THE SNAM SHAREHOLDER **2024**

Energy to Inspire the World

GENERAL INDEX

Company Profile

Snam is Europe's leading operator in natural gas transport, with a network of approximately 38,000 km in Italy and abroad. The company also deals with storage, of which it holds more than 17% of the European capacity, and regasification. Its medium-long term ambition is to develop and consolidate a system of energy infrastructure for a sustainable future, positioning itself as a multi-molecule operator at national and european level, focusing on innovation and enhancing the role of gas as a transition vector. Snam is among the leading Italian listed companies by market capitalisation.

With its 80 years of experience in the construction and management of infrastructure, Snam ensures supply security and promotes the energy transition through investments in green gases (biomethane and hydrogen), energy efficiency, and CCS (Carbon Capture and Storage) technology. The company also creates new green areas through a benefit corporation focused on urban afforestation projects.

Snam also aims to reduce direct greenhouse gas emissions by 25% by 2027, 40% by 2030, and 50% by 2032, reaching carbon neutrality (100%) by 2040. This will involve offsetting emissions that cannot be eliminated through selected offset projects, engaging affiliated companies and suppliers. Snam also aims to achieve net-zero emissions on all fronts, including indirect ones, by 2050. The Group is actively working on reducing natural gas emissions on its assets. In 2023, Snam achieved a -55% reduction compared to 2015 and has set a target of -64% by 2027.

The company's business model is based on sustainable growth, transparency, the enhancement of talents and diversity, and the social protection and development of territories.

Dear shareholders,

the purpose of this Guide is to provide annually both current and potential owners of Snam shares with a summary of relevant information. Starting from 2010, it is part of a series of tools to enhance our communication with retail investors.

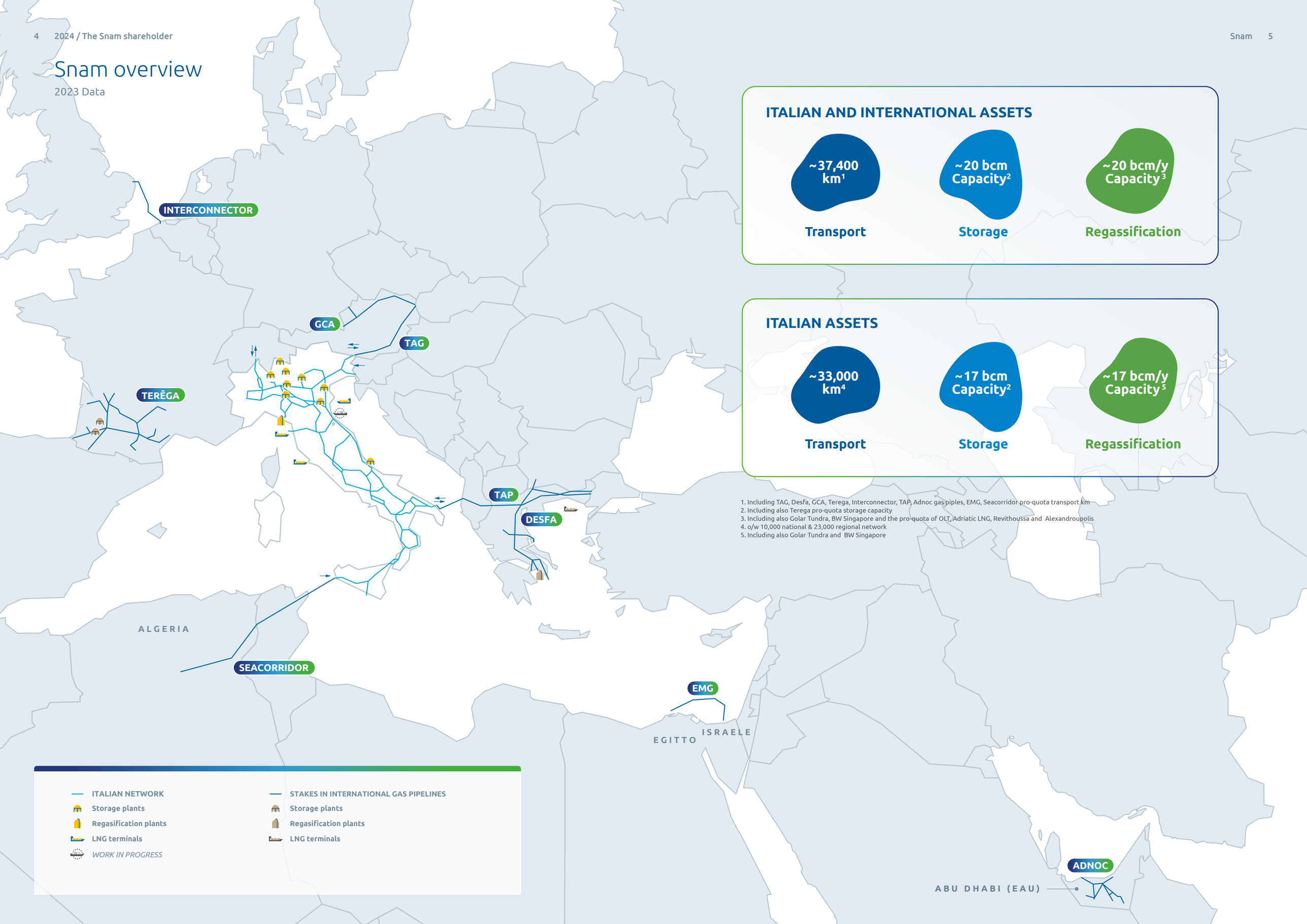
We believe that the trust you have showed us must be cultivated through an increasingly effective dialogue. The first part of the Guide outlines the Group's structure, its business and strategic guidelines. The second part presents Snam operating areas and new businesses of the energy transition. The Guide also presents some key features about Snam shares and practical information so that you can get involved in your role as a shareholder.

We hope that these pages will be easy and interesting to read, as well as helpful.

By nature, this Guide is not an exhaustive product. In order to obtain more complete information we invite you to visit our corporate website at www.snam.it or, for specific requests, to contact the Investor Relations department.

Snam overview

2023 Data



ITALIAN AND INTERNATIONAL ASSETS

~37,400 km[1]	~20 bcm Capacity[2]	~20 bcm/y Capacity[3]
Transport	Storage	Regassification

ITALIAN ASSETS

~33,000 km[4]	~17 bcm Capacity[2]	~17 bcm/y Capacity[5]
Transport	Storage	Regassification

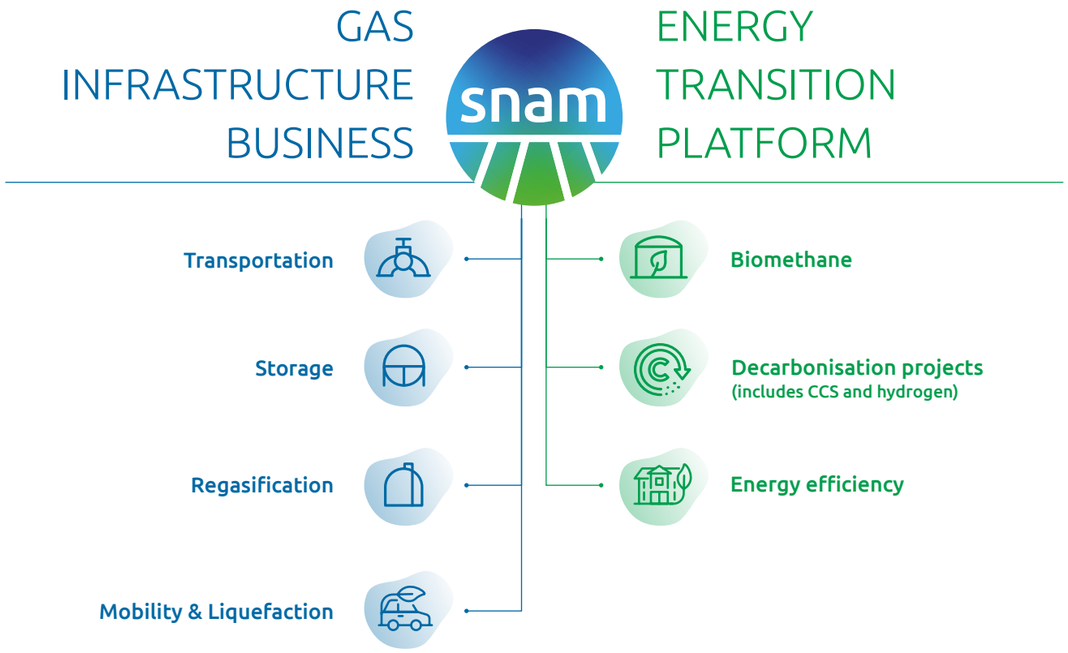
1. Including TAG, Desfa, GCA, Terega, Interconnector, TAP, Adnoc gas piples, EMG, Seacorridor pro-quota transport km
2. Including also Terega pro-quota storage capacity
3. Including also Golar Tundra, BW Singapore and the pro-quota of OLT, Adriatic LNG, Revithoussa and Alexandroupolis
4. o/w 10,000 national & 23,000 regional network
5. Including also Golar Tundra and BW Singapore

Snam's activities

For over 80 years, Snam has been involved in transportation, dispatching, storage and regasification of natural gas, its core businesses, in the European and national energy context, ensuring energy security.

The company has progressively integrated the Energy Transition Platform businesses - biomethane, hydrogen and energy efficiency - into its activities, becoming one of the enablers of the energy transition, with a key role in achieving energy independence.

In a synergetic manner and by leveraging its know-how, sustainability and innovation, all of Snam's businesses, as a whole, will contribute to achieving Snam's emission reduction targets - carbon neutrality by 2040 and zero net emissions by 2050 - and, at the same time, to creating a pan-European multi-molecule infrastructure, i.e. capable of transporting and storing not only natural gas, but also renewable gases such as hydrogen and biomethane, at national and European levels.



GAS INFRASTRUCTURE BUSINESSES

Transportation

Snam is the leader in transport and dispatching of natural gas in both Italy and Europe. In recent years, the existing transportation network has undergone modernisation and retrofitting to become hydrogen-ready (H2-ready), i.e. capable of transporting increasing percentages of hydrogen. In this regard, as early as 2021, 99% of Snam's methane pipelines are capable of transporting up to 100% hydrogen, thus helping to ensure flexible infrastructures capable of filling gas demand and, at the same time, ensuring diversified and sustainable supplies in the long term, supporting the transition path towards a multi-molecule network.

Storage

Through its subsidiary Stogit, Snam manages 9 storage facilities that act in synergy with the Company's other transportation and regasification infrastructures, contributing to the country's energy security. Like the transportation business, Snam's storage business will also evolve towards a multi-purpose structure, in order to adapt it to the storage of alternative and green gases, including hydrogen.

Regasification

Snam, through its subsidiaries GNL Italia and Snam FSRU, deals with the regasification of liquefied natural gas arriving in the country by sea. Once extracted, the natural gas is liquefied - becoming LNG - through a specific cooling process that allows a considerable reduction in volume, which is then transported more easily by LNG carriers. The terminal in Panigaglia (La Spezia) is the first operational regasification plant built in Italy in 1971. In order to promote greater security and diversification of Italy's energy supplies, Snam has purchased two floating units (FSRUs), Golar Tundra (moored in the port of Piombino) in May 2022 and BW Singapore (located near the coast of Ravenna), in December 2023. Both floating regasification terminals feature a maximum storage capacity of about 170 thousand cubic metres of liquefied natural gas and a nominal continuous regasification capacity of about 5 billion cubic metres per year.

Small Scale LNG and sustainable mobility

Unstable gas prices, coupled with the need to pursue and achieve energy independence for Italy, have led Snam to rethink the positioning of its assets, including that of Greenture (formerly Snam4Mobility), which has the mission of fostering the energy transition of land, sea and rail transport, as well as off-grid industrial and civil users, through the development of infrastructures mainly supporting the use of Bio C-LNG (Compressed and Liquefied Natural Gas) and H2 (hydrogen). As part of the 2023-2027 Strategic Plan, Snam intends to continue developing small-scale LNG infrastructure, expand the networks of LNG and bio-LNG stations and, in the future, hydrogen stations, and adapt regasification terminals, the construction of micro-liquefaction plants and the construction of coastal storage facilities.

ENERGY TRANSITION PLATFORM

Biomethane

With the work and technical know-how of Bioenerys, Snam is committed to fostering the development of biomethane infrastructures, as well as the disseminating the use of biomethane throughout Italy, contributing to the creation of value, the promotion of the country's energy transition and the achievement of decarbonisation targets. In 2023, Bioenerys is a leading player on an industrial scale, with 36 plants in operation by the end of 2023, equivalent to 41 MW of biomethane and biogas capacity. As part of the 2023-2027 Strategic Plan, Snam intends to accelerate the development of biomethane, expanding its production from agricultural waste and organic waste, also thanks to collaboration with leading companies in the relevant sectors, from which Snam will acquire new expertise, with the goal of building infrastructure and plants with an installed capacity of about 80 MW and an expected production of about 135 million m3 per year by 2027.

Decarbonisation projects

Established in 2022, the Decarbonisation Projects function manages Snam's hydrogen and carbon capture and storage projects, with the aim of accelerating their development and deployment as key levers in ensuring the achievement of European and global decarbonisation goals. In light of the potential arising from the use of **hydrogen**, Snam intends to move by 2027 from an H2-ready perspective to an H2-proof perspective: defining technical standards for gas transportation, conducting physical tests and fostering the development of the sector and investing in hydrogen-integrated projects. With this in mind, participation in working tables, such as those with the European Pipeline Research Group (EPRG), and collaboration with other entities active in the sector, including dCarbonX and De Nora, will enable the commitments set out in the 2023-2027 Strategic Plan to be fostered and realised. Furthermore, considering the future prospects, which see increasing volumes in hydrogen demand, the Company has continued to invest in its long-term strategy for infrastructure development, and, in particular, in the SoutH2 Corridor, the hydrogen backbone that will cross the entire country, connecting North Africa to the rest of Europe.
At the same time, **CCS** represents a further opportunity for the decarbonisation of the most carbon-intensive sectors or where carbon input is tied to the production process and therefore cannot be replaced by alternative energy sources. Leveraging public funding as well, Snam intends to be at the forefront in the development of CO2 transport and storage infrastructure, for instance through investments in the Ravenna CCS project, the first of this magnitude in Italy, arising from the collaboration with Eni, and included in the European Commission's Projects of Common Interest (PCI) list.

Energy efficiency

To date, Snam is one of Italy's leading operators in energy efficiency services in the residential, industrial, tertiary and public administration sectors, all through its subsidiary Renovit, which was established in 2021 by Snam and CDP Equity and became B-Corp at the beginning of 2022 and a Benefit Company from 2023. Through its subsidiary Renovit, Snam offers innovative energy efficiency solutions to its customers by investing directly in decarbonisation, digitalisation and also by promoting self-consumption.
As part of the 2023-2027 Strategic Plan, Snam will invest in the development of Renovit's portfolio towards customers in the public and industrial sectors, leveraging the company's established technical expertise.

Governance

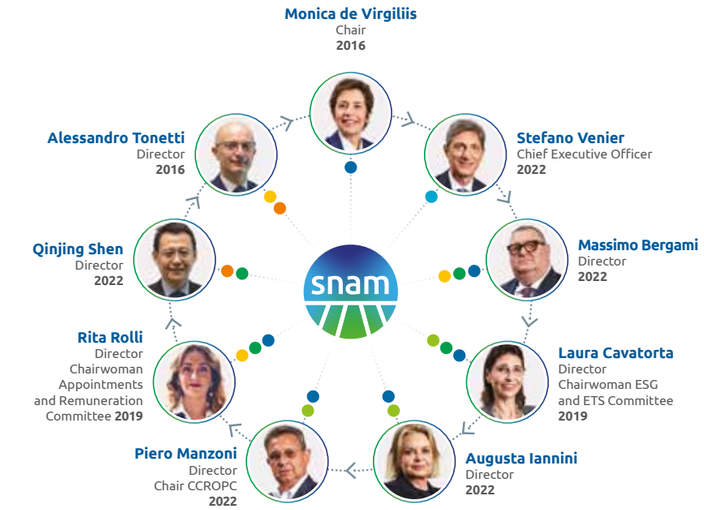
The Group pursues its strategy by leveraging the principles of integrity, transparency and respect for rules. Snam's governance system fosters dynamics that create value and facilitate the conditions for the proper and adequate interaction between the company and its stakeholders.

The governance system reflects the "traditional" model and is developed in compliance with the regulations in force and applicable across the sector, in consideration of Italian and international best practices and the principles of the Group' s Code of Ethics. Furthermore, Snam adheres to the UN Global Compact and operates under the frameworks of OECD Guidelines for Multinational Businesses, the UN Declaration of Human Rights the fundamental Conventions of the ILO. Moreover, the Code of Ethics represents a general principle that cannot be derogated from the 231 model.

During 2022, Snam's Board instituted three Committees:
- the ESG and Energy Transition Scenarios Committee;
- the Appointments and Remuneration Committee;
- the Control and Risk and Related-Party Transactions Committee.

The first two are composed of non-executive directors, the majority of whom are independent, while the Control and Risk and Related-Party Transactions Committee is composed only of independent directors. Directors are involved in periodic Board induction sessions on specific topics, presented by the management of the relevant structures, in accordance with the recommendations of the Corporate Governance Code.

The Shareholders' Meeting of 27 April 2022 established 9 Directors for a term of 3 years in office, due to expire at the date of the 2025 Meeting for the approval of the balance sheet at 31 December 2024.



Type of Director:
- Indipendent
- Executive
- Non-independent/non-executive

Committee participation:
- ESG and Energy Transition Scenarios Committee
- Control and Risk and Related-Party Transactions Committee
- Appointments and Remuneration Committee

Skills matrix

INDEPENDENCE

- INDEPENDENT: 6
- NON-INDEPENDENT: 3

GENDER

- MALE: 56%
- FEMALE: 44%

SENIORITY IN OFFICE

- 5 DIRECTORS: 2 YEARS
- 3 DIRECTORS: 2 YEARS
- 1 DIRECTORS: 8 YEARS

The average seniority in office is 3.7 years

AGE DISTRIBUTION

- 30 YEARS / 50 YEARS: 22%
- > 50 YEARS: 78%

MEETINGS 2023

11	MEETINGS
98%	ATTENDANCE RATE
208 minutes	AVERAGE DURATION OF MEETINGS

Group structure (scope of consolidation)

ENERGY TRANSITION

BIOMETHANE / BIOGAS

Bioenerys S.r.l. 100%

BIOMETANO - AGRI
Bioenerys Agri S.r.l. 100%

BIOMETANO - WASTE
Bioenerys Ambiente S.r.l. 100%

ENERGY EFFICIENCY

Renovit S.p.A. 60.05%
- › Evolve S.p.A. **70%**
- › Renovit Public Solutions S.p.A. **70%**
  - › T-Lux S.r.l. **85%**
- › TEP Energy Solution S.r.l. **100%**

HYDROGEN

Asset Company 10 S.r.l. 100%

GAS INFRASTRUCTURE

TRANSPORT

Snam Rete Gas S.p.A. 100%
Asset Company 2 S.r.l. 100%
- › Infrastrutture Trasporto Gas S.p.A. **100%**

Enura S.p.A. 55%

OTHER

Gasrule Insurance D.A.C. 100%
Snam International B.V. 100%

STORAGE

Stogit S.p.A. 100%

REGASIFICATION

GNL Italia S.p.A. 100%
Snam FSRU Italia S.r.l. 100%
- › FSRU I Limited **100%**
- › Ravenna LNG Terminal S.r.l. **100%**

MOBILITY & LIQUEFACTION

Greenture S.p.A. 100%
- › Cubogas S.r.l. **100%**

The changes in the scope of consolidation of the Snam Group at 31 December 2023 compared to 31 December 2022 concerned the acquisition:
- by the subsidiary Bioenerys Agri S.r.l. of 100% of the capital of five companies active in the production of electricity using agricultural waste and biomass; of 100% of the capital of Bietifin S.r.l., a company that provides technical assistance to companies operating biogas plants; of 100% of 2 companies owning power generation plants using agricultural waste and biomass, as part of the sale of Iniziative Biometano S.p.A.;
- by the subsidiary Bioenerys Ambiente S.r.l. of 100% of the capital of 2 companies4 owning plants for the production of biomethane from FORSU;
- by Snam FSRU Italia S.r.l. of FSRU I Limited, the company that owns the Floating, Storage and Regasification Unit (FSRU) "BW Singapore".

Changes in the scope of consolidation also concerned:
- the merger by incorporation of Golar LNG NB13 Corporation, owner of the floating unit (FSRU) "Golar Tundra", into Snam FSRU Italia S.r.l.;
- the sale of Iniziative Biometano S.p.A., a company 51% owned by Snam through its wholly-owned subsidiary Bioenerys S.r.l., as well as 4 companies5 controlled by the same Iniziative Biometano S.p.A.

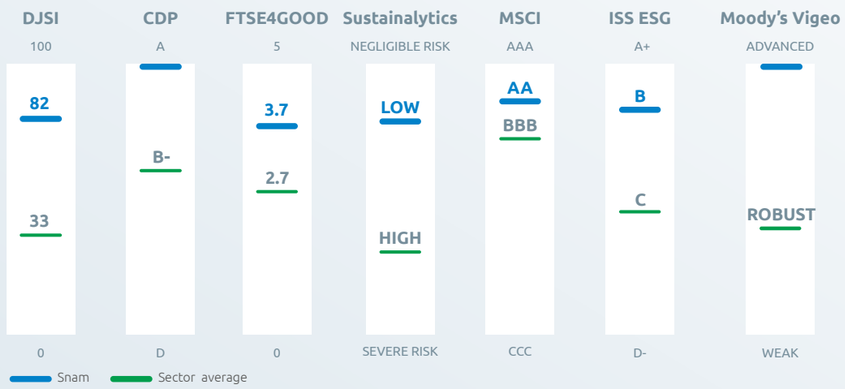
Positioning of excellence in the ESG indices

Snam is present in many indexes taken as a reference by socially responsible investors, as proof of the Company's constant commitment to ESG issues

Snam has since long time integrated sustainability policies in its strategy, thus achieving significant performances, which led to inclusion of Snam shares in the most important sustainability indices through strict assessment processes. As at April 2024, investors who build their portfolios based on Socially Responsible Investing criteria represent 47.5% of the total number of Snam's institutional shareholders and 21% of the overall number.
As part of the 2023 assessment, Snam stock has been included for the fourteenth time in the Dow Jones Sustainability World Index of S&P Global in third place in its subsector. Confirmation also came from the series of FTSE4Good indices (with a score of 3.7 out of 5), in which Snam has been in since 2002. The commitment to cut emissions, mitigate climate risks and develop the low carbon economy, is proven also by the Carbon Disclosure Project, in which Snam was included in 2024 for the third year in a row.
For the tenth year in a row, Snam was listed in the "GC 100", index developed by the UN Global Compact in partnership with the research firm Sustainalytics, that lists the 100 companies which globally outstand for executive leadership commitment and consistent baseline profitability. Also in Sustainalytics, in 2024 the company has been reaffirmed as the leader in the ranking for the gas utility sector (number one out of 96). Over the last five years, Snam, which is known for its good corporate governance performance, has moved from a medium risk score of 22.8 to a low risk score of 12.9, exhibiting effective and consistent risk management.
At the beginning of 2023, the Snam stock was also confirmed in the MSCI indices with the AA score. Snam is included in five ECPI indices, in the Stoxx Global ESG Leaders indices, in the Euronext Vigeo Eiris120 indices and in the ISS-ESG index (PRIME level and B rating). Lastly, Snam was reconfirmed in the Bloomberg's Gender-Equality Index (GEI) 2023, which measures the performance of companies with respect to issues of gender balance, inclusion and disclosure transparency.

In addition to the initiatives organised by the Group and participation in the main ESG indices and ratings, Snam, with a view to strengthening the relationship of trust on the basis of transparent disclosure with financial stakeholders, has adopted a policy on the public management system relating to lobbying and association activities in order to disclose, among other things, the criteria used to define its lobbying activities on climate change.

SNAM ESG INDEX POSITIONING

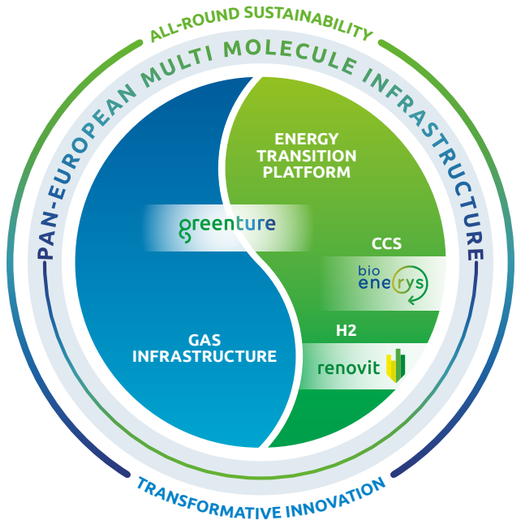


Energy infrastructure for a sustainable future

It is the new ambition that guides Snam. Objective: become a pan-European multi-molecular player

The objective over the plan period is to continue to respond to the challenges of the energy trilemma in a balanced manner, providing the infrastructures underpinning the security, sustainability and competitiveness of energy supply. For this reason Snam is guided by a new ambition: the development of "energy infrastructure for a sustainable future", by repurposing and enhancing the network to accommodate growing volumes of green molecules.
The plan envisages investments that will focus on two main areas: those intended on strengthening infrastructure, aimed to improve energy system flexibility through a pan-European multi-molecule infrastructure network; and on the other hand, the development of the Energy transition platform focused on decarbonization technologies.

Two strategic and enabling levers supporting the plan: sustainability and innovation.
- **Sustainability**: Snam's new sustainability strategy adopts an all-round approach, fully integrated into the Group's operations and corporate strategy, which includes a commitment based on seven pillars.
- **Innovation**: Snam pursues the technological development of infrastructures through the digitalization and optimization of management systems for its assets and industrial processes, with the aim of fostering operational excellence through increased digitalization, the use of Artificial Intelligence and innovative technologies for the development of decarbonized molecules.



BUSINESS FOCUS

Gas infrastructure to secure energy supply

Energy transition platform to accelerate decarbonization

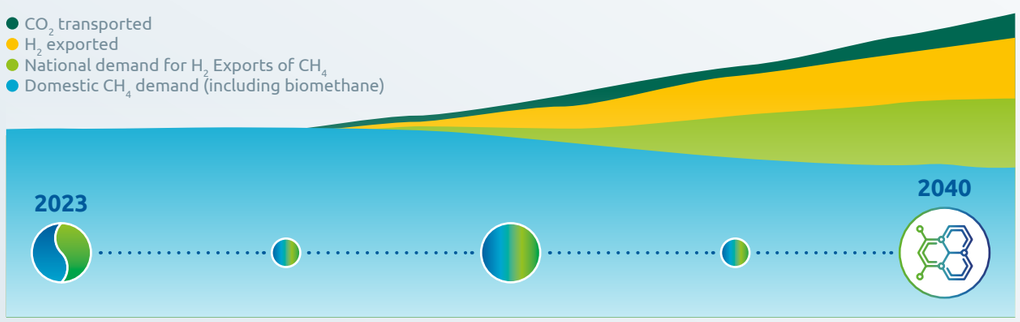
STRATEGIC LEVERS

All-round sustainable strategic framework

Transformative Innovation

Develop the future Pan-European multi-molecule infrastructure to secure energy supply

VOLUMES TRANSPORTED* IN SNAM'S INFRASTRUCTURE (BCM)

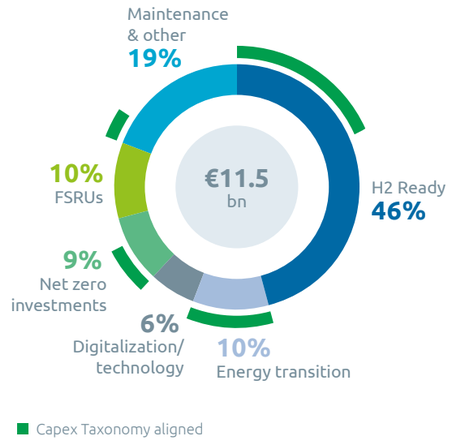


*Source: Snam internal estimates. Scenario aligned to 1.5° (Including export)

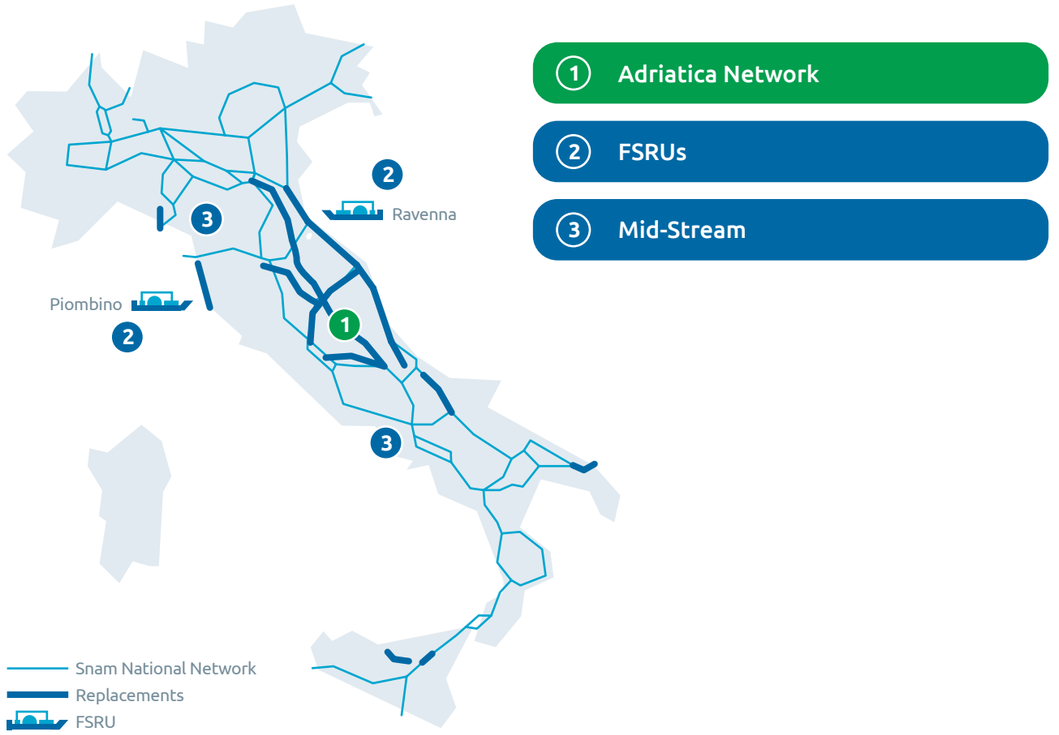
Investment plan

In the 2023-2027 Plan, Snam has foreseen 11.5 billion euros of investments for a multi-molecule infrastructure supporting the energy transition (+ 15% compared to the 10 billion euros of the 2022-2026 Plan). Investments will focus on two main areas: those intended on strengthening transport, storage and LNG infrastructure and on energy transition businesses (biomethane, CCS, hydrogen and energy efficiency).

Investments aligned with the UN Sustainable Development Goals (SDGs) are 58% and 37% are aligned with the European taxonomy, mainly thanks to H2-ready replacements, investments to reduce CO2 emissions and investments in energy transition businesses.



37% of net investments are aligned with the EU Taxonomy



SUSTAINABLE DEVELOPMENT OF INFRASTRUCTURE: €10.3 BN

Transport: €7.4 bn

- Upgrading of the Adriatic backbone, which will increase the transportable gas capacity along the south-north route to 12 bcm per year.
- Replacement of approximately 900 km of network, following the prioritisation defined on the basis of the asset health methodology and agreed with the regulator.
- Net zero investments: 4 dual-fuel compression stations.
- Connections of FSRUs and biomethane plants.

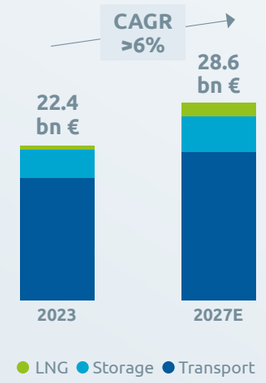
Storage: €1.4 bn

- Storage wells refurbishment and performance upgrading.
- Net zero investments: dual-fuel compression stations.
- First investments in Alfonsine new storage field (Ravenna).

LNG: €1.5 bn

- Ravenna FSRU commissioning.
- Piombino FSRU relocation and related infrastructure investment.
- Construction of Small Scale LNG infrastructures: in the Panigaglia and Pignataro sites, which will be operational from 2025 with the capacity to liquefy 50 thousand tonnes of biomethane into Bio-LNG.

TARIFF RAB GROWTH



Growth above 6% on average per year in 2023-2027 (above 5% in the previous Plan)

ENERGY TRANSITION PLATFORM: € 1.2 BN INVESTMENTS 2023-27 (net of grants)

Biomethane: €400 mn

- Target to reach an overall capacity of 80 MW by 2027.
- Expected output of about 135 million cubic meters per year by 2027.
- Avoided emissions: 36 ktons in 2022 to >300 ktons in 2027.

In this business segment, the Group plays a twofold role: on the one hand, it facilitates the interconnection of plants to the network, while on the other it builds and develops plants in areas ranging from exploiting the organic fraction of municipal solid waste to the increasingly strategic agricultural raw materials business.

CCS (carbon capture and storage): €350 mn

- One of the most effective technologies for achieving decarbonization targets in the short and medium term.
- R&D of innovative technologies.

In December 2022, Snam signed an agreement with Eni to launch the first CCS project in Italy, whose phase 1 – starting in the coming months – will involve the capture of CO2 from the Eni Casalborsetti plant near Ravenna and its injection into a depleted gas field in the Adriatic Sea. With the development of phase 2, open to industrial emitters, the **Ravenna CCS project** will become the most important in the Mediterranean, with a potential total capacity of 500 million metric tons

Hydrogen: €100 mn

Over the course of the plan, 100 million euros are scheduled to be invested in the hydrogen business, of which 20 million in the engineering phase of the **SoutH2 Corridor**. With this project, which is also included in the PCI list of the European Commission, Snam will be an enabler of the development of a cross-border hydrogen market, in partnership with other European TSOs (TAG, GCA and Bayernets). Snam is also actively involved in initiatives such as the Hydrogen Valleys of Modena and Puglia, hydrogen refueling stations and the Gigafactory with De Nora, which will support the hydrogen readiness of Italy's energy system.

Energy efficiency: €300 mn

- Leverage on new deep renovation tax framework.
- Increase backlog and average duration.
- Avoided emissions: 26 ktons in 2022 to >130 ktons in 2027.

Snam has developed a solid pipeline of energy performance contracts and energy renovation projects with businesses, residential buildings and public administration.

Over the course of the plan, Snam expects to reposition its portfolio towards customers in the public and industrial sectors, leveraging its distinctive technical skills to expand its backlog from a total of around 2 billion euros in 2022 to approximately 3 billion euros by 2027, of which more than 60% in the public sector, with long-term contracts of between 7 and 12 years.

3 business areas

- Residential
- Pubblic administration
- Industrial clients

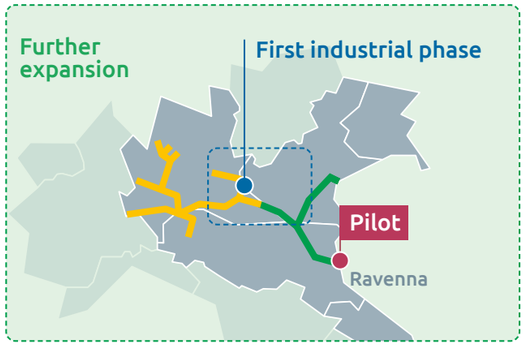
Key technologies

- Solar PV
- Cogeneration and trigeneration
- Biomethane and H_2

Energy Performance Contracts with long duration and visibility over the returns

Ravenna hub: a CCS project in the Mediterranean

It will become one of the largest global C02 hubs, with a total estimated capacity exceeding 500 mtons. A project by Snam and Eni



Highlight

- Fit for hub model: industrial cluster located nearby the reservoir (5-10 km distance).
- Progressive and modular development model.
- Viable solution to emitters located in North of Italy (pipes) and in the Med (shipping).

Snam's role

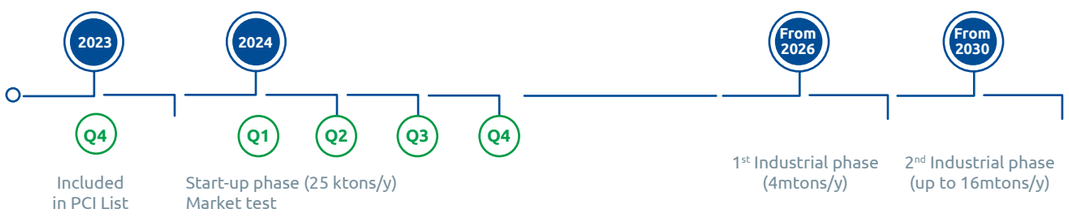
- Equal partner to ENI leveraging on complementary expertise.
- Snam will focus on transport.
- Working with ENI on storage.

It will be the first and largest project in the Mediterranean, with a total estimated capacity exceeding 500 mtons, and possibly one of the most efficient due to its geographic location with the storage facilities at a short distance from the coast line (7 km) and in close proximity to large and concentrated industrial clusters. Ravenna CCS, the CO2 capture and storage project that Snam and Eni are developing to reduce emissions from "hard to abate" sectors, e.g. (cement, steel, chemical and petrochemical industries, etc., which lack effective decarbonization solutions in the short to medium term., will be launched in 2024.

In this start up phase the capture of 25 thousand tonnes of CO_2 is expected from Eni's natural gas processing plant at Casalborsetti, in the province of Ravenna. Once captured, the CO_2 will be piped to the Porto Corsini Mare Ovest platform, from where it will be injected into the depleted gas field by the same name off the coast of Ravenna.When fully operational, starting in 2026, the field is expected to store up to 4 million tonnes of CO_2 per year, supporting the decarbonization efforts of hard-to-abate industrial sectors in Northern Italy, with the optionality to receive volumes via shipping from the Med, including south of France, which is part of the project. From 2030 onwards, the significant capacity of these reservoirs could allow for an increase in volume, potentially reaching more 16 million tonnes per year, depending on market demand.

In the plan period Snam has envisage **€350m of investments** net of grants to deliver.

The project has been recently included in the 6th list of energy Projects of Common Interest (PCIs) announced by the European Commission. PCIs are identified every two years by the European Commission as key cross border infrastructure projects that link the energy systems of EU countries: they benefit from accelerated approval and implementation procedures as well as, under certain conditions, access to European funding from the Connecting Europe Facility (CEF)



South H2: the most efficient corridor

The process continues for the 3,300 km dedicated hydrogen pipeline corridor. A project by Snam, TAG, GCA and Bayernets

Key features of the South H2 corridor

- End to end project, enabling supply of low-cost renewable H2 produced in the South to key European clusters.
- Most cost-effective corridor (€ 0.4-0.6/kg to Germany) with embedded line pack
- Storage.
- Public support from Germany, Austria and Italy and companies across the value chain.
- Working on the extension to North Africa and option to link to neighboring countries like Greece and Switzerland.

Italian H2 backbone projects highlights

- € 4 bn cumulated capex thanks to extensive repurposing (70%).
- Up to 500MW compression stations to enable export.
- Optionality for liquid H2 carrier import by shipping.

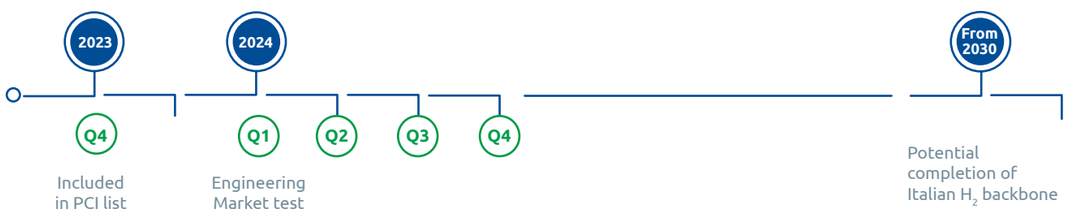
Leveraging on the proven readiness of our assets and taking into account scenarios entailing rising H2 volumes at Italian and EU level, for Snam it is clear how to support the transition to H2 in the long term and therefore act as an enabler of the development of the hydrogen market at continental level, while continuing to grant gas security of supply: repurposing one of the 3 parallel lines that cross Italy in the Italian H2 backbone (post Adriatic line completion).

Snam's H2 backbone will be part of the South H2 Corridor, a 3,300 km pipeline connecting North Africa to Germany passing through Italy and Austria, enabling the supply of low-cost renewable hydrogen produced in the South to European industrial clusters.

One of the key H2 corridors envisaged by the Repower EU and the most cost efficient as it maximizes the repurposing and enjoys a significant embedded line pack storage flexibility, corresponding to 60/70% of expected 2030 daily demand. This storage flexibility related to the long and capable lines also offer additional opportunities for long duration energy storage to renewable production.

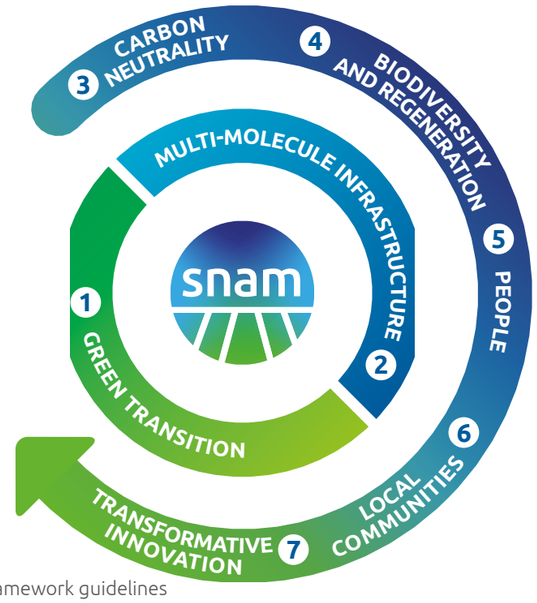
Over the last 12 months several step forwards have been made: the corridor has received political support from Germany, Austria and Italy as well as from companies across the entire value chain. Moreover, in November 2023 it has been included in the list of Projects of Common Interest projects, thus eligible for possible grants.

In the 2023-2027 Plan Snam has envisage €20 m of investments in the engineering phase of the SoutH2 Corridor which starts during 2024. In 2024 Snam will also launch a market test to assess the appetite of domestic industrial clients – mostly hard to abate - towards different decarbonization options, either H2 and CCS.



Sustainability and carbon neutrality

Snam's new sustainability strategy adopts a 360-degree approach, fully integrated into the Group's operations and corporate strategy, with a commitment focused on seven drivers, each with seven specific ambitions to 2027:



1 Green transition and 2 Multi-molecule infrastructure: their main objective is the development of the energy transition platform to enable the decarbonisation of the system and sustainable growth through an inclusive pathway, with a "just transition" perspective. In this context, Snam intends to focus on avoiding third-party emissions, up to 500 thousand tonnes in 2027.

3 Carbon neutrality: decarbonize the core business in line with our path to Net Zero, while partnering with suppliers to promote the sustainability of the whole value chain. The achievement of carbon neutrality by 2040 has been confirmed, while new targets have been set for 2027, 2030 and 2032, of -25%, -40% and -50%, respectively.

4 Biodiversity and regeneration: leverage every new infrastructure project to positively impact on Nature and local environment, following a Science Based Approach. For the first time, Snam has set itself the goal of generating a neutral to positive impact on nature by 2027, as defined by the Science Based Target for Nature (SBTN) framework guidelines

5 People: empower all Snam's People worth, fostering professional growth and providing comprehensive care. With this in mind, Snam's ambition is to increase the employee engagement index to more than 80% in 2027.

6 Local communities: generate value for local communities by investing in listening and dialogue initiatives in the territories in which it operates. This commitment is realised with the goal of distributing value of more than €1 billion per year locally.

7 Transformative innovation: the culture of innovation must be maximised in order to achieve technological efficiency, therefore, it is necessary to improve the safety, reliability and sustainability of assets and, at the same time, improve the technological capabilities of the value chain. With this in mind, Snam plans to dedicate at least 3% of annual revenues to applied industrial innovation and research and development projects. Taking into account the revenue estimates to 2027, the projected amount over the plan period is €400 million.

Based on this new approach, the ESG Scorecard has been updated. With the new ESG Scorecard, the company introduced relevant key performance indicators (KPIs) on the seven pillars of its sustainability strategy with targets to 2027.

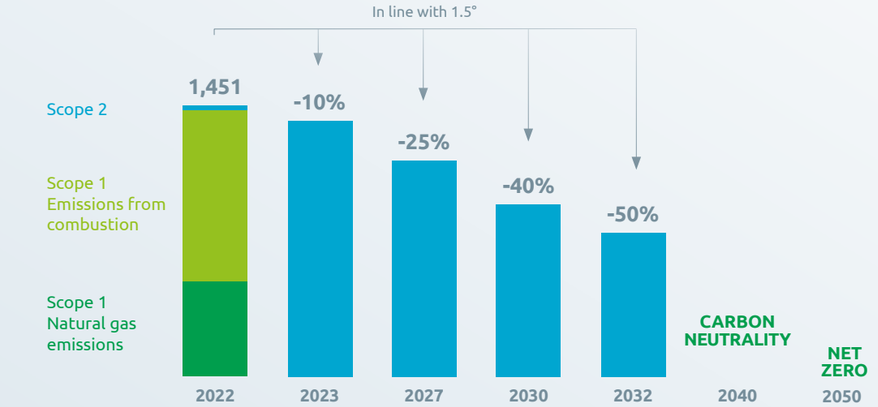
Carbon neutrality

On emissions reduction, Snam's commitment remains firm even in the current challenging scenario characterized, since 2022, by higher activity and related emissions intensity, due to the reversal of gas flows and the higher usage required to storage facilities.

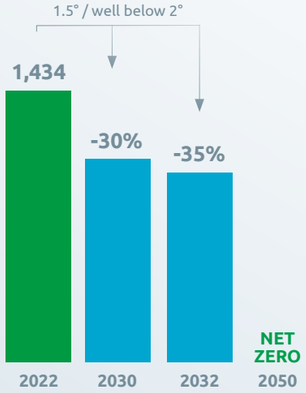
With regard to **Scope 1 and 2 emissions**, the aim is to achieve carbon neutrality by 2040. Starting with the 8% decline in emissions recorded in 2023 on the new baseline of the regulated business perimeter, which brings the overall reduction since 2018 to 16%, and the 4% decrease in the Group total, Snam has set new medium-term reduction targets of 25% by 2027, 40% by 2030 and 50% by 2032.

Snam registered a decrease of 55% in **methane emissions** compared with 2015 and set a target reduction of 64% by 2027. These results exceeded the targets recommended by the United Nations Environment Programme (UNEP), which once again conferred its Gold Standard award to Snam in 2023. Snam continues to invest and prioritize the installation of dual fuel compressions stations and plans to use all the available levers to achieve the targets, including the use of biomethane (partially self production).

SCOPE 1&2 TARGETS (KTONS OF CO2e)



SCOPE 3 EMISSIONS TARGET (KTONS OF CO2e)



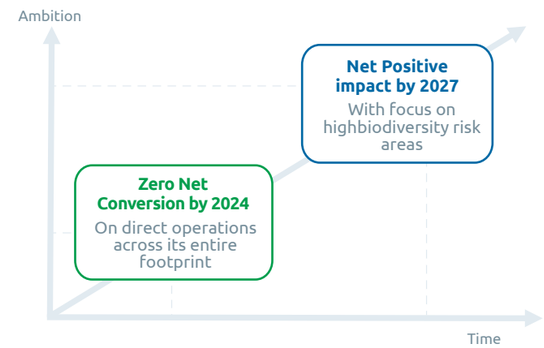
On **Scope 3** Snam is reinforcing its commitments moving to absolute terms with reduction targets of 30% and 35% respectively by 2030 and 2032. Scope 3 emissions mostly come from associates, for whom Snam has promoted specific decarbonization programs following a similar pathway to Snam's path, and from suppliers for whom the Group has introduced ESG criteria in tenders while working on data-gathering (more than 130 suppliers equal to 66% of supply completed in 2023 the CDP questionnaire), education and best practices sharing. An interesting example is the so called 'green worksite' in which Snam promotes the adoption of green and best practices by contractors (like waste and water re-use and recycling, electrification of machineries and use of biofuels to reduce both emissions and impact on nature).

Snam has added to these targets a new long-term commitment: to achieve **net zero across all emissions (including Scope 3) by 2050**. All the targets are aligned with the general methodology of the SBTi (Science Based Targets initiative). Snam confirms its commitment to submit relevant targets for certification as soon as the sector-specific methodology adopted by SBTi is available.

Biodiversity

For the first time, Snam has set the objective of upgrading its impact on nature from neutral to positive by 2027, in accordance with the guidelines of the Science Based Target for Nature (SBTN) framework.

Snam is the first global infrastructure operator to have joined the SBTN Corporate Engagement Program and has completed an initial quantitative analysis of its operations. The results highlight the restorative and regenerative approach currently in place for construction and maintenance activities is already aligned with the principles of respect for nature.



Sustainability Scorecard

With the 2023-2027 Strategic Plan, Snam has revamped the ESG Scorecard, transforming it into a Sustainability Scorecard, which integrates not only business and strategic objectives, but also those related to the most relevant sustainability issues, reflecting the approach adopted in the new sustainability framework. In fact, the Scorecard structure was revised to align it with the framework, incorporating the seven pillars, to which specific targets to 2024 and 2027 were associated. Furthermore, among the main differences from its predecessor, the Sustainability Scorecard extended the targets related to energy transition businesses to include CCS, introduced a new target for suppliers with a decarbonisation plan, expanded the targets related to local communities, identified new targets in biodiversity, and defined specific targets in the area of digitisation and cybersecurity.

STRATEGIC KPIs

	KPIs	2023 Actual	2024 Budget	2027 Target
Green Transition	Avoided CO_2 emissions ($ktCO_2e$)[1]	102.9	105	500
	H_2 readiness lenght of network certified (km)	1,513	1,900	3,000
Multimolecule Infrastructure	Gas Transportation operational availability[2] (%)	>99	>99	>99
	Production of biomethane (Msmc)	24.4	20	160
	Invest. related to the CCS Ravenna Projects Phase 1+2 (€M)[3]	65	120	370
Carbon Neutrality	Reduction of total natural gas emissions (%)*	-56.67	-57.5	-64.5
	Introd. ESG criteria in scoring models (% of contracts)*	35	35	65
	RES[4] on total electricity consumption (%)	63	52-55	100
	Tot. procurem. spending on suppliers w/decarb. plan (%)	23	25	35
Biodiversity & Regeneration	Zero Net Conversion by 2024		✓	
	Net Positive impact by 2027			✓
	Vegetation restored in areas of pipes construction (%)	99.9	99.9	99.9
Financial & CO_2	ESG Finance over total funding available (%)*	81		85
	CapEx EU Taxonomy-aligned (% of total)	29		
	Revenues EU Taxonomy-aligned (% of total)	26		
Sustainable Principles	ESG matters discussed at BoD Meetings *(>40% of BoD discussions with ESG topic discussed)*			
	3rd parties subject to procur. Process on which reputational checks are performed *(100% of suppliers with reputational checks performed)*			
	Italian territory covered by cyber resilience field tested scenarios *(100% of Italian territory covered)*			

STRATEGIC KPIs

	KPIs	2023 Actual	2024 Budget	2027 Target
People	Employees engagement index (%)	84	>80	>80
	Women in executive and middle management roles (%)*	25.9	26	27.5
	IpFG (Combined Frequency and Severity Index)[5]*	0.47	<min.3y[5]	<min.3y[5]
	Gender pay gap (%)[6]	-	-	+/- 5
	Participation in welfare initiatives (%)	57.9	75	80
	Training hours delivered to employees (h/capital)	37	36	40
Local Community	Benefits for local communities over reg. revenues (%)	0.4	~1	~1
	Value released at local communities (€M)	1,451	>1,000	>1,000
	Avg customer satis. rate in terms of service quality (1-10)[7]	8.1	>=8.1	>=8.1[7]
Trasformative Innovation	Investments in innovation over revenues (%)	3.3	3	3
	Start-ups accelerated after PoC (#)[8]	11 (22)	15 (25)	27 (30)
	Process digitalized and process with AI (% of total)	100/10	100/12	100/20
	Projects covered by Security by Design cyber approach (%)	New KPI	100	100
	CapEx SDG-aligned (% of total)	61		
	Scope 1 and 2 CO_2 emissions reduction (% v. 2022)[9]	-10		-25

● Headline KPI ● Detail KPI

1. Emissions avoided to 3rd parties thanks to the Group's activities and investments in the infrastructure.
2. Previously called "Reliability levels on gas supply".
3. Cumulated figure 2023-2027.
4. Renewable Energy Source computed on regulated perimeter.

* Numbers subject to final approval by committees involved in the remuneration process.

5. Snam targets to have an index lower than the minimum of the latest 3 years.
6. For equivalent organizational positions.
7. The target indicated refers to a spontaneous initiative by Snam to measure service quality through the annual survey, using a scale of values from 1 to 10, however, we are expecting a change in the service quality assessment methodology in the coming years. In this case, the annual target will have to be modified accordingly.
8. KPI represents both the number of startup accelerated and the number of Proofs of Concept (PoC).
9. Reduction computed on regulated perimeter.

* Numbers subject to final approval by committees involved in the remuneration process.

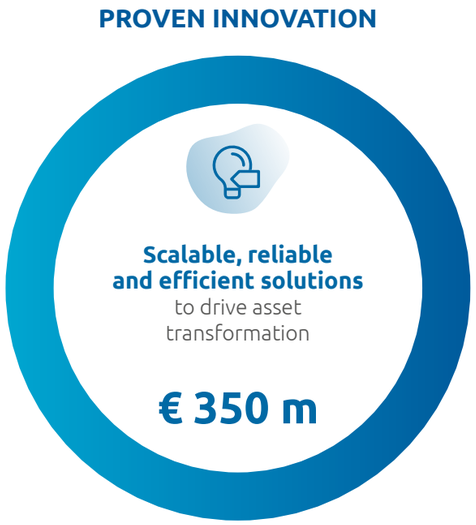
Transformative innovation

The technological development of infrastructure represents the other strategic and enabling lever for the realization of the goals of the Strategic Plan 2023-2027. Snam pursues the digitalization and optimization of management systems for its assets and industrial processes, with the aim of fostering operational excellence through increased digitalization, the use of Artificial Intelligence and innovative technologies for the development of decarbonized molecules. Adopting a dual track approach, Snam leverages on recognized technologies (proven innovation), while experimenting with new ones (open innovation).

Proven innovation - SnamTEC

The SnamTEC (Tomorrow's Energy Company) programme continues – with an investment of around 350 million euros over the Plan period – on a total of 50 projects, involving more than 200 people in the Group. To date, the company has digitalized 100% of its operational processes, defined more than 40 artificial intelligence-based algorithms to support decision-making activities, introduced predictive maintenance systems on 100% of its turbochargers, and reorganised 70% of its operational processes.

Snam is continuing to work on the creation of the Asset Control Room (ACR), a single entry point for all operational activities, both on site and in the field, which will not only provide a complete, end-to-end view of the company's processes, but will also enable predictive maintenance, optimisation of the maintenance cycle and costs, personnel safety, energy efficiency and reduction of CO2 emissions. The ACR is a strategic asset for the achievement of methane emission reduction targets (-64% by 2027) and OpEx transportation and storage indexes11 (-10% and -20% by 2027, respectively).



Open innovation

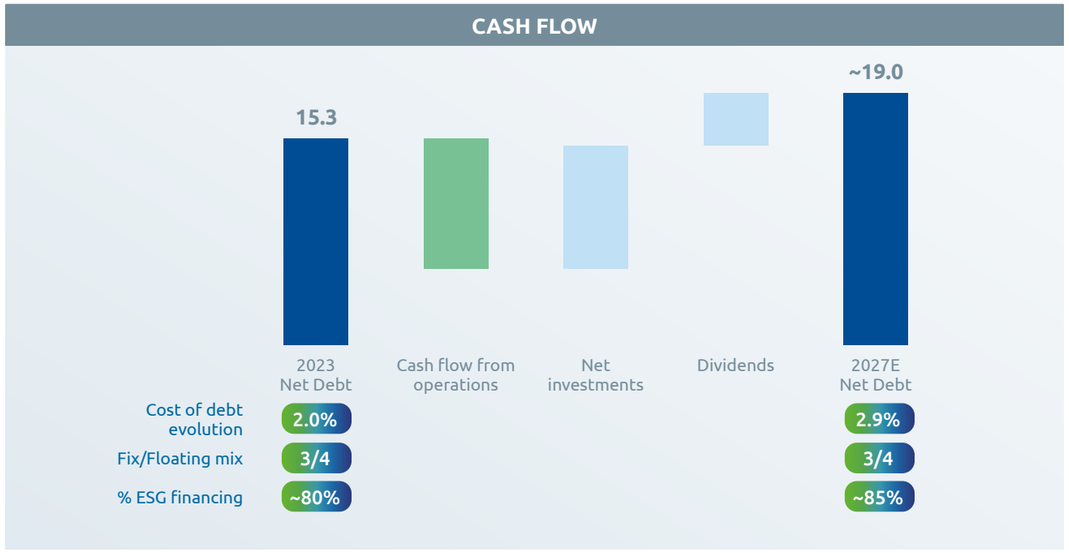
Snam plans to invest about €50 million, including about €10 million in funding already allocated, in R&D and technology development projects and start-ups, leveraging internal and external expertise and adopting an open approach to innovation. Specifically, the company is investing in 35 technology development projects, six of which have already received funding from the European Union and ARERA. Through the SnamInnova and HyAccelerator programmes, focused on energy transition, since 2021 Snam has involved more than 400 people in the Group, generating more than 300 ideas and examining more than 2,500 start-ups, financing among other projects an initiative dedicated to the capture, utilisation and storage of biogenic CO2. Finally, Snam participates in CDP's venture capital fund that invests in clean energy and technologies and in the Hy24 fund dedicated to the development of the hydrogen economy.

Financial strategy

Snam aims to minimize the cost of debt and to preserve the solidity of the balance sheet

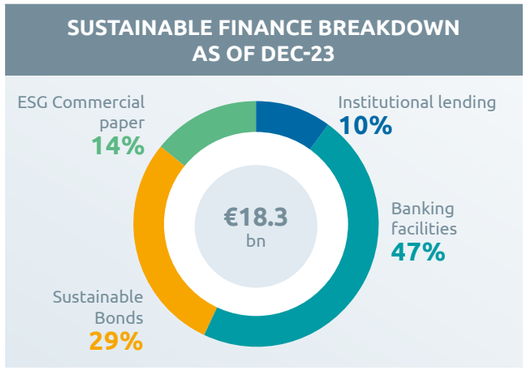
The main cornerstones of the financial strategy over the 2023-2027 Plan period are:
- mantain a sound financial structure, leveraging the natural hedging implicit in the tariff system;
- greater diversification of funding sources and instruments;
- working capital optimization and dynamic management of treasury flows.

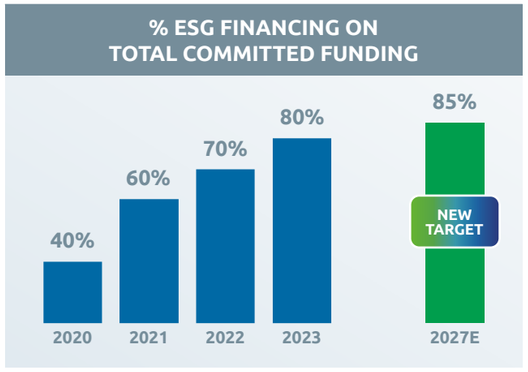
Over the plan horizon, the average cost of debt is expected to be 2.6%, 60 basis points higher than in the previous plan, an increase that reflects current interest rate and financing conditions. Given expected debt of around 19 billion euros in 2027, partly reflecting the increase in investment, Snam maintains ample financial flexibility in its credit metrics with respect to the thresholds established by the rating agencies Moody's, Standard and Poor's and Fitch for their current rating positioning.



Sustainable finance

At 31 December 2023, Snam's sustainable finance share accounted for about 80% of committed financing, up from 70% at the end of 2022. This has allowed the achievement, three years ahead of schedule, of the 80% sustainable finance target on the available sources of financing, originally set for 2026. In the new Strategic Plan presented in January 2024, the sustainable finance target has been raised to 85% by 2027, and the new Sustainable Finance Framework published in early February 2024 will play a key role in the full achievement of this target. Following its publication, Snam raised 1.5 billion euros through a dual-tranche bond, issuing the first green bond and the first sustainability-linked bond linked to scope 3 target, as well as scope 1 and 2 targets.





International strategy

Snam's main goal is maximizing the value creation from associates by supporting their business and growth initiatives, also in the transition space.
Last year's clustering has been confirmed: value enhancers include industrial assets connected to the Italian infrastructure, enablers of business optionalities comprise associated companies without physical connections to Snam assets and opportunistic assets include investments that can generate greater opportunities for value creation.
Snam can also benefit from greater visibility in relation to the contribution of its associates thanks to the positive definition of the DESFA and Teréga regulatory frameworks, for which the WACC has been updated for the next regulatory period 2024-2027As far as TAG and GCA are concerned, the dialogue with the regulator continues to define the new framework and neutralise the so-called "volume risk". The start of the new regulatory framework is expected in 2025.

European associate companies are also making progress towards energy transition and, specifically, in the hydrogen readiness of their infrastructures. In this regard, the projects submitted by Teréga, DESFA, TAG and GCA were included in the EU PCI list: three related to hydrogen and two in the field of CCS.
Finally, the reduction in Russian gas flows through Austria was mitigated by the increase in gas volumes from Algeria and Azerbaijan, highlighting Snam's strategic role given not only by its strategic positioning, but also by the diversification of its portfolio of associates.

Value enhancers

60% of the contribution

Subsidiaries with industrial assets linked directly or virtually to the Italian infrastructure

GAS CONNECT AUSTRIA · Trans Adriatic Pipeline · EMG · OLT · Adriatic LNG · TAG Trans Austria Gasleitung · SeaCorridor · desfa · DE NORA · TTPC-TMPC

Enablers of business optionalities

20% of the contribution

Associates without physical connections to Snam's assets that help strengthen market intelligence and offer business development opportunities

TERĒGA · interconnector · ADNOC

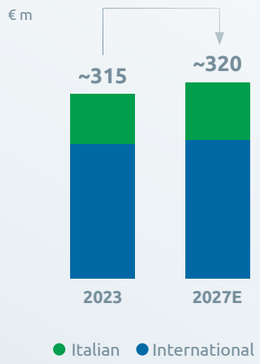
Opportunistic asset

20% of the contribution

Investments that can foster greater opportunities

Italgas · ITM POWER Energy Storage | Clean Fuel

RISING OVERALL ASSOCIATES CONTRIBUTION



The contribution of the associates is expected to be around €320 million as of 2027, slightly up from the 2023 figure of €315 million. In particular, the contribution of TAP and domestic assets is expected to increase.

Growth targets and dividend policy

The strategy envisages a strengthened growth profile of earnings per share and a significant value creation for shareholders

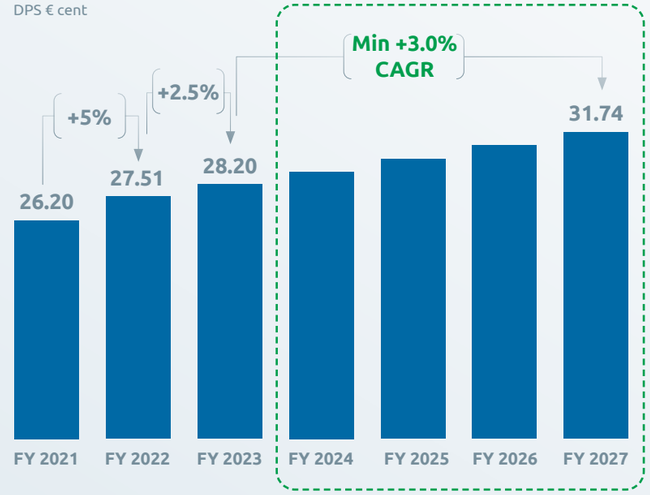
Over the 2023-2027 period Snam plans to achieve sustainable growth in key performance indicators whilst preserving its financial solidity.

	2023-2027 Plan
TARIFF RAB	>6% CAGR
ADJ. EBITDA	>7% CAGR
ADJ. NET INCOME	~4% CAGR
NET DEBT	~19 MLD €

Compound annual growth rate (CAGR) is expected to be:
- RAB more than 6%, while the forecast in the previous plan 2022-2026 envisaged 5% growth, reflecting greater investment and the contribution of the deflator;
- Adjusted EBITDA 7.4%, mainly due to RAB growth, the updating of the WACC, the introduction of the ROSS4 regulation for transport and the contribution of the energy transition businesses. These factors will contribute to the expected growth of Group EBITDA to about 3.2 billion euros in 2027, of which around 140 million from the energy transition businesses;
- Adjusted net income 4%, based on the solid EBITDA contribution, partially offset by an increase in D&A and financial expense.

DIVIDEND POLICY

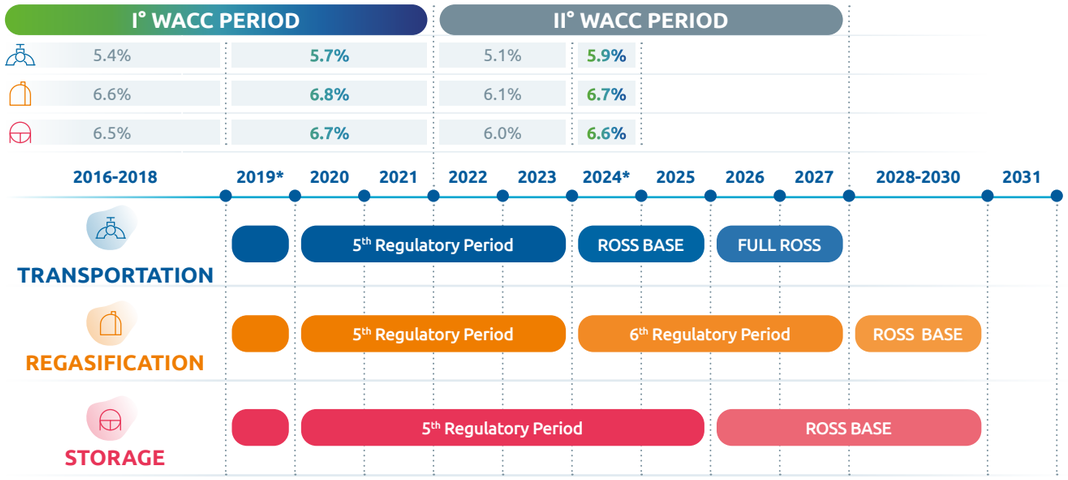
Snam confirms its commitment to guarantee to shareholders an attractive and sustainable remuneration and the payment of an interim dividend. The new Plan provides:
- confirmation of the dividend of 0.2820 euros for 2023;
- 3% DPS minimum annual growth 2023-2027 (from min 2.5%).



Regulation in Italy

The regulation ensures that the services are provided to third parties according to non-discriminatory criteria

Most of Snam's revenues are "regulated". The Regulatory Authority for Energy Grid and Environment (ARERA) regulates the different tariff systems for transportation, storage and regasification services, defining the criteria for setting the tariffs in each regulatory period. In November 2023, the Authority, following the verification of the activation of the trigger mechanism, updated the rates of return on invested capital for infrastructure services in the electricity and gas sectors for the year 2024.



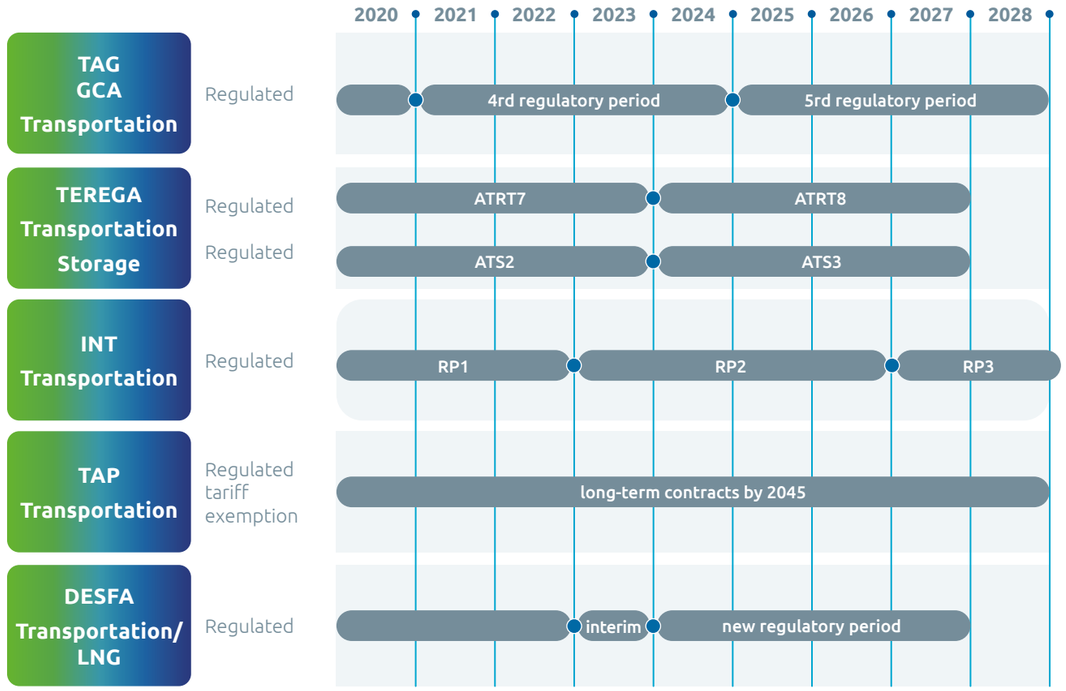
* Revision of the WACC during the WACC period according to market parameters.

	TRANSPORTATION	REGASIFICATION	STORAGE
Calculation of net capital invested recognised for regulatory purposes	*5th period:* Historical cost revalued Working capital recognised 0.8%	*5th period:* Historical cost revalued Working capital recognised 0.8%	*5th period:* Historical cost revalued Working capital recognised 0.8%
	6th period (ROSS): Historical cost revalued Breakdown of expenditure recognised in the year (fast money) and expenditure recognised over several years (slow money) based on rates of capitalisation fixed ex-ante	*6th period:* unchanged	
Remuneration of therecognised net invested capital for regulatory purposes (WACC pre-tax)	*5th period:* 5.7% in years 2020-2021 5.1% in year 2022-2023 LIC Remuneration: - WACC 5.3% in years 2020-2021 - WACC 4.8% in year 2022-2023	*5th period:* 6.8% in years 2020-2021 6.1% in year 2022-2023 LIC excluded	*5th period:* 6.7% in years 2020-2021 6% in year 2022-2023 6.6% in year 2024 LIC excluded
	6° periodo: 5.9% Anno 2024 LIC remunerati per 4 anni: - WACC 4.6% Anno 2024	*6° periodo:* 6.7% Anno 2024 LIC esclusi	
Incentives on new investments	*5th period:* (investments during financial year by 2022): +1.5% for 10 years (investment in new capacity of transportation and with cost-analysis benefits >1.5)	*5th period:* Withholding 40% of revenues by flexibility services (covering of revenues not subject to guarantee factors)	*5th period:* Withholding 50% revenues from auctions short-term Possible optional strengthening of the percentage, against reduction % guarantee on revenues
		6th period: unchanged	
Efficiency factor (X-factor)	*5th period:* 0.7% on operating costs (*)	*5th period:* 3.1% on operating costs	*5th period:* 1% on operating costs
	6th period: as a function of the difference between total reference expenditure and total effective expenditure, with a choice between high	*6th period:* 1.3% on operating costs	

(*) Referring to the largest transportation company.

Regulation in Europe

Snam constantly monitors developments in the regulations within the various European countries in which it has a presence through international equity investments



GAS CONNECT AUSTRIA

Trans Austria Gasleitung

Transportation

- RAB differentiated between equity financed portion (Revalued Historical Cost) and debt financed portion (Book Value). Additionally, different treatments are established for old assets (prior to 2012) and new investments.
- Different remuneration rates are established for the portion of RAB financed with equity (Cost of Equity 8.94 Real Pre Tax) and the portion financed with debt (Cost of Debt 1.61 Nominal Pre Tax).
- The capex incurred starting from 2021 are remunerated through a "single WACC" rate of 4.982% nominal pre-tax.

TERĒGA

Transportation

- Historical RAB annually revalued using inflation (Consumer Price Index) while new investments are treated on a nominal basis, taking new investments and amortization/depreciation into account (Current economic cost method).
- For the period 2024-2027 WACC 4.1% real pre-tax on historical asset and 5.4% nominal pre-tax on NEW investments from 2024. RAB 2024 of around 1.9 billion.

Storage

- Storage under regulated regime from January 2018.
- For the period 2024-2027 WACC 4.6% real pre-tax on OLD asset and 5.9% nominal pre-tax on NEW asset for storage activities; RAB 2024 of around 1.4 billion.

interconnector

Transportation

- Under an exemption regime until October 2018.
- Switch from an exemption regime to a regulated regime without volume risk protection, upon maturity of long-term contracts (October 2018).

Trans Adriatic Pipeline

- Third Part Access exemption on initial capacity (10bcm/y).
- Exemption from tariff regulation on initial capacity and expansion.

desfa

Transport/LNG

- RAB based on historical cost, Work in Progress remunerated by WACC.
- WACC 2024 Nominal Pre-Tax equal to 7.85%.
- RAB approximately 1 billion euros (Transportation + LNG).
- Socialisation of the cost of LNG in the transportation tariff (50%).
- Recovery over 16 years (2017-2032) of the Old Recoverable Difference accumulated in the period 2006-2016 (about €326 million).

SNAM BUSINESSES

Transportation

Also in 2023 Snam guaranteed the security of energy supplies

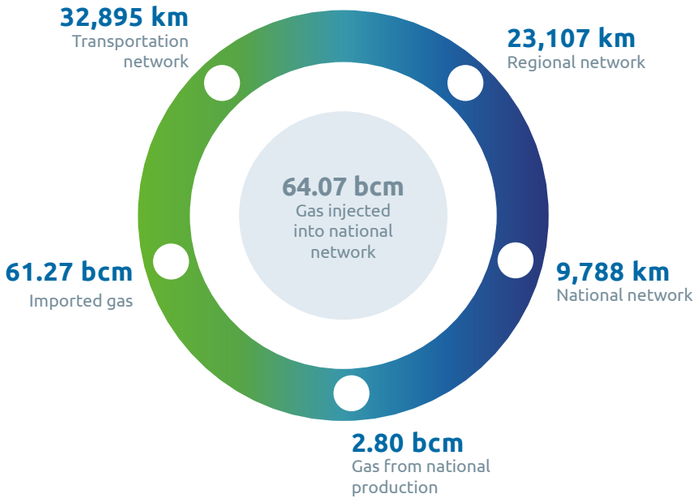
Snam, through its subsidiary Snam Rete Gas, is leading Italian natural gas transport and dispatching operator, and owns almost all the transport infrastructure in Italy, with more than 32,800 kilometres of high and medium pressure pipelines in operations (about 93% of the entire transportation system).

Snam manages the gas pipeline network via 8 districts, 48 maintenance centres throughout Italy, 13 compression stations and a new dispatching unit that has recently been renovated in terms of structure and technology.
Gas from abroad is fed into the network at 10 entry points, at the 6 interconnection points with methane pipelines and at the 4 interconnection points with LNG regasification terminals (including the FSRU terminal in Piombino, which became operational in 2023). Once it has been imported or regasified, the gas is transported to the local distribution networks, the regional network redelivery points or large end users such as thermoelectric power stations or manufacturing plants.

Snam awards transportation capacity to shippers who apply for it. In this way, users acquire the right to inject or withdraw a quantity of gas not exceeding the daily rate allocated on any day of the thermal year. The conditions for access to the service are contained in the Network Code. Shippers have the possibility of making gas sales and trades at a Virtual Trading Point (PSV) of the National Network, thanks to the dedicated IT platform.

The transportation capacity of the network has made it possible, again in 2023, to fully satisfy the demand for capacity on the part of users. In addition to the transportation capacity offered at Entry Points interconnected with foreign methane pipelines and at LNG regasification terminals, equal to 383.6 million cubic metres/day in the year, an increase compared to the capacity offered in 2022 due to the commissioning of the new FSRU terminal in Piombino, whose transportation capacity at the point of interconnection with the National Grid is 14 million cubic metres/day. Snam made available additional transportation capacity at the entry points interconnected with domestic production for a total of 15 million cubic metres/day and with biomethane production for a total of 1.7 million cubic metres/day.

Over the last few years, transportation operators have been constantly increasing, going from around 30 operators in 2003 to around 450 operators in 2023 (including shippers and traders). In 2023, 141 connection agreements were entered into for the creation of new delivery/redelivery points or for upgrading existing ones, 104 contracts for the injection of biomethane and 7 relating to CNG service areas.



FY 2023 Italian flows

The continuation of the Russia-Ukraine conflict, which began in February 2022, has led to a substantial change in the supply mix and an increase in the demand for LNG for Italy. There was a notable reduction in imports from Russia (Tarvisio), which went from 13.99 billion in 2022 to 2.84 billion in 2023 and a growth in LNG volumes of approximately 2.07 billion cubic meters, compared to volumes from the south (Mazara and Melendugno) substantially in line with 2022 and imports from the north (Passo Gries) of approximately 1 billion cubic metres.

INPUT VOLUMES PER ENTRY POINT (BCM)

Storage

Total storage capacity in 2023 stands at 16.7 bcm, the highest in Europe

Overall storage capacity
16.7
billion m³

Strategic storage capacity
4.5
billion m³

Gas moved through the storage system
13.7
billion m³

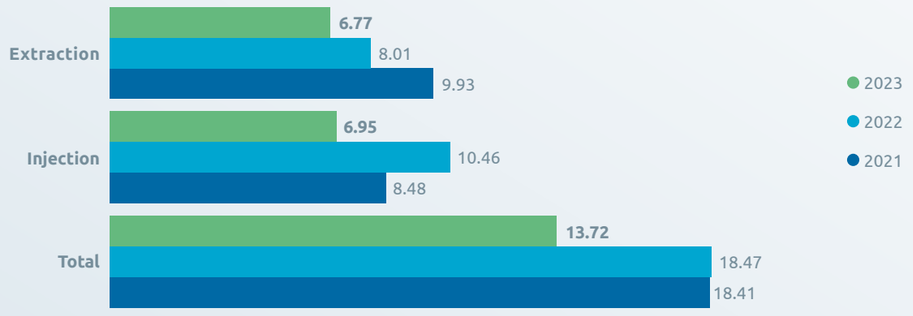
Gas withdrawn
6.9
billion m³

The storage business makes use of an integrated group of infrastructure comprising deposits, wells, gas treatment plants, compression plants and the operational dispatching system. Through its subsidiary Stogit, Snam operates through nine storage concessions located in Lombardy (five), Emilia-Romagna (three) and Abruzzo (one). Stogit provides its storage services (peak modulation, uniform modulation, strategic, transporter balancing, mining, short-term allocation services and Fast Cycle service37, to 67 operators based on the Storage Code approved by the Regulatory Authority ARERA. Moreover, in view of the continuing tension in the energy markets, the uncertainties linked to climate variability and the potential risks of gas supply interruptions, Snam has introduced, as of the end of 2022, the intraday auction service, expanding the flexibility tools available to users. In addition, the counter-flow storage service, which started in November 2022, continued, offering users an injection capacity of up to 500 million cubic metres in the November-December 2023 period, with the stored quantities to be disbursed in the January-March 2024 quarter. The service was awarded for approximately 330 million cubic metres.
In 2023 Snam took action to promote the replenishment of national storage facilities for the purpose of being able to manage seasonal peaks in demand. The fill level at the end of 2023 amounted to 75% and was in line with the European average.
The market oriented approach adopted allowed the Company to maintain the mix of customers owing a Storage contract (not only shippers serving end users but also traders who maximise revenues from buying and selling gas to the PSV - virtual trading point) and major European players.
The total storage capacity at the end of 2023, at equal strategic storage, stands at 16.7 billion cubic metres, the highest in Europe. A result that attests to Stogit's ability to respond to both the needs of the national market as well as the contingent dynamics linked to international markets and policies, which can significantly modify demand by increasing the value of business with policies to support the security of supplies.

Like the transport business, Snam's storage will also evolve towards a multi-purpose structure, i.e. capable of also managing green gases, such as hydrogen and biomethane, in order to contribute not only to greater energy security but also to achieving the goal of carbon neutrality by 2040.

In February 2024 Snam announced the start of exclusive negotiations with Edison for the purchase and sale of 100% of Edison Stoccaggio. Edison Stoccaggio contributes to the security of Italy's energy system through three natural gas storage facilities located in Cellino (Teramo), Collalto (Treviso) and San Potito e Cotignola (Ravenna), with a total storage capacity of about 1 billion cubic metres per year.

NATURAL GAS MOVED THROUGH THE STORAGE SYSTEM (BILLION CUBIC METRES)



The volumes of gas moved in the Snam Storage System of Snam in the 2023 financial year amounted to 13.72 billion cubic metres, down from the 2022 financial year (-4.75 billion cubic metres; -25.7%). The reduction is due to lower injections into storage (-3.51 bcm vs 2022) and lower deliveries (-1.24 bcm vs 2022), against the backdrop of overall milder temperatures compared to the 2022 financial year and the general decline in gas consumption in Italy and Europe.

Regasification, Small Scale LNG and Sustainable mobility

LNG plays a key role in ensuring adequate diversification and flexibility of supplies for the gas system

Maximum annual LNG regasification Capacity at Panigaglia
3.5
billion m³

LNG regasified in 2023 at Panigaglia
2.57
billion m³

Maximum annual LGN regasification capacity of FSRUs Golar Tundra and BW Singapore
5 billion m³

Quantity of LNG regasified in 2023 at the FSRU plant in Piombino
1.12
billion m³

Snam is active in the LNG regasification sector through its subsidiaries GNL Italia, owner of the Panigaglia plant, and Snam FSRU Italia, owner of the Golar Tundra Floating, Storage and Regasification Unit (FSRU). Snam also finalised, in December 2023, the acquisition of 100% of the share capital of FSRU I Limited, the company that owns FSRU BW Singapore.

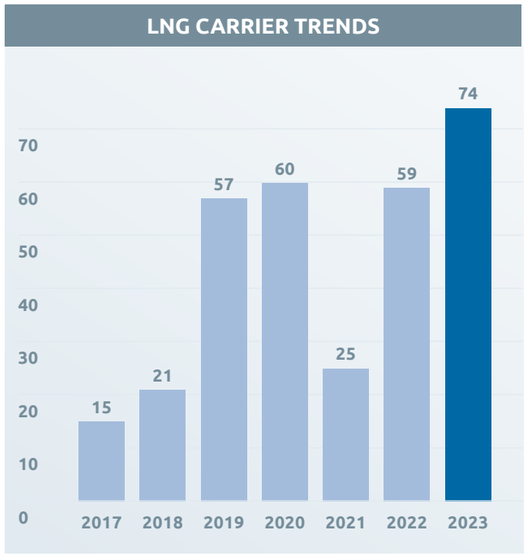
The Panigaglia plant, built in 1971, is capable of regasifying 17,500 m3 of LNG per day; when operating at maximum efficiency, it can output more than 3.5 billion cubic metres of natural gas into the transportation network every year. The total amount of gas regasified at the Panigaglia plant in 2023 was 2.59 billion m3 (2.24 billion m3 in 2022). In 2023, 62 LNG carriers were unloaded, in line with the number of allocated carrier unloading slots (59 unloads in 2022): the increase in business volume is attributable to the strong demand for LNG to cover gas demand at national level, also as a result of the changes in the European energy context caused by the Russia-Ukraine conflict.

In order to promote greater security and diversification of Italy's energy supplies, Snam has purchased two floating units (FSRU):
- **Golar Tundra**, moored in the port of Piombino and officially entered into commercial operation in July 2023. During 2023, the FSRU Golar Tundra regasified 1.12 bcm and 12 unloads were carried out by LNG carriers, compared to 14 unloads delivered. In the second half of 2026, Golar Tundra is scheduled to be relocated off Vado Ligure, in the province of Savona, about 4 km from the coast, where the FSRU would remain for 17 years
- **BW Singapore:** located near the coast of Ravenna, is expected to be commissioned from the third quarter of 2024.

Both floating regasification terminals feature a maximum storage capacity of about 170 thousand cubic metres of liquefied natural gas and a nominal continuous regasification capacity of about 5 billion cubic metres per year. FSRUs (floating storage and regasification units) are terminals capable of storing and regasifying natural gas. They are mounted on ships located close to port areas – either on the quayside or offshore – and receive liquefied natural gas (LNG) at a temperature of -160°C from LNG carriers before regasifying it (i.e. bringing it to a gaseous state) for output to the national gas transportation network.

In April 2024 Snam has exercised its pre-emption right to increase - from current 7.3% to 30% - its stake in Terminale GNL Adriatico S.r.l., the company that owns the Adriatic LNG regasification terminal operating in the waters off Porto Viro (Rovigo), Italy. Upon closing of the transaction, the corporate capital of Adriatic LNG shall be held by VTTI at 70% and Snam at 30%. Located about 15 kilometres off the Veneto coast, Adriatic LNG's terminal is Italy's largest offshore infrastructure for unloading, storage and regasification of liquefied natural gas (LNG), with an annual technical regasification capacity of 9.6 billion cubic meters, corresponding to about 14% of the current domestic gas demand.

LNG CARRIER TRENDS



Snam, through Snam4Mobility (now Greenture), is committed to the development of **sustainable mobility**, leveraging its infrastructures, the synergies between its businesses and its capillary presence throughout the country. In the course of 2022/2023, the focus of Greenture's activities is extended, not only to the automotive sector, but also to the construction of midstream infrastructures dedicated to heavy transportation, the shipping and railway sectors, whose development aims to accredit Snam as an infrastructure operator of reference for small-scale projects, including small liquefaction and bunkering units to relaunch the sustainable mobility of trucks and ships in Italy.

Energy transition businesses

Biomethane

Snam, through its 100% owned subsidiary Bioenerys, is developing a diversified portfolio of assets, both by investing in and acquiring existing biogas and biomethane plants and through new greenfield projects. The aim is to produce biogas and biomethane, making the most of the potential of organic waste and agricultural and agri-food biomass, the latter through collaborations with large Italian agro-industrial groups.

During 2023, 2 new waste biomethane (FORSU) plants in operation and 1 under construction, and 8 agricultural biogas plants to be converted to biomethane, joined the group's portfolio. By the end of 2023, the Bioenerys portfolio counts 10 plants in operation and 2 under construction in the Environment area and 31 plants operating in the agricultural sector that will be built or converted from biogas to biomethane production.

Investments of €400 mn are planned for 2027 to build biomethane plants with an installed capacity of about 80 MW

Decarbonisation projects: CCS and hydrogen

Analyses carried out at the international level by the IPCC, IEA and the European Commission show that, among the technologies that can be effective in the short to medium term in achieving decarbonisation targets, those related to **carbon capture and storage (CCS)** are a valid tool in which to invest.

Snam intends to take the lead in the development of the infrastructure for transporting and storing CO2, for which about €350 million of investment is earmarked over the Plan period, net of public funding. Part of them will be directed to the CCS project in Italy, born from the collaboration with Eni, which envisages in the initial start-up phase (starting in 2024) the capture of about 25,000 tonnes/year of CO2 and its injection into a depleted reservoir in the Adriatic Sea, less than 7 km from the coast, contributing to the decarbonisation of several industrial poles in the Po Valley area, preserving their competitiveness.

With a view to assessing market opportunities for the development of hydrogen and CCS, in February 2024 Snam launched a market test on the demand for hydrogen in Italy and a non-binding collection of expressions of interest for the transportation and storage of CO2 at the Ravenna site. Through the analysis of the data and information collected in the questionnaires that will be provided to interested companies, Snam will be able to plan the development of hydrogen and CCS supply chains in Italy.

Investments of €350 mn are planned for 2027 in CCS

Together with CCS, hydrogen represents an option for achieving decarbonisation targets and realising the energy transition.
Together with CCS, **hydrogen** represents an option for achieving decarbonisation targets and realising the energy transition. Over the past 12 months Snam has moved from an H2 ready perspective – aimed at verifying that our transport and storage assets are compatible with hydrogen – to a Hydrogen proof action plan. Snam's involvement in particular will take place in three areas:

- definition of technical standards: Snam is a member of the Gas Infrastructure Committee to define technical standards for hydrogen Transportation. In addition, Snam participates in a working group on safety. As of 2023, 1,500 km of network are H2-ready certified by RINA, and Snam plans to certify another 1,500 km by 2027;
- physical testing and development: through the European Pipeline Research Group (EPRG), Snam started the first tests for the transportation of hydrogen on the old pipelines of the Rimini-San Sepolcro section. In the field of hydrogen storage, the company is planning a pilot project on a layer of the Fiume Treste reservoir, to confirm that depleted gas fields are suitable for hydrogen storage. In addition, the project with dCarbonX to build a multi-purpose storage platform in the UK and Ireland is continuing. Finally, Snam is starting work to test 100% hydrogen turbines with low emissions and high efficiency;
- integrated hydrogen projects: some of the projects, initiated in previous years, are beginning to materialise, among them the Hydrogen Valleys in Puglia and Modena, Hybla (which aims to build in Sicily a "low carbon" hydrogen and syngas production plant also capable of capturing and reusing CO2), the Gigafactory with De Nora and the hydrogen refuelling stations. With its Decarbonisation Projects unit, Snam has started offering a new service that involves using mobile electrolysers to test the application of hydrogen, and its effects, in hard-to-abate processes. The importance of continuing to invest in projects for the development of the hydrogen market is also reflected in the growing interest of the Authority. In this regard, ARERA granted Snam €7 million under the new Innovation & Sandboxing programme to finance innovative projects, such as Power2Hydrogen and Hydrogen Separation Membranes.

Over the course of the Plan €100 mn are scheduled to be invested in the hydrogen business, of which 20 million in the engineering phase of the SoutH2 Corridor

Energy efficiency

Renovit is the Italian platform for energy efficiency for companies, condominiums, the tertiary sector and the public administration established via the initiative by Snam and CDP Equity to enable the growth of the sector and contribute to the sustainable development and energy transition of the country. It presents integrated solutions for every area of intervention, taking a comprehensive approach to energy efficiency and environmental impact reduction.

Thanks to Renovit and its work, around 57 thousand tonnes of CO2 emissions will be avoided in 2023. By increasing energy efficiency and business opportunities, Snam has set itself the goal of exceeding 130 thousand tonnes of avoided emissions in 2027.

Investments of €300 mn are planned for 2027 in energy efficiency

SNAM ON THE STOCK EXCHANGE

Snam shares have returned great value to shareholders over time. From 11.9 billion euros in 2012 to 15.6 billion euros as of 31 December 2023 the increase in market capitalization.

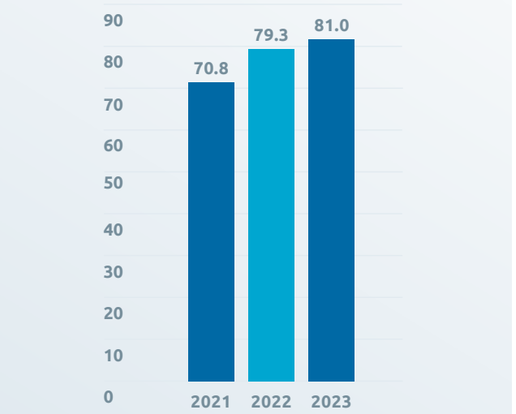
Remuneration through dividends

The 2023 economic results have shown the solidity of the Group and this allows to propose a dividend of 0.2820 euros per share, to the Shareholders' Meeting, of which:

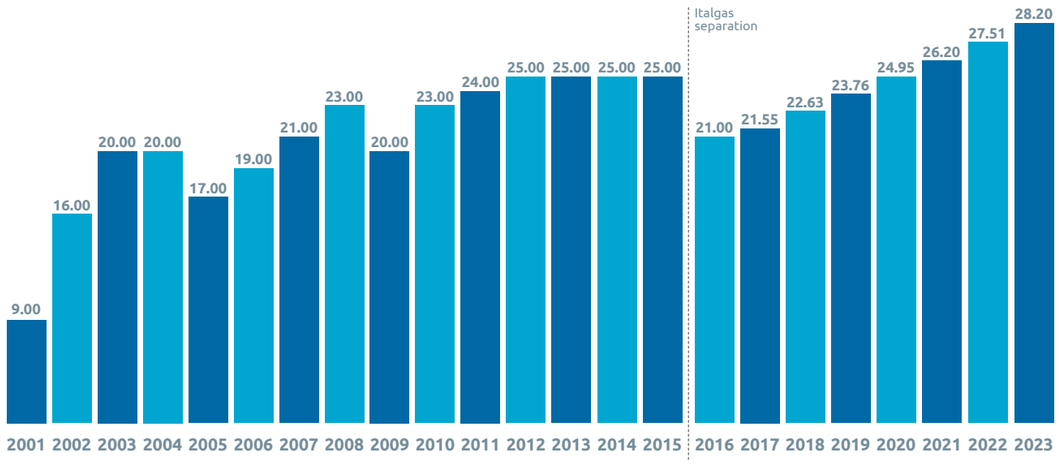
- 40%, i.e. 0.1128 euro per share, already paid in January 2024 as an interim dividend;
- the remaining 60%, equal to 0.1692 euro per share, as a balance dividend to be paid from 26 June 2024 with an ex-dividend date of 24 June 2024 (record date 25 June 2024).

The proposed dividend, which confirms Snam's commitment to ensuring shareholders an attractive and sustainable remuneration over time, is in line with the dividend policy announced in the 2023-2027 Strategic Plan, which confirmed the 2023 dividend of 0.2820 euros and increased the dividend policy to 3% minimum annual growth through 2027 (compared with the previous minimum 2.5%), starting with the 2024 dividend.

PAYOUT ADJUSTED %
Relevant dividend/Adj. Net profit

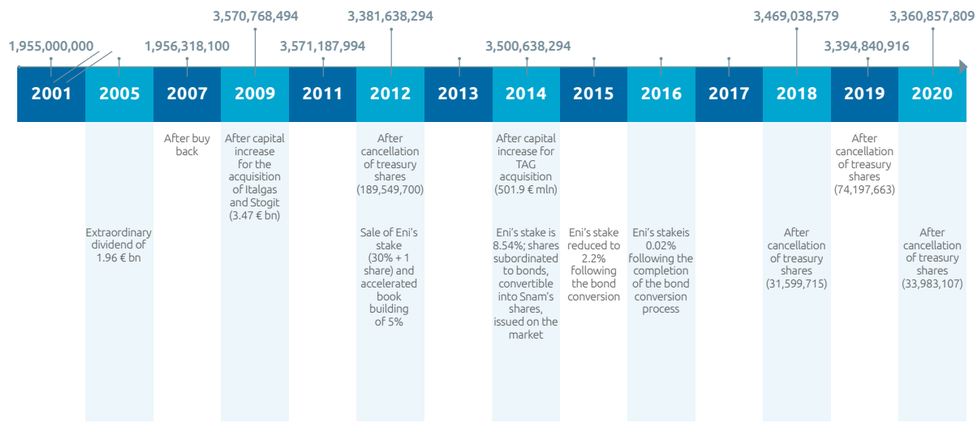


DIVIDEND PER SHARE (€ CENT - FOR THE PERIOD)

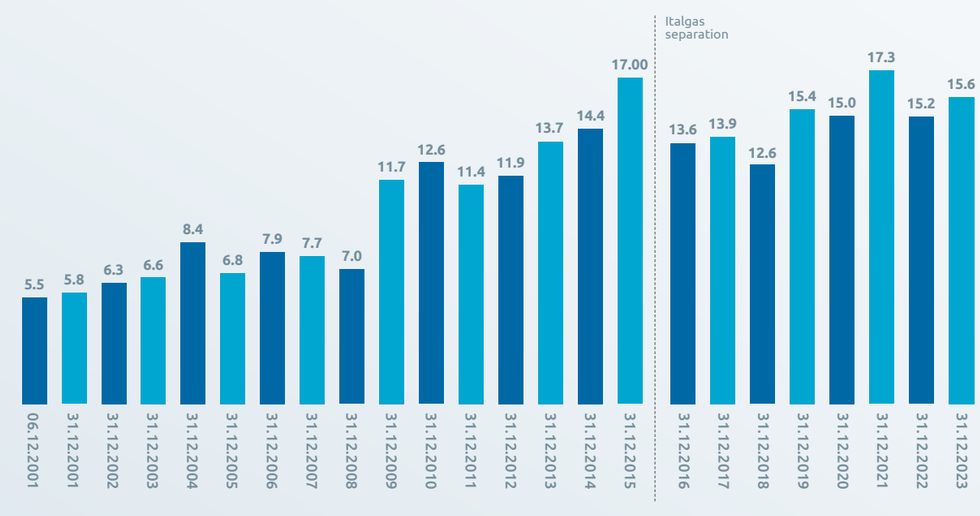


Stock market performance

SHARE CAPITAL EVOLUTION



MARKET CAPITALIZATION* (€ BILLION)

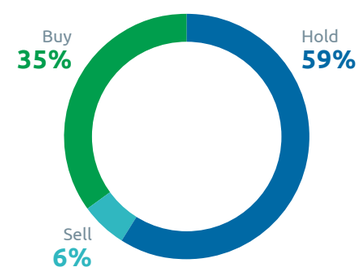


* Product of the number of outstanding shares multiplied by the official share price.

SNAM VS. FTSE MIB E STOXX EUROPE 600 UTILITIES

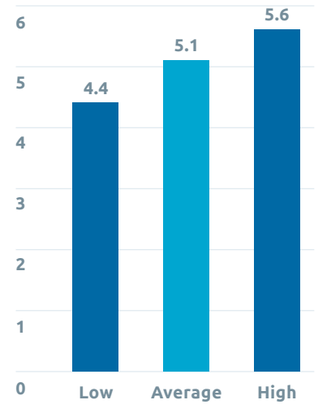
31 December 2022 – 30 April 2024 (Base 31 December 2022=100)

ANALYSTS' RECOMMENDATIONS



The Snam stock is covered by 17 brokers

TARGET PRICE AS AT 30 APRIL 2024 (€)

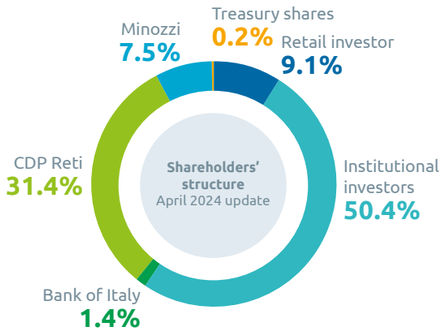


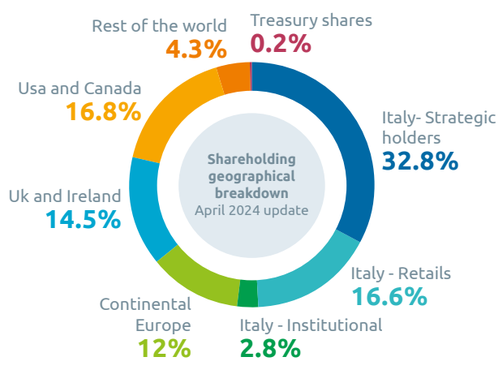
Snam's closing price as at 30 April 2024 is 4.30 euro

Shareholders

As of 30 April 2024 Snam share capital amounts to 2,735,670,475.56 euro and is divided into 3,360,857,809 ordinary shares, with no nominal value.

Snam's shareholding structure is broad and well diversified, by both investor type and geographical distribution. With a 67% free float, today the market controls the most relevant stake of Snam share capital. Institutional investors hold an overall 50.4% stake and are mostly international. Retail investors, who have always had a sizeable weight in Snam's share capital, currently account for a 16.6% share, including the holdings (7.5%) of Romano Minozzi. CDP Reti is the shareholder controlling the single largest stake in Snam (31.4%). ESG investors represent 47.5% of Snam's institutional investors.





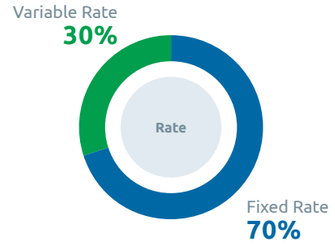
RELEVANT PARTICIPATIONS (SHAREHOLDERS OWNING MORE THAN 3% OF SNAM CAPITAL) (April 2024 update)	
CDP Reti	31.352% (1,053,692,127 shares held)
Romano Minozzi	7.460% (250,724,453 shares held)
Lazard	5.073% (170.483.071 shares held)

Sources: Information available and communications received pursuant to Article 120 of the Testo unico della finanza (Consolidated Finance Act).

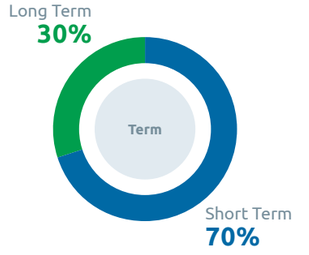
The financial structure

As at 31 December 2023, the Group's net financial position was €15,270 mln, the results of a gross financial debt of €16,652 mln and cash and cash equivalents of €1,382 mln

At 31 December 2023, Snam had unused committed longterm credit lines worth approximately €6.2 billion of which: pooled credit facilities of €5.0 billion and Revolving Credit Facilities (RCF) totalling €1.2 billion.
In order to increase the weight of sustainable finance in total available funding, the Euro Commercial Paper programme was renewed in 2023, increased from €2.5 billion to €3.5 billion, linked to environmental and social sustainability objectives in line with the Sustainable Loan and obtaining an ESG rating confirmation of EE+ from Standard Ethics.



At 31 December 2023, Snam has a Euro Medium Term Notes (EMTN) programme in place for a maximum total nominal value of €13 billion, used for approximately €9.4 billion and a Euro Commercial Paper Programme (ECP) for a maximum total nominal value of €3.5 billion, used at 31 December for €2.7 billion.



At 31 December 2023, sustainable funding sources amount to approximately €18.3 billion, making it possible to reach the target in 2026 of 80% of total "committed" sources, three years ahead of schedule. At the presentation of the 2023-27 Strategic Plan, the target was raised to 85% of total funding, to be reached by 2027.

In 2023 Snam concluded:

- in September, the first EU Taxonomy-aligned Transition Bond convertible into existing Italgas ordinary shares, for a nominal amount of €500 million and maturing in 2028;
- in November, the second EU Taxonomy-aligned Transition Bond for a nominal amount of €650 million to finance energy transition projects, specifically the Eligible Projects defined in Snam's Sustainable Finance Framework published in November 2021.

During the year, Snam also finalised agreements with the major banks with which it operates: bank loans for €1.4 billion, in Green loan and KPI-linked format, and a KPI-linked Revolving Credit Facility (RCF) with a pool of banks for a total amount of €1.8 billion, assisted by the SupportItalia guarantee issued by SACE covering 80% of the amount.

	Moody's	Standard & Poor's	Fitch Ratings
LAST UPDATE	9 February 2024	27 February 2024	28 March 2024
RATING ON LONG-TERM DEBT	Baa2	BBB+	BBB+
RATING ON SHORT-TERM DEBT	P-2	A-2	F 2
OUTLOOK	Stable	Stable	Stable

Income statement figures

2021	(million euros)	2022		2023		2023 adjusted vs 2022 adjusted	
Adjusted (*)		Reported	Adjusted (*)	Reported	Adjusted (*)	Abs. change	Change %
2,869	Regulated revenues	2,719	2,719	3,104	3,104	385	14.2
58	Non-regulated revenues	101	101	79	79	(22)	(21.8)
2,927	**Gas Infrastructure Business Revenues**	**2,820**	**2,820**	**3,183**	**3,183**	**363**	**12.9**
370	**Energy Transition Business Revenues**	**695**	**695**	**1,105**	**1,105**	**410**	**59.0**
3,297	**TOTAL REVENUES**	**3,515**	**3,515**	**4,288**	**4,288**	**773**	**22.0**
(686)	Gas Infrastructure Business Operating Costs	(616)	(607)	(834)	(826)	(219)	36.1
(361)	Energy Transition Business Operating Costs	(681)	(671)	(1,057)	(1,045)	(374)	55.7
(1,047)	**TOTAL OPERATING COSTS**	**(1,297)**	**(1,278)**	**(1,891)**	**(1,871)**	**(593)**	**46.4**
2,250	**EBITDA**	**2,218**	**2,237**	**2,397**	**2,417**	**180**	**8.0**
(820)	Amortisation, depreciation and impairment losses	(890)	(873)	(1,126)	(940)	(67)	7.7
1,430	**EBIT**	**1,328**	**1,364**	**1,271**	**1,477**	**113**	**8.3**
(102)	Net financial expenses	(140)	(123)	(221)	(221)	(98)	79.7
294	Net income (expenses) from equity investments	(138)	308	484	315	7	2.3
1,622	**Profit before taxes**	**1,050**	**1,549**	**1,534**	**1,571**	**22**	**1.4**
(400)	Income taxes	(378)	(385)	(389)	(393)	(8)	2.1
1,222	**Net profit**	**672**	**1,164**	**1,145**	**1,178**	**14**	**1.2**
1,218	- Held by Snam shareholders	671	1,163	1,135	1,168	5	0.4
4	- Non-controlling interests	1	1	10	10	9	

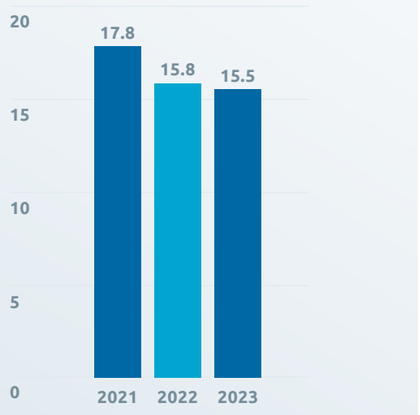
(*) Values exclude special items.

Balance sheet figures

(million euros)	31.12.2022	31.12.2023	Abs. change
Fixed capital	**21,562**	**23,002**	**1,440**
Property, plant and equipment	17,859	18,941	1,082
- of which Rights of use on leased assets	*33*	44	*11*
Non-current inventories - Compulsory inventories	363	363	
Intangible assets and goodwill	1,321	1,449	128
Equity investments accounted for using the equity method	2,313	3,019	706
Other financial assets	175	163	(12)
Net payables for investments	(469)	(933)	(464)
Net working capital	**(2,155)**	**(24)**	**2,131**
Liabilities for employee benefits	**(27)**	**(28)**	**(1)**
Assets held for sale and directly associated liabilities	**67**		**(67)**
NET INVESTED CAPITAL	**19,447**	**22,950**	**3,503**
Equity	**7,524**	**7,680**	**156**
- Snam Shareholders' equity	7,468	7,635	167
- Minority interests	56	45	(11)
Net financial debt	**11,923**	**15,270**	**3,347**
- of which Financial payables for leased assets (*)	*33*	*43*	*10*
COVERAGE	19,447	22,950	3,503

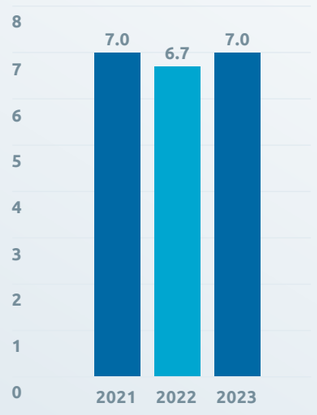
(*) Of which €35 million long-term and €8 million short-term portions of non-current financial payables.

ROE ADJUSTED



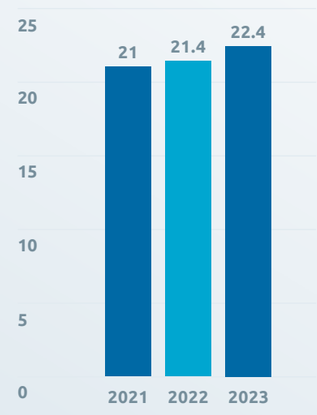
Adjusted Return On Equity (ROE) has been calculated as the ratio of net profit and the average of net equity at the start and at the end of the period considered.

ROI ADJUSTED

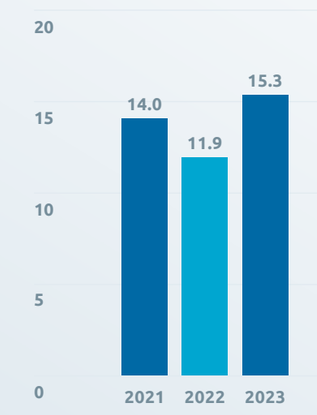


Adjusted Return On Investment (ROI) is the ratio of EBIT and the average of net invested capital at the start and at the end of the period considered.

TARIFF RAB (€ BILLION)



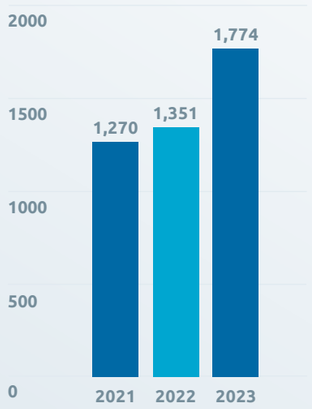
NET FINANCIAL DEBT (€ BILLION)



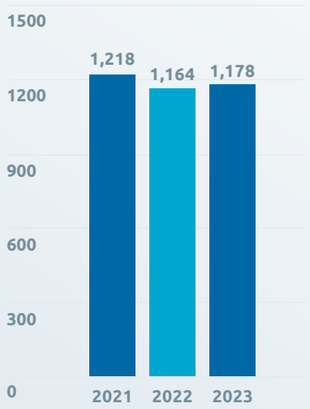
Cash flow

(million euros)	2022	2023
Net profit	**672**	**1,145**
Adjusted for:		
- Amortisation, depreciation and other non-monetary components	1,006	644
- Net capital losses (gains) on asset sales and write-offs	24	10
- Dividends, interest and income taxes	484	552
Change in net working capital	2,408	(2,237)
Dividends, interest and income tax collected (paid)	(485)	(249)
Cash inflow from operating activities 817 1,090	**4,109**	**(135)**
Technical investments	(1,322)	(1,796)
Technical divestments	7	1
Acquisition of subsidiaries and businesses, net of liquidity acquired	(458)	(402)
Equity investments	143	(181)
Change in long- and short-term financial receivables	197	27
Other changes relating to investment activities	65	120
Free cash flow	**2,741**	**(2,366)**
Repayment of financial payables for leased assets	(8)	(13)
Change in current and non-current financial liabilities	(1,440)	2,939
Equity cash flow (a)	(866)	(936)
Change in cash and cash equivalents relating to assets held for sale and directly associated liabilities	(7)	1
Net cash flow for the period	**420**	**(375)**

TECHNICAL INVESTMENTS (€ MILLION)



ADJUSTED NET PROFIT (€ MILLION)



GET INVOLVED IN YOUR SNAM INVESTMENT

Interim financial report at 31 March 2024

- 15 May 2024 Board of Directors.
- 16 May 2024 Press release and Conference call.

Dividend 2023

- 24 June 2024 Coupon payment date.
- 26 June 2024 Dividend payment.

Half-year report at 30 June 2024

- 31 July 2024 Board of Directors, Press release and Conference call.

Interim financial report at 30 September 2024

- 6 November 2024 Board of Directors.
- 7 November 2024 Press release and Conference call.

The steps to investing

You can buy Snam shares on the stock market, through a financial intermediary: a bank or an authorized SIM (Società di Intermediazione Mobiliare, i.e. a broker)

How to buy shares

It is very easy to buy shares: all you need is to have a bank account. You have to indicate how many shares you want to buy and, if appropriate, the price at which the transaction should be completed.

To buy Snam shares you need to have an account with an authorized intermediary: a bank or a SIM. You can place the purchase order through the intermediary or through the online trading systems that the intermediaries make available for their clients. In the purchase order you have to specify the number of shares you want to include in your portfolio, indicating a price limit and a time limit for the order's validity, if appropriate. A market-to-limit order will be executed buying the maximum number of shares available at the lowest price at that time. The intermediary issues the "executed order" when completed. Shares listed on the stock market are "dematerialized" securities – therefore following the purchase you will not receive any actual printed share certificate. The intermediary's written confirmation is proof that the shares should be credited to the shareholder's account.

How to collect dividends

Once you have become a shareholder, the dividend will be paid automatically to your account. Once you hold a certain number of shares, you do not need to do anything in order to receive the respective dividends.

If you still own the shares when the coupon is detached, on payment date the amount will be directly paid to your account through the financial intermediary managing your brokerage account.

You can monitor the performance of your investment in Snam by:

- **visiting the Snam website, www.snam.it, section Investor Relations;**
- **visiting Borsa Italiana website, www. borsaitaliana.it, section quotes/stocks;**
- **consulting leading financial newspapers and websites.**

How to keep yourself informed and participate in corporate events

Information tools are available through different communication channels

Corporate website

Snam's website **www.snam.it**, which underwent a profound restyling in April 2023, taking on a new, more essential and cleaner design, is the preferred reference point to visitors looking for real-time Company's news and contents useful for deeper knowledge.
Snam has secured the second position in the Webranking Europe 500 2023-2024 for corporate and financial digital communication, compiled by Lundquist in collaboration with Comprend. The company, on the podium for the tenth consecutive year, scored 93.9 out of 100 this year.
The transparency level of its communication, also recognized in Investor relations and Sustainability sections, further positions it as a leader in the energy sector in Europe. The results confirm Snam's daily commitment to transparent, interactive, and consistent communication with all its stakeholders, including through the web.

"Investor relations" section

In the Investor relations section of the Snam website, dedicated to institutional investors, shareholders and financial analysts, it is possible to find economic and financial information, learn more about the Company through, for example, its strategy, share performance, shareholding and the financial calendar. You can also find the latest presentations to the market and two publications dedicated to investors: in addition to this same guide "The Snam shareholders", there is also the quarterly newsletter "Investor news", released with the presentations of 1Q/6M/9M , which illustrates the Company's results in a clear and concise manner, with a focus on the analysis of stock market trends and insights into the latest Company news.

Social media

Snam is present on the main platforms - LinkedIn, YouTube, X, Facebook, Instagram, Threads and Tik Tok – to listen e dialogue with all stakeholders. Through its presence on social channels, Snam communicates in a transparent and direct way its objectives, results, but above all the Group's values and news regarding "its" people.

Engagement policy

Snam values the exchange with its shareholders and bondholders, as well as with institutional investors and asset managers, and encourages constant and ongoing dialogue that benefits both investors and the Company, with a view to creating medium to long-term value.
To this end, on 29 July 2021, the Board of Directors of Snam approved the Policy for managing dialogue with the Shareholders and other stakeholders: **Engagement policy (snam.it)**

Contacts: investor.relations@snam.it
Francesca Pezzoli, Head of Investor Relations: francesca.pezzoli@snam.it
Flora Piantedosi: flora.piantedosi@snam.it
Pietro De Luca: pietro.deluca@snam.it
Francesca Olgiati: francesca.olgiati@snam.it
Gabriele Gulletta: gabriele.gulletta@snam.it

Glossary

Economic-financial terms

Treasury shares Shares owned by the Company, which it has repurchased for a variety of objectives.
Compound Annual Growth Rate (CAGR) Compound Average Growth Rate.
Corporate governance Set of rules that monitor and guide the companies' management and control. The corporate governance systems establish the segregation of duties and rights amongst the corporate roles by assigning tasks, responsibilities and decision-making powers.
Market capitalization Value of a listed company that is obtained by multiplying the share price by the number of outstanding shares.
Ordinary and extraordinary dividend The ordinary dividend stems from earnings. In the case of an extraordinary dividend, however, shareholders receive, rather than a share of net profit, a part of the Company's distributable reserves. This amount may come from provisions made in prior years, from the disposal of Company assets or from other corporate strategies.
Dividend yield It measures the yield of an equity investment linked to the dividend distribution, in terms of percentage ratio of dividend for the fiscal year to the share price at the end of the year.
Capital gain It measures the return of an equity investment linked to price changes, in terms of the percentage ratio share price at the beginning of the period to share price at the end of the period.
Total shareholder return (TSR) It measures the overall percentage return of an equity investment, calculated on an annual basis, considering both the price change, measured in terms of capital gain, and the dividend yield, assuming that the distributed dividend is re-invested in the stock at the ex-dividend date.
WACC Weighted Average Cost of Capital.

Technical terms

Compression Stations Facilities that increase the pressure of gas in the pipelines to bring it to the necessary level to ensure the required gas flows or facilities that lower the gas pressure to allow the injection into storage fields. The Compression Stations are positioned along the National Pipeline Network and generally comprise several compression units.
Dispatching centre Operating centre continuously controlled, which is responsible for monitoring, overseeing and remote control of the transport network. The dispatching centre receives telecommunication information about the gas pressure, capacity and temperature as well as about the state of the valves at the interception of the pipelines and of the Compression Stations. On the back of the information received and according to transport programs, the Dispatching Centre regulates gas flows, remotely controlling valves and compression units.
Natural gas Mixture of hydrocarbons, composed mainly of methane and with some small amounts of ethane, propane and higher hydrocarbons. The natural gas injected into the pipeline network must respect a set quality to guarantee its compatibility with the gas already in the pipelines.
Liquefied natural gas (LNG) Natural gas, which has been liquefied by cooling at - 161°C under normal atmospheric pressure in order to make it suitable for transportation by special ships (tankers) or for storage in tanks. In order to be injected into the transportation network, the liquid product must first be reconverted into its gas state in regasification plants and brought up to the pressure in the pipelines.
Redelivery point The physical point or local group of physical points on the network where the Transporter redelivers the transported gas to the Shipper and where it is measured.
Natural Gas Transportation Network The network consists of pipelines, compression stations and infrastructure, which work both at national and regional levels, to ensure the transportation of gas by interconnections to the international networks, to production and storage facilities, to the redelivery points (for gas distribution and consumption).
National Gas Pipeline Network The network comprises pipelines and plants that are sized and checked to meet the requirements for imports, exports and the main national production and storage facilities; the pipelines transfer large quantities of gas from entry points to large areas of consumption.
Regional Transportation Network The network consists of a pipeline that allows natural gas to be transported across geographic areas, typically at a regional level.
Shipper or User User of the gas system. Shippers purchase natural gas from producers, importers or other Shippers and sell it to other Shippers or to final users, including electricity producers and industrial plants, which are usually connected to the Transport Network, or to the residential and commercial clients, which are connected to the local distribution network, or to other Shippers.
Modulation storage Modulation storage aims to respond to changing hourly, daily and seasonal demands.
Mining storage Mining storage is necessary for technical and economic reasons in order to enable the optimum cultivation of Italy's natural gas fields.
Strategic storage Strategic storage aims to compensate for a lack of or reduction in supplies, either from import or for crises in the gas system.

Regulatory terms

Thermal year Period of time into which the regulatory period is divided for the businesses of natural gas transport, storage and distribution as well as for LNG regasification.
Regulated activities Activities subject to regulation by the Regulatory Authority for Energy, Networks and Environment. In the gas business transportation, distribution, storage and regasification are regulated activities.
Network Code Document governing the rights and obligations of the parties involved in providing the transportation service.
Regulatory period Period of time for which the regulation is defined by the Authority for each different sector.
Regulatory Asset Base (RAB) Value of net invested capital calculated as per the criteria established by the Regulatory Authority for Energy, Networks and Environment for companies operating in the transportation and dispatch of natural gas, LNG regasification, storage and distribution in order to set the reference revenue.

By
Snam

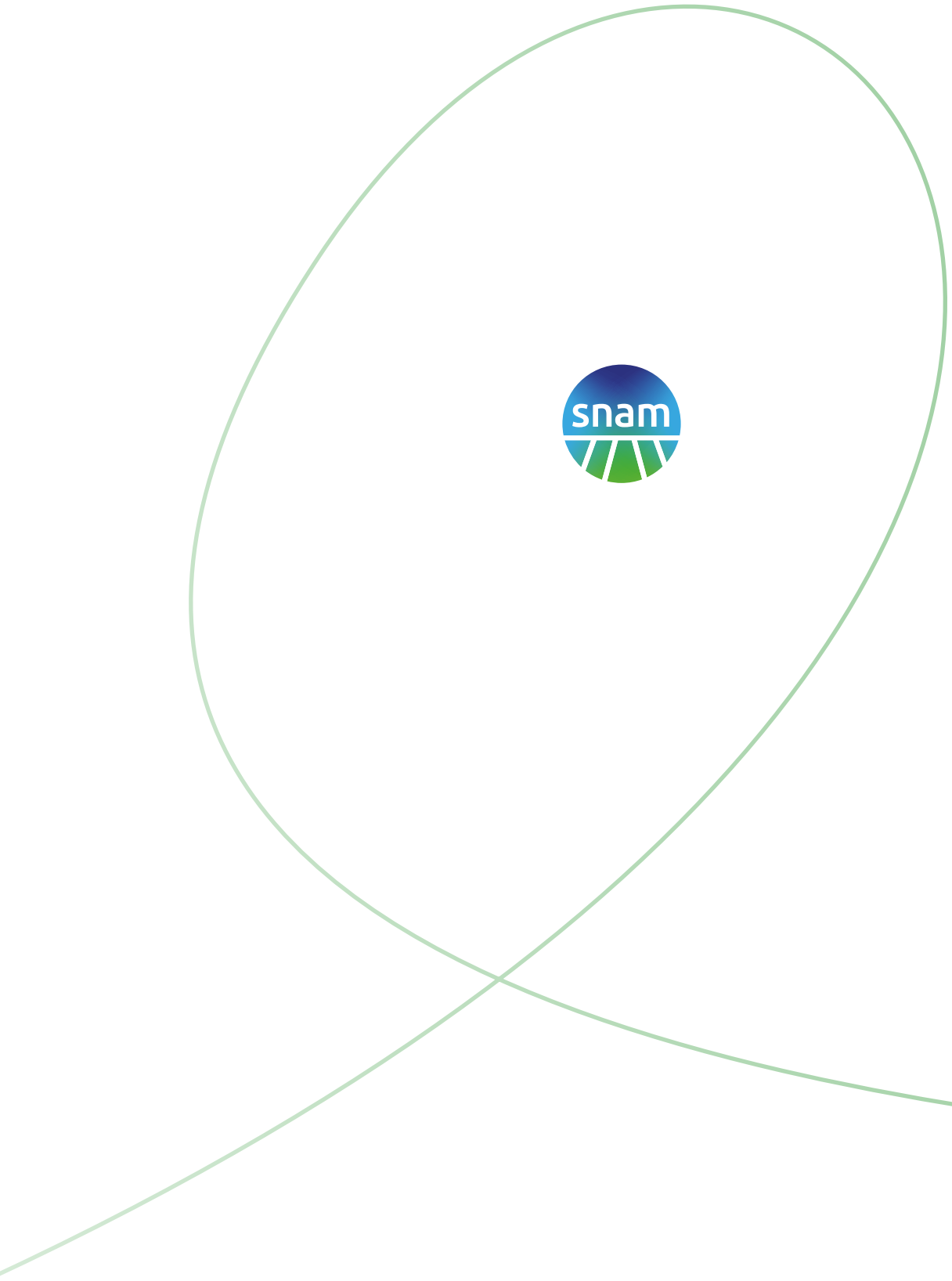
Concept & Design
ACC & Partners and Gosmarty

Layout
Gosmarty

For information please contact
Snam S.p.A.
Investor Relations
investor.relations@snam.it
Piazza Santa Barbara, 7
20097 San Donato Milanese (MI) - Italy

www.snam.it

May 2024



snam.it