

# Snam enters the capital of Open Grid Europe



April 8<sup>th</sup>, 2025

# Key Highlights

## Key terms

- Signing of a binding agreement to acquire a **24.99%** stake in Vier Gas Holding (VGH) which indirectly owns **Open Grid Europe (OGE)**, Germany's largest gas transmission network operator.
- Equity value of **€ 920 m** corresponding to a multiple of **~12 x** on **2025E Estimated EBITDA** <sup>1</sup>.
- **Closing** expected **within Q3 2025**.

## Strategic rationale

- Acquisition consistent with our **Pan-European multi-molecule perspective**, increasing role on the key European gas and H2 Corridors from Southern to Northern Europe.
- Germany is the **largest European gas market** by volumes and is expected to become the **main H2 market**, both pivotal for European energy system.
- **Physical interconnection** and **strategic coherence** with Snam's national and international assets including the interconnection with GCA and TAG (Snam's Austrian associates) and then Italy.

## Financial impact

- Acquisition can be financed through the **current financial flexibility** or via **hybrid financing instrument** to maintain current financial standing.
- **2-3% Net Income accretion** (ca **€40m** average net income contribution) over the period 2025-29 <sup>2</sup>.
- **No impact** on Snam's **rating** and **dividend policy**.

**Snam is the first Italian energy player to make a sizeable entry into the German energy infrastructure space**

1. Calculated on Snam's reconciliation of VGH EBITDA 2025E gross of regulatory adjustments.  
2. Depending on financing: existing financial flexibility or hybrid instrument.

# Promoting a Pan-European «end to end» multi-molecules interconnected system

## Med-EU energy security bridge

### South-North Corridor

TAG  
Sea Corridor

### East-West Corridor

TAP  
Desfa

## Hydrogen corridors

### South H2 Corridor

TAG  
Sea Corridor

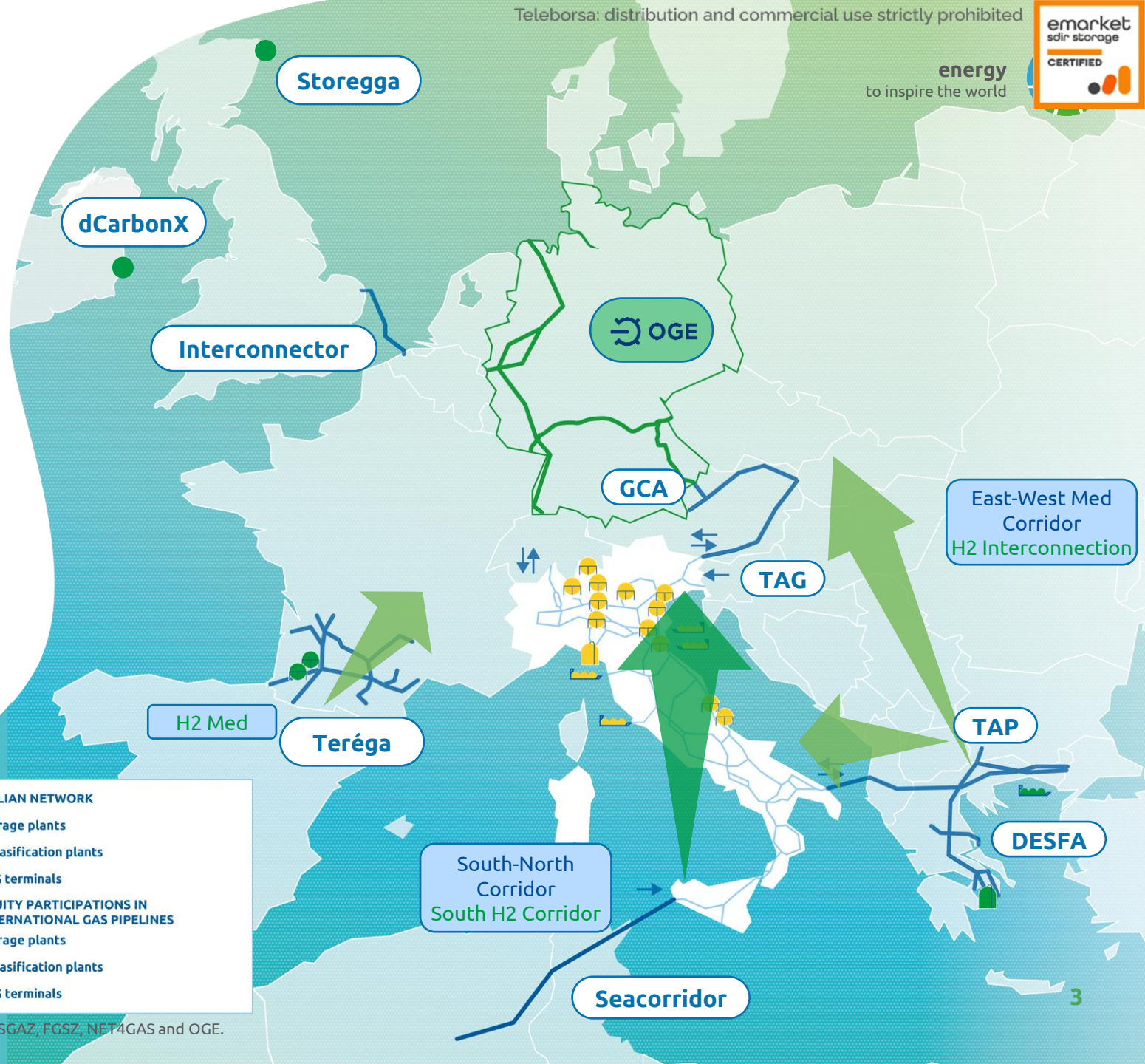
### H2 Med

Teréga<sup>1</sup>

### South-East (SEE Hy) Corridor

Desfa<sup>2</sup>

**OGE will complete Snam's presence in key current and future energy corridors**



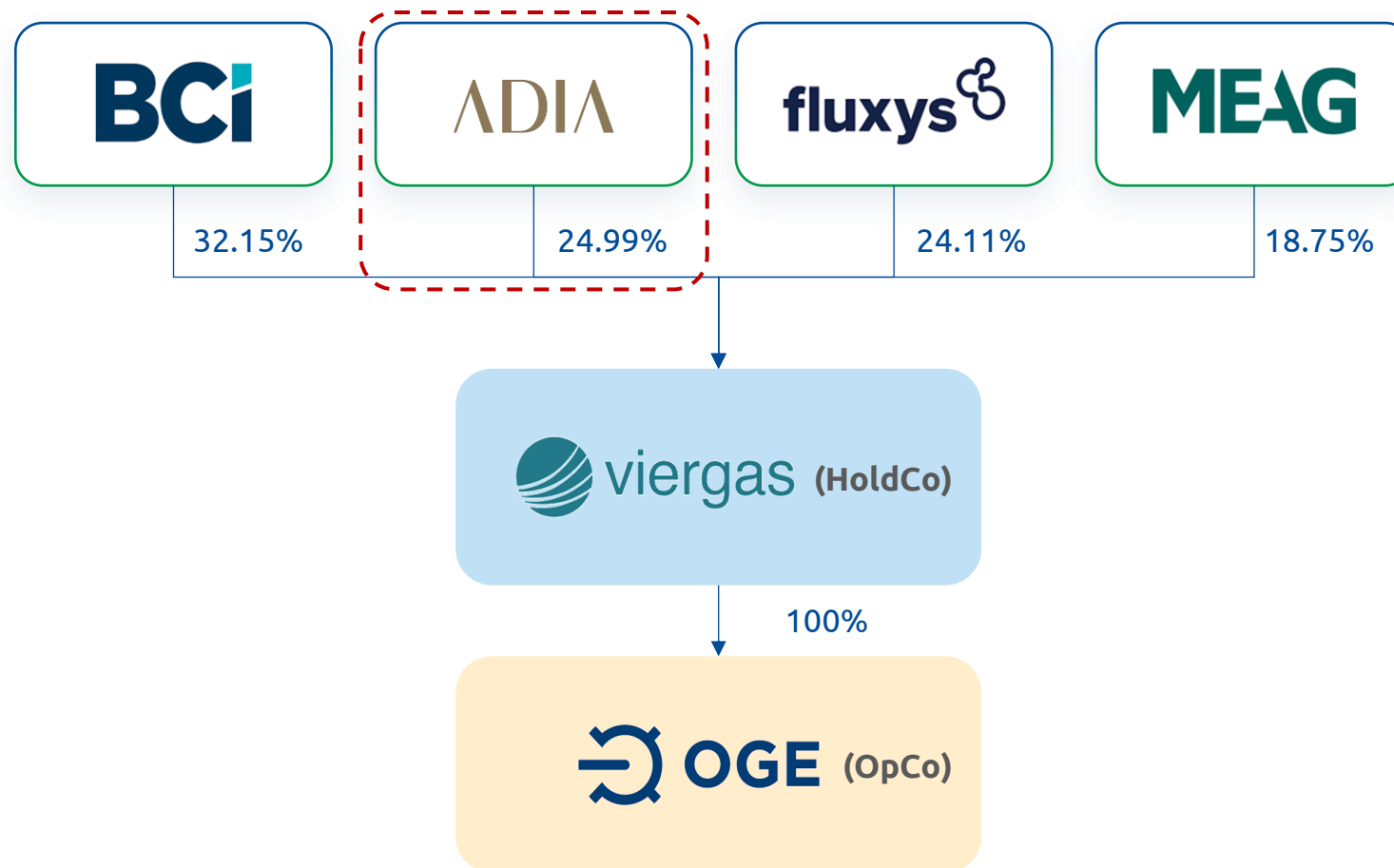
1. Project with Enagas, NaTran, OGE, REN.

2. Project with Bulgartransgaz, TRANSGAZ, FGSZ, NET4GAS and OGE.

# Transaction overview

- Share purchase agreement for the acquisition by Snam of the stake held by ADIA in Vier Gas Holding which indirectly owns the entire share capital of OGE
- The transaction values the **24.99%** equity stake in VGH at **€ 920 m**
- Implied **EV / EBITDA** multiple of the transaction of **~12x** on **2025E estimated EBITDA<sup>1</sup>**
- As part of the transaction, **ownership stakes** will be **rebalanced with Fluxys**, with Snam thereafter selling them a **~0.5% stake**
- SNAM will benefit from a balanced governance aligned with other shareholders
- **Closing expected within Q3 2025** following the satisfaction of certain conditions precedent <sup>2</sup>

## Transaction perimeter (simplified)



1. Calculated on estimated sustainable EBITDA 2025E gross of regulatory adjustments.

2. (i) the merger control clearance by the German Antitrust Authority, (ii) the Foreign Direct Investment clearance by the German Ministry for Economic Affairs and Climate Action and (iii) the non-exercise by the other shareholders of Vier Gas Holding S.à r.l. of the right of first refusal set forth in the related shareholders' agreement.

# Open Grid Europe overview

## Key 2024A figures<sup>1</sup> and Estimated KPIs

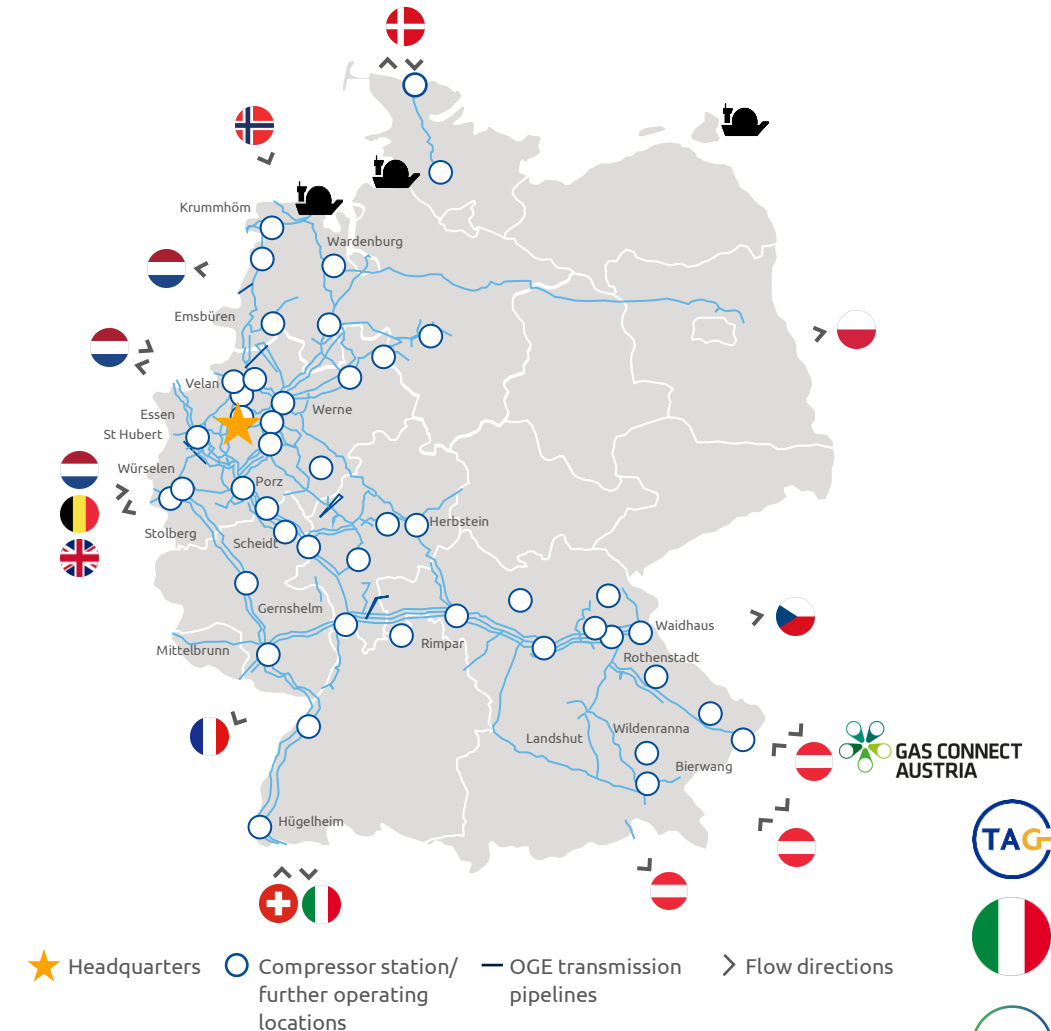
€ 1,136 m<sup>2</sup>  
Revenue

€ 627 m<sup>3</sup>  
Estimated EBITDA

€ 428 m  
Capex

€ 3,387 m<sup>4</sup>  
Net debt

## OGE geographical footprint



Gas

- **Largest German gas transmission network** operating ~12,000km of grid
- **Gas transmission hub** in the heart of Europe operating 17 interconnections to 7 bordering countries located in the middle of the key EU corridors and connected to LNG facilities
- Highly efficient and available transmission pipeline network and ambitious CO2 emissions reduction targets
- Access to capital markets to finance the growth

Hydrogen

- Key cornerstone of the **approved H2 Core Grid** (€1.5bn capex committed)
- **H2 Core Grid** placed at the **intersection of EU's most critical import corridors** (Southern European, North Sea and Iberian)

CO2

- Ideally positioned across industrial regions to **become one of the key CO2 transport corridors** toward North Sea

1. Snam's reconciliation on the basis of VGT and OGE's figures. For more information please refer to Viegas Transport: [Link](#)  
2. 85% regulated

3. Gross of regulatory adjustments offsetting over and underperformance compared to reference regulated revenues in 2020 and 2024. 2024 Actual EBITDA net of revenues' recovery adjustments is equal to EUR 0.43 billion.

4. Including around 100m of estimated debt-like items

# Molecules demand evolution

## German molecules transmission landscape



Germany is the largest European **natural gas** market and plays a **central role** as a **transit route** for **supplying Europe**



While uncertainties in German decarbonization path remain, **molecules** are expected to continue playing a **crucial role** in the energy mix, also considering nuclear and coal phase-out (2023 and 2038 respectively)

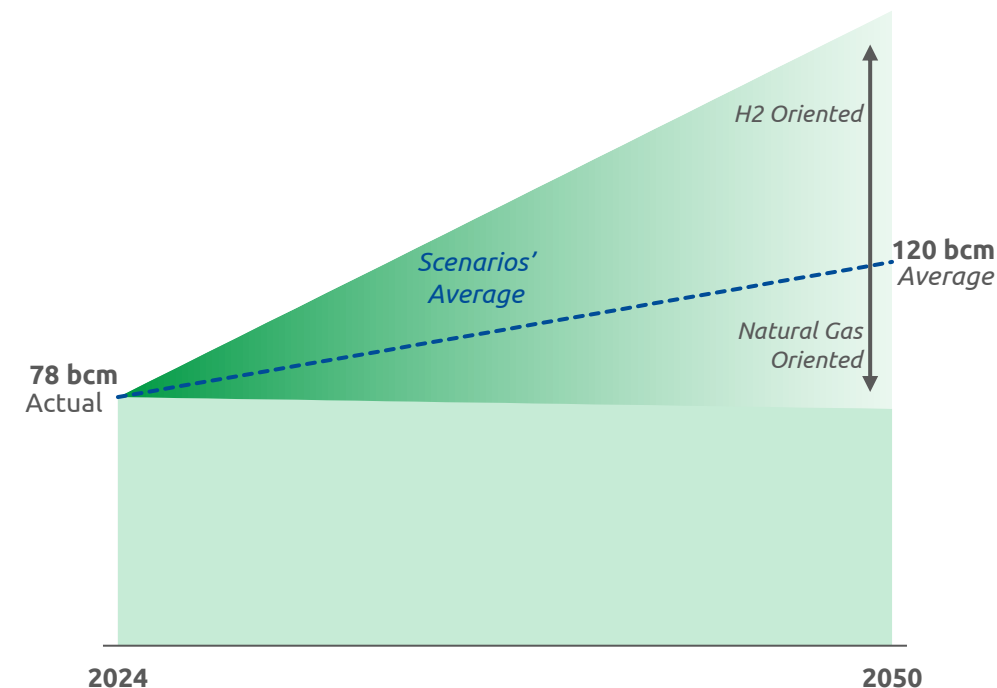


Snam internal analysis and KO-NEP scenarios<sup>2</sup> point **to total molecules demand to remain solid beyond 2050**, supported by biomethane growth and H2 core grid development



The development of **CO2 grid** could enable large scale deployment of CCS<sup>3</sup> in Germany, **transporting more than 50 million tons of CO2<sup>4</sup>** in future, plus transit volumes from neighboring countries

## German molecules demand<sup>1</sup> prospect (bcm) (natural gas, biomethane, hydrogen)



**Healthy demand evolution with natural hedge among molecules**

1. Excluding export  
2. Draft scenario framework for gas and hydrogen NDP 2025 from KO-NEP (German Coordination Office for Gas and Hydrogen Network Development Planning)

3. German new coalition partners CDU/CSU and SPD declared intention of a legislative package for CCS in Germany  
4. OGE website

# Regulatory environment



**Transparent and visible gas regulatory framework: regulation** in place since 2009, **unbundling** since 2011.  
Expected new WACC-RAB based regime from 2028 (RP5)



**Common framework in terms of general principles** across electricity and gas, designed to support and allow for adequate return on investments



**Incentive-based mechanism** favouring efficient operators and allowing to **retain potential outperformance** within a regulatory period



**No volume** and very **limited commodity risk**, as well as **inflation protection**



Pragmatic **regulation of new molecules** with clear and **economically visible framework**



**H2 regulatory framework incentivizing investments.**  
**Strong institutional push to decarbonization** with **downside protection** through **KfW guarantees**

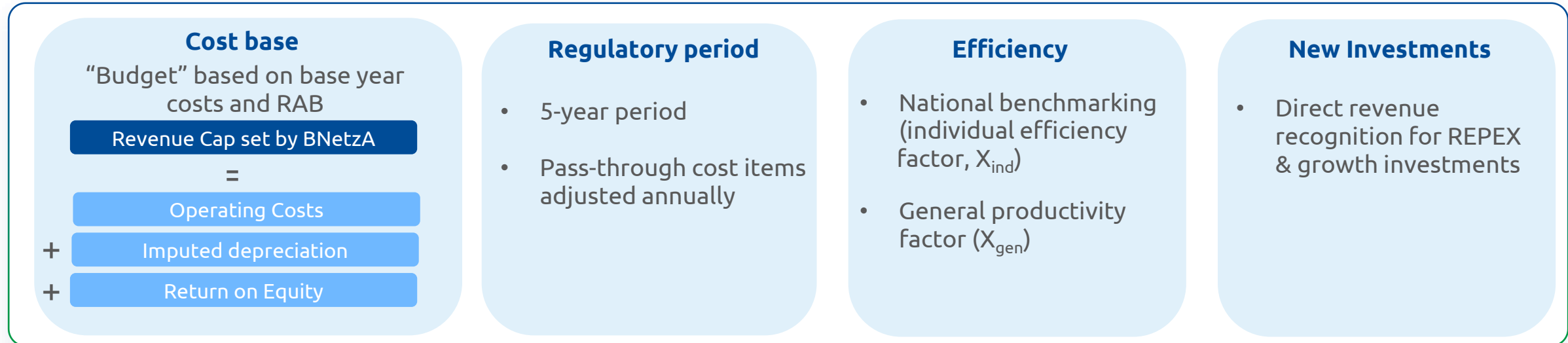


**CO2 remuneration scheme** expected to **incentivize investments** through adequate **return** on the back of **institutional push to decarbonise**

**Well-established, visible and supportive regulatory environment across different molecules**

# Key elements of the German natural gas regulatory regime

## Current regulatory framework



## BNetzA Initiative to Modernise Regulatory Framework from 2028

- Ongoing discussion with industry – geared towards ensuring future-proof, stable regulatory framework
- Focus topics inter alia: length of regulatory periods, WACC - approach for capital costs, efficiency measures, optional shortening of depreciation period for natural gas assets

# Future H2 regulatory regime in Germany

## 2021: First principles of regulation for H2 networks established

- H2 NEV<sup>1</sup> set general framework for calculation of network costs financed via network charges

## 2024: Legal and regulatory framework for financing of H2 Core Grid

- H2 Core Grid to be developed by German Gas-TSOs as initial H2 network
- Aims to connect potential H2 sources and import points with future customer segments, e.g. industry locations

## Cost Regulation for H2 Core Grid

**Cost-plus based regulation** with yearly cost application and approval by BNetzA

**Tariff is capped in the ramp-up phase** of the hydrogen market and set by BNetzA

**Full financing** through a nationwide grid fee

**Liquidity and returns secured in the ramp-up phase:** Delta costs and lower revenues from grid fees temporarily offset via amortisation account

**Stranded assets risk** in case of slower or even failure of H2 ramp up **capped to a certain level** by subsidiary state cover

1. H2 NEV: Ordinance on charges for access to hydrogen networks

# Impact on Snam

**Transport network km  
Snam and associates  
(pro-quota)**

**From  
2024**

~ 37,500  
km

~ +8%

**To  
2025E**

~ 40,400  
km

**Net Income contribution<sup>1</sup>  
(average per year)**

2026-2029

~ +40 m

+2-3%<sup>1</sup>

**Adj. EPS<sup>1</sup>**

~ 1%

**Credit  
Rating**

No impact on Snam's  
rating and dividend  
policy

**Sound Net Income accretion while keeping financial flexibility**

1. Depending on financing: existing financial flexibility or hybrid instrument.

## Closing remarks



**A further milestone in the delivery of our strategy to build the leading Pan-European multi- molecules operator**

# Annexes



# Key figures Snam and VGH



€ m	FY 2023	FY 2024
Revenues	3,941	3,568
Operating expenses	(1,524)	(815)
<b>EBITDA</b>	<b>2,417</b>	<b>2,753</b>
Depreciation & amortisation	(940)	(1,019)
<b>EBIT</b>	<b>1,477</b>	<b>1,734</b>
Net interest income (expenses)	(221)	(331)
Net income from associates	315	326
<b>EBT</b>	<b>1,571</b>	<b>1,729</b>
Income taxes	(393)	(442)
<b>NET PROFIT BEFORE THIRD PARTIES</b>	<b>1,178</b>	<b>1,287</b>
Third Parties Net Profit	(10)	2
<b>NET PROFIT</b>	<b>1,168</b>	<b>1,289</b>
<b>Net debt</b>	<b>15,270</b>	<b>16,238</b>



€ m	FY 2023	FY 2024
Revenues	1,652	1,136
Other operating income	88	117
Operating expenses	(792)	(820)
<b>EBITDA</b>	<b>947</b>	<b>434<sup>1</sup></b>
Depreciation & amortisation	(225)	(227)
<b>EBIT</b>	<b>723</b>	<b>207</b>
Net interest income (expenses)	(55)	(56)
<b>EBT</b>	<b>668</b>	<b>151</b>
Income taxes	(198)	(43)
<b>NET PROFIT</b>	<b>470</b>	<b>107</b>
<b>Net debt and debt-like items<sup>3</sup></b>	<b>3,096</b>	<b>3,387</b>

1. Snam's reconciliation on the basis of VGT and OGE's figures. For more information, please refer to Viergas Transport: [Link](#)
2. 2024 Estimated EBITDA Gross of regulatory adjustments offsetting over and underperformance compared to reference regulated revenues in 2020 and 2024 equal to € 627m, according to Snam's reconciliation.
3. Snam's reconciliation.

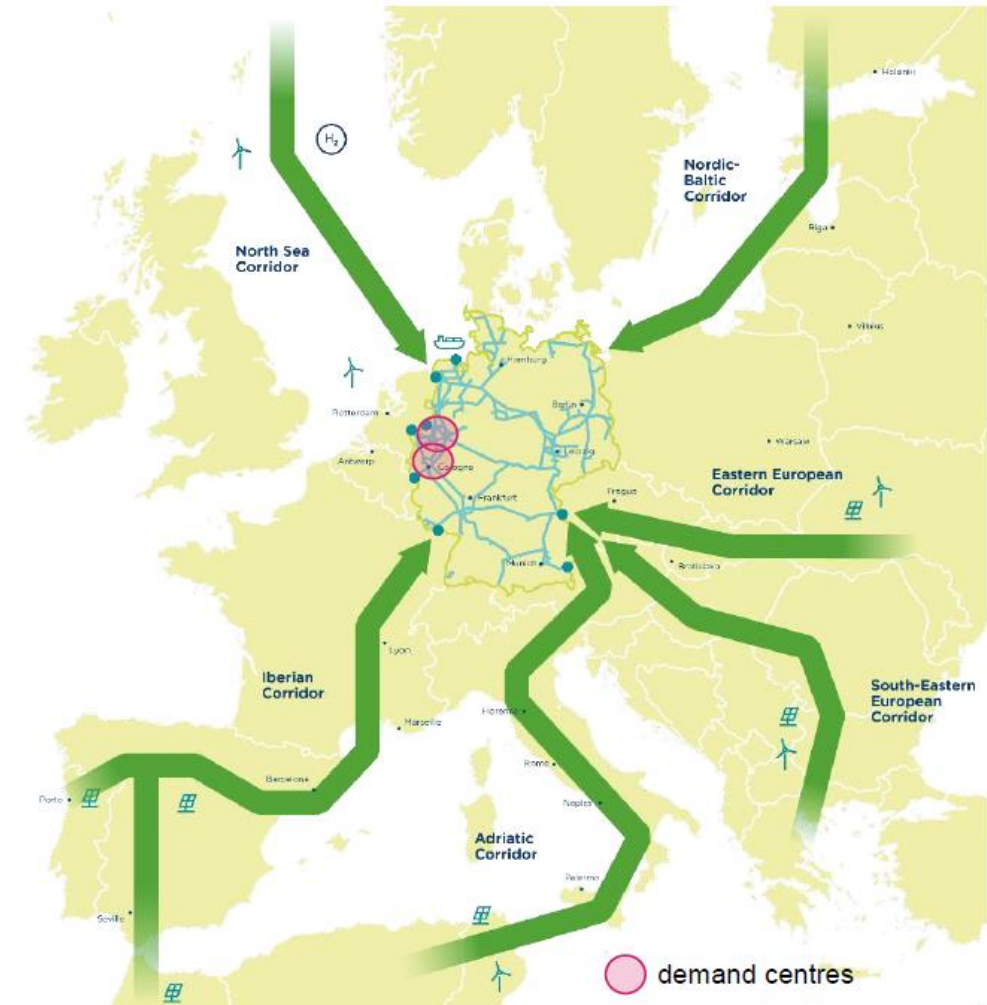
# Involvement in Import Corridors to Support H2 Ramp Up

## OGE will develop the most relevant corridors to cover German H2 demand

- H2 production in Germany will not be able to meet the country's expected demand
- Import corridors aimed at filling this gap and thus contribute to an efficient H2 ramp up & secure energy supply

## H2 Core Grid Approved by BNetzA

- H2 Core Grid shall enable suppliers and consumers to convert their business to H2 usage
- Connects producers, harbours, power plants, consumers and storage facilities by 2032
- ~ 10.000 km, thereof roughly 60% repurposed
- ~ €20bn investments, substantial OGE-share expected
- Financing concept enables TSOs to earn full revenue cap right from the start (comparable to CH4), expected to end in 2055
- Establishment of amortisation account backed by German state guarantee



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