2026-2030 Strategic Plan

Thursday, March 5, 2026

Francesca Pezzoli (15:10-15:57)
Good morning and welcome to Snam's 2026-2030 Strategic Plan presentation, titled 'Toward Energy Integration,' a concept that will become clearer over the next few minutes. Thank you for being with us today here in Milan and remotely. Today's speakers will be Agostino Scornajenchi, Snam's Chief Executive Officer and General Manager, and Luca Passa, Chief Financial Officer, Sustainability and International Asset Manager Officer. After the presentation, there will be the Q&A session, and following today's Capital Markets Day, we will spend the next two weeks meeting investors across North America and Europe. And now we can start.

Agostino Scornajenchi (18:16-25:30)
Good morning everyone, and welcome to the Strategic Plan presentation, the first one for me as I took the helm of Snam in May 2025. First of all, I am pleased to host this event for our new Milan headquarters, the Energy House, a space that embodies our new positioning. It's really a new start for us, which turns 85 this year, symbolized not only by our new home, but also by a change in our brand identity.

Currently, the concept of energy integration is essential to ensure energy security, affordability, competitiveness, balancing molecules and electrons. We will now guide you through today's journey. First, we will start with the Full Year 2025 results, which provide a solid baseline for the new Strategic Plan. I will walk you through a new technology-based energy scenario, including our updated gas demand outlook, highlighting the critical role of gas infrastructure in ensuring energy adequacy and security. This role is crucial both today and over the long term.

Then I will outline our ambitious growth and portfolio management strategies, highlighting what are the key elements for the execution of our plan. On top of the plan, we have also identified around €3 billion Asset Rotation programme with the aim to strengthen our industrial positioning and geographical footprint and to unlock additional value. Luca will follow with a detailed overview of the investment programme, financial projections, targets and dividend policy and also highlight the additional value creation embedded in our asset rotation strategy. And finally, I will conclude by sharing our vision beyond 2030 and some closing remarks. But let's now start with the full year 2025 results.

We begin with a recap of the key industrial achievements of 2025:
Works on phase one of the Adriatic Line moved forward with an overall completion at 60%;
The BW Singapore regasification unit, commissioned in May, has confirmed its operational readiness, with 17 vessels arriving in 2025, reaching near-full slot utilization since the start of operation;
Storage facilities remain over 10% fuller than the European average, supported by our operations and infrastructure flexibility.
As you know, we have started selective asset rotation with an industry-based approach, and we plan to continue doing so in the future.

In particular, the stake in Adnoc gas pipeline was sold to Lunate in March, while our 2% in ITM Power was disposed at the end of June. Just a few days ago, we closed the acquisition of 48.2% interest in Olt operating the terminal of Livorno, and we have recently acquired also the remaining share from Golar. So we own 100% of the asset, thus expanding our energy footprint.
Finally, on January 26th, we successfully refinanced the €500 million exchangeable into Italgas shares due 2028, with a new green exchangeable bond due 2031, enabling us to keep full netting and contribution with an estimated IRR of 11%.

We also made progress on the financing front. We have successfully issued our first US dollar multi-tranche sustainability-linked bond totaling $2 billion and first €1 billion European green bond.

Let's now move to the key financial highlights, at page five: we have delivered strong full year 25 results coupled with an enhanced financial flexibility.
Investments at 2,758 million were in line with last year.
Our tariff revenue significantly grew in 2025, up 8%.
Adjusted EBITDA of 2,969 million is up 7.8% year on year, driven by growth in regulated revenues.
Adjusted net income of 1,422 million was up double-digit year-on-year thanks to higher EBITDA and greater contribution from associates.
In order to make data more comparable. We have normalized them, removing extraordinary components, and as a result, the data is normalized.
Normalized EBITDA is 2,970 million and excludes 52 million of one-off revenues related to the 2024 deflator update.
Normalized net income is 1,365 million starting from normalized EBITDA and adjusting for associates, mainly for retail gas regulatory one-offs.

Moving now to page six. Italian gas demand reached 63.4 bcm, with a 2% increase compared to the previous year, driven by the thermoelectric sector. Offsetting lower renewable generation and industrial and residential demand remain broadly stable. We observed this trend continuing in January. In February, with gas demand up 2%, supported by stronger thermoelectric consumption as well as higher residential demand due to colder weather.

Exports have also risen sharply, exceeding 2 bcm, or 3.5 times compared to the previous year, mainly through Tarvisio and also driven by a decreasing TTF over PSV spread differential, turning negative during certain periods. Looking at supply flows, we have seen a notable shift. Pipeline imports decreased and were more than offset by liquefied natural gas imports, which cover 32% of total demand. This growth was supported by the old terminal in Livorno back to full operation, and the new Ravenna terminal startup. LNG operational capacity growth contributes significantly to strengthening the country's energy security by diversifying supply sources, crucial in today's complex geopolitical environment in an extremely volatile and interconnected environment.

As we integrate an increasing share of intermittent renewable energy, a flexible and diversified infrastructure is key to ensure energy stability and system resilience. And now, I will hand over to Luca for full year financial results. Details, please.

Luca Passa (25:46-35:45)
Thank you and good morning, ladies and gentlemen. Moving to slide number seven, out of the total investment, 34% is European taxonomy aligned and includes H2 replacement, dual fuel compressor station, biomethane, plant connection, H2 and CCS investments and a large part of the biomethane CapEx and energy efficiency excluding cogeneration. Roughly 50% of technical investments and grants for growth are development investments, reflecting the company's institutional growth phase. SDG alignment is 54%, of which the majority goes toward SDG 9, 13, and 7, respectively.

Industry, innovation and infrastructure, climate action, and affordable and clean energy.

Let's now look in more detail at the rapid evolution on slide number eight. Our tariff revenue grew significantly in 2025, up 8.3% compared to the 2024 tariff of €24.2 billion, which reflected the update of the 2024 deflator. This growth, was mainly driven by:
organic CapEx;

RAB inflation with a switch to the Harmonized Index of Consumer Prices for the European Union countries related to Italy, the so-called IPCA;
Stogit Adriatica and Ravenna FSRU inclusion into the perimeter, along with the investment related to the Ravenna Breakwater.
As for the Full Year 2026 guidance, tariff RAB is expected to increase by around 10% to €28.8 billion.

Let's now look at full year 2025 EBITDA analysis. On slide number nine, in line with our new framework, we classify our activities as:
regulated business, which includes our core activities, i.e. transport, storage and LNG, as well as CCS and H2;
and market solutions (which include biomethane, energy efficiency, and green solutions).
Adjusted EBITDA for the period was 2,969 million, +7.8% compared to last year.
Regulatory items were significantly negative as the recognition of the 2024 deflator update for €52 million, and the adoption of the Italian IPCA for the RAB revaluation starting in 2025 for around €30 million, were counterbalanced by the WACC decrease for around €104 million.

The EBITDA growth is mainly attributable to:
Regulated revenues increase for about €200 million.
Stogit Adriatica was integrated into the perimeter from the 3rd of March and positively contributed €42 million.
Ravenna started operating from May and contributed for 22 million.

The increase in regulated cost is mainly attributable to labor cost, in large part due to the inflation recognition under the collective labor contract and new hires with regard to the market solution business. The €3 million contribution compared to full year 2024 is mainly driven by biomethane, supported by higher volumes. As for the full year 2026 guidance, we expect adjusted EBITDA to reach around 3.1 billion. Driven by rapid growth, perimeter consolidation, and the full year contribution of Stogit Adriatica and Ravenna FSRU.

Let's now move to the net income analysis. On slide number ten, adjusted net income for the period was 1,422 million, +10.3% compared to full year 2024 due to:
higher EBITDA contribution of 116 million;
partially counterbalanced by higher D&A for 105 million, following rising investments and the entry into the perimeter of strategic Adriatica and Ravenna FSRU.
stable net financial expenses with an average net cost of debt of approximately 2.6%;

contribution from associates positive for €54 million as a result of higher Italian associate contribution for €47 million and higher international associates for 7 million. You will find a detailed breakdown of associates contribution in the annex;
higher taxes reflecting a higher EBITDA.

As for the full year 2026 guidance, we expect adjusted net income above 1,450 million, which reflect the EBITDA performance partially counterbalanced by high D&A and higher net financial expenses. This number includes around 40 million of the IRAP increase related to the recent the recent energy decree published.

Turning now to the cash flow on Slide Number 11, cash flow from operations for the period amounted to around €2,688 million, and was the result of €2,461 million of funds from operation, and 227 million of positive working capital. The change in working capital was mainly driven by about 300 million of cash generation, mainly due to the super bonus fiscal credit decrease, partially counterbalanced by around 100 million of balancing items.
Net investment for the period amounted to 2,964 million, including 564 million of cash-out related to Stogit Adriatica and around 233 million of ADNOC disposal cash-in. Other outflows were mainly related to the payment of dividends, resulting in a change in net debt of about €1.271 billion.

Moving to Slide Number 12, net debt amounted to €17.5 billion at the end of December 2025, well below the guidance thanks to the continuous effort carried out on debt optimization. The net cost of debt substantially flat at 2.6%, while the fixed-to-floating mix stands at 84%-16%. Sustainable finance reached 85% of committed financing. Snam has received an award for the 2025 CFO Summit for its sustainable and growth-oriented financial strategy. During 2025, we successfully issued about 2 billion multi-tranche sustainability- linked bond in May and our first European green bond for 1 billion in July, following the publication of the Green Bond Fact Sheet earlier in June. Moreover, we updated bilateral banking facilities totalling 750 million, as well as 140 million from the European Investment Bank for the connection of biomethane production plants into the national gas network.
In April, Standard & Poor's upgraded Snam to A-minus, reflecting our strong credit profile, leading role in the European energy infrastructure, and solid performance track-record. As a further recognition, Moody's improved in December the outlook from stable to positive, affirming the BAA2 rating.
As for the full year 2026, we expect net debt at around €19 billion, including the OLT acquisition and its consolidation.

Moving to slide number 13. We made tangible progress on the reduction of scope 1 and 2 CO2 emissions. In 2025, we achieved a 35% reduction versus 2022. That is the baseline, thanks to a further 9% reduction year on year compared to 2024. Therefore, our decarbonization trajectory is delivering ahead of expectation, mainly thanks to dispatching and operational optimization. Scope 3 emissions are down 14% versus 2022 and stable year-on-year versus 2024. Suppliers' carbon intensity has reduced significantly, decreasing by around 20% compared to 2022, while emissions increased by around 8% due to higher expenditure levels. Associates' emissions are on track.

I am now on Slide 14 for a summary of 2025 full-year results and how they compare to the guidance. We have delivered a strong set of results. 2.8 billion of investments, broadly in line with the guidance. The slight difference compared to our expectation was due to the delays related to the Ravenna breakwater that will not affect the terminal operability. 26.2 billion of tariff RAB above the guidance. 2,970 million of EBITDA above our initial and updated guidance. 1,420 million of net income outperforming the guidance of €1,350 million.
And finally, 17.5 billion net debt improved compared to the initial and updated guidance, mainly thanks to the ADNOC disposal and higher cash conversion with further working capital optimization. And now, I will leave back the floor to Agostino for the scenario of the plan.

Agostino Scornajenchi (35:57-01:03:14)
Thank you very much, Luca. Let me now introduce our new energy scenario. Let me start with the big picture in Slide 16. As you know, global energy demand is showing an unstoppable growth trend. And the latest international energy urgency scenarios have revised 2035 expectation upward up to 145,000 TWh. Rising demand is mainly driven by three factors; first, emerging economies growth; second, rising energy service such as data centers, electric vehicles and air conditioning; and third, growing industrial activities.
Electrification is a key driver of rising power demand, increasingly met by renewables. But this transition requires rapid expansion of battery storage for system flexibility. However, while policy support has boosted deployment, scaling remains challenging, and the need for the long-term energy storage remains unfulfilled. The takeaway for us is simple. The energy system will have to deliver more energy with more complexity and under tighter constraints, such as the conflicts we are experiencing now. So, the question is, which factor is critical to maintain reliability, adequacy and affordability while the mix evolves? And it is gas. Yes, because gas demand is increasingly globally pushed by industrial demand, higher power generation and system balancing needs, supported among others by greater LNG accessibility. And the reason is simply technical. Gas, unlike other energy sources, provides greater flexibility and

competitiveness, and it can be stored for a long time. At the beginning of this winter, storage levels were close to 90%, representing approximately four months of demand.
And of course, this is much more than a battery. Flexibility is becoming the scarce resource, and natural gas provides this flexibility to the energy system. Looking ahead to the next decade, it is becoming clear that gas is no longer a transition fuel, but a critical enabler of system adequacy. Let me translate this in our new gas scenario for the country.

On slide 18, we introduce our brand new technology-based energy scenario. As highlighted by the European Commission, 27 countries including Italy, are materially behind energy policy targets, particularly for renewables and efficiency, meaning that even the best effort plans are not enough to deliver Fit for 55 on time. The scenario we envision is grounded in how the system is actually evolving around technologies and reflects the real pace of policy execution.

We identified, through a bottom-up approach, four main trends. Industrial gas consumption is expected to grow, driven by coal-to-gas switching, especially in the steel industry. Electrification continues, but is more gradual and uneven than headline targets imply. Renewable deployment is growing, but behind policy expectations.
As renewables take a larger share of the mix, volatility increases. As a consequence, storage is scaling up, but not fast enough, therefore increasing the need for flexible generation. In this environment, gas continues to play a major role with flexible generation, preserving system reliability and adequacy. The era in which gas was regarded as the enemy to be eliminated has come to an end. It was this misguided approach that dragged the European industry into a spiral of crisis. This brings us to our 2030 demand outlook. We forecast gas to remain stable and resilient to 2035. Now let's review more in depth our updated view for the electricity sector. We developed an updated electricity scenario, I am now at Page 19, that reflects industrial dynamics. We expect electricity demand to rise through 2035 with a trajectory below policy scenarios and supply mix increasing renewable. The main demand core drivers have been revised to account for real dynamics:
Electrification of transports: policy assumptions are not consistent with real market dynamics, considering that electric vehicle sales are well below targets;
Electrification of heating, actual heat pump installation rates are 3x below policy targets.
Data centers represent a new segment that will need additional baseload energy supply.
Therefore industrial demand is foreseen stable, while electrolysis deployment is severely behind original expectations.
On the supply side, renewables are expected to meet an increasing share of the demand, reaching 231 TWh in 2035. However, renewable electricity production is constrained by actual

sector performance. Observed deployment and planned generation yield are well below initial policy expectations. On top of affordability, what the system needs is fast flexibility and gas power integration to preserve reliability and adequacy. The point is not just energy volumes. It is the capacity to be there when renewables are not. A minimum requirement for system safety implying at least 50,000 megawatts of gas generation capacity. On this, please do not forget Spain. And this leads us to our gas demand outlook.

Our outlook is based on a bottom-up, technology-based approach consistent with the role and responsibility of a transmission system operator. We foresee 62 billion cubic meter of demand by 2030 and 61.5 billion cubic meter in 2035, well above the National Energy and Climate Plan, and well above the average Snam-Terna 2025 scenario projections. We see three main reasons for higher gas demand expectations:
the first one, lower than expected contribution of efficiency in residential sector.
the second, lower than expected renewable output requiring conventional generation to maintain core role in the power mix.
and third, delayed hydrogen demand uptake to slower technology deployment, lower than expected demand, and uncertain regulatory frameworks.
Moreover, we forecast export to further grow to 7 BCM from 2030, reinforcing Italy's role as a gateway for Europe, driven by higher European gas demand and the need for Central and Eastern European and Balkan countries to diversify their gas supply in the context of a progressive phase-out of Russian gas. Hence, the implication here is clear. We must continue investing in our infrastructure for resilience and flexibility of the Italian and European energy system.

Moving to Page 21, not only gas demand will be structurally higher, but also situational elements need to be considered. Changing weather patterns, harsh winters, hot summers, heavy rainfall, electricity imports remain material, regardless of the magnitude of the price spread. Most imports will continue to come from France, but with risk of significant swings, depending on the real availability of production, as already experienced in recent years. So, when assessing our infrastructure adequacy, we need to take into account a large variability band, as we need to provide a resilient infrastructure at peak and even under stressed conditions.

Let me conclude on Page 22, by highlighting the key takeaways from the trends and scenario we have outlined. In a context of geopolitical instability and delayed policy implementation,

ensuring the proper sizing and flexibility of gas infrastructure is essential to maintain system adequacy and security. As renewable and system
complexity grow, flexibility is achieved through gas power integration, ensuring real-time system stability and security of supply. Integrating new gases into the mix is critical to achieve decarbonization without compromising security and to safeguard energy affordability. The strategic direction, therefore, is to move from energy transition as a set of separate vectors replace one another, to energy integration, where molecules and electrons work together to deliver the most reliable and cost-effective energy system. And now, we may clear the title of the presentation.

Let's move to how we will translate these takeaways into a solid strategy and how we wil*l* execute it, moving to the next slide. I'm now at Page 24. As you know, Snam is the largest European gas infrastructure player, with Italian assets integrated along the gas value chain, transport, storage, regasification, and an international asset portfolio worth well above €4 billion. Italy is unique in Europe, boasting 10 entry points, evenly split between pipeline and LNG, five different gas sources via pipeline and five LNG terminals, with the last one operational since July '25. This geographic footprint makes Italy a strategic gateway for energy flows toward Europe. Snam can leverage on this unique position to capture sustained industrial growth and in parallel contribute to strengthening Europe's energy security. You can imagine how important this is in today's context. Diversification of supply sources will be the key factor to mitigate current risks.

I would now like to present our strategy framework on Slide 25, which connects our core strengths and unique positioning with the evolving energy scenario just outlined and provides the structure for a clear, sustainable, and measurable execution of our strategy over the planned period.

The plan is built on three pillars, the first two incorporated in the business plan, while the third one is on top and represents a tangible and measurable upside.
First pillar industrial growth. This is the cornerstone of our strategy. It includes the investment to strengthen and expand our infrastructure, while selectively scaling new energy solutions to enhance Italy's energy security and preserve the country's competitiveness and the industrial base.
The second pillar is active portfolio management. We continuously allocate capital to the best opportunities, actively managing assets to maximize value over time across industrial, operational and financial levels.

The third pillar is asset rotation as the on-top pillar. We will optimise and rationalise shareholdings and sharpen our industrial positioning and geographical footprint. The pillars will be enabled by a comprehensive investment plan in digital and energy tech innovation, focusing on cutting edge technological advancement and core asset optimization.

In addition, other relevant enablers are a comprehensive people journey. A focus on sustainability and stakeholder awareness will be a key component of our long-term strategy. We'll talk about that in a minute.

On Slide 26, we see the centerpiece of the plan, a robust investment program of around 14 billion. It strengthens our regulated core business, transport, storage, LNG, and scales new energy solutions. Most of the plan will be focused on natural gas infrastructure to ensure system adequacy and security, with strong visibility on returns given the stability of the existing regulatory framework. At the same time, we plan to accelerate carbon capture in Ravenna, advance the hydrogen backbone subject to adequate regulation and returns, and complete investment in biomethane and efficiency solutions. One of the key elements that runs across the entire plan, digital energy tech innovation will absorb around €1 billion of investments across business lines, not simply as an enabler, but designed to industrialize capabilities, scale competencies, and make Snam platform future-proof.

Let me now walk you through the main industrial projects. On transport, Page 27, I will flag two main projects. First, the Adriatic Line reinforcing security and resilience, enabling additional volumes of 10 Bcm from the south, diversifying supply and strengthening competitiveness of the Italian and European market.
Second, the methanization of Sardinia that will help bridge the highlands energy gap and support the phase-out of coal. The project combines the construction of new pipelines with a virtual pipeline solution, transporting LNG from Panigaglia and OLT to a new floating terminal to be based in Oristano.
In addition to asset development, at Page 28, industrial growth also relies on upgrading existing infrastructure to enhance flexibility, safety, and long-term reliability, which are critical in today's energy environment. We have allocated €3 billion to pipeline and well replacement, proactively managing infrastructure aging to software operational excellence, reduce risk, and improve service quality. Six dual-fuel compression stations enter into operation in the planned horizon to increase flexibility while reducing compression costs and, of course, CO2 emissions.

On LNG: before the Russia-Ukraine crisis, for Italy and Europe, liquefied natural gas was no more than a commercial flexibility option. But now LNG plays a central role in security of supply, especially as Europe reduces its reliance on northern pipeline flows. After investing 1.1 billion in recent years to bring online the Piombino and Ravenna terminals, each with 5bcm of capacity, LNG investments under the current plan primarily focus on upgrading the Panigaglia terminal, enhancing system flexibility, and enabling the virtual pipeline to Sardinia. We have included in the plan the value of the acquisition of OLT, which will be consolidated for strengthening our LNG footprint. We have managed to close the acquisition a few days ago, well ahead of our original schedule. And as mentioned at the beginning, we also acquired the remaining portion belonging to Golar.

On Page 30, CCS is a promising technology to decarbonize emitters, preserving competitiveness. In this plan, we have almost doubled the investment in the Ravenna project to about €800 million. The project leverages large offshore reservoirs and significant potential demand from emitters. It has been granted as a project of common
interest status and has delivered positive technical results in its first phase. We are progressing with the permitting process, while the regulatory framework is currently being defined as evident in the recent energy decree.
Our investment plan includes €400 million to develop the CO2 network, connecting key emitters in northern Italy to the Ravenna hub, as well as further €400 million equity injection into the joint venture with ENI to support the project's progressive scale up to 4 million tons per year.

On, hydrogen, Page 31: the hydrogen backbone is a project to develop an end-to-end pipeline, 100% dedicated to H2 transport, leveraging existing infrastructure through significant repurposing. As you may have noticed, we are rescheduling part of our hydrogen investment compared with the previous plan, reflecting the slower development of the hydrogen market. A final investment decision is targeted by early 2030, subject to the establishment of a coherent regulatory framework and adequate returns. We have received 24 million of Connecting Europe Facility's grants, which will cover approximately 50% of the engineering studies cost. Our strategy on this is straightforward. We will be ready when the hydrogen market matures and when the regulatory framework becomes clear and predictable and thus promotes efficient investments.

Beyond regulated infrastructure, we selectively continue to develop market-based solutions, which include biomethane and energy efficiency. And I am now on Page 32. In biomethane, we

currently operate the largest platform in Italy and plan to scale capacity to capacity to 70 megawatt by 2027. As required by regulation, this asset will be disposed by 2027. Accordingly, the plan reflects their disposal by the date at book value, with the
asset becoming available for sale as early as 2026. Our objective is to maximize value from divestment, taking into account that, at full capacity, the platform is expected to generate approximately €65 million of EBITDA in '27. We have just launched the formal sale process. About energy efficiency, this is a business line where we focus on energy performance contracts, primarily with public administrations. By 2030, over 70% of backlog is expected to come from public entities, with an average duration of around 12 years, providing, again, stable, visible cash flows.

Active portfolio management is about capturing the full value potential of our associates. When managing our asset portfolio, we aim to create value by leveraging on our leadership and sector expertise across three key levels. First, the industrial level: identify new business opportunities in reference markets, for example, exploring CCS and H2 opportunities in countries such as France and Greece. Both standalone and in synergy with our core business.

Second, the operational level supporting process excellence, sharing best practices and operational capabilities. Third, the financial level helping to optimize capital structure and reduce financial costs.

The asset rotation program, on Slide 34, is an ongoing process that aims at unlocking additional value and retires on top of the business plan. Through a systematic bottom-up review of the portfolio of assets and businesses, we aim at refining our industrial focus around gas infrastructure reliability, security of supply enhancement, and value chain integration.
A recent example of this approach is the mentioned majority stake acquisition in OLT, where we previously had 49%, enabling us to fully consolidate this asset. The transaction was executed at very attractive terms, with an implied multiple at 9% discount to RAB and at 7.6x EBITDA, well below the Snam trading valuation. The deal strengthens our strategic position in national LNG infrastructure and has been already captured in the business plan. This is a clear example of how disciplined asset rotation can generate both industrial and financial value.
On top, we have identified approximately 3 billion of additional opportunities, combining 1.6 billion of divestment of non-core assets with selective acquisition for 1.2 billion that will strengthen our exposure to high-potential and strategically relevant areas shown in the triangle in the map. This is an upside to the business plan targets, and
we will provide more details in a few minutes.

Let me now switch to something really new for Snam on Slide 35. To support industrial excellence and energy integration in an increasingly complex and volatile environment, we will implement a structural digital and energy tech innovation agenda underpinned by approximately 1 billion of investment by 2030. Around €800 million will be dedicated to digital initiatives structured along three pillars digital technology will strengthen core scientific and computational capabilities to advance high-performance computing in the AI model for complex simulation, alongside the scaling of a generative AI agent to enhance productivity across corporate function.
Corporate application will focus on the transformation of core digital platforms, including advanced enterprise resource planning, enabling a more integrated timely and data-driven decision-making approach. Industrial application will further evolve AI embedded automation and digital twin solution in particular for our asset control room, to optimize operation maintenance and performance and entire reliability, efficiency, sustainability.
In parallel, approximately 200 million will be invested in energy tech innovation targeting carbon capture and management storage and flexibility solution. Decarbonized and synthetic molecules where we can make a tangible industrial difference in the innovation ecosystem. This therefore combining external R&D with external innovation leveraging joint R&D initiatives patents corporate venture building and strategic venture capital investment also in partners with Cassa Depositi e Prestiti big advance such as GDP venture capital and also strategic supply chain reinforcement initiative managed by Fondo Italiano d'Investimento.
By capitalizing on our distinctive asset and operational knowhow, innovation will both strengthen core operation and enable new technology-based opportunities, supporting the broader multi-factor energy value chain while generating additional revenue streams.

But a successful operation always depend on people. This is even more true at the time when technologies are evolving quickly and the energy system is increasingly complex and volatile. In this context, it's not just about adding new skills. It's about rethinking how we work, how we organize ourselves, and how we empower our people to operate in a more integrated and dynamic environment. People journey is designed to connect strategy to execution in an integrated model built around four pillars.
First, a new operating model, one integrated group, simpler and more rational structure and decision increasingly driven by the business and by the system needs. Second, a future proof workforce, role skills and re-skilling pathways aligned with digital innovation and new technologies so that capabilities evolve together with the assets. Third, an evolving employer value proposition aimed at attracting and retaining scarce technical talent while strengthening engagement and inclusion across the organization. And fourth, a fully redesigned learning

acquisition -- ecosystem, sorry. Focused on leadership, capability building and more engaging learning experience.

Moving to Slide 37, being an infrastructure operator that works for the long term, sustainability is fully embedded in our business model and operations. Our sustainability strategy is articulated around four pillars, local communities, people, biodiversity and carbon neutrality with a clear roadmap and quantitative KPIs to measure our performance. But at the same time, stakeholder engagement is essential. We want to raise awareness by actively engaging with institution, central institution, local institution, industry, media, citizens to explain the complexity of the energy system and to position Snam as a key system enabler in Europe's system integration.
Confusing dreams with reality is not a good move. We know this quite well in Europe. Of course, we know this extremely well as now. We are not simply adapting to a changing scenario. We are actively shaping a new energy scenario and the success depends on stakeholders moving forward with us. We are now moving to the business plan targets and projections.
And please Luca, go ahead.

Luca Passa (01:03:26-01:17:01)
Thank you, Agostino. We will now share our detailed overview of the investment program, financial projection, targets and dividend policy, highlighting also the additional value creation embedded in our asset rotation strategy.

We start with Slide Number 39 where we commit to delivering a sound and sustainable growth profile. Our
investment for the period 2026-2030 will increase by around 10% versus the previous business plan to 13.7 billion net of net of grants, mainly driven by the Sardinian network development, OLT acquisition, and the Ravenna CCS investment acceleration.
This will translate into around 5.7% tariff RAB category. EBITDA compounded annual growth of around 5.4% stronger than last year plan is driven by RAB growth, OLT consolidation, the Ravenna CCS initial contribution from 2029 and the energy efficiency increase. Net profit CAGR over the horizon is 4.5%, reflecting solid EBITDA growth and an improved contribution from our associates' portfolio, partially counterbalanced by the increase in D&A due to higher investment and net financial expenses. In the annex, you will find the underlying macro scenario assumptions that underpin these projections. We have assumed a broadly stable WACC throughout the plan.

Moving to Slide 40, you can appreciate the strong performance of the new plan versus last year. As already commented on the previous slide, the investment plan shows an improved EBITDA CAGR 5.4% versus 5% with a net income CAGR stable at 4.5%. However, when looking at the absolute figures, all values are higher than those embedded in last year plan with 2030 EBITDA and net income higher by 9% and 13% respectively.

Let's now look in more detail at the investment plan by business, and I am now on Slide Number 41. Our total investment plan amounts to 13.7 billion net of around 700 million of grants. Total investments in our regular business amount to 13.3 billion of which 9.2 billion on transport increasing by around 14% mainly related to the Adriatic Line, Sardinian network development, replacement and one full compressor station deployment. 2.1 billion on storage increasing by 5%, mainly attributable to the existing fields refurbishment, performance upgrading, and dual full compressor station installation.
1 billion on LNG increasing by 25% related to the increase in our stake in OLT and the Panigaglia terminal expansion.
800 million on CCS increasing by 60% and 200million on H2 with a postponement versus the previous plan in line with our long-term perspective explained before. Investments in market solutions account for 400million and are related to the development of our biomethane platform and our energy efficiency business.

Moving to Slide Number 42, you can see a further increase in taxonomy alignment within the plan horizon to 40% versus 34% in full year 2025, mainly driven by CCS and H2 investments along with acceleration of our CapEx related to the replacement of our compression station. Development investment continues to represent a significant share of our technical investment gross of grants equal to approximately 50%. SDG alignment is pretty stable at 55% with a majority toward SDG 9, industry innovation and infrastructure, and 13 climate action.

Moving to Slide 43; our plan is backed by a proven execution capabilities and benefitsfrom high visibility with around 70% of the core investment already authorized. The number and complexity of project have increasing -- increased significantly with our organization evolving to effectively respond to these challenges. As of December 2025, we had more than 1,200 active sites spread across Italy with an increase of 54% year-onyear.
This project rising complexity has driven advanced technologies adoption and our supplier network expansion.
Let's look in more detail at the tariff RAB evolution on Slide Number 44. We project a 5.7% CAGR over the plan horizon. This growth will be mainly driven by CapEx increase, the inflation

impact, and OLT consolidation. In addition, in line with last year business plan, we started to include in 2029 the CO2 network startup.
Moving to the EBITDA evolution on Slide Number 45, EBITDA annual growth will be around 5.4% over the plan horizon, mainly driven by the regulated business, which will benefit from organic growth driven by investments, the positive contribution of CO2 network from 2029, and an average inflation of around 1.8%.
Perimeter change related to the OLT consolidation, neutral regulatory effect mainly related to a broadly stable WACC, output-based incentive growth, with an improved guarantee factor assumed for LNG and storage work in progress, remuneration assumption in 2030, partially counterbalanced by the input base decrease and the fast money effect. For the sake of clarity, we have not included in the plan any impact related to the application of the full rules, as we are still waiting for more visibility from the regulator regarding the full regulatory framework. Market solution contribution will mostly come from energy efficiency, as biomethane will be sold in line with the unbundling rule and the consolidated entity. We will classify biomethane as available for sale already at the end of 2026.

Investments in the last two years of the plan will generate an additional 250 million of EBITDA beyond 2030, thus bringing the running rate to over 4 billion.

Let's now move to our associates on Slide Number 46. Associates confirm a positive trend over the plan, with an overall contribution increasing by a 2.6% CAGR to around 420 million in 2030, mainly driven by efficiency and commercial offering on mature assets such as SeaCorridor, TAG, GCA, and Terega, the Italian assets' growing
contribution, and DESFA and TAP developments. For the sake of clarity, we reiterate that the M&A included in the plan is only related to the OLT acquisition, the refinancing of the Italgas exchangeable bond and the disposal of the biomethane. Moving to net income evolution on Slide Number 47. We project a robust 4.5% CAGR over
the plan horizon, starting from the 2025 normalized net income. This will be mainly a result of a sound EBITDA performance, as previously explained, partially counterbalanced by D&A increase due to new assets entering into operation and to the OLT consolidation, partially counterbalanced by the biomethane deconsolidation. The
interest expense rise, with the net cost of debt increasing to 3.1% in 2030. Associates' contribution will increase over the plan horizon, mainly driven by TAP and the Italian associates.

Finally, let me briefly walk you through our decarbonization trajectory. Notwithstanding a higher gas demand outlook, as explained by Agostino before, we confirm our commitments to reduce

emissions in the direction of our decarbonization plan, carbon neutrality by 2040, and net zero across all scopes by 2050. This is made possible by the success of the application of AI to our dispatching, along with the continuous effort, as highlighted in the reduction path achieved so far.

On Slide 49, we remain committed to preserving a solid financial structure throughout the plan. We will generate approximately 13.8 billion of accumulated cash flows over the plan period, covering €13.4 billion net investment, leaving around 400 million of cash flow available to partially cover dividend distribution. We will retain ample and sound financial flexibility across the plan versus threshold for the current rating established by Moody's, Standard & Poor's, and Fitch, as confirmed by the solid 2025 actual figures, strengthening our rating positioning.
Over the plan horizon, the cost of debt is expected to reach 2.9% on average and 3.1% at 2030, reflecting current and expected financing conditions over the coming years, with a fixed floating mix at around 75%-25%. On sustainable finance, the share of the overall funding is expected to rise significantly to 95% by 2030, an increase from the previous target of 90% by 2029. This level of commitment positions us as the industry leader in sustainable finance.

Moving to shareholder remuneration, on Slide 50, the solidity of this business plan allows us to confirm and extend our dividend policy. We commit to a 4% annual DPS growth from 2025 to 2030, with a maximum 80% payout cap calculated as dividend paid over adjusted net income in order to maintain a solid financial structure. According to our calculation, with a 4% annual growth in DPS over the horizon, he average payout will be around 75%, so we have significant headroom to the cap. The sustainability of our dividend policy is underpinned by the regulatory profile of our business. The strong visibility on the returns and the solid cash generation of the plan, and the resulting financial flexibility.

On Slide 51, we shall recap our financial targets, and in particular on the full year 2026 guidance. CapEx will stay at €2.8 billion, mainly driven by regulated investments. Tariff RAB expected to increase by around 10% year-on-year to €28.8 billion, driven by OLT consolidation. We expect EBITDA of around €3.1 billion, mainly driven by RAB growth, OLT consolidation, Ravenna FSRU and Stogit Adriatica full year contribution.
Net income above €1.450 billion, driven by the positive EBITDA performance, partially counterbalanced by higher D&A and higher net financial expenses, with an average net cost of debt at 2.8%. It includes around €40 million for the IRAP increase related to the recent energy decree. DPS will increase to around €0.31 in line with our dividend policy. Net debt is expected at €19 billion, including the above-mentioned OLT acquisition and consolidation.

And let me conclude by looking at the asset rotation program additional value creation potential on Slide Number 52. As already explained, this is on top of the plan's financial targets. We have identified around €3 billion of asset rotation opportunities, of which €1.6 billion for divestments and €1.2 billion for acquisitions. The execution of this program will unlock additional value, adding €1.8 billion to 2030 tariff RAB that will translate into 6% EBITDA accretion by 2030, with a neutral impact on net income adjusted. On the balance sheet side, the asset rotation program will result in around €400 million of net debt improvement at 2030, with an average 0.5% improvement of FFO to net debt ratio. And now, let me hand over to Agostino for the vision beyond 2030 and the closing remarks.

Agostino Scornajenchi (01:17:14-01:23:45)
Thank you very much, Luca. Let's now look at what we expect beyond 2030. Our ambition here is to further strengthen and consolidate our core strategy. The fundamentals of our business remain solid. Infrastructure will continue to play a central role in ensuring energy security, competitiveness and system resilience. A steadily expanding regulated base remains the backbone of our long-term growth profile, providing visibility and stability of returns. We anticipate a gradual rebalancing of our CapEx and RAB mix.
Natural gas infrastructure will remain the core component of the system in the longterm, given its critical balancing role. As the current wave of investment aimed at strengthening energy security and diversification is completed, we will continue to invest in asset resilience and operational excellence. At the same time, investments in new technologies and molecules, including carbon capture and hydrogen, will ramp-up, increasingly complementing gas assets. This is not a shift away from our core. It is an expansion of it, fully consistent with the energy integration concept that underpins this plan. Technology will become an even more crucial differentiation factor. The expansion of our competencies and capabilities in new technologies may evolve from being a label to becoming a distinct business line. In summary, our vision beyond 2030 is built on continuity and evolution.

Let's now look at our ambition over 10 years. Between '31 and '35, we anticipate approximately €14 billion of additional CapEx in full accordance to the total investment of €14 billion in the planned period. This brings the total projected investment to around €28 billion for the '26-'35 horizon, driving RAB growth from 26.2 billion to around €41.3 billion by 2035, a remarkable 1.6x increase.
This progression reflects the natural gas infrastructure continued development, coupled with CapEx and RAB mix gradually rebalancing through rising allocation to CCS and hydrogen. The scale and the timing of this investment will be carefully evaluated based on regulation, market

dynamics, and the availability of grants or financial support in order to maintain our current risk profile and our strong financial flexibility.

Well, it has been a very long and comprehensive presentation. Thank you for your attention so far. I believe that we have applied together the key elements that define the new approach to energy integration. It's now time for me for the closing remarks.
Starting from a scenario which confirms the role of gas and decarbonized molecules in the short and the long run, we have presented a solid and visible investment plan, which will provide growth and returns coupled with some financial structure and flexibility. The associated portfolio will be managed proactively by focusing on industrial consistency, operational excellency, and financial efficiency.
We define three enables that support our strategy being both solid and sustainable. Further upside will be triggered by the asset rotation program described by Luca. We have identified approximately €3 billion of opportunities that will strengthen the exposure to high potential in strategically relevant areas while enhancing growth and
financial metrics.
Moving to the returns of this strategy, we have lifted our CapEx plan by 10% versus last year, projecting average annual growth rates over the plan horizon of 5.7% for RAB, 5.4% for the EBITDA, 4.5% for net income, with superior visibility given that 97% of investments are fully regulated. Moreover, we will maintain financial metrics well within rating agency requirements, preserving solid, stable, long-term financial flexibility.
As a result, we can confirm the commitment to 4% EPS annual growth with a maximum payout of 80%, extending it by one additional year to 2030. This reflects our commitment to a compelling shareholder remuneration while keeping financial solidity and flexibility with a disciplined approach. On top of this, material upside might be triggered by the asset rotation program, which is designed to be value-accretive both in terms of regulated asset base and EBITDA, as well as to strengthen our balance sheet.
To the investor and to the analysts, thank you very much for your attention for the constructive dialogue we continue to have with the market. Let me thank also our Board of Directors for its guidance and steady oversight as we moved into this chapter last May.

Let me conclude remembering that this plan is the result of a collective work across our leadership team that, by the way, is here with us, and please stand up, show yourself. Thank you. The team is here with us. And of course, the entire organization represented by them being here today represents an honor and a responsibility for all of us. This is the strategic plan that we

believe in and we will present to market and institutions. I can assure you that the whole team will work hard with full commitment and dedication to deliver it. Thank you again.

And now Francesca, it's time to take your question, please.

Francesca Pezzoli (01:24:05-01:25:31)
Thank you, everybody, for this long presentation. We now move into the Q&A session. We need a couple of moments to rearrange the stage, so we'll take some time to explain how we will manage the question and answer. So, we will start by taking questions here live from the room. And then we will move to the webcast where you can submit questions by phone or in a written form through the chat. In that case, I will consolidate the written questions at the end of the Q&A session.

Okay, so I think that we can start taking the questions here from the room.

Yes. Please say your name and company name before posing the questions.

Javier Suarez (01:25:31-01:27:42)
Thank you, Francesca. Javier Suarez, Mediobanca. Many thanks for the presentation. So the timing of this presentation is a very interesting one with all the geopolitical situation becoming even more complicated. So the question for you is a little bit more systemic than Snam-related. I would like to know which is your opinion on the lessons that the European Union has to take from this geopolitical crisis? Again, after another significant one recently, it seems that Europe continues not to be fully prepared for this significant shock on energy prices. And I guess that the question here is, which are the implications that you see for the European Union as a whole for the design of the energy system? What would you define as a balance in between molecules and electrons, and also the implication for Snam, I guess, short, but also medium and long-term strategy? That would be the first question.

The second question is, that caused my curiosity, the difference between your business plan and plenty of other business plan that I have seen on energy infrastructure in Europe sees more attention to the balance sheet solidity. I see that the company is one of the very few that is maintaining the net debt to EBITDA stable, and FFO versus net debt also stable, and you are even presenting an asset disposal plan that is even strengthening more the balance sheet. So, I just wanted to have your view why that is related. That is to the value that you are attributing to preserving flexibility in that complex scenario and opportunity that you see down the road.

And the third and final question is on a net income target. There is a significant increase in absolute terms in the number for 2030. So, if you can help us to understand the assumption behind this 13% net income growth by 2030 versus previous business plan, and interesting by the assumptions on the carbon capture and storage business,
contribution from new market solutions, energy efficiency, maybe contribution from artificial intelligence or technology. So if you can elaborate on the reason behind this, I guess, sizable increase on the net income target. Thank you.

Agostino Scornajenchi (01:27:43-01:33:11)
Thank you very much, Javier. I will start with the first two questions, and after, will ask Luca to complement with the third one. Yes, difficult times, lesson learned.
We know what is happening in the Strait of Hormuz. A lot of things, a lot of goods are moving through that area of the world, including gas, not only gas, oil and a lot of other goods.
I think that now, I think that is pretty clear for everyone that energy is not only a commercial factor, really is an element for independency, for democracy, for freedom of different countries. This is what is happening now in Iran, but it's not far compared to what just happened a few months ago in Venezuela, which was what's happening in Israel a few months ago, and what happened in Ukraine just four years ago. Each time you have this kind of conflicts, after the first page, so excluding political, religious motivation, on the second page you have energy, material, goods, real goods.
Where we stand today? The crisis in Hormuz implies something like 7 billion Bcm in terms of national gas consumption coming from that area. The gas coming from Qatar represent 30% of the total LNG, and LNG implies 30% of the total consumption in Italy. So we have a 62 billion cubic meters, we are talking about 7 billion cubic meters on a yearly base, and we are just at the beginning of the story. Let me say something, all the arrival of March have been confirmed. So all the vessels that take gas in Qatar, they did it before the explosion of the crisis, they moved toward the Strait of Hormuz, they are already moving toward the final destination, so we don't expect any disruption coming from that during March. Of course, we will see what will happen starting from April. But again, we are talking of a limited amount of gas, especially in a season in which we do expect a reduction in the final consumption.
So, in a very short term, no issue. Medium term, depending from the duration of the crisis, we have to manage some issues in terms of storage capacity, because as happened four years ago, we are at the beginning of spring. So this is the time in which in normal period, price goes down, and this allow operator to push storage in our facilities to extracting them in winter with higher prices.
Now, if you look at the form of the price curve, it's something unbelievable. So there is no interest in the short term for the operator to inject storage capacity, extracting it maybe in six

months with a possible reduction of the price. This is the thing that we have to carefully manage. But we are not on a hurry on this. We have more than one month to start the injection season.
Europe entered in a framework of liberalization 30 years ago with some elements based on competency and competition among different sources. This was the pillar of the liberalization decision that has been taken around Europe in Italy with the Bersani decree and the Letta decree and the other countries with similar initiatives taken by the national parliaments. This is the form of the market that has been shaped at the time.
But now after 30 years, after the explosion of renewable, we have to consider that after 30 years of experience, we have higher price in Europe with respect to the rest of the world, and in Italy, we have higher price with respect the rest of Europe.
So, I don't want to offend anyone, but I think that something goes wrong. So, I think that is not a tragedy to imagine, after 30 years, to start a deep, serious, pragmatic discussion on how the market system for the future needs to be based. I consider as a positive move the decision taken by the national government in trying to correct some distortion about the ETS impact on the cost of energy, because this is an element of competitiveness for Italian industries and also for sustainability for Italian households.

I think that I should have addressed your question. Please, Luca, on the net income.

Luca Passa (01:33:11-01:33:18)
Yes. I think before moving to net income, I'll explain the group's EBITDA, where you're actually looking for the contribution of the other businesses.

Agostino Scornajenchi (01:33:18-01:35:07)
I do apologize. Balance sheet solidity, it is important. We personally believe at Snam that the year in which debt was your best friend is part of our past. We will exit for the from the PNRR environment in a few months, and I think that we will not see again a zero-interest rate framework in the future. So, the debt is coming back as it was. The debt is something that is better not to have. That's why we put enormous effort in keeping a rock-solid financial flexibility. This gives us an important span of opportunities.

I think that there are a lot of utilities, a lot of transmission, both on gas and electricity operators among Europe, that have too much debt. They have too leverage. They have too little financial flexibility. And I think that this is not good in a framework in which you have to invest fast and also to be able to react fast to the variation coming from the external environment. That's why we decided for a sound business plan, no frills, based on our industrial capability. What we have seen is what we deliver and what we can cover without entering in special tools. As you know,

we have a huge hybrid capacity. We are around 5 billion that we are not going to use in the mid-term. Please, Luca.

Luca Passa (01:35:08-01:36:53)
Yes, on the bridge to net income, I will start with the bridge to EBITDA to explain you the contribution of basically the other businesses, so Slide number 45. The organic growth, which is driven basically by investment, is 700 million, more or less, into the bridge from 2025 normalized to 2030. We have assumed 1.8% of inflation, which is much lower than what we had in the previous plan. If you recall, in our business plan last year, we had 2.3% as an average. So 0.5 percentage point of inflation is quite relevant.
The contribution of the CCS is only in the last two years, and in 2013, in particular, only 22 million of contribution. That's based on the assumption of a regulation which is similar to gas at a premium of 100 basis points, as in the previous business plan. The contribution of OLT consolidation is 69 million. And then we have neutral effect when it comes to regulation because we have stable, basically, WACC, and then the other effects basically net each other. So that's for the bridge to EBITDA.

If we move to slide number 47 of the presentation, from the EBITDA growth, D&A increased by 170 million over the plan period. And then we have net financial debt that I said, 2.9% average, 3.1% in 2030. It means doubling our financial expenses, additional 300 million of financial expenses. Clearly, we have a small contribution from the associates because they're growing just 30 million over the plan period. Therefore, those are more or less, basically the reconciliation for the 13% net income growth.

Francesca Pezzoli (01:36:55-01:36:57)
We can take the next questions.

Bartek Kubicki (01:37:02-01:38:41)
Thank you very much. Bartek Kubicki, Bernstein. I would also like to ask three questions. Maybe following up on the previous ones, if we just think about the worst case scenarios, meaning LNG from Qatar is not coming to Italy, and I guess some of your LNG terminals are exposed to cargoes from there, do you think the shippers can actually call a force majeure and consequently not pay you? And because I think these assets are to some extent contracted, you are not 100% guaranteed on the capacities. So can we imagine a situation where you're actually not paid and there's an impact on your earnings? And on the flip side to that one, do you think there will be a push for increasing gas strategic reserves? You have, I think, 4.5 Bcm of strategic reserves. Do you think this

could be increased in the future and consequently, I don't know, will go into RAB and could boost your RAB as well? That would be my first kind of topic I would like to discuss.

Second one, on what Luca, you mentioned on FY '25 improving EBITDA cash conversion rate. I just wonder, I mean, in what direction it will be going? Is it going to still continue improving? Is there a cap and what are the underlyings for that?

And the last one to you, Agostino, given your background and the fact that you are coming from Terna and the balance sheet thing you mentioned, I mean, how would you see a merger between Terna and Snam? It just came up from my last discussion, so I decided I will ask this question. Thank you very much.

Agostino Scornajenchi (01:38:43-01:42:55)
I'm not completely surprised by the last question. So be serious, let's start with the first one. Worst case scenario, first, let's remember which are the figures we are talking about. Four years ago, we were forced to find the way to replace 30% of total gas consumption that at the time were coming from Russia. At the time, we are close to 80
billion cubic meters, so 32 billion cubic meters have been replaced. And in order to do that, we were obliged to enter in an emergency scenario in which we positioned two vessels in a very short time with an extremely high execution ability. Other players, as ENI, increased the volumes coming from the south, from Algeria, we increased the volume coming from Azerbaijan with the TAP, you remember that was not an easy game to complete the TAP, but we had it on the hand and so we survived to the crisis quite well.
Now we are talking of something really different. On a yearly base, as I said before, we are talking about 7 billion cubic meters. And if you look at the flows coming from Qatar, those flows are only limited in the context of the total European consumption. Most of them are at different destinations. They went to Asia, to China, to India, countries that could have also some switching capabilities between gas and coal that we don't have. So again, I think that we do not see any volume issue in the short term. We have to monitor what will happen in the price.
And I come to your second point. Of course, we are evaluating. We are assisting the government to make all the evaluation, because it's up to the government to decide extraordinary solution to the crisis. This has been done four years ago, how to stimulate injection in our storage facilities. But we are not yet there. We still have around 45% of storage today, more than 10% respect the rest of Europe that is in the region of 30%. We are at the end of the winter season. We have a bit of time to start the injection phase until the end of April. So of course, I think the time is key in order to understand what will happen. Please don't forget that we are talking about something

that happened last Friday night.
So, let's look at the evolution. But up to date, we see only a bit of price tension, but not yet any kind of demand disruption. I don't see the point you mentioned about possible cancellation or impacts on the remuneration scheme of our LNG terminal. That, by the way, and thank you for the question, is a topic that we want to manage with the energy authority. Because as I said before in my speech, LNG is not anymore a commercial option. It is a key element of the solidity, of the resiliency of the national energy system.
Therefore, it needs to have an adequate remuneration. And this is something that we will present to the national authority quite soon. Let me switch to EBITDA cash conversion, please.

Luca Passa (01:42:55-01:43:24)
So, Bartek, we have forecasted in the plan 80% of cash conversion, which is where we are basically as of today. I think we are already higher than the majority of regulated players in the sector. We will continue trying to optimize, but if we manage, it's going to be 1% or two percentage points, no more than that, which is not currently forecasted in the plan. So that's an immediate cash conversion.

Agostino Scornajenchi (01:43:24-01:45:00)
Yes. Related to your last question, I think that here the point is not to look to the corporate entities. I think that the point here is to, as I said before, is to think if the current regulatory market scheme is the correct one for the time in which we are living in.
Integration between gas and electricity is a fact. We have spent a lot of time talking about energy integration -- energy, sorry, transition with a sort of theoretical competition between gas and renewables, traditional sources, renewable sources, like enemies making a sort of battle. You know which is the final page of this and look at
Spain. What happened there is -- was quite clear, no surprise. If you push too much on one side, you run additional risks.
So, the key word here is to integrate. I think that this is the key point. 50% of electricity in Italy is produced by gas. In certain times, it's lower; in certain times, it's higher. If you look at January, it's completely different from May, of course. But the message here is that they have to live together. Discussion about corporate entities, of course, is not up to us.

Francesca Pezzoli (01:45:04-01:45:06)
We can take other questions, please.

Emanuele Oggioni – Kepler Cheuvreux (01:45:15-01:45:59)

Thank you for the presentation. Very comprehensive. My first question is on the cash flow generation. First of all, the beat on 2025, the lower net debt. So you can explain more details on the drivers. And as you already mentioned, 80% of the free cash flow conversion along the plan. If I remember well, it's better than the previous plan. So what are the drivers of this improvement? The improvement, along the plan, is also related to the TOTEX and the cash flow generation, etc. So you can also detail on the second question.

On TOTEX expectation and the outlook. And after this transition period, the final question on why you are basically less vocal than other companies in the cost-cutting plan due to generative AI agents, etc., to enhance productivity. So, is an upside risk or to what extent is considered in the plan? Along the plan, it is also related to the topics and the fast money share, etc.

Luca Passa (01:46:41-01:49:17)
Okay. Thanks, Emanuele. When it comes to the first one, so on 2025, clearly, the improvement that was driven by working capital, that has been positive by 230 million vis-a-vis basically our expectation, and I'll comment on it in a second. And then a delay is on some of the CapEx. We have €80 million less of CapEx towards 2025 year end, which are related to the breakwater in Ravenna, which we will recover in 2026. And that leads the €500 million better net debt vis-a-vis our expectation.

Now, 80% of cash conversion: when I joined the company three years ago, we were running in 73%, 74% EBITDA cash conversion. So we already increased 6 points, which is quite relevant. How do we do it? We try to minimize the impact of working capital. And in order to do that, we have basically a monitor of working capital, which is on a weekly basis. So, it's a lot of work, to be honest. We think that the cash conversion in a company
like ours is key, and especially it's key in a plan where we invest on average EUR2.8 billion a year.

So that's on - we haven't assumed on your second part of your question any, let me say, positives from the Totex or full ROSS framework within basically the numbers. Actually, the fast and slow money percentage is negative in the plan. Why is it negative? Because we start with an increase in CapEx plan that lends towards just slower CapEx towards the end of the plan, which means that the capitalization rate moves from 88% for the first two years to basically a couple of percentage points down the following two years, and the same for the remaining two years. Therefore, the effect is actually negative rather than positive. And we have not assumed any benefit from the full ROSS implementation. Clearly we are preparing the company for that implementation, and we expect to be clever enough to have an incremental revenue generation

based on the output services that will be implemented by ROS on cost cutting, and we want to take it.

Agostino Scornajenchi (01:49:18-01:50:08)
Coming on your second question on potential impact on AI agent introduction and the cost base of the company. Of course. So, we will take benefit from this. And there are areas and offices, such as a dispatch center or control room, that will benefit from this. But do not forget that we will remain a physical, distributed infrastructure in which we have physical tools and physical activities that need to be performed. So, we are not a TLC company that will take a relevant and visible benefit from that.

For sure we will use it. We will use it to have a better understanding of real-time operations. But for physical activities, we do not see huge impacts in the midterm.

Francesca Pezzoli (01:50:10-01:50:11)
Next question.

Sarah Lester (01:50:13-01:50:53)
Thank you. Sarah Lester from Morgan Stanley. Thanks so much for the presentation. I'm going to stick to two questions. Obviously, there is this evident spotlight on affordability.I'm just wondering if you think that there might be a risk that that bleeds into the regulatory decisions whether it's return allowances or, Luca, to your point, fast money, slow money split, maybe different generations paying for the investment.

And then the second question I have is a little bit more niche. Luca, on Slide 9, you talked about higher labor costs in 2025 from new hiring. I'm wondering, actually, is that from insourcing jobs that have previously been outsourced or is it just reflective of incredible growth that's happening at Snam? Thank you.

Agostino Scornajenchi (01:50:54-01:51:38)
Yes. Let me start with the second one. I think that the company decided in the past for a high level of outsourcing services. That is something that we want to readapt a little bit.
There are new jobs. Let's imagine what is happening on the marine infrastructure. It's something completely new for Snam. We started to manage LNG vessels only a couple of years ago. And today, we are still managing them with external suppliers. This is something that we have to incorporate. Given that, as I said before, LNG is not a short-term commercial opportunity, it's

something that we will have to manage in the long term. So, yes, we will increase the level of insourcing. Please, Luca, go ahead.

Luca Passa (01:51:38-01:53:02)
Yes. On the cost on labor, that is reflecting the collective agreement that is in place in Italy where we are recovering some of the cost inflation. And therefore you have that increase. The new hires are minimal. I mean, the company is running a 4,000-people, basically, structure, which increases just marginally over the plan. When it comes to affordability and impact on returns, yes, there is a lot of attention on affordability.
The gas TSO tariff on the final customer bills weighs less than 5%. And we actually transport and store doubles the energy of the other TSO in Italy, because 60 Bcm, to take a rough number, equates to 600 terawatt hours of energy. Therefore, our impact on the final customer is minimal, to be honest. We don't think that affordability will have an impact on returns, because these are the returns for a regulated player that basically has to continue to invest in order to make the infrastructure as resilient and as more efficient for the system.

Francesca Pezzoli (01:53:05-01:53:06)
Next question.

Davide Candela (01:53:11-01:54:32)
Davide Candela, Intesa San Paolo. Thank you for taking my questions and for the presentation. I have three more general would say, starting from the scenario you described. You stressed the role about flexibility and the needs for Europe to have this kind of flexibility. I wonder if you see in future opportunities in Europe to develop new
storage assets, new LNG assets, new transport? And if it is the case, if Snam could play a role in this context?

Second question on CO2, I will stick to two questions. With regards to the ETS and the potential revision in the longer run, and as a consequence, a potential carbon pricing scenario remain, I would say, milder compared to previous expectation, how this couple with your CO2 development program? And in the long run, the implementation of carbon capture technology, considering, if I remember well, that in the past, you more or less guided or at least indicated for over €100 break-even point for some companies for capturing carbon capture cost. So that would be the question. Thank you.

Agostino Scornajenchi (01:54:32-01:58:48)

Okay. Well, I think that you got the sense of our presentation. There is an increasing need of flexibility. The more renewable you add in the system, the more you need something else to stabilize that. That variability, again, we have mentioned Spain. We could mention also Germany. We had recent issues in Germany, and there you have -- you have seen also an increasing rumor about decision, government decision in the center of Europe as German government decided to install a lot of new flexible generation, gas flexible generation. That we're talking about 35,000 megawatt or less 100 power plants of standard size of which 10,000 megawatt will be built in a couple of years. This is something really different with respect what we heard from the country only six months ago. This is, let me say, finally the result of a pragmatic approach. The fact that renewables presents a lot of advantages but also some technical limitation. I'm not talking about limits. Each source has its own advantages but its own limits. And only between the combination among different sources, you can ensure the adequate stability of the system. Now we are consuming energy with a very thin variability band. It's not allowed to change it. So what you put in in the system is something that would be well balanced.
This will imply for sure additional investment on flexible generation. This is something that we have nothing to do with. But of course, as we have presented in the plan, reinforcement of the existing grids. If you look at our geographical footprint, we have to decide where we want to be. If we are already there, how can we reinforce our position?
There are options in the asset allocation plan that we have described before. And if there is no physical interconnection, maybe we don't need to stay there. It's something that someone else could manage. This is the approach that we are following. But yes, of course, we see an increasing need of investment in strategic transport and flexible generation activities.

Regarding the decision on ETS and potential implication on CCS, okay, I think that discussion started in Italy that today is also taking place in Europe around the efficiency from a market perspective of the ETS system. I think that is a good thing. It was a good thing that the Italian government started this discussion with a brave decision. But I think that there are some disruptions that were quite well known by everyone that it's time to correct.
I don't think that CO2 will become for free starting from tomorrow starting from tomorrow. I think that we have to divide which are the effort and the regulatory effort to reduce CO2 emission, that is a good thing, to market scheme that by paradox will push decarbonization through the industrialization. And I think that this is wrong. This is not what we have to do. And unfortunately, this is something that happened. So we have reduced the emission in Europe, but sometimes we have reduced our industrial activities.
And if you want to be considered as a continent with a manufacturing footprint, we have to correct this.

Francesca Pezzoli (01:58:50-01:58:51)
Next question here.

Mafalda Pombeiro (01:58:57-01:59:55)
Thank you. A follow-up from Goldman Sachs. Thanks for the presentation. I have three questions. The first one would be, and I think, Luca, you mentioned that the current 2030 targets do not include the full ROSS integration. So, to the extent that you could maybe directionally detail what would be the main moving parts and how could that impact those targets.

The second question: perhaps you mentioned it in the presentation, so apologies if you did, but what is the work-in-progress CapEx by 2030 that's already included in your CapEx but not contributing to your earnings?

And the third question, maybe for Agostino, you mentioned the optionality of asset rotation. I was curious if you could tell us a bit. Looking at your current portfolio. What are the exact criteria that will define an asset as core versus non-core?

Luca Passa (01:59:59-02:02:20)
Okay. Thanks, Mafalda. When it comes to the full ROSS, as I said, we have not included the mechanism which at the moment is known. The only mechanism which is known that applies basically from this year and onward do not affect the remuneration, and it's a bonus mouse mechanism on CapEx and on OpEx. Why we have not applied, because this is a trial period. Basically, we have, '26 and '27 and the full implementation in '28. Now we
don't know what is going to be the full implementation. What we expect as we did in the past, the fast and slow money effect has been positive in the first years and then negative in the last years and that depends on the rate of
basically growth or decrease in investments. Therefore, when we will know what would be the final outcome of the ROSS, we will prepare the company in order to extract even more returns on the regulation. But I cannot give you numbers as of today.
When it comes to the CapEx that do not generate, both EBITDA as well as net income in the plan, it's 250 million and it's composed by the CapEx, which are capitalized at the end of 2030 that will generate RAB times WACC return and beyond. The D&A of some of the CapEx and work-in-progresscapitalized before 2030, that we generate from 2031 and onwards, these two items are 110 million, 150 million each of EBITDA contribution. And then you have a small percentage for what we assume in terms of regular business, CCS and hydrogen for 10 million each beyond 2030.

So the total is 250 million, which assuming our EBITDA conversion rate to net income is an additional 115 million of net income. Therefore, with this investment plan, you should see a run rate of EBITDA beyond €4 billion on an annual basis and net income beyond 1.8 billion.

Agostino Scornajenchi (02:02:20-02:03:43)
For the two parts related to our international footprint and potential opportunities: we have a lot of associates in different areas of the world that have been acquired at different times. Very good reasons. I think that it's important for us now to assess which are the countries in which we need to be, in which we want to reinforce, which we want to enter and step into, and which are the countries that are outside our current scope. Let me say perimeter. I think that it could be useful to go to slide 34, please. So let's look at the triangle on the map. I think that the triangle shows quite well the area in which, as a consequence of a physical interconnection, we have to reinforce our presence, including our reinforcement in areas where we are already present or in areas where we are not yet present. Yet, the areas that are out of the triangle are something that we consider a financial opportunity. But we do not have a physical interconnection. We will follow a different approach managing those associates.

Francesca (02:03:46-02:04:01)
Okay. I think we can start taking questions from the phone because we are just a few minutes before the end.
Can you open the line?

James Brand (02:04:14-02:04:51)
From Deutsche Bank. Thank you for the presentation. Most of my questions had already been asked, but I wanted to just ask about timing on the regulatory side. So, we obviously have a couple of things. We've got the kind of framework for the furrows that's going to be determined over the next 18 months or so. And we also have the output-based incentives that might come in, including the ones that you're designing yourself.
Could you give us some idea on the timing of when we're going to find out more information in those areas?

Luca Passa (02:04:53-02:06:31)
Thanks. When it comes to the full ROSS, as you probably know, the new Board of ARERA, including the new Chairman, has been basically appointed and instituted a few weeks ago. So they are basically taking on board the work that all the technical people at ARERA have already done on the full ROSS and will develop this accordingly. We would think since 2028, the starting period committed by ARERA on the full ROSS in the forthcoming 18 months, because we need

to have the regulation at least, I would say, discussed with all the operators by, I would say, June or summer next year. So that's the timing.
And again, you have -- we have a trial for the next two years on what has already been published last August regarding the bonus mechanism when it comes to CapEx and OpEx for us, on which we will be basically trialed from the regulator. When it comes to the output-based incentive, you've probably seen that we have a slide describing the three services we are currently discussing with the regulator, which are additional services.
And again, one of them is more advanced than the others, and it's related to customer satisfaction. The other two, we already submitted a proposal, but the discussion has to basically start formally with the regulator. In our basically business plan assumption, we are assuming these three services to enter into operation in the last two years of the plan.

Francesca Pezzoli (02:06:34-02:07:21)
Okay. I don't know if there are any other questions from the phone. I think we don't have other questions. So I will pose a question that arrived via chat by Marcin from Bank of America Merrill Lynch, and he has a few questions around the WACC. So he asks if we believe that in the WACC formula, France will be removed from the basket of reference countries? And the other question is that we have assumed in our business plan a 10 basis point increase in the regulated WACC by 2028, and if we can share assumptions behind? And in this case, I think we can go to the Slide number 73 where we have all the assumptions.

Luca Passa (02:07:22-02:10:01)
Okay. So for the first one regarding France being excluded from the basket of reference countries for the countries premium. Clearly France has been downgraded, so it's not anymore a double-A rated country. We believe it should be excluded also during this period for the reset happening in 2027. When it comes to the expectations on WACC evolution beyond 2028 where we have an increase of 10 basis point, I think you point to the right slide, which is exactly the Slide Number 72 where we actually give all the information regarding the scenario underlying our assumption. But basically just to recap them, as you can see, we have inflation to the right inside of the slide which is averaging on 1.8%, to the bottom left nominal rates. And this is the risk-free rate that is used for the formula that is increasing and that's based on a scenario of interest rates for the last three years, which is done by a third-party, which is Oxford. Clearly the inflation assumed for the formulas, which is 2% different
from the basically stated inflation, harmonized inflation for Italy.

And then the country risk premium where you see an increase of 40 basis point between 2027 and 2028. The country risk premium I remind to everyone is the differential between Italy and

a reference basket across Europe, this has tightened quite dramatically in the recent past but historical has been over 150 basis points on average.
Therefore, assuming an increase and we are seeing this increase in the recent days, I think it's pretty conservative.
However, if you do not believe in the assumption underpinning this scenario, you have the sensitivities to the right, 10 basis point in terms of change in WACC is 22 million impact on net income. And then on the final one that it was around input, output-based incentive again, the slide that I was referring before which is Slide 75, with additional three, we are basically projecting exit in the plan with an output based contribution at 160 million from a base of around 100 million as of today.

Francesca Pezzoli (02:10:02-02:10:29)
Okay. So, we have no further questions from home. So, I would thank you very much for your attention. We are perfectly on time, and we have come to the end of the presentation and the Q&A. To those joining us remotely, thank you very much. And for those that are here, we wait for you for a light lunch and continue our engagement. As always, the investor relations team is available for any follow-up questions. Thank you very much.