

Snam profile

Summary

Snam is a European leader in the construction and integrated management of natural gas infrastructure. With approximately 3,000 employees, it conducts regulated gas segment activities and is a leading European operator in terms of regulatory asset base (RAB) in its sector. As an integrated operator, Snam provides natural gas transportation, dispatching and storage services as well as LNG regasification services, and plays a leading role in the natural gas infrastructure system. By managing system infrastructures efficiently and providing integrated services for the market, Snam creates the conditions to guarantee fair energy costs.

Snam operates in Europe's major markets through agreements with the leading industry players and direct equity investments in the share capital of companies. Snam also offers engineering and technical-operational services for gas operators in national and international markets.

Snam's business is focused on regulated activities and is capital intensive. Regulation makes provision for tariff systems that cover the costs incurred by the operator and for a fair return on invested capital. Snam is therefore able to maintain a **limited risk profile** and **provide its shareholders with attractive and sustainable returns**, while ensuring the provision of its services to all operators in a non-discriminatory manner and with the highest standards of quality and safety.

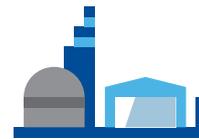
The company actively promotes the **use of natural gas as a flexible, safe and environmentally friendly source of energy**. In the coming years, Snam intends to launch various projects aimed at developing energy efficiency projects and promoting a more sustainable and efficient energy system through the use of CNG-compressed natural gas, biomethane and liquefied natural gas (LNG) in the transport sector.

To fulfill its role as an integrated gas player, Snam has redesigned its organisational structure towards a "One company" divided into four business units and staff functions, designed with a view to simplifying processes, efficiency and continuous improvement. The business units respectively supervise: the management of transport, storage and regasification activities carried out by **Italian subsidiaries**, the coordination of **foreign holdings**, the **development and commercial** activities, and the **development of services dedicated to operators in the gas sector**.

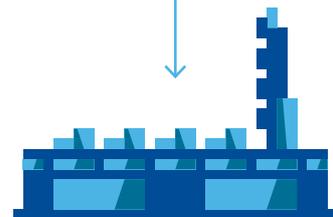
Snam has been listed on the Italian Stock Exchange since 2001. Its share price features not only on the Italian FTSE MIB index but also on leading international indices (Stoxx Europe 600 and Stoxx Europe 600 Utilities) and the major sustainability indices.

Snam: an integrated gas system player

DOMESTIC PRODUCTION
AND GAS IMPORT



REGASIFICATION
OF GNL



TRANSPORTATION AND
DISPATCHING



DISTRIBUTION
AND SALE

STORAGE



Our first 75 years

Snam is 75 years old and looks forward to the future

In 2017, Snam celebrated its **75 years in business**, bearing witness to how the ability to place one's commitment and skills at the service of the community, while keeping a constant dialogue with territories have been and will be its key success drivers. With the acquisition from Edison of 100% of the share capital of **Infrastrutture Trasporto Gas and a 7.3% share in Adriatic LNG**, Snam has notably strengthened its infrastructures in Italy and managed to build further synergies in the integrated management of the entire gas system, connecting to the national transport network a strategic entry point for the Italian natural gas market.

As regards Snam's commitment to sustainable development, the Company signed with Eni in December 2017 the first **application contract for the development of methane filling stations in Italy**, starting thus the activities of Snam 4 Mobility S.p.A. (wholly owned by Snam).

2016

In 2016 Snam completed the separation of its distribution business, acquired a new organisation and continued its path toward development

As of 7 November 2016, a corporate transaction was successfully completed that resulted in the separation of Snam from the national gas distribution business in Italy, whereby the Snam Group sought to strengthen and enhance its leadership in Europe in its core business: natural gas transportation, storage and regasification. Also in connection with the aforementioned transaction, in October Snam defined a new organisational structure, designed to be an instrument that enables focused management and control of the strategic guidelines of the plan and more efficient and effective operational management, including through the simplification of decision-making processes. Pursuant to the strategy of strengthening and enhancing leadership on the European gas market, on 16 December 2016 Snam, in a joint venture with Allianz, completed the acquisition from OMV of 49% of Gas Connect Austria GmbH (GCA), with an indirect equity investment of 19.6% in the company share capital for Snam.

2012-2015

Snam separates from Eni and expands its scope of activity to cover Europe

On 1 January 2012, the Company changed its name from Snam Rete Gas to Snam and transferred the gas transportation business to a new company, which inherited the respected Snam Rete Gas name. The ownership unbundling from Eni was completed on 15 October 2012 through the sale of approximately 30% of Snam's capital to CDP Reti S.r.l., and Snam began its path toward growth in Europe. Having acquired 31.5% of Interconnector UK in 2012 as part of a joint venture with Fluxys, Snam (45%; 40.5% at 31 December 2015 following the entry of Credit Agricole Assurances (CAA) in the corporate structure of TIGF Holding), alongside the Singapore sovereign wealth fund GIC (35%) and

EDF (20%), successfully completed the acquisition of TIGF from Total in July 2013. TIGF is active in gas transportation and storage in south-west France, with a gas transportation network over 5,000 km and two storage fields. On 19 December 2014, the Company acquired from CDP Gas S.r.l. 84.47% (equivalent to 89.22% of the economic rights) of Trans Austria Gasleitung GmbH (TAG), the company that owns the Austrian section of the gas pipeline linking Russia and Italy. The objective of those transactions was to increase and enhance Snam's industrial capacity in the integrated management of natural gas transportation and storage infrastructure. Snam's international development continued with the acquisition of a 20% stake in Trans Adriatic Pipeline AG (TAP), the company responsible for developing the pipeline that will run from the Turkey-Greece border to Italy along the Southern corridor, enabling gas produced in Azerbaijan to reach European markets. Our investment in the project will consolidate the primary position of Snam and Italian infrastructure in improving competition between energy sources and securing gas supplies for Europe.

2009-2011

The integration of all regulated gas activities

In 2009 the Company acquired 100% of Stogit, Italy's largest natural gas storage field operator, and 100% of Italgas, the country's biggest gas distributor. This added the other two regulated gas activities in Italy to Snam's offering: storage and distribution. The June 2009 transaction turned Snam into a key integrated regulated gas activities operator, and the largest by regulatory asset base (RAB) in mainland Europe.

1941-2008

Methanisation in Italy and expansion of the gas infrastructure, up to listing on Borsa Italiana

Snam (Società Nazionale Metanodotti) has provided integrated natural gas supply, transportation and sale services in Italy since 1941. It gradually put together an intricate system of methane pipelines, covering the whole of Italy, and built important pipelines that today allow the country to import from different areas: from Russia, the Netherlands, Algeria, the North Sea, and Libya. In 1971, Snam designed and built Italy's first LNG regasification plant at Panigaglia, in the Gulf of La Spezia. Snam Rete Gas was incorporated on 15 November 2000 to house all of Snam's Italian transportation, dispatching and LNG regasification activities. The corporate unbundling of these activities was decided pursuant to the Letta Decree (164/2000), which transposed the European Directive on the liberalisation of the gas market. On 6 December 2001, after the Electricity and Gas Authority (today the Energy Grid and Environment Regulation Authority - ARERA) issued a resolution establishing the criteria for defining transportation tariffs, Snam Rete Gas was listed on the stock exchange.

Energy to inspire the world



Our mission, our values

Vision

Guiding the evolution of the energy sector thanks to the most innovative sustainability network

Mission

We create energy infrastructure and offer integrated services



We connect to create opportunities

We are the connective fabric of our sector, the creators of energy networks, technology and humanity that embrace Italy and unite continents. We are aware that working together is an essential condition for promoting ideas and multiplying opportunities. We create inclusive connections with others, to connect the world, community after community.



We promote security

We like to do things well and we strive to guarantee security. We improve every day, combining our processes with real progress for everyone's benefit. Operating in a secure manner, we take care of the community and environment we live in, to ensure stable supplies of energy for Europe: the heat and light we all count on.



We support a changing world

We play an essential role in the sustainable development of our economies, the environment and society as a whole, and we do this in an ethical and transparent manner. Just like our infrastructure integrates with local territories and communities, we evolve with the changing world. This means being at the forefront in terms of clean energy and infrastructure, while also ensuring development opportunities for our people.



We shape the future

We complete vast and complex long-term projects, and contribute to shaping tomorrow's economic and cultural climate. Our know-how and experience in energy infrastructure, allow us to have a vision and play a leading role in a much broader system. Together we have a duty to imagine and shape a future that extends beyond our own lives.

Snam today in Italy and in Europe NFS

Snam's presence in Europe



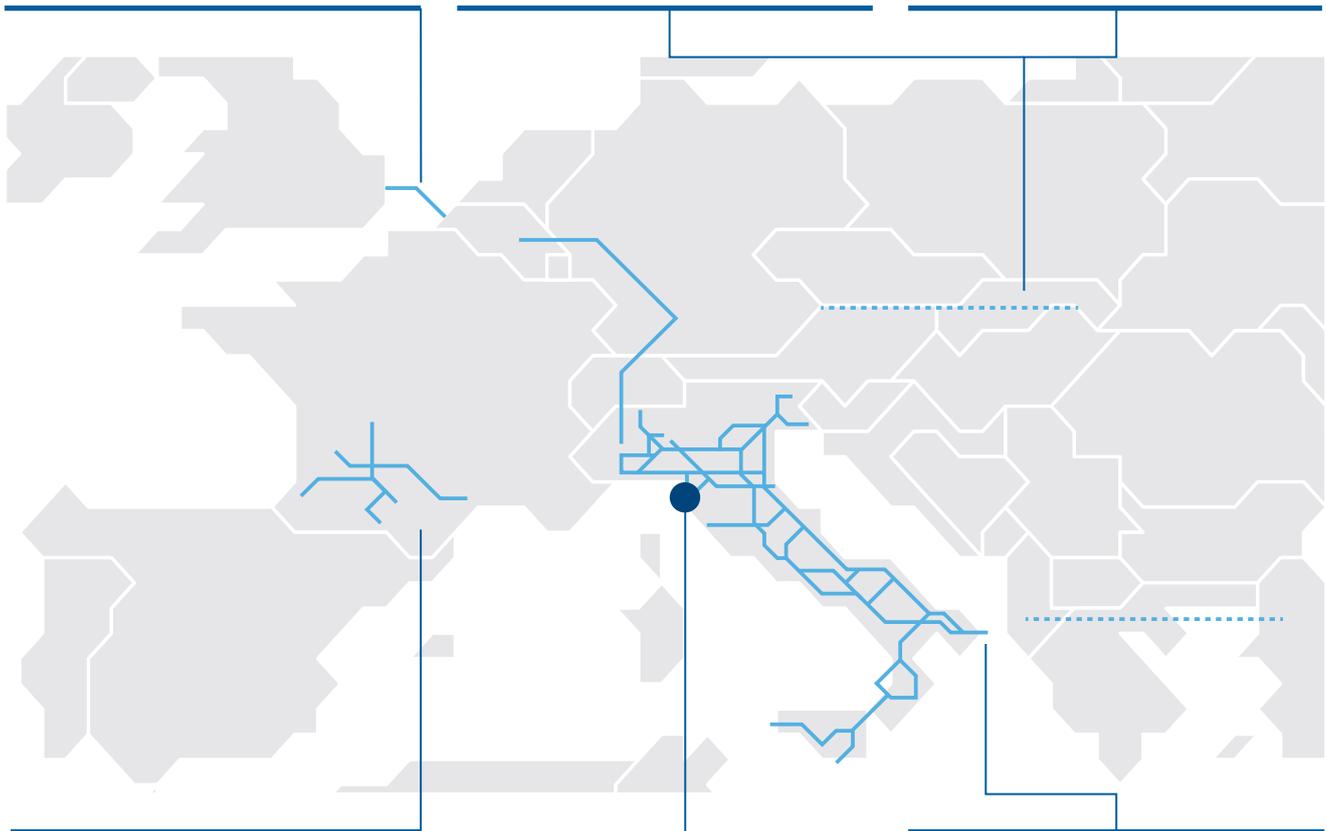
- 235 km undersea pipeline between Bacton (UK) and Zeebrugge (Belgium)
- 1 terminal and 1 compression station at Bacton
- 1 terminal and 1 compression station at Zeebrugge
- Employees in service: 62



- 3 parallel lines of pipelines of around 380 km each
- 5 compression stations
- Employees in service: 164



- 564 km of transportation network
- 322 km of distribution network
- 5 compression stations
- Employees in service: 278



- 5,090 km of network with 6 compression stations (108 MW), around 15% of the total volume of transported gas in France
- 5.8 billion m³ of storage capacity (2.8 bcm of working gas), or around 25% of national capacity
- Employees in service: 589



- Assets under development, part of the project to bring Azerbaijani gas to Europe. 878 km long, it passes through Greece, Albania and the Adriatic Sea, before reaching Italy (773 km on-shore and 105 km off-shore). Initial capacity of 10 billion m³/year, which can be increased to 20 billion m³/year. Expected to come into service in 2020
- Employees in service: 173

Snam's presence in Italy



SNAM RETE GAS AND GAST TRANSPORTATION INFRASTRUCTURE

— National Transportation Network
32,584 km of gas pipelines network

● Compression stations
922.2 MW - installed power in the compression stations

▲ Entry points

▲ Entry points/Reverse Flow

8 network entry points for gas coming from abroad, located at connection points with the import pipelines (five entry points) and the LNG regasification terminals (three entry points)



GNL ITALIA

● Regasification terminal
17,500 m³ of LGN - maximum daily regasification capacity of the Panigaglia terminal



STOGIT

● Storage fields
16.7 billion m³ of total storage capacity (including strategic storage)
9 operational concessions