criminal litigation

Snam Rete Gas S.p.A. - Pineto event

On 6 March 2015, in Mutignano (TE), a landslide hit the San Benedetto Del Tronto-Chieti section of the Ravenna-Chieti gas pipeline for about ten metres, causing it to rupture and the consequent leakage of gas, with a subsequent fire due to the simultaneous fall of an electricity pylon. In relation to the event, the Public Prosecutor's Office at the Court of Teramo immediately opened an investigation, hypothesising the crime of unintentional negligent disaster and negligent forest fire. Following the investigations, the Public Prosecutor's Office requested the indictment of technicians and technical managers of Snam Rete Gas S.p.A.. The trial ended on 6 February 2024 with a ruling of the acquittal of all the defendants "because the fact does not exist". The reasons for the ruling were filed on 2 May 2024.

TEP Energy Solution S.r.l. – Criminal proceedings pursuant to Legislative Decree 231 of 2001

The subsidiary TEP Energy Solution S.r.l., its former CEO and an employee are involved in criminal proceedings pending before the Public Prosecutor's Office at the Court of Rome pursuant to Legislative Decree 231/2001, which originate from investigations relating to obtaining legal benefits for construction activities (so-called Superbonus and other minor bonuses) in a series of construction sites. The administrative offences referred to in articles 24, 25 quinquiesdecies, paragraph 1, letter d), and 26 of Legislative Decree 231/2001 are contested against the company TEP in relation to the crimes charged to the natural persons involved, which include (i) complicity in: aggravated fraud to obtain public funding; attempt at undue compensation; ideological falsehood by a private individual; and ideological falsehood by a public official; and (ii) the issuing of invoices for non-existent transactions. In the course of the preliminary investigation, the preventive seizure of receivables included in invoices issued by TEP to an apartment building was ordered. On 24 June 2024, the notice of conclusion of the preliminary investigations was served and the notification of the notice of setting of the preliminary hearing is awaited.

The Group's companies, with particular reference to those active in the regulated business, are also involved in various active criminal proceedings, in which they act as civil parties in relation to various criminal hypotheses, such as aggravated theft, damage, fraud, receiving stolen goods, money laundering and criminal association. Among these, we recall the judgment currently pending before the Court of Appeal of Milan against Transport Users who in 2012 accrued a significant debt exposure towards the Company, as Balancing Manager, mainly attributable to illegitimate conduct of fraud and money laundering (so-called "gas cheats"). In this proceeding, Snam Rete Gas joined the proceedings as a civil party against the defendants.

In the context of the Group's operations, some Group employees may be involved in criminal proceedings aimed at determining their possible personal liability, for example in the event of accidents at work or environmental crimes. Currently, two criminal proceedings of this type are pending before the Court of Trani and the Court of Enna. Group companies are not involved in such proceedings.

22.2 Administrative litigation

22.2.1 Administrative litigation in the regulatory field

Default Transport Service

Following litigation already initiated in 2022 and concluded in 2023, on 28 October 2023 Acciaierie d'Italia S.p.A. filed a new appeal before the Regional Administrative Court of Lombardy-Milan (G.R. No. 2075/2023) with which it requested the annulment, subject to suspension of the effectiveness with the adoption of monocratic and collegiate precautionary measures, (i) of the ARERA resolution of 7 September 2023, No. 393/2023/R/gas, concerning "Urgent provisions regarding the default transport service provided to the company Acciaierie d'Italia s.p.a.", which only partially accepted (until 30 September 2023) the request for a derogation from the sixty-day deadline set by resolution 249/2012/R/gas for the provision of the Default Transport Service submitted by Acciaierie d'Italia on 2 August 2023 with a request to extend the service at least until 31 December 2023, and (ii) the communication from Snam Rete Gas S.p.A. dated 19 October 2023, with which Acciaierie d'Italia was informed of the scheduling of the works to shut down the redelivery points for 8 November 2023. By precautionary decree of the President of the Regional Administrative Court of Lombardy-Milan No.

994 of 30 October 2023, the court, having considered the periculum in mora appreciable in relation to the date set for the termination of the redelivery points and the need to further investigate the *fumus boni iuris*, accepted the request for precautionary measures and set the council chamber for 8 November 2023. With precautionary-investigative order 1023 of 10 November 2023, the Regional Administrative Court of Milan accepted the precautionary request and set another council chamber for 10 January 2024. With order No. 24 of 15 January 2024, the Regional Administrative Court rejected the precautionary request and set the hearing on the merits for mid-October 2024.

In the meantime, on 18 January 2024 Acciaierie d'Italia filed a precautionary appeal for the reform of the aforementioned order and set the council chamber for 13 February 2024. With order No. 532 of 15 February 2024, the Council of State accepted the precautionary appeal of Acciaierie d'Italia and suspended the Regional Administrative Court order No. 24 of 15 January 2024.

The trial continues before the Regional Administrative Court and the procedural steps are underway with a view to a hearing to discuss the merits in mid-October 2024.

Measure

On 24 November 2023, Assogasmetano, Assopetroli-Assoenergia, Federmetano (representing companies operating in the automotive segment) filed an appeal before the Regional Administrative Court of Lombardy-Milan (G.R. No. 2337/2023), against ARERA and against Snam Rete Gas and Società Gasdotti Italia for the annulment, subject to precautionary suspension of "*resolution 433/2023/R/gas of 28 September 2023 entitled Approval of the proposed updates to the Network Code of Snam Rete Gas S.p.A. and Società Gasdotti Italia S.p.A. and amendments to the RMTG*" as well as for the annulment of all further related measures including Resolution 512/2021/R/Gas, which provided for the regulation of the reorganisation of the metering service on the gas transportation network. In particular, the applicants have contested: (i) the application of certain fees associated with non-compliance with minimum functional requirements laid down in the regulation, the fulfilment of which, according to the applicants, is impossible *de facto*; as well as (ii) the obligation (sanctioned by the closure of the redelivery point) to sign the so-called metering agreement that would commit them to comply with the aforementioned requirements. At the outcome of the council chambers of 6 December 2023, the Regional Administrative Court of Milan, with order No. 1136 of 11 December 2023, rejected the interim application for relief of the trade associations, deeming the periculum in mora to be non-existent, also anticipating some considerations on the *fumus boni iuris*, on the basis of the elements acquired on a precautionary basis. The Regional Administrative Court of Milan has, in fact, pointed out: (i) a possible lack of uniformity of the interests of the individual members from which the claimants would derive a lack of legal powers; and (ii) a possible lateness of the appeal, given that resolution No. 433/2023/R/gas amended only certain aspects of Resolution No. 512/2021/R/gas, whereas the appellants' objections appear to have a more general scope.

In the meantime, with an appeal filed on 29 December 2023, Assogasmetano, Assopetroli-Assoenergia, Federmetano lodged a precautionary appeal before the Council of State for the reform of order No. 1136 of 11 December 2023. The precautionary appeal was registered under G.R. 10143/2023 and the council chambers was set for 23 January 2024. In its order No. 245 of 24 January 2024, the Council of State rejected the precautionary appeal, finding that the periculum in mora was non-existent and the objections on the lateness of the appeal in relation to resolution 512/2021/R/gas were not justified. We are still waiting for the date of the hearing to discuss the merits.

Group companies are also involved in active administrative disputes in the regulatory field, including disputes on tariff determination criteria, in which Snam Rete Gas is the interested party, and the following disputes regarding regulatory obligations:

Odourisation

With Resolution 250/2015/R/gas of 1 June 2015, ARERA amended Article 5 of Resolution 602/2013/R/gas concerning the obligation for transport companies to odourise end customers directly connected to the transport network who use the redelivered gas not merely in a technological way. Snam Rete Gas challenged the aforementioned Resolution before the Regional Administrative Court of Lombardy-Milan (G.R. No. 497/2020), believing that the deadline for implementing the plan could only be determined following the census of the affected redelivery points (to be carried out by 31 July 2015) and the transmission to ARERA (by 30 November 2015) of the adaptation plan, to be updated every six months. Having completed the census, during the transmission of the adjustment plan and subsequent updates, Snam Rete Gas once

again referred to ARERA the unreasonableness of the aforementioned deadline, which instead the latter decided to confirm with Resolution 484/2016/E/gas. Consequently, Snam Rete Gas, as part of the appeal with which it had challenged Resolution 250/2015/R/gas, filed an appeal for additional grounds against Resolution 484/2016/E/gas requesting the suspension of the challenged resolutions. The Regional Administrative Court of Milan, with ruling No. 869 of 17 April 2019, upheld the appeal filed by Snam Rete Gas, declaring the unlawfulness of the deadline set by ARERA as manifestly unreasonable insofar as it did not take into account the complexity of the activities to be carried out by the transporter and the need for the cooperation of the end customers on whom the onus was, to ensure the use of gas in safe conditions for the workers concerned.

It should be noted that, by Ministerial Decree of 18 May 2018, the Ministry for Economic Development set the onus on end customers directly connected to the natural gas transportation network to ensure the use of gas in safe conditions where they use, partially, gas for domestic or similar uses, even if combined with technological uses. As a result of the activities functional to the implementation of the Decree, end customers have certified that they guarantee the safe use of gas in accordance with the Decree.

As part of the Consultation Document (DCO 203/2019/R/Gas) preparatory to the review of the regulation on the quality of the transport service, ARERA has expressed its intention (i) to confirm the regulatory framework referred to in the aforementioned Resolution 250/2015/R/Gas without providing a deadline by which to implement the plan, and (ii) to promote a regulatory change aimed at coordinating the regulation with the Ministerial Decree cited above. Following up on what had been anticipated in the DCO, with Resolution 554/2019/R/gas, the Authority confirmed the previous regulatory regime (i.e. obligation to odourise gas of the transporter), thus once again proposing coordination with the obligations imposed by the aforementioned Decree. Therefore, pending a possible regulatory change, Snam Rete Gas has challenged Resolution 554/2019/R/gas, again before the Regional Administrative Court of Milan, with a second appeal for additional reasons. The contested regulatory framework was further confirmed in resolution No. 589/2023/R/gas of 12 December 2023, with which, as a result of the consultation process set forth in DCO No. 451/2023/R/Gas, ARERA adopted the regulatory criteria for the quality of the natural gas transportation service for the sixth regulatory period (2024-2027). Snam Rete Gas has also challenged this further and more recent ARERA Resolution with a third appeal for additional reasons. We are still waiting for the hearing date to be set.

22.2.2 Administrative litigation in the operations field

Decarbonisation project of the Sardinia Region – Appeal of the Sardinia Region

With regard to the decarbonisation project of the Region of Sardinia, the Region of Sardinia filed an action for annulment of the Prime Ministerial Decree of 29 March 2022 and of ARERA Resolution 279/2022/R/Com on the initiation of the procedure for the implementation of this Prime Ministerial Decree, brought against ARERA and Snam S.p.A. The trial began on 27 July 2022 by the Sardinia Region before the Regional Administrative Court of Lazio-Rome (G.R. No. 12149/2022) which, following the hearing of 14 September 2022, completely rejected the action of the Sardinia Region with ruling No. 12149 of 26 September 2022.

On 26 October 2022, the Region of Sardinia filed before the Council of State an appeal, G.R. No. 8145/2022, requesting the annulment and/or the reform, subject to suspension, of the aforementioned ruling No. 12149. The Council of State, in order No. 5322/2022, granted the petition, finding that the precautionary requirements were favourable and could be adequately protected by the prompt settlement of the case on the merits, thus setting the hearing for 23 February 2023. In the meantime, the Municipality of Portoscuso filed its own action *ad adiuvandum* supporting the Region's arguments. At the beginning of February 2023, the Region of Sardinia, in agreement with the State Authorities referred to in the lawsuit, notified the Council of State that a renewed process of joint dialogue had been initiated between all the public entities in various capacities involved in the proceedings connected with the adoption and execution of the contested measures. Due to the addition of the constituted parties to the Region's motion for postponement, the hearing was postponed to 16 November 2023. At that hearing, the Council of State, noting the further request for adjournment due to pending institutional negotiations, ordered the adjournment to a date to be determined. We are therefore waiting for an update on the aforementioned negotiations.

Adriatic Line Project – Appeals of the Municipality of Sulmona

In relation to the Linea Adriatica project already mentioned in this financial report, two proceedings brought by the Municipality of Sulmona are pending.

The first, brought at the beginning of October 2023 and pending before the Regional Administrative Court of Abruzzo-L'Aquila (G.R. No. 307/2023), concerns the Sulmona gas compression plant and specifically the request for annulment of the ruling of acknowledgement of compliance with prescriptions No. A.12, A.16, A.19 and A.20 of the DM VIA No. 70/2011, issued by the Regional Coordination Committee for the Environmental Impact Assessment of the Abruzzo Region on 13 July 2023, No. 3968. No precautionary measure was requested, but instead an investigative request made, requesting the filing of the documents relating to the extension of the single authorisation. The action was not brought before the Regional Administrative Court of Lazio, as was the case for the previous (concluded and pending) rulings, and therefore a plea of lack of territorial jurisdiction was raised. The date of the hearing on the merits still has to be set.

The second litigation, brought in mid-April 2024 and pending before the Council of State (G.R. No. 3108/2024), concerns the Sulmona-Foligno gas pipeline and specifically the reform of the ruling of the Regional Administrative Court of Lazio No. 962 of 19 January 2024 with an attached request for referral to the Plenary Assembly of the Council of State and referral to the Constitutional Court. By the appeal at issue, the Municipality of Sulmona re-submits one of the three pleas in law against the provision granting the Single Authorisation for the Sulmona-Foligno methane pipeline rejected at first instance, namely, the supervening ineffectiveness of the EIA measure issued in 2011, inasmuch as, in the Municipality's view, that complaint is of central and absorbing importance and underlies a question of law of the utmost importance, on which there have been variations in the case-law such as to justify the request for referral to the Plenary Assembly. Resubmission of that ground of appeal, however, implies prior censure of the part of the ruling under appeal which would hold it inadmissible (even before being unfounded) on the ground that it is *res judicata*.

FSRU Project – Appeals of the Municipality of Piombino and the Municipality of Savona

In relation to the FSRU project discussed on pages 26 et seq. of the 2023 Annual Financial Report, two appeals filed by local authorities are reported.

With an appeal filed by the Municipality of Piombino before the Regional Administrative Court of Lazio-Rome (G.R. 14940/2022) against the Extraordinary Government Commissioner as well as Snam Rete Gas, Snam FSRU Italia and Snam (in addition to several other respondents and interested parties), the Municipality itself requested the annulment, subject to precautionary suspension, of the commissioner's order No. 140 of 25 October 2022 concerning the issuing of the Single Authorisation for the construction of the work known as FSRU Piombino, of the connected infrastructures and of the relative connection to the national gas pipeline network. The trade union *Unione Sindacale di Base* and the associations *Greenpeace Italia* and *WWF Italia* also intervened *ad audiendum*. On 21 December 2022, the Regional Administrative Court of Rome rejected the precautionary request presented by the Municipality of Piombino and set the hearing to discuss the merits for 8 March 2023, subsequently postponed following the filing by the Municipality of Piombino of six further appeals for additional reasons.

Following the hearing of 20 December 2023, with ruling No. 1279 published on 23 January 2024, the Regional Administrative Court rejected the appeal filed by the Municipality of Piombino and all additional grounds; declared the intervention of the USB union inadmissible; finally, it ordered both the Municipality and all intervening parties *WWF*, *Greenpeace* and *USB* to pay the costs. The Municipality of Piombino subsequently renounced the right to appeal to the Council of State in light of the waiver by *Snam Rete Gas*, *Snam FSRU* and *Snam* of the reimbursement of legal costs.

With an appeal filed by the Municipality of Savona regarding the project to relocate the Piombino FSRU to the territory of Vado Ligure, the Municipality requested the annulment of the provision of 3 October 2023 containing the suspension of the Single Authorisation procedure to allow *Snam FSRU* to submit the amendments. The appeal was filed before the Regional Administrative Court of Liguria-Genoa (G.R. No. 795/2023), which, following the objection of lack of jurisdiction raised by *Snam FSRU*, with order No. 187 of 12 March 2024 declared itself incompetent in favour of the Regional Administrative Court of Lazio-Rome. The Municipality of Savona therefore took steps to resume the proceedings before the competent Regional Administrative Court (G.R. No. 3394/2024) and *Snam FSRU Italia* acted promptly. The date of the hearing on the merits still has to be set.

The Group's companies are also involved in active administrative disputes in the operations area, including: (i) disputes relating to procurement, concerning requests for cancellation of provisions for the revocation or suspension of qualifications or from the Snam Group Vendor List or of award provisions; (ii) disputes in the biomethane segment, concerning requests for cancellation of authorisations for the construction and operation of biomethane plants; and (iii) the following disputes regarding noise limit values:

Panigaglia regasification plant – Appeal against noise regulations

With reference to the regasification plant located in Panigaglia, which is fully illustrated on pages 26 et seq. of the 2023 Annual Financial Report, GNL Italia S.p.A. filed an appeal against the Province of La Spezia and the Municipality of Porto Venere for the annulment of the provisions contained in the IEA order for the Panigaglia plant requiring compliance with limit values that are not in line with current legislation on noise (Regional Administrative Court of Lazio-Roma, G.R. 12796/2023). The contested provisions contain provisions and forecasts regarding noise emissions that are detrimental to the company and the operation of the regasification plant. We are awaiting the scheduling of the hearing to discuss the merits while discussions with the institutions and developments on the investigative level continue, including at the conference of services.

22.3 Civil litigation

22.3.1 Commercial litigation and debt collection

Civil litigation relating to Snam's regulated businesses (transportation, storage and regasification) concerns the management of commercial operations, the approval of contracts relating to transport services, requests for connection to the network, storage and regasification services, gas quality and all other regulated services. These are mainly ongoing proceedings against insolvent, bankrupt or otherwise insolvency clients, with whom disputes have arisen that could not be resolved on a commercial level.

Most of these judgments derive from actions undertaken by Snam Rete Gas to recover receivables deriving from balancing, transportation and default transportation services, provided by the same in consideration of the role of Balancing Manager recognised by ARERA as the largest transportation company throughout the country. The large-scale provision of such services by Snam Rete Gas to customers left without a gas supplier, to which Snam Rete Gas is required by law and in particular by ARERA Resolution 249/2012/R/Gas and subsequent amendments, has led to a significant increase in debt collection actions due to default. This increase has been particularly significant in recent years following the energy crisis caused by the Russian-Ukrainian conflict, which led to a significant increase in the cost of gas and, as a result, the termination of many contracts with transport users (shippers). With respect to this type of litigation, the following passive procedure is relevant:

Opposition by Romagas S.r.l. against injunction obtained by Snam Rete Gas for receivables from transport default:

With this action, Romagas also asked the Court of Milan to order Snam Rete Gas to pay over €4.1 million for the alleged illegitimate termination of the transportation contract, in addition to approximately €1 million for the return of the security deposit and default interest. In the context of this judgment, Snam Rete Gas intends to demonstrate (i) the legitimacy of the termination of the transportation contract, deriving from the serious debt exposure of the plaintiff, not adequately covered by the guarantees required by the current regulatory framework, and (ii) that following such contractual termination the default transportation service was effectively provided to the plaintiff. At present, the judge has not yet resolved the reservation on the investigative requests formulated by the parties.

As regards active litigation, we would like to highlight the following proceedings:

Debt collection from the so-called “gas cheats”

Snam Rete Gas, in its capacity as Balancing Manager, is required to procure the quantities of gas necessary to balance the system. In exchange for the provision of this service to balance the position of some transport and storage users (who had

registered imbalances since 2012), Snam Rete Gas has accrued receivables for over €500 million. In view of the non-payment by the debtors, Snam Rete Gas has been forced to take legal action to recover the receivables. In the meantime, many users have gone bankrupt and therefore Snam Rete Gas has added itself to the bankruptcy procedures currently underway.

Opposition to the statement of liabilities of Acciaierie di Italia in Extraordinary Administration (EA)

In May 2024, Snam Rete Gas, as manager of the national natural gas transportation and dispatching service provided to Acciaierie d'Italia under the default transportation service regime, submitted to the Extraordinary Administration procedure the appeal pursuant to Article 201 CCII for the admission to the statement of liabilities of Acciaierie d'Italia S.p.A. in EA, whose insolvency was declared by the Court of Milan with ruling No. 122/2024, filed on 20 February 2024. In the appeal, Snam Rete Gas requested to be added as a creditor for pre-deductible debts for the total sum of approximately €400.5 million, of which: (i) approximately €375.2 million relating to capital (for approximately €348.9 million) and invoiced interests (for approximately €26.4 million) for the service provided as of 20 February 2024; and (ii) approximately €25.3 million relating to capital (for approximately €25.2 million) and invoiced interests (for approximately €43.2 thousand) for the service provided during the Extraordinary Administration.

Following the hearing of 19 June 2024, the statement of liabilities of Acciaierie d'Italia S.p.A. in EA. was filed in which the delegated Judge recognised the full admission of the receivable of Snam Rete Gas according to the following method:

- amount of approximately €25.3 million for capital and default interest, accrued for the service provided during the procedure, as a pre-deductible debt;
- amount of €375.2 million for capital and default interest, already expired at the date of opening of the procedure, as an unsecured non-pre-deductible debt.

The pre-deductible nature of the receivable arising during extraordinary administration was therefore recognised, while the receivable arising before the procedure, although also recognising default interest, was not recognised as pre-deductible as the legal requirements were not deemed to exist. Limited to this last ruling, Snam Rete Gas will proceed to file an objection to the liabilities of Acciaierie d'Italia S.p.A. in EA to obtain the admission to the pre-deductible liabilities also of all the receivables that arose before the initiation of the procedure, equal to approximately €375.2 million in total for the service provided as of 20 February 2024, given the peculiarity of the receivable, originating from a service recognised as essential to guarantee business continuity and provided on the basis of a regulatory obligation.

With regard to the Group's unregulated businesses, proceedings initiated following debt collection actions have increased in the last six months, with particular reference to condominiums that have failed to pay invoices relating to energy efficiency and building renovation interventions.

Regardless of the nature of the business, in all cases where the expectations of recovery of receivables are lower than their amount, the receivables claimed by the Company are appropriately written down.

22.3.2 Civil litigation in the operations sector

Civil litigation in the operations sector includes proceedings: (i) brought following actions to protect gas pipeline easements; (ii) for damages; of recourse to recover additional costs and/or charges incurred due to non-compliance by the other party; (iii) of objections to the estimate of compensation; (iv) of opposition to assessment notices for the payment of non-recognition fees and regional fees.

With regard to passive proceedings, the following is relevant:

Litigation against motorway operators

Generally, these are judgments originating from actions for compensation for the expenses incurred by Snam Rete Gas for the removal of interference relating to gas pipelines already installed in areas affected by motorway extension works

ordered by the operator. With regard to this type of judgement, a jurisprudence has been established which is unfavourable to Snam Rete Gas and which is based on a restrictive interpretation of the applicable rules.

Compensation actions for damages caused by the laying and maintenance of gas pipelines

These are often old judgments, and the antiquity of the case makes it difficult to find useful documentation to prove the correctness of the activities carried out by Snam Rete Gas, with unfavourable results.

In all cases where it is considered probable that the outcome of the dispute will entail costs, an allocation has been made to the specific fund for risks and costs.

As regards active proceedings, in recent years there has been a considerable increase in *actions to protect gas pipeline easements*, resulting from the increase in reports of interference carried out by private individuals following the intensification of controls carried out throughout the national territory, in particular through aerial overflights and the use of drones. Such actions are taken by Snam Rete Gas in all cases in which the competent districts find a contractual or regulatory violation of the pipeline easement following the construction of works within the buffer zone. The results of the actions often lead Snam Rete Gas to take care of the removal of the works at its own expense, in the face of non-compliance by private individuals, with the consequent need to once again resort to legal *action for compensation* to recover the costs incurred.

Even on the *opposition front to the estimate of the compensations*, there has been a significant increase in the actions promoted by Snam Rete Gas to request the redetermination of the compensations established by the so-called Terne Tecniche, the number and amount of which have increased significantly over time.

22.3.3 Other civil litigation

The Group's companies are also involved in other types of civil litigation, including judgments regarding: (i) procurement; occupational accidents; (ii) failure to comply with contractual obligations; (iii) unjust enrichment. Also for these judgments, in all cases in which it is considered probable that the outcome will entail charges, an allocation has been made to the specific fund for risks and charges.

In this context, the following passive disputes relating to the energy efficiency and biomethane businesses are relevant:

Svevi against TEP Energy Solution

Svevi S.r.l., brought a lawsuit against TEP Energy Solution S.r.l. before the Court of Milan (G.R.N. 38315/2023) to request the judicial ascertainment of alleged breaches by TEP with respect to a professional consultancy contract entered into with the same Svevi starting from 2016 and, consequently, the judicial conviction of TEP to pay in its favour a total sum of approximately €7.7 million plus interest. Svevi based its claims on the alleged qualification of the consultancy contract as "joint interest", which TEP disputes. The Judge, considering the documentation submitted in the case file sufficient, rejected all the investigative requests formulated by the opposing party, postponing the case to the hearing for the clarification of the conclusions in June 2025.

Bascapé against Bioenerys Agri

In November 2022, Bascapé brought proceedings against Bioenerys Agri (formerly IES Biogas) before the Court of Milan (G.R.N. 46269/2022) in relation to the execution of a procurement contract signed in 2021 between the parties for the construction of a plant for the production of biomethane using FORSU. The judgment originates from the suspension of the construction site by IES Biogas (contractor) in February 2022 due to disagreements with Bascapé (contracting authority) regarding the implementation of the project in consideration of the change in the reference regulatory framework and the economic context, both with regard to the increase in the cost of raw materials and the change in the FORSU market. Following this suspension, Bascapé sued Bioenerys, requesting the termination of the procurement contract by operation of law due to the latter's breach, with a request for the return of €470 thousand paid by Bascapé in execution of the contract and for damages of approximately €21.5 million for the failure to enter into operation of the plant. Bioenerys Agri intends to demonstrate the lack of conditions for the termination of the contract by law, the incorrect determination of the amount of compensation and the violation of the duty of good faith by the plaintiff in

consideration of the failure to renegotiate the economic conditions and the guarantees requested in light of the subsequent changes to the contract. Bioenerys Agri also filed a counterclaim with reference to the damage suffered in the execution of the related contract.

Following the hearing for the discussion of the preliminary enquiries, the Judge decided not to admit the Court-appointed expert's report requested by the opposing party for the quantification of the damages suffered, considering it unnecessary for the decision of the case, and therefore set a hearing for the end of October 2024 for the clarification of the conclusions.

23) Revenues and other operating income

(million euros)	First half-year	
	2023	2024
Revenues	2,071	1,793
Other operating income	23	6
TOTAL REVENUES AND OTHER OPERATING INCOME	2,094	1,799

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 to related parties are illustrated in Note 31 'Transactions with related parties'.

23.1 Revenues

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

21:

(million euros)	First half-year	
	2023	2024
Natural Gas Transportation segment	1,239	1,222
Natural Gas Storage segment	253	298
Liquefied Natural Gas (LNG) regasification segment	37	102
Energy Transition Segment	515	155
Other segments	22	8
Other revenues not allocated to segments	5	8
TOTAL REVENUES	2,071	1,793

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 30 "Information by business segment".

Revenues mainly refer to the transport (€1,222 million; €1,239 million in the first half of 2023), natural gas storage (€298 million; €253 million in the first half of 2023), energy transition (€155 million; €515 million in the first half of 2023) and LNG regasification (€102 million; €37 million in the first half of 2023).

²¹ Pursuant to IFRS 15 "Revenue from contracts with customers", paragraph 114, Snam has chosen to disaggregate revenues on the basis of existing operating segments. This representation takes into account information that is periodically reviewed by the chief operating decision maker for the purpose of assessing the financial performance of operating segments and information used by the entity or users of the entity's financial statements to assess the entity's financial performance.

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 (€1,652 million; €2,223 million in the first half of 2023). The amounts collected by Snam are paid, for the same amount, to the Cassa per i Servizi Energetici e Ambientali (CSEA).

Revenues related to the Energy Transition segment include: (i) revenues related to energy efficiency projects (€93 million); (ii) fees for the construction and operation of biogas and biomethane plants (€62 million).

23.2 Other operating income

Other operating income amounted to €6 million (€23 million in the first half of 2023).

24) Operating costs and expenses

(million euros)	First half-year	
	2023	2024
Raw materials, consumables and goods	572	94
Services	153	157
Personnel costs	81	84
Other operating costs and expenses	75	78
TOTAL OPERATING COSTS AND EXPENSES	881	413

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".

24.1 Purchases, services and other costs

(million euros)	First half-year	
	2023	2024
Costs for purchase of raw materials, consumables and finished goods	808	173
Change in inventories of raw materials, consumables and finished goods	(216)	51
Total cost of raw materials and ancillary, consumables and goods incurred during the period	592	224
Costs for services	249	357
CO ₂ emission rights	23	12
Losses on the disposal of property, plant and equipment and intangible assets	10	4
Indirect taxes and duties	9	9
Cost of rents and leases	6	23
Net allocations (Uses) to/of the provision for bad debt	8	(7)
Net allocations (Uses) to/of provisions for risks and charges	5	(3)
Other expenses	14	40
Total other operating costs and expenses incurred during the period	75	78
<i>To deduct:</i>		
Increases for internal work	(116)	(330)
- of which costs for purchase of raw materials, consumables, supplies and goods	(20)	(130)
- of which costs for services	(96)	(200)
TOTAL COSTS RECOGNISED IN THE INCOME STATEMENT	800	329

24.2 Personnel costs

(million euros)	First half-year	
	2023	2024
Wages and salaries	98	106
Social charges (social security and welfare)	27	30
Employee benefits	8	8
Other expenses	4	9
TOTAL PERSONNEL COSTS INCURRED DURING THE PERIOD	137	153
Share of capitalised costs	(56)	(69)
TOTAL PERSONNEL COST RECOGNISED IN THE INCOME STATEMENT	81	84

24.3 Average number of employees

The average number of tenured employees of entities included in the scope of consolidation, broken down by professional qualification, is shown in the table below:

Professional status	30.06.2023	31.12.2023	30.06.2024
Executives	138	139	137
Middle Managers	666	675	714
Office workers	1,997	2,037	2,168
Manual workers	876	875	867
AVERAGE NUMBER OF EMPLOYEES	3,677	3,726	3,886

The average number of employees is calculated as the average determined on the basis of the monthly results of employees per category.

25) Depreciation, amortisation and impairment losses

(million euros)	First half-year	
	2023	2024
Property, plant and equipment	386	409
Intangible assets	69	77
TOTAL DEPRECIATION AND AMORTISATION	455	486
Impairment losses on property, plant and equipment		13
TOTAL IMPAIRMENT LOSSES		13
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES	455	499

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 30 "Information by business segment".

26) Net financial expenses

(million euros)	First half-year	
	2023	2024
- Interest income and other financial income on short-term financial assets	(9)	(35)
- Interest income on long-term financial receivables	(2)	(2)
- Other financial income	(29)	(74)
TOTAL FINANCIAL INCOME RECOGNISED IN THE INCOME STATEMENT	(40)	(111)
- Interest expense and other financial expenses on bonds	58	94
- Commissions paid on loans and bank credit lines	11	12
- Interest expense on credit lines and loans from banks and other lenders	47	127
Expenses related to gross financial debt	116	233
- Financial expenses related to the passage of time (accretion discount)	9	9
Other financial expenses	10	17
Total financial expenses incurred during the year	135	259
- Share of capitalised financial expenses	(8)	(18)
TOTAL FINANCIAL EXPENSES RECOGNISED IN THE INCOME STATEMENT	127	241
TOTAL NET FINANCIAL EXPENSES	87	130

Other financial income (€74 million) mainly refers to: (i) default interest billed to end customers and distribution users in relation to unpaid invoices for the default service provided by Snam Rete Gas (€31 million); (ii) the proceeds deriving from the effect of the passage of time of the credits for Superbonus and other minor bonuses (€31 million).

The expenses related to gross financial debt (€233 million) mainly concern: (i) interest expense and other charges on bonds (€94 million), related to interest on bond issues; (ii) interest paid to banks on revolving credit lines and maturing loans for a total of €127 million.

Other financial expenses (€17 million) mainly refer to the accrual to the bad debt provision for default interest related to the default service of Snam Rete Gas (€9 million).

The financial expenses associated with the passage of time mainly relate to the decommissioning and site restoration provisions of the storage and transport segments.

Capitalised financial expenses refer to the portion of financial expenses capitalised in investing activities.

27) Net Income from equity investments

(million euros)	First half-year	
	2023	2024
Income from investments accounted for using the equity method	180	179
Expenses from investments accounted for using the equity method	(16)	(47)
Share of profit or loss of investments accounted for using the equity method	164	132
Other income from equity investments	80	
Other expenses from equity investments	(2)	(13)
Other income (expenses) from equity investments	78	(13)
TOTAL INCOME/(EXPENSES) FROM EQUITY INVESTMENTS	242	119

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'.

28) Income taxes

(million euros)	First half-year					
	2023			2024		
	IRES, corporation tax	IRAP, regional trade income tax	Total	IRES, corporation tax	IRAP, regional trade income tax	Total
Current Taxes	188	34	222	224	41	265
Current taxes for the period	190	34	224	224	41	265
Adjustments for current taxes relating to previous years	(2)		(2)			
Deferred taxes	(19)	(19)		(22)	(2)	(24)
Deferred taxes	(1)	(1)		(2)	(1)	(3)
Deferred tax assets	(18)	(18)		(20)	(1)	(21)
TOTAL INCOME TAXES RECOGNISED IN THE INCOME STATEMENT	169	34	203	202	39	241

28.1 Global minimum tax

As a result of the work carried out in relation to the month of June 2024, based on the information currently available, the estimated supplementary tax is of an insignificant amount.

For further details, see note 4.3 "Income Taxes - Global Minimum Tax (Pillar II)".

29) Earnings per share

Earnings per share, equal to €0.189 per share (€0.208 per share in the first half of 2023), are calculated by dividing the profit for the period attributable to the shareholders of the parent company Snam (€634 million; €698 million in the first half of 2023) for the weighted average number of Snam shares in circulation during the period, excluding treasury shares (3,353,613,230 shares; 3,352,756,372 shares in the first half of 2023).

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 (2021, 2022 and 2023 grants).

The weighted average number of outstanding shares used for the calculation of diluted earnings per share is 3,356,062,643 and 3,354,976,235 in the first half of 2024 and 2023, respectively.

29.1 Reconciliation of basic and diluted earnings per share

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

	First half-year	
	2023	2024
Weighted average number of shares outstanding for basic earnings per share	3,352,756,372	3,353,613,230
Number of potential shares for long-term incentive plans	2,219,863	2,449,413
Weighted average number of shares outstanding for diluted earnings	3,354,976,235	3,356,062,643
Profit for the period attributable to Snam shareholders (€ million)	698	634
Basic earnings per share (amounts in euro per share)	0.208	0.189
Diluted earnings per share (amounts in euro per share)	0.208	0.189

30) 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 2024 are as follows:

- **Transportation Segment**, attributable to the legal entities that carry out, at Group level, natural gas transportation and dispatching activities 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 Sector**²², attributable to the legal entities that provide the liquefied natural gas regasification service (GNL Italia and Snam FSRU Italia) as well as to the companies Ravenna LNG Terminal and FSRU I Limited currently under development;
- **Energy Transition Segment** to which the companies active in the energy efficiency business traceable to the legal entities of the Renovit group and in the biogas/biomethane business traceable to the legal entities of the Bioenerys group belong, as well as the activities in the start-up phase in the hydrogen and Carbon Capture and Storage (CCS) segments.

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 segment, but is oriented towards the construction of mid-stream infrastructures dedicated to heavy transport, shipping and railways.

The other amounts not allocated to the segments refer essentially to the head office activities of the corporate Snam and to the activity of the captive insurance company.

In order to assess the performance of the operating segments, Snam's Management mainly analyses adjusted EBITDA (net of any non-recurring costs or revenues arising 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 Management Board periodically analyses the revenues and investments for each business.

Revenues are generated by applying regulated tariffs or market conditions. Revenues were mainly realised in Italy; costs were incurred almost entirely in Italy.

²² Segment subject to separate reporting as a business subject to specific regulation, even if the materiality thresholds of IFRS 8 are not exceeded.

(million euros)	Reporting segments						Reconciliation of adjusted values with reported values	Restatement energy costs (*)	Total
	Transportation Segment	Storage Segment	Regasification Segment	Energy Transition Segment	Other segments	Amounts not allocated to segments			
FIRST HALF 2023									
Regulated revenues	1,061	253	37					178	1,529
Other non-regulated revenues	74	1	1	515	22	5			618
<i>to deduct: intersector revenues</i>	(74)	(1)	(1)						(76)
Total revenues from third parties	1,061	253	37	515	22	5		178	2,071
Other operating income	13	4		6		4			27
<i>to deduct: other intersector operating income</i>	(3)	(1)							(4)
Total revenues and other operating income from third parties	1,071	256	37	521	22	9		178	2,094
EBITDA	944	217	18	45	(1)	(2)	(8)		1,213
Depreciation, amortisation and impairment losses	(362)	(60)	(7)	(20)	0	(6)			(455)
EBIT	582	157	11	25	(1)	(8)	(8)		758
Investments in Property, plant and equipment and intangible assets	466	91	100	49	3	5			714
FIRST HALF 2024									
Regulated revenues	1,223	298	102						1,623
Other non-regulated revenues	148	1		155	8	8			320
<i>to deduct: intersector revenues</i>	(149)	(1)							(150)
Total revenues from third parties	1,222	298	102	155	8	8			1,793
Other operating income	6	1		1		2			10
<i>to deduct: other intersector operating income</i>	(3)	(1)							(4)
Total revenues and other operating income from third parties	1,225	298	102	156	8	10			1,799
EBITDA	1,091	256	74	(4)	1	(1)	(31)		1,386
Depreciation, amortisation and impairment losses	(386)	(64)	(22)	(21)	(1)	(5)			(499)
EBIT	705	192	52	(25)	0	(6)	(31)		887
Investments in Property, plant and equipment and intangible assets	792	101	185	58	19	4			1,159

(*) In order to provide a homogeneous representation of revenues and costs between the two periods being compared, the revenues covering the costs of supplying the gas necessary for the operation of the transport network (self-consumption, network losses and Unaccounted Gas - CNG) in the first half of 2023 (€178 million) have been reclassified as a reduction of the related costs.

Revenues are generated by applying regulated tariffs or market conditions. Revenues were mainly realised in Italy; costs were incurred almost entirely in Italy.

31) 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, the related parties of Snam, based on the current group ownership structure, are represented not only by Snam's subsidiaries, associates and companies under joint control, 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 of the Economy and Finance (MEF) and, in any case, any additional related parties within the meaning of IAS 24 in effect from time to time. In addition, members of the Board of Directors, Statutory Auditors and executives with strategic responsibilities, their family members and entities controlled by them, including jointly by Snam, CDP and CDP Reti, are also considered related parties.

As explained in detail below, transactions with related parties mainly concern the exchange of goods and the provision of infrastructure services in the gas sector, whose rules are established by the Regulatory Authority for Electricity, Gas and the Water System (ARERA). In particular, ARERA sets the rates for the use of infrastructures and, through the Network Code, guarantees maximum impartiality and equal access to Users.

Snam's related party transactions are part of ordinary business operations and are generally settled at market conditions, i.e. the conditions which would be applied for 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 relevant legislation, the company has adopted internal guidelines to ensure that transactions carried out by Snam or its subsidiaries with related parties are transparent and correct in their substance and procedure.

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 activities. Snam carries out management and coordination activities, pursuant to Article 2497 and following of the Italian Civil Code, with respect to directly and indirectly controlled companies.

Pursuant to the disclosure requirements set forth in Consob Regulation No. 17221 of 12 March 2010, with reference to transactions between related parties that fall within the "Cases of Exclusion" referred to in Article 13, paragraph 3, letter c) of the RPT Regulation and paragraph 3.2, item 8) of the RPT Guideline, no information on related party transactions is reported.

The following table shows the balances of transactions of a commercial and other financial nature with related parties, as defined above, for the current year and the previous year of comparison. The nature of the most significant transactions is also indicated.

31.1 Commercial and other relations

Commercial and other relations are analysed in the table below:

(million euros)	31 December 2023		First half 2023				
	Receivables and other assets	Payables and other liabilities	Costs (a)			Revenues (b)	
			Goods	Services	Other	Goods	Services
- Interconnector Limited	3						8
- Trans Austria Gasleitung GmbH (TAG)	14	12					
- Trans Adriatic Pipeline AG (TAP)	12	11					
- Others	6	4			(2)		2
Total companies under joint control and associated companies	35	27			(2)		10
Snam Foundation						2	
- Cassa Depositi e Prestiti (CDP)		119				1	
Total parent company		119				1	
- Sace Group		8					
- Others	1	1					
Total subsidiaries of the parent company CDP	1	9					
- Saipem Group		89		27			
- Others				2			
Total companies under joint control of the Parent Company CDP		89	2	27			
- Gestore dei servizi energetici S.p.A. (c)	37	32				2	10
- Anas Group	1	6					
- Enel Group (d) (*)	218	24					465
- Eni Group (d) (*)	364	304	137	46		2	726
- Invitalia Group		10		11			
- Others	4			1			
Total state-owned or state-controlled enterprises	624	376	137	58		4	1,201
TRADE BALANCES WITH RELATED PARTIES	660	620	139	85	1	4	1,211

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

(b) Gross of 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 balancing asset balances.

(*) Commercial relations with the Eni Group and the Enel Group mainly concern regulated services for natural gas transportation, regasification and storage. Snam provides these services on the basis of the rules established by the Regulatory Authority for Energy, Gas and the Water System (ARERA) both in terms of contractual aspects (for example through the Network Code) and in terms of applied tariffs, without any discretionary and/or contractual element on the part of Snam in the execution of the provisions of the Authority itself.

	30 June 2024		First half 2024					
	Receivables and other assets	Payables and other liabilities	Costs (a)			Revenues (b)		
			Goods	Services	Others	Goods	Services	Others
(million euros)								
- Interconnector Limited	4						3	
- SeaCorridor S.r.l.	45					1		
- Trans Adriatic Pipeline AG (TAP)	4	4						
- Others	4	2					5	1
Total companies under joint control and associated companies	57	6			1		8	1
- Sace Group		8						
- Others	1				1			
Total subsidiaries of the parent company	1	8			1			
- Saipem Group		89			183			
- Valvitalia finanziaria				5				
- Others		1			1			
Total companies under joint control of the Parent Company CDP		90	5	184				
- Gestore dei servizi energetici S.p.A.	10	36					6	20
- Enel Group (c) (*)	59	14			1			354
- Eni Group (c) (*)	164	297			36		21	644
- Poste Italiane Group								8
- Invitalia Group		11			25			
- Others	5	2	1					
Total state-owned or state-controlled enterprises	238	360	1	62			27	1026
TRADE BALANCES WITH RELATED PARTIES	297	464	6	249	1		27	1,034

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

(b) Gross of tariff components that are offset in costs.

(c) Including balancing asset balances.

(*) Commercial relations with the Eni Group and the Enel Group mainly concern regulated services for natural gas transportation, regasification and storage. Snam provides these services on the basis of the rules established by the Regulatory Authority for Energy, Gas and the Water System (ARERA) both in terms of contractual aspects (for example through the Network Code) and in terms of applied tariffs, without any discretionary and/or contractual element on the part of Snam in the execution of the provisions of the Authority itself.

31.1.1 Companies under joint control and associated companies

The principal relationships with jointly controlled entities and affiliates mainly concern dividend receivables from SeaCorridor.

31.1.2 Companies under joint control of the parent company Cassa Depositi e Prestiti

The most significant commercial transactions with companies under the joint control of Cassa Depositi e Prestiti is the purchase by Saipem of design and works supervision services for the construction of natural gas transportation and storage infrastructures, governed by contracts entered into on normal market terms.

31.1.3 State-owned or state-controlled enterprises

The most significant business relations with state-owned or state-controlled enterprises refer to:

- the provision of natural gas transportation, regasification and storage services to the Eni Group and the Enel Group;
- the purchase from the Eni Group of electricity used to carry out activities;
- payables towards Eni connected to the Carbon Capture Storage (CCS) development project, relating to the capture and storage of CO₂.

31.2 Financial transactions

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

	31 December 2023			First half 2023	
	Receivables and other financial assets	Payables	Guarantees and commitments	Income	Expenses
(million euros)					
- East Mediterranean Gas Company S.A.E. (EMG)	6				
- OLT Offshore LNG Toscana S.p.A. (OLT)	82			5	
- Trans Adriatic Pipeline AG (TAP)			1,129		
- Others	2				
Total companies under joint control and associated companies	90		1,129	5	
- CDP Corporate Partners			12		
Total Subsidiaries of the parent company Cassa Depositi e Prestiti			12		
- Others		1			
Total non-consolidated subsidiaries		1			
- Gruppo Cassa Depositi e Prestiti (CDP)	3	503			6
Total parent company	3	503			6
BALANCES OF FINANCIAL RELATIONS WITH RELATED PARTIES	93	504	1,141	5	6

	30 June 2024			First half 2024	
	Receivables and other financial assets	Payables and other financial liabilities	Guarantees and commitments	Income	Expenses
(million euros)					
- East Mediterranean Gas Company S.A.E. (EMG)	7				
- OLT Offshore LNG Toscana S.p.A. (OLT)	84			2	
- Trans Adriatic Pipeline AG (TAP)			1,129		
Total companies under joint control and associated companies	91		1,129	2	
- CDP Corporate Partners			11		
Total Subsidiaries of the parent company Cassa Depositi e Prestiti			11		
- Others		1			
Total non-consolidated subsidiaries		1			
- Gruppo Cassa Depositi e Prestiti (CDP)	2	705			15
Total parent company	2	705			15
BALANCES OF FINANCIAL RELATIONS WITH RELATED PARTIES	93	706	1,140	2	15

31.2.1 Companies under joint control and associated companies

Financial transactions with joint ventures and associates mainly include:

- the so-called 'Debt Payment Undertaking' guarantee in favour of TAP²³, i.e. a mechanism to support the repayment of TAP's outstanding financial debt that would be activated, unlike the first-demand guarantee, upon the occurrence of specific and determined conditions linked to exceptional events of an extraordinary nature;
- the long-term financial receivable in favour of OLT and the related interest income.

²³ For further information, please refer to Note 20.1.1 "Guarantee provided on behalf of the associate TAP".

31.2.2 Parent company

Financial transactions with Cassa Depositi e Prestiti essentially concern three loans granted by the company controlling shareholder of Snam S.p.A. and the related interest expenses.

31.2.3 Impact of transactions or positions with related parties on the financial position and performance and cash flows

The impact of transactions or positions with related parties on the statement of financial position is shown in the following summary table:

(million euros)	31.12.2023			30.06.2024		
	Total	Related Entities	Impact %	Total	Related Entities	Impact %
Statement of financial position						
Other current and non-current financial assets	163	93	57.1	165	93	56.4
Trade and other receivables	4,505	659	14.6	2,707	296	10.9
Other current and non-current assets	503	1	0.2	1,002	1	0.1
Other current and non-current liabilities	1,924	1	0.1	1,442	1	0.1
Current and non-current financial liabilities	16,652	504	3.0	18,275	706	3.9
Trade payables and other payables	6,466	619	9.6	4,196	463	11.0

The impact of related party transactions on the income statement is shown in the following summary table:

(million euros)	First half-year 2023			First half-year 2024		
	Total	Related Entities	Impact %	Total	Related Entities	Impact %
Profit and loss account						
Revenues	2,071	1,215	58.7	1,793	1,061	59.2
Other operating income	23			6	1	16.7
Costs for purchase of raw materials, consumables and finished goods	572	139	24.3	94	5	5.3
Costs for services	153	21	13.7	157	94	59.9
Personnel costs	81	(2)		84	(2)	
Other operating costs and expenses	75	2	2.7	78	3	3.8
Financial income	40	5	12.5	111	2	1.8
Financial expenses	127	6	4.7	241	15	6.2

Related party transactions are generally settled on an arm's length basis, i.e. on terms that would be applied between two independent parties.

The main financial flows with related parties are shown in the table below.

(million euros)	First half-year	
	2023	2024
Operating revenues and income	1,215	1,061
Operating costs and expenses	(160)	(100)
Change in trade receivables and other current receivables	583	361
Change in trade payables and other current payables	(95)	(174)
Change in other current and non-current assets	1	
Interest received (paid)	(4)	(13)
Change in other current and non-current liabilities		1
Cash inflow from operating activities	1,540	1,135
Investments:		
- Property, plant and equipment and intangible assets	(65)	(156)
- Equity investments	(405)	
Other financial assets		(1)
- Change in payables and receivables relating to investments	(14)	19
Cash flows from investment activities	(484)	(138)
- Financial receivables (repayments)	20	
Cash flows from divestment activities	20	
Net cash flow from investment activities	(464)	(138)
Assumption of long-term financial payables	300	200
Cash flows from financing activities	300	200
Total cash flows to related entities	1,376	1,197

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

(million euros)	First half-year			First half-year		
	2023			2024		
	Total	Related Entities	Impact %	Total	Related Entities	Impact %
Cash inflow from operating activities	(719)	1,540		1,054	1,135	
Net cash flow from investment activities	(1,024)	(464)	45.3	(1,122)	(138)	12.3
Cash flows from financing activities	635	300	47.2	625	200	32.0

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

In addition to what is reported in the section "Performance of the first half of 2024 - Significant events occurring after the end of the half year" of the Interim Management Report, there are no further significant events that occurred after the end of the half-year.

Certification of the Condensed half-year consolidated financial statements pursuant to art. 154-bis, paragraph 5, of Legislative Decree No. 58/1998 (TUF)

1. The undersigned Stefano Venier and Luca Passa, in their respective capacities as Chief Executive Officer and Manager, responsible for preparing the financial reporting of Snam S.p.A., 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 half-year consolidated financial statements as of 30 June 2024, during the first half of 2024.
2. The administrative and accounting procedures for the preparation of the condensed consolidated interim financial statements at 30 June 2024 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 2024:
 - a) have been prepared in accordance with applicable international accounting standards recognised in the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
 - b) corresponds to accounting records;
 - c) are suitable for giving a true and fair view of the financial position, performance and cash flows of the issuer and the group of companies included in 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.

31 July 2024

/Signature/ Stefano Venier

Stefano Venier

Chief Executive Officer

/Signature/Luca Passa

Luca Passa

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, 2024, 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 the related 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.

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 of June 30, 2024 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 2, 2024

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.



ANNEXES

Annexes Content

INVESTMENTS OWNED BY SNAM S.p.A. AS OF 30 JUNE 2024.....	125
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Annexes to the Notes to the Consolidated Financial Statements

Investments owned by Snam S.p.A. as of 30 June 2024

In accordance with the provisions of Consob Communication DEM/6064293 of 28 July 2006 and Articles 38 and 39 of Legislative Decree 127/1991, the subsidiaries, companies under joint control and associated companies of Snam S.p.A. at 30 June 2024, as well as other material equity investments, are listed below.

The companies are divided by business segment and are listed in alphabetical order. For each company, the following are indicated: 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 investees of consolidated companies, the valuation criterion is indicated.

At 30 June 2024, the companies of Snam S.p.A. are broken down as follows:

	Subsidiaries		Companies under joint control and associated companies		Other material equity investments (*)		Total
	Italy	Other countries	Italy	Other countries	Italy	Other countries	
Companies consolidated on a line-by-line basis	50	3					53
Equity investments of consolidated companies (**)	11	3	8	11	2	2	37
Accounted for using the equity method		1	6	10			17
Accounted for with the cost criterion	11	2	2	1	1	1	18
Measured using the fair value method					1	1	2
Equity investments of non-consolidated companies			1	5			6
Owned by companies under joint control			1	5			6
Owned by subsidiaries							
TOTAL COMPANIES	61	6	9	16	2	2	96

(*) These refer to equity investments in companies other than subsidiaries, companies under joint control and associate companies exceeding 2% or 10% of the capital, respectively, whether listed or unlisted.

(**) Subsidiaries accounted for at cost and/or with the equity method and companies under joint control and associated companies accounted for with the cost criterion refer to insignificant companies.

CONSOLIDATING COMPANY

NAME	REGISTERED OFFICE	CURRENCY	SHARE CAPITAL	SHAREHOLDERS	% OF OWNERSHIP
Snam S.p.A.	San Donato Milanese (Milan)	EURO	2,735,670,475.56	C.D.P. Reti S.p.A.	31.35%
				Romano Minozzi	7.46%
				Snam S.p.A.	0.22%
				Non-controlling interests	60.97%

CONTROLLED COMPANIES

NAME	REGISTERED OFFICE	FINANCIAL REPORTING CURRENCY	SHARE CAPITAL	SHAREHOLDERS	% OF OWNERSHIP	% CONSOLIDATED PERTAINING TO SNAM	METHOD OF CONSOLIDATION OR MEASUREMENT CRITERION (*)
BIOMETHANE							
Bioenergys S.r.l.	San Donato Milanese (Milan)	EURO	5,000,000	Snam S.p.A.	100%	100%	C.I.
<i>Biomethane - Agri</i>							
Agriwatt Castel Goffredo Società Agricola a r.l.	Pordenone (Pordenone)	EURO	100,000	Bioenergys Agri S.r.l.	100%	100%	C.I.
Bietifin S.r.l.	Bologna (Bologna)	EURO	500,000	Bioenergys Agri S.r.l.	100%	100%	C.I.
Biogas Brusio Società Agricola a r.l.	Pordenone (Pordenone)	EURO	10,000	Bioenergys Agri S.r.l.	99.9%	99.9%	C.I.
				Non-controlling partners	0.1%		
Bioenergys Agri S.r.l. (formerly IES Biogas S.r.l.)	Pordenone (Pordenone)	EURO	100,000	Bioenergys S.r.l.	100%	100%	C.I.
BYS Società Agricola Impianti S.r.l. (Formerly Piacentina Agroenergia Società Agricola S.r.l.)	Piacenza (Piacenza)	EURO	28,000	Bioenergys Agri S.r.l.	100%	100%	C.I.
Emiliana Agroenergia Società Agricola S.r.l.	Piacenza (Piacenza)	EURO	30,000	Bioenergys Agri S.r.l.	100%	100%	C.I.
Govone Biometano S.r.l.	Pordenone (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.	95%		Co.
				Bioenergys S.r.l.	5%		
Maiero Energia Società Agricola a r.l.	Pordenone (Pordenone)	EURO	10,000	Bioenergys Agri S.r.l.	100%	100%	C.I.
Moglia Energia Società Agricola a r.l.	Pordenone (Pordenone)	EURO	30,000	Bioenergys Agri S.r.l.	100%	100%	C.I.
MST S.r.l.	Pordenone (Pordenone)	EURO	800,000	Bioenergys Agri S.r.l.	100%	100%	C.I.
MZ Biogas Società Agricola a r.l.	Pordenone (Pordenone)	EURO	119,000	Bioenergys Agri S.r.l.	99.9%	99.9%	C.I.
				Non-controlling partners	0.1%		
Società Agricola Agrimetano Pozzonovo S.r.l.	Pordenone (Pordenone)	EURO	10,000	Bioenergys Agri S.r.l.	100%	100%	C.I.
Società Agricola Agrimetano Ro S.r.l.	Pordenone (Pordenone)	EURO	10,000	Bioenergys Agri S.r.l.	100%	100%	C.I.
Società Agricola Asola Energie Biogas S.r.l.	Asola (Mantova)	EURO	60,000	Bioenergys Agri S.r.l.	100%	100%	C.I.
Società Agricola Biostellato 1 S.r.l.	Pordenone (Pordenone)	EURO	10,000	Bioenergys Agri S.r.l.	100%	100%	C.I.
Società Agricola Biostellato 2 S.r.l.	Pordenone (Pordenone)	EURO	10,000	Bioenergys Agri S.r.l.	100%	100%	C.I.
Società Agricola Biostellato 3 S.r.l.	Pordenone (Pordenone)	EURO	10,000	Bioenergys Agri S.r.l.	100%	100%	C.I.
Società Agricola Biostellato 4 S.r.l.	Pordenone (Pordenone)	EURO	10,000	Bioenergys Agri S.r.l.	100%	100%	C.I.
Società Agricola Carignano Biogas S.r.l.	Bologna (Bologna)	EURO	100,000	Bioenergys Agri S.r.l.	100%	100%	C.I.
Società Agricola G.B.E. Gruppo Bioenergie S.r.l.	Pordenone (Pordenone)	EURO	20,000	Società Agricola Sangioanni S.r.l.	100%	100%	C.I.
Società Agricola La Valle Green Energy S.r.l.	Cerea (Verona)	EURO	10,000	Bioenergys Agri S.r.l.	100%	100%	C.I.
Società Agricola Sangioanni S.r.l.	Pordenone (Pordenone)	EURO	20,000	Bioenergys Agri S.r.l.	50%	100%	C.I.
				Società Agricola SQ Energy S.r.l.	50%		

NAME	REGISTERED OFFICE	FINANCIAL REPORTING CURRENCY	SHARE CAPITAL	SHAREHOLDERS	% OF OWNERSHIP	% CONSOLIDATED PERTAINING TO SNAM	METHOD OF CONSOLIDATION OR MEASUREMENT CRITERION (*)
Società Agricola Santo Stefano Energia S.r.l.	Casalmoro (Mantova)	EURO	60,000	Bioenergys Agri S.r.l.	100%	100%	C.I.
Società Agricola SQ Energy S.r.l.	Pordenone (Pordenone)	EURO	100,000	Bioenergys Agri S.r.l.	100%	100%	C.I.
Società Agricola T4 Energy S.r.l.	Pordenone (Pordenone)	EURO	20,000	Bioenergys Agri S.r.l.	100%	100%	C.I.
Società Agricola Tessagli Agroenergia S.r.l.	Commessaggio (Mantova)	EURO	29,000	Bioenergys Agri S.r.l.	100%	100%	C.I.
Società Agricola Zoppola Biogas S.r.l.	Pordenone (Pordenone)	EURO	10,000	Bioenergys Agri S.r.l.	100%	100%	C.I.
Zibello Agroenergie Società Agricola S.r.l.	Sorbolo Mezzani (Parma)	EURO	60,000	Bioenergys Agri S.r.l.	100%	100%	C.I.
Biomethane - Waste							
Bioenergys Ambiente S.r.l.	San Donato Milanese (Milan)	EURO	1,710,764	Bioenergys S.r.l.	100%	100%	C.I.
Biowaste CH4 Legnano S.r.l.	San Donato Milanese (Milan)	EURO	24,558,000	Bioenergys Ambiente S.r.l.	100%	100%	C.I.
CH4 Energy S.r.l.	San Donato Milanese (Milan)	EURO	10,000	Bioenergys Ambiente S.r.l.	100%	100%	C.I.
BYS Ambiente Impianti S.r.l. (formerly Ecoprogetto Milano S.r.l.)	San Donato Milanese (Milan)	EURO	1,000,000	Bioenergys Ambiente S.r.l.	100%	100%	C.I.
Enerisi Sicilia S.r.l.	San Donato Milanese (Milan)	EURO	400,000	Bioenergys Ambiente S.r.l.	100%	100%	C.I.
Renewaste Cupello S.r.l.	San Donato Milanese (Milan)	EURO	1,000,000	Bioenergys Ambiente S.r.l. Non-controlling partners	85% 15%	100%	C.I.
ENERGY EFFICIENCY							
Evolve S.p.A. (b)	Milan (Milan)	EURO	1,450,000	Renovit S.p.A. Non-controlling partners	70% 30%	60.05%	C.I.
RENPV1 S.r.l.	Milan (Milan)	EURO	10,000	TEP Energy Solution S.r.l.	100%		Co.
RENPV2 S.r.l.	Milan (Milan)	EURO	10,000	TEP Energy Solution S.r.l.	100%		Co.
RENPV3 S.r.l.	Milan (Milan)	EURO	10,000	TEP Energy Solution S.r.l.	100%		Co.
RENPV4 S.r.l.	Milan (Milan)	EURO	10,000	TEP Energy Solution S.r.l.	100%		Co.
RENPV5 S.r.l.	Milan (Milan)	EURO	10,000	TEP Energy Solution S.r.l.	100%		Co.
Renovit Consorzio Stabile	Milan (Milan)	EURO	150,000	Renovit Public Solutions S.p.A. Evolve S.p.A. TEP Energy Solution S.r.l.	33.33% 33.33% 33.33%		Co.
Renovit Public Solutions S.p.A. (formerly Mieci S.p.A.) (b)	Milan (Milan)	EURO	200,000	Renovit S.p.A. Non-controlling partners	70% 30%	60.05%	C.I.
Renovit S.p.A.	San Donato Milanese (Milan)	EURO	4,375,000	Snam S.p.A. CDP Equity S.p.A. Non-controlling partners	60.05% 30.00% 9.95%	60.05%	C.I.
TEA Innovazione Due S.r.l.	Milan (Milan)	EURO	20,000	TEP Energy Solution S.r.l.	100%		Co.
TEP Energy Solution S.r.l.	Rome (Rome)	EURO	1,000,000	Renovit S.p.A.	100%	60.05%	C.I.
T-Lux S.r.l.	Piancogno (Brescia)	EURO	50,000	Renovit Public Solutions S.p.A.	100%	60.05%	C.I.

NAME	REGISTERED OFFICE	FINANCIAL REPORTING CURRENCY	SHARE CAPITAL	SHAREHOLDERS	% OF OWNERSHIP	% CONSOLIDATED PERTAINING TO SNAM	METHOD OF CONSOLIDATION OR
MOBILITY & LIQUEFACTION							
Cubogas S.r.l.	San Donato Milanese (Milan)	EURO	1,000,000	Greenture S.p.A.	100%	100%	C.I.
Greenture S.p.A.	San Donato Milanese (Milan)	EURO	2,320,000	Snam S.p.A.	100%	100%	C.I.
REGASIFICATION							
GNL Italia S.p.A.	San Donato Milanese (Milan)	EURO	17,300,000	Snam S.p.A.	100%	100%	C.I.
FSRU I Limited	Hamilton (Bermuda)	EURO	369,923,484	Snam FSRU Italia S.r.l.	100%	100%	C.I.
Ravenna LNG Terminal S.r.l.	San Donato Milanese (Milan)	EURO	10,000	Snam FSRU Italia S.r.l.	100%	100%	C.I.
Snam FSRU Italia S.r.l.	San Donato Milanese (Milan)	EURO	10,000	Snam S.p.A.	100%	100%	C.I.
STORAGE OF NATURAL GAS							
Stogit S.p.A.	San Donato Milanese (Milan)	EURO	152,205,500	Snam S.p.A.	100%	100%	C.I.
NATURAL GAS TRANSPORTATION							
Asset Company 2 S.r.l.	San Donato Milanese (Milan)	EURO	10,000,000	Snam S.p.A.	100%	100%	C.I.
Enura S.p.A.	San Donato Milanese (Milan)	EURO	3,700,000	Snam S.p.A. Non-controlling partners	55% 45%	55%	C.I.
Infrastrutture Trasporto Gas S.p.A.	San Donato Milanese (Milan)	EURO	10,000,000	Asset Company 2 S.r.l.	100%	100%	C.I.
Snam Rete Gas S.p.A.	San Donato Milanese (Milan)	EURO	1,200,000,000	Snam S.p.A.	100%	100%	C.I.
CORPORATE AND OTHER ACTIVITIES							
Arbolia S.r.l. Società Benefit	San Donato Milanese (Milan)	EURO	100,000	Snam S.p.A.	100%		Co.
Asset Company 9 S.r.l.	San Donato Milanese (Milan)	EURO	10,000	Snam S.p.A.	100%		Co.
Asset Company 10 S.r.l.	San Donato Milanese (Milan)	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.
New Energy Carbon Capture & Storage S.r.l. (formerly Asset Company 4 S.r.l.)	San Donato Milanese (Milan)	EURO	100,000	Snam S.p.A.	100%		Co.
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	15,493,800 (c)	Snam International B.V.	100%		PN
Snam International B.V.	Amsterdam (Netherlands)	EURO	6,626,800	Snam S.p.A.	100%	100%	C.I.

(*) C.I. = Consolidation on a line-by-line basis; Co. = Measurement at cost; PN = Accounted for using the equity method

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

(b) For the purposes of the Consolidated Financial Statements, the presence of cross put and call options on the interests of minority shareholders made it possible to recognise the transaction as if 100% of the companies had been acquired, thus not recognising the non-controlling interests of shareholders.

(c) The value is expressed in Chinese Renminbi (RMB).

COMPANIES UNDER JOINT CONTROL AND ASSOCIATED COMPANIES

NAME	REGISTERED OFFICE	FINANCIAL REPORTING CURRENCY	SHARE CAPITAL	SHAREHOLDERS	% OF OWNERSHIP	METHOD OF CONSOLIDATION OR MEASUREMENT CRITERION (*)
Albanian Gas Service Company SH.A.	Tirana (Albania)	ALL	875,000 (a)	Snam S.p.A. Non-controlling	25% 75%	Co.
AS Gasinfrastruktur Beteiligung GmbH (b)	Vienna (Austria)	EURO	35,000	Snam S.p.A. Non-controlling	40% 60%	PN
AS Gasinfrastruktur GmbH	Vienna (Austria)	EURO	35,000	AS	100%	
dCarbonX Limited	London (United Kingdom)	GBP	4.29(c)	Snam Non-controlling	50% 50%	PN
East Mediterranean Gas Company S.A.E. (b)	Cairo (Egypt)	USD	147,000,000	Snam Non-controlling	25% 75%	PN
Ecos S.r.l. (b)	Genoa	EURO	10,000	Snam S.p.A. Non-controlling	33.34% 66.66%	PN
EIS S.r.l. (in liquidation)	Milan	EURO	100,000	TEP Energy Non-controlling	40% 60%	PN
Galaxy Pipeline Assets HoldCo Limited	Jersey	USD	1,979,221,357	Snam S.p.A. Non-controlling	12.327% 87.67%	PN
Industrie De Nora S.p.A. (#)	Milan	EURO	18,268,204	Asset Company Non-controlling	21.59% 78.41%	PN
Interconnector Limited	London (United Kingdom)	GBP	12,754,680 (c)	Snam Non-controlling	23.68% 76.32%	PN
Interconnector Zeebrugge Terminal B.V.	Brussels (Belgium)	EURO	123,946	Interconnector Snam Non-controlling	48% 25% 27%	PN
Italgas S.p.A. (#)	Milan	EURO	1,003,843,959	Snam S.p.A. C.D.P. Reti Non-controlling	13.46% 25.98% 60.56%	PN
Latina Biometano S.r.l.	Rome	EURO	10,000	Bioenrys Agri Non-controlling	32.50% 67.50%	Co.
OLT Offshore LNG Toscana S.p.A. (b)	Milan	EURO	40,489,544	Snam S.p.A. Non-controlling	49.07% 50.93%	PN
SeaCorridor S.r.l. (b)	San Donato Milanese	EURO	100,000,000	Snam S.p.A. Eni S.p.A.	49.90% 50.10%	PN

NAME	REGISTERED OFFICE	FINANCIAL REPORTING CURRENCY	SHARE CAPITAL	SHAREHOLDERS	% OF OWNERSHIP	METHOD OF CONSOLIDATION OR MEASUREMENT CRITERION (*)
Senfluga Energy Infrastructure Holdings S.A.	Athens (Greece)	EURO	20,125,050	Snam S.p.A. Non-controlling partners	54% 46%	PN
Société pour la Construction du Gazoduc Transtunisien (SCOGAT) S.A.	Tunis (Tunisia)	TND	200,000	SeaCorridor S.r.l. Non-controlling partners	99.80% 0.20%	
TAG GmbH (b)	Vienna (Austria)	EURO	76,566	Snam S.p.A. Non-controlling partners	84.47% 15.53%	PN
Teréga Holding S.A.S. (b)	Pau (France)	EURO	505,869,374	Snam S.p.A. Non-controlling partners	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 Adriatic Pipeline AG	Baar (Switzerland)	EURO	800,000,004	Snam International B.V. Non-controlling partners	20% 80%	PN
Trans Tunisian Pipeline Company S.p.A. (TTPC)	San Donato Milanese (Milan)	EURO	1,098,000	SeaCorridor S.r.l.	100%	
Zena Project S.p.A.	Carpi (Modena)	EURO	10,000,000	Renovit Public Solutions S.p.A. Non-controlling partners	35.93% 64.07%	PN

(*) PN = Accounted for using the equity method; Co. = Measurement at cost

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

(b) The Company is under joint control.

(c) The value is expressed in GBP.

(d) The value is expressed in USD.

(#) Companies with shares listed on Italian regulated markets.

OTHER MATERIAL EQUITY INVESTMENTS

NAME	REGISTERED OFFICE	FINANCIAL REPORTING CURRENCY	SHARE CAPITAL	SHAREHOLDERS	% OF OWNERSHIP	METHOD OF CONSOLIDATION OR MEASUREMENT CRITERION (*)
De Nora Italy Hydrogen Technologies S.r.l.	Milan	EURO	1,910,000	Snam S.p.A. Industrie De Nora S.p.A.	10% 90%	FVTOCI
ITM POWER PLC (##)	Sheffield (United Kingdom)	GBP	30,657,908 (a)	Snam S.p.A. Non-controlling partners	2.069% 97.93%	FVTOCI
Servizi Ambientali Piemonte S.r.l.	Milan	EURO	10,000	Bioenerys Ambiente S.r.l. Non-controlling partners	10% 90%	Co.
PRISMA - European Capacity Platform GmbH	Leipzig (Germany)	EURO	261,888	Snam Rete Gas S.p.A. Non-controlling partners	14.66% 85.34%	Co.

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

(a) The value is expressed in GBP.

(##) Companies with shares listed on non-EU regulated markets.

Changes in the consolidation area in the first half of 2024

Changes in the consolidation area in the first half of 2024			
Outgoing companies (No. 11)	Segment	Direct member	Variation
Biowaste CH4 Anzio S.r.l.	Biomethane - Waste	Bioenerys Ambiente S.r.l.	Merger
Biowaste CH4 Foligno S.r.l.	Biomethane - Waste	Bioenerys Ambiente S.r.l.	Merger
Biowaste CH4 Genova S.r.l.	Biomethane - Waste	Bioenerys Ambiente S.r.l.	Merger
Biowaste CH4 Group S.r.l.	Biomethane - Waste	Bioenerys Ambiente S.r.l.	Merger
Biowaste CH4 Toscana S.r.l.	Biomethane - Waste	Bioenerys Ambiente S.r.l.	Merger
Ecoprogetto Tortona S.r.l.	Biomethane - Waste	Bioenerys Ambiente S.r.l.	Merger
Renerwaste Lodi S.r.l.	Biomethane - Waste	Bioenerys Ambiente S.r.l.	Merger
Società Agricola Agrimetano S.r.l.	Biomethane - Agri	Bioenerys Agri S.r.l.	Merger
Società Agricola Agrimezzana Biogas S.r.l.	Biomethane - Agri	Bioenerys Agri S.r.l.	Merger
Società Agricola San Giuseppe Agroenergia S.r.l.	Biomethane - Agri	Bioenerys Agri S.r.l.	Merger
Soragna Agroenergie Società Agricola S.r.l.	Biomethane - Agri	Bioenerys Agri S.r.l.	Merger

Changes in the consolidation area in the second half of 2023

Changes in the consolidation area in the second half of 2023

Incoming companies (No. 7)	Segment	Direct member	Variation
Biowaste CH4 Legnano S.r.l.	Biomethane - Waste	Bioenerys Ambiente S.r.l.	Acquisition
CH4 Energy S.r.l.	Biomethane - Waste	Bioenerys Ambiente S.r.l.	Acquisition
FSRU I Limited	Regasification	Snam FSRU Italia S.r.l.	Acquisition
Moglia Energia Società Agricola a r.l.	Biomethane - Agri	Bioenerys Agri S.r.l.	Acquisition
MST S.r.l.	Biomethane - Agri	Bioenerys Agri S.r.l.	Acquisition
Società Agricola Agrimetano Pozzonovo S.r.l.	Biomethane - Agri	Bioenerys Agri S.r.l.	Acquisition
Società Agricola Agrimetano Ro S.r.l.	Biomethane - Agri	Bioenerys Agri S.r.l.	Acquisition

Changes in the consolidation area in the second half of 2023

Outgoing companies (No. 5)	Segment	Direct member	Variation
Ca' Bianca Società Agricola a r.l.	Biomethane - Agri	Iniziative Biometano S.p.A.	Transfer
EBS Società Agricola a r.l.	Biomethane - Agri	Iniziative Biometano S.p.A.	Transfer
Iniziative Biometano S.p.A.	Biomethane - Agri	Bioenerys S.r.l.	Transfer
Motta Energia Società Agricola a r.l.	Biomethane - Agri	Iniziative Biometano S.p.A.	Transfer
Società Agricola Ariano Biometano S.r.l.	Biomethane - Agri	Iniziative Biometano S.p.A.	Transfer

