


[> Highlights](#)
[> Directors' report integrated report](#)
[> Consolidated non-financial statement](#)
[> Consolidated Financial Statements](#)

date should be classified as current (due or potentially due to be settled within one year) or non-current. In addition, they include clarifications regarding the classification requirements of payables that an entity could extinguish through conversion to equity. Early application of the amendments is permitted.

#### Changes in accounting estimates and changes in accounting policies - Amendments to IAS 1 and IAS 8

On 12 February 2021, the IASB issued the document "Amendments to IAS 1 Presentation of Financial Statements 2: Disclosure of Accounting Policies" and "Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates", the provisions of which will take effect from financial years starting on or after 1 January 2023, subject to deferrals established upon approval by the European Commission. The changes will help companies to improve disclosure on accounting standards so that they provide more useful information to investors and other primary users of financial statements and provide useful guidance in distinguishing changes in accounting estimates from changes in accounting standards.

#### Change cycle: May 2020

On 14 May 2020, the IASB issued the following amendments whose provisions are effective for financial years beginning on or after 1 January 2022, notwithstanding subsequent deferrals established upon approval by the European Commission:

- **Improvements to IFRSs (2018-2020 cycle):**
  - (i) amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards", in relation to the measurement of cumulative translation differences; (ii) amendments to IFRS 9 "Financial Instruments" clarifying which fees are included when performing the "10 per cent" test required by paragraph B3.3.6 of IFRS 9, specifying that only commissions paid or received between the entity and the lender should be included; (iii) deletion of Illustrative Example 13 accompanying IFRS 16 "Leases" relating to the reimbursement of leasehold improvements by the lessor, in order to remove any doubt about the treatment of leasing incentives; (iv) amendments to IAS 41 "Agriculture" to clarify that in the fair value measurement of biological assets, there is no obligation to exclude the cash flows related to.
- **Amendments to IAS 16:** the document "Amendments

to IAS 16 Property, Plant and Equipment: Proceeds before intended use" introduced some clarifications, specifying that there can be no deduction, from the asset cost, of the amount received from the sale of goods produced, before the asset was ready for use, as intended by the management. These sales revenues and related costs shall therefore be recognised in the income statement.

- **Amendments to IAS 37:** The document "Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous contracts - Cost of fulfilling a contract" clarified which cost items are to be considered in determining whether or not a contract will be loss-making.
- **Amendments to IFRS 3:** the document "Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework" aims to update the IFRS 3 reference to the Conceptual Framework in its revised version, without leading to any changes to the requirements of IFRS 3.

The directors will not experience significant changes to the Group's consolidated financial statements deriving from the adoption of said amendment.

## 8) CASH AND CASH EQUIVALENTS

Cash and cash equivalents, of 3,044 million euros (2,851 million euros as at 31 December 2019) refer mainly to current accounts and bank deposits in euros with financial institutions (2,991 million euros), representing the use of cash held for the Group's financial needs, and cash held at the companies Gasrule Insurance DAC (23 million euros) and Snam International BV (22 million euros).

The average yield on cash investments is approximately 0.12%.

The book value of cash and cash equivalents approximates to their fair value. They are not subject to any usage restrictions.

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


[> Highlights](#)
[> Directors' report integrated report](#)
[> Consolidated non-financial statement](#)
[> Consolidated Financial Statements](#)

## 9) TRADE RECEIVABLES AND OTHER RECEIVABLES

Trade receivables and other receivables amounting to 1,676 million euros (1,376 million euros at 31 December 2019) break down as follows:

(million €)	31.12.2019	31.12.2020
Trade receivables, gross of provision for impairment losses	1,319	1,653
Provision for impairment losses	(102)	(102)
<b>Total trade receivables</b>	<b>1,217</b>	<b>1,551</b>
Other receivables from the Energy and Environmental Services Fund (CSEA)	124	79
Receivables for private contributions	8	7
IRES receivables for the national tax consolidation scheme with former parent	9	9
Advances to suppliers	6	6
Others	12	24
<b>Total trade receivables and other receivables</b>	<b>1,376</b>	<b>1,676</b>

Trade receivables (1,551 million euros; 1,217 million euros at 31 December 2019) mainly pertain to the natural gas transportation (1,150 million euros) and storage (176 million euros) segments.

Trade receivables relating to the storage sector include VAT receivable invoiced to users in previous years for the use of strategic gas collected and not replenished (77 million euros, unchanged from 31 December 2019).

This provision for impairment losses (102 million euros) essentially relates to impairment losses recorded in previous years on receivables from the balancing service pursuant to resolution 608/2015/R/gas through which the Authority provided for partial payment to the balancing supervisor (Snam Rete Gas) of uncollected receivables for the period from 1 December 2011 to 23 October 2012 (90 million euros, including the relative interest)<sup>9</sup>.

Receivables from the CSEA (79 million euros) refer to the transportation sector and are attributable to the gas settlement, introduced by the Authority through resolutions 670/2017/R/gas and 782/2017/R/gas, and to the incentives paid to the balancing manager.

Receivables for private contributions (7 million euros; 8 million euros at 31 December 2019) were recognised in respect of third-party interference works involving the transportation sector (so-called compensation).

IRES receivables for the national tax consolidation regime (9 million euros, unchanged from 31 December 2019) mainly related to receivables from the

<sup>9</sup> Pursuant to the provisions of Resolution 608/2015/R/gas, the Company made a provision for impairment losses for a value of approximately 125 million euros, which, following the Council of State's ruling of 5 March 2020, was released at a value of approximately 35 million euros. As at 31 December 2020, the value of the provision for impairment losses amounted to 90 million euros and related to the balancing receivables due to the Company from certain customers with whom bankruptcy proceedings are in progress. For more information, see Note 26 "Financial Risk Management – Credit Risk".


[> Highlights](#)
[> Directors' report integrated report](#)
[> Consolidated non-financial statement](#)
[> Consolidated Financial Statements](#)

former parent company, Eni, relating to the IRES refund request resulting from the partial IRAP deduction relating to tax years 2007 to 2011 (pursuant to Decree-Law 201/2011).

All receivables are in euros. The fair value measurement of trade and other receivables has no material impact considering the short period of time from when the receivable arises and its due date and the contractual terms and conditions.

Receivables from related parties are described in Note 36 "Related-party transactions".

Specific information on credit risk can be found in Note 26 "Financial risk management - Credit risk".

Trade receivables and other receivables largely refer to activities carried out by Snam in the regulated business segments (transportation, storage and regasification), with customers of high credit standing. This exposes Snam to a very limited risk of expected losses on its receivables. In consideration of the assessments made, also in relation to the possible impacts of Covid-19, no deterioration in the creditworthiness of counterparties was found; for these reasons, Snam has not identified any issues with regard to the recoverability of trade and other receivables as at 31 December 2020.

## 10) CURRENT AND NON-CURRENT INVENTORIES

Current and non-current inventories, which amount to 461 million euros (475 million euros at 31 December 2019) are analysed in the table below:

(million €)	31.12.2019			31.12.2020		
	Gross value	Provision for Impairment losses	Net value	Gross value	Provision for Impairment losses	Net value
Raw materials, consumables and supplies	106	(13)	93	93	(13)	80
Finished products and goods	51	(32)	19	50	(32)	18
<b>Total current inventories</b>	157	(45)	112	143	(45)	98
<b>Total non-current inventories - Compulsory inventories</b>	363		363	363		363
<b>Total current and non-current inventories</b>	<b>520</b>	<b>(45)</b>	<b>475</b>	<b>506</b>	<b>(45)</b>	<b>461</b>

Inventories of current raw materials, consumables and supplies (80 million euros; 93 million euros at 31 December 2019) primarily include stock materials relating to the pipeline network (40 million euros) to storage plants (12 million euros), and natural gas used for transportation activities (9 million euros).

Inventories of finished products and merchandise (18 million euros, 19 million euros at 31 December 2019) mainly refer to the natural gas present in the storage system (617 million euros standard cubic metres, unchanged from 31 December 2019).


[> Highlights](#)
[> Directors' report integrated report](#)
[> Consolidated non-financial statement](#)
[> Consolidated Financial Statements](#)

Inventories are stated net of write-down provisions of 45 million euros (unchanged from 31 December 2019). The provision essentially concerns the write-down (30 million euros) recorded in 2014 for 0.4 billion cubic metres of natural gas used under the scope of storage activities of strategic gas unduly withdrawn by some service users in 2010 and 2011<sup>10</sup>.

Inventories are not pledged to guarantee. Inventories do not secure liabilities, nor inventories recognised at net realisation value.

Non-current inventories (363 million euros, unchanged from 31 December 2019) include minimum quantities of natural gas that the storage companies are obliged to hold pursuant to Presidential Decree No. 22 of 31 January 2001 (so-called Compulsory inventories).

The quantities of natural gas in stock, equal to around 4.5 billion standard cubic metres, are determined annually by the Ministry of Economic Development<sup>11</sup>.

## 10.1 THIRD PARTY NATURAL GAS ON DEPOSIT

Risks related to third party assets on deposit, equal to 1,458 million euros (2,073 million euros at 31 December 2019) relate to approximately 8 billion cubic metres of natural gas deposited in the storage plants by service customers. This amount was determined by applying the estimated unit repurchase cost<sup>12</sup> of approximately 0.18 per standard cubic metre (0.23 per standard cubic metre at 31 December 2019) to the quantities of gas deposited.

## 11) CURRENT AND NON-CURRENT INCOME TAX ASSETS/LIABILITIES

Current and non-current income tax assets/liabilities break down as follows:

(million €)	31.12.2019	31.12.2020
IRES	9	17
IRAP		1
Other assets	3	16
<b>Total current income tax assets</b>	<b>12</b>	<b>34</b>
IRES	(22)	(1)
IRAP	(4)	(1)
<b>Total current income tax liabilities</b>	<b>(26)</b>	<b>(2)</b>

<sup>10</sup> For more information regarding the progress of the lawsuits under way, see Note 26 "Financial risk management - Credit risk - Recovering receivables from users of the storage system".

<sup>11</sup> On 12 February 2021, the Ministry confirmed the total volume of strategic storage for the contractual year 2021-2022 (1 April 2021 - 31 March 2022) at 4.62 billion cubic metres or approximately 48,846 gigawatt hours GWh, unchanged compared with the thermal year 2020-2021 (1 April 2020-31 March 2021). The Stogit share was unchanged at 4.5 billion cubic metres.

<sup>12</sup> Value calculated on the basis of the CCI Tariff, or the wholesale price established by the ARERA every quarter.


[> Highlights](#)
[> Directors' report integrated report](#)
[> Consolidated non-financial statement](#)
[> Consolidated Financial Statements](#)

Current income tax assets 34 million euros (12 million euros at 31 December 2019) mainly include IRES receivables (17 million euros) settle against receivables for additional IRES (8 million euros) and other assets (16 million euros) for Ecobonus and Sismabonus receivables (14 million euros).

Current income tax liabilities amount to 2 million euros (26 million euros at 31 December 2019). The decrease compared to the previous year is mainly due to lower payables for IRES under the National Tax Consolidation Regime (21 million euros).

Taxes for the year under review are shown in Note 33 "Income taxes".

## 12) OTHER CURRENT AND NON-CURRENT FINANCIAL ASSETS

Current financial assets of 7 million euros and non-current financial assets of 420 million euros (44 million euros at 31 December 2019) break down as follows:

(million €)	31.12.2019			31.12.2020		
	Current	Non-current	Total	Current	Non-current	Total
Long-term financial receivables		3	3	1	306	307
Minority equity investments FVTOCI		39	39		112	112
Short-term financial receivables				5		5
Other		2	2	1	2	3
<b>Total other current and non-current assets</b>		<b>44</b>	<b>44</b>	<b>7</b>	<b>420</b>	<b>427</b>

Long-term financial receivables amount to 307 million euros (3 million euros at 31 December 2019). Compared to 31 December 2019, receivables increased by 304 million euros mainly as a result of Snam taking over the residual portion of a shareholders' loan from Iren S.p.A. to OLT, against the acquisition of a 49.07% stake in the company's share capital, a transaction completed on 26 February 2020. With reference to such receivables, including in relation to the possible impact of Covid-19, no deterioration in the counterparty's creditworthiness was recorded.

Minority equity investments valued at FVTOCI (112 million euros at 31 December 2020; 39 million euros at 31 December 2019) relate to the valuation of the shares held by Snam in the capital of Terminale GNL Adriatico S.r.l. (7.3% stake) and in the capital of ITM Power PLC (2.318% stake, acquired in the financial year), amounting to 38 million euros and 74 million euros respectively.


[> Highlights](#)
[> Directors' report integrated report](#)
[> Consolidated non-financial statement](#)
[> Consolidated Financial Statements](#)

Changes during the year were as follows:

(million €)	
<b>Value as at 31.12.2019</b>	<b>39</b>
Acquisitions and subscriptions	<b>34</b>
Change in fair value through other comprehensive income	<b>43</b>
Disposals and redemptions	<b>(4)</b>
<b>Value as at 31.12.2020</b>	<b>112</b>

The acquisitions and subscriptions in the financial year, equal to 34 million euros, fully refer to the subscription of the capital increase of ITM Power PLC that led Snam to possess a shareholding of 2.318%; the change of Fair Value from the date of subscription, shown in the other elements of the comprehensive income statement, is equal to 40 million euros.

For further information on the acquisition of ITM Power PLC see section "Main events - Hydrogen" in the Directors' Report.

### 13) OTHER CURRENT AND NON-CURRENT ASSETS

Other current assets, which amount to 99 million euros (33 million euros at 31 December 2019) and other non-current assets of 48 million euros (26 million euros at 31 December 2019) break down as follows:

(million €)	31.12.2019			31.12.2020		
	Current	Non-current	Total	Current	Non-current	Total
Other current tax assets:	14		<b>14</b>	<b>50</b>		<b>50</b>
- VAT	11		<b>11</b>	<b>46</b>		<b>46</b>
- Other taxes	3		<b>3</b>	<b>4</b>		<b>4</b>
Regulated activities	1	1	<b>2</b>	<b>1</b>	<b>18</b>	<b>19</b>
Other assets:	18	25	<b>43</b>	<b>48</b>	<b>30</b>	<b>78</b>
- Prepaid expenses	9	10	<b>19</b>	<b>7</b>	<b>13</b>	<b>20</b>
- Security deposits		13	<b>13</b>		<b>14</b>	<b>14</b>
- Other	9	2	<b>11</b>	<b>41</b>	<b>3</b>	<b>44</b>
<b>Total other current and non-current assets</b>	<b>33</b>	<b>26</b>	<b>59</b>	<b>99</b>	<b>48</b>	<b>147</b>

Other current tax assets 50 million euros (14 million euros at 31 December 2019) mainly refer to VAT receivables (46 million euros).


[> Highlights](#)
[> Directors' report integrated report](#)
[> Consolidated non-financial statement](#)
[> Consolidated Financial Statements](#)

The item "Other assets" (78 million euros; 43 million euros at 31 December 2019) basically includes:

- prepaid expenses (20 million euros), relating to upfront fees and the substitute tax on revolving credit lines (17 million euros) and to insurance premiums (3 million euros);
- security deposits (14 million euros) issued to support operations mainly relating to the natural gas transportation sector;
- other (44 million euros) mainly relate to contract work on biogas plants.

## 14) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, amounts to 16,815 million euros (16,439 million euros at 31 December 2019) breaks down as follows:

(million €)	31.12.2019						Total
	Land	Buildings	Plant and equipment	Industrial and Commercial Equipment	Other assets	Fixed assets in progress and advances	
<b>Cost at 31.12.2018</b>	<b>171</b>	<b>472</b>	<b>23,195</b>	<b>117</b>	<b>235</b>	<b>816</b>	<b>25,006</b>
Investments			5	12	1	843	<b>861</b>
Disposals		(1)	(23)	(7)	(1)	(4)	<b>(36)</b>
Change in the scope of consolidation		2	74	1		2	<b>79</b>
- of which rights of use for leased assets		2					<b>2</b>
Other changes	2	11	682	5	50	(717)	<b>33</b>
Rights of use for leased assets (*)	3	20			2		<b>25</b>
<b>Cost at 31.12.2019</b>	<b>176</b>	<b>504</b>	<b>23,933</b>	<b>128</b>	<b>287</b>	<b>940</b>	<b>25,968</b>
<b>Provisions for amortisation and depreciation at 31.12.2018</b>		<b>(116)</b>	<b>(8,432)</b>	<b>(62)</b>	<b>(173)</b>		<b>(8,783)</b>
Total amortisation and depreciation		(11)	(605)	(12)	(22)		<b>(650)</b>
Disposals			20	7	1		<b>28</b>
Change in the scope of consolidation			(18)				<b>(18)</b>
Rights of use for leased assets	(1)	(4)			(1)		<b>(6)</b>
<b>Provisions for amortisation and depreciation at 31.12.2019</b>	<b>(1)</b>	<b>(131)</b>	<b>(9,035)</b>	<b>(67)</b>	<b>(195)</b>	<b>0</b>	<b>(9,429)</b>
<b>Provision for impairment losses at 31.12.2018</b>	<b>(1)</b>	<b>(4)</b>	<b>(26)</b>			<b>(39)</b>	<b>(70)</b>
(Impairment losses)/Recovery of value			(3)			(27)	<b>(30)</b>
<b>Provision for impairment losses at 31.12.2019</b>	<b>(1)</b>	<b>(4)</b>	<b>(29)</b>			<b>(66)</b>	<b>(100)</b>
<b>Net balance at 31.12.2018</b>	<b>170</b>	<b>352</b>	<b>14,737</b>	<b>55</b>	<b>62</b>	<b>777</b>	<b>16,153</b>
<b>Net balance at 31.12.2019</b>	<b>174</b>	<b>369</b>	<b>14,869</b>	<b>61</b>	<b>92</b>	<b>874</b>	<b>16,439</b>

(\*) Includes the effects of the IFRS 16 first-time application (20 million euros) and the changes during the year (5 million euros).


[> Highlights](#)
[> Directors' report integrated report](#)
[> Consolidated non-financial statement](#)
[> Consolidated Financial Statements](#)

(million €)	31.12.2020						Total
	Land	Buildings	Plant and equipment	Industrial and Commercial Equipment	Other assets	Fixed assets in progress and advances	
<b>Cost at 31.12.2019</b>	176	504	23,933	128	287	940	25,968
- of which rights of use for leased assets	3	22			2		27
Investments			16	12	1	995	1,024
Disposals		(3)	(24)	(6)	(10)	(4)	(47)
Change in the scope of consolidation					2		2
Other changes		15	792	5	28	(789)	51
Changes in rights of use for leased assets	2	2			2		6
<b>Cost at 31.12.2020</b>	178	518	24,717	139	310	1,142	27,004
<b>Provisions for amortisation and depreciation at 31.12.2019</b>	(1)	(131)	(9,035)	(67)	(195)		(9,429)
- of which rights of use for leased assets	(1)	(4)			(1)		(6)
Total amortisation and depreciation	(1)	(11)	(622)	(13)	(28)		(675)
Disposals		1	15	7	10		33
Other changes		(2)	(2)				(4)
Depreciation rights of use for leased assets	(1)	(5)					(6)
<b>Provisions for amortisation and depreciation at 31.12.2020</b>	(3)	(148)	(9,644)	(73)	(213)		(10,081)
<b>Provision for impairment losses at 31.12.2019</b>	(1)	(4)	(29)			(66)	(100)
(Impairment losses)/Recovery of value			(7)			(4)	(11)
Other changes		1	2				3
<b>Provision for impairment losses at 31.12.2020</b>	(1)	(3)	(34)			(70)	(108)
<b>Net balance at 31.12.2019</b>	174	369	14,869	61	92	874	16,439
<b>Net balance at 31.12.2020</b>	174	367	15,039	66	97	1,072	16,815

Property, plant and equipment (16,815 million euros; 16,439 million euros at 31 December 2019) primarily relates to transportation (13,686 million euros), storage (2,892 million euros) and regasification infrastructure (110 million euros).

Investments<sup>13</sup> (1,024 million euros) mainly relate to the transportation segment (856 million euros).

<sup>13</sup> Investments by business segment are shown in the "Business segment operating performance" section of the Directors' Report.


[> Highlights](#)
[> Directors' report integrated report](#)
[> Consolidated non-financial statement](#)
[> Consolidated Financial Statements](#)

During the year, Snam capitalised 12 million euros of financial expenses (11 million euros in 2019).

Depreciation (681 million euros), included rights-of-use on leased assets, refers to economic and technical depreciation determined on the basis of the useful life of the assets or their remaining possible use by the Company, and, with reference to leased assets, on the basis of the contractual duration if the exercise of any purchase options is not probable.

Capital contributions recorded against the net value of property, plant and equipment stood at 404 million euros (389 million euros at 31 December 2019).

Disposals (14 million euros, net of the related provisions for depreciation, amortisation and impairment losses) mainly relate to transportation segment assets, specifically relating to sections of methane pipeline, components of compression stations and electronic equipment .

Impairment losses and reversals (11 million euros) mainly refer to assets to the transport segment as well as the storage segment, following work over interventions on some plants.

The value of plant and equipment includes the estimated (discounted) costs to be incurred for the removal of facilities and the restoration of sites (325 million euros) mainly relating to the natural gas storage (198 million euros) and transportation (126 million euros) segments.

Other changes (47 million euros) relate essentially to: (i) the upward revision of dismantling estimated costs and restoration of sites, basically relating to the storage sector, against the reduction in the expected discount rates (73 million euros in all); (ii) contributions on works for interference with third parties (so-called recharges, -20 million euros).

With reference to the item "Rights of use for leased assets", it should be noted that in 2020 no lease agreements were renegotiated with counterparties as a result of the Covid-19.

In the absence of impairment indicators recorded during the year, there is no need to verify the recoverability of the carrying amount of property, plant and equipment. Nevertheless, as indicated in Note 15 "Intangible assets and goodwill", to which reference should be made for further details, an impairment test was carried out on all the main CGUs of the group.

Contractual commitments to purchase property, plant and equipment, and to provide services related to the construction thereof, are reported in Note 25 "Guarantees and commitments".

There are no real guarantees on property, plant and equipment.


[> Highlights](#)
[> Directors' report integrated report](#)
[> Consolidated non-financial statement](#)
[> Consolidated Financial Statements](#)

## 14.1 TANGIBLE ASSETS BY BUSINESS SEGMENT

Property, plant and equipment by business segment break down as follows:

(million €)	31.12.2019	31.12.2020
<b>Historical cost</b>	<b>25,968</b>	<b>27,004</b>
Transportation	21,645	22,477
Storage	4,020	4,167
Regasification	176	192
Corporate and other activities	127	168
<b>Provisions for depreciation, amortisation and impairment losses</b>	<b>(9,529)</b>	<b>(10,189)</b>
Transportation	(8,244)	(8,791)
Storage	(1,175)	(1,274)
Regasification	(76)	(82)
Corporate and other activities	(34)	(42)
<b>Net balance</b>	<b>16,439</b>	<b>16,815</b>
Transportation	13,401	13,686
Storage	2,845	2,893
Regasification	100	110
Corporate and other activities	93	126


[> Highlights](#)
[> Directors' report integrated report](#)
[> Consolidated non-financial statement](#)
[> Consolidated Financial Statements](#)

## 15) INTANGIBLE ASSETS AND GOODWILL

Intangible assets and goodwill, which amount to 1,125 million euros (990 million euros at 31 December 2019) break down as follows:

(million €)	31.12.2019					
	With a finite useful life				With an indefinite useful life	
	Industrial patent rights and intellectual property rights	Concessions, licences, trademarks and similar rights	Other intangible fixed assets	Fixed assets in progress and advances	Goodwill	Total
<b>Cost at 31.12.2018</b>	<b>763</b>	<b>769</b>	<b>64</b>	<b>38</b>	<b>42</b>	<b>1,676</b>
Investments				102		<b>102</b>
Change in the scope of consolidation		31	7		9	<b>47</b>
Other changes	91	3	(1)	(93)		
<b>Cost at 31.12.2019</b>	<b>854</b>	<b>803</b>	<b>70</b>	<b>47</b>	<b>51</b>	<b>1,825</b>
<b>Provisions for amortisation and depreciation at 31.12.2018</b>	<b>(624)</b>	<b>(101)</b>	<b>(44)</b>			<b>(769)</b>
Total amortisation and depreciation	(61)	(4)	(1)			<b>(66)</b>
<b>Provisions for amortisation and depreciation at 31.12.2019</b>	<b>(685)</b>	<b>(105)</b>	<b>(45)</b>			<b>(835)</b>
<b>Provision for impairment losses at 31.12.2018</b>						
<b>Provision for impairment losses at 31.12.2019</b>						
<b>Net balance at 31.12.2018</b>	<b>139</b>	<b>668</b>	<b>20</b>	<b>38</b>	<b>42</b>	<b>907</b>
<b>Net balance at 31.12.2019</b>	<b>169</b>	<b>698</b>	<b>25</b>	<b>47</b>	<b>51</b>	<b>990</b>


[> Highlights](#)
[> Directors' report integrated report](#)
[> Consolidated non-financial statement](#)
[> Consolidated Financial Statements](#)

(million €)	31.12.2020					
	With a finite useful life				With an indefinite useful life	
	Industrial patent rights and intellectual property rights	Concessions, licences, trademarks and similar rights	Other intangible fixed assets	Fixed assets in progress and advances	Goodwill	Total
<b>Cost at 31.12.2019</b>	854	803	70	47	51	1,825
Investments				165		165
Disposals	(1)		(44)			(45)
Change in the scope of consolidation			42		12	54
Other changes	101	16	3	(119)	(3)	(2)
<b>Cost at 31.12.2020</b>	954	819	71	93	60	1,997
<b>Provisions for amortisation and depreciation at 31.12.2019</b>	(685)	(105)	(45)			(835)
Total amortisation and depreciation	(72)	(4)	(5)			(81)
Disposals	1		43			44
<b>Provisions for amortisation and depreciation at 31.12.2020</b>	(756)	(109)	(7)			(872)
<b>Provision for impairment losses at 31.12.2019</b>						
<b>Provision for impairment losses at 31.12.2020</b>						
<b>Net balance at 31.12.2019</b>	169	698	25	47	51	990
<b>Net balance at 31.12.2020</b>	198	710	64	93	60	1,125

Industrial patent and intellectual property rights 198 million euros (169 million euros at 31 December 2019) mainly concern information systems and applications in support of operating activities.

Concessions, licences, trademarks and similar rights (710 million euros; 698 million euros at 31 December 2019) refer basically to concessions for natural gas storage activities (665 million euros) and to the concessions of Settala (231 million euros), Sergnano (128 million euros), Fiume Treste (91 million euros) and Brugherio (57 million euros). The value of the storage concessions is represented by the reserves of natural gas in the fields ("Cushion Gas"<sup>14</sup>).

Change in consolidation perimeter (54 million euros) refers to intangible fixed assets, including goodwill, recognized following the Purchase Price Allocation of the acquisition transactions, closed in October 2020, of the companies Miecì and Evolve<sup>15</sup>.

<sup>14</sup> Cushion gas is not depreciated.

<sup>15</sup> For further information, see Note 24 - "Business combinations".



Other intangible fixed assets (64 million euros; 25 million euros at 31 December 2019) include the fair value attributed during the Purchase Price Allocation of Mieci and Evolve, as regulated by the accounting standard IFRS3 "Business Combinations", relating to the book order (approximately 40 million euros). Amortisation is based on the average duration of the contracts.

The increase in assets with an indefinite useful life (9 million euros) refers mainly to goodwill recorded following the Mieci 's acquisition (12 million euros). This goodwill was allocated to the CGUs represented by the same legal entity.

Investments (165 million euros) mainly related to the natural gas transportation (123 million euros) segment<sup>16</sup>, refer to information systems development projects, including the Cloud - Azure Consumption project.

Amortisation (81 million euros) refers to economic and technical amortisation determined on the basis of the definite useful life of the intangible assets or their remaining possible use by the Company.

Contractual commitments to purchase intangible assets, and to provide services related to the development thereof, are reported in Note 25 - "Guarantees and commitments".

## Impairment test

As required by accounting principle (IAS 36), the impairment test is carried out at least once a year for all CGUs to which goodwill, recorded in the consolidated financial statements, has been allocated and for CGUs that include intangible fixed assets with an indefinite useful life and intangible fixed assets not yet available for use. For all the remaining CGUs, the impairment test is carried out only when there are impairment indicators. In 2020, the test was performed for all the main CGUs, regardless of the presence of impairment indicators. In particular, these were represented by:

- for regulated activities of the transportation, regasification and storage of natural gas by the CGUs Snam Rete Gas, ITG, LNG and Stogit; goodwill amounting to 27 million euros was allocated to ITG only;

- the sustainable mobility businesses, composed of refuelling stations and compressors, of the CGUs Snam 4 Mobility and Cubogas, allocated a goodwill of 7 million euros;
- for the biogas/biomethane business, by the companies IES Biogas and by CGUs Enersi and Renerwaste<sup>17</sup>, to which a total goodwill of 10 million euros is allocated. The companies of the Renerwaste group represent a single CGU (Renerwaste CGU) since the method of managing waste treatment plants is unitary and centralised. Moreover, in view of the characteristics of such plants, management is not bound by the corporate structure when making decisions on the allocation of resources and investments;
- the energy efficiency business, by CGUs TEP Energy Solutions, allocated a total goodwill of 4 million euros.

With reference to the "sustainable mobility" business, while activities until 2019 focused mainly on defining commercial agreements, signing agreements for new stations and identifying partners to develop new initiatives, activities in 2020 focused on the construction of filling stations. Considering such a new phase that the business is facing, both the methods for monitoring results and the consequent methods for managing strategic decisions have been redefined to support in an adequate way the growth.

These changes, together with the unitary management of resources and the strong vertical integration of Cubogas and Snam 4 Mobility, have led to the consideration that the criterion of monitoring by individual company is now out of date, in favour of a model focused on unitary management of the sustainable mobility business. Consistently, with this management method, starting from 2020<sup>18</sup>, the goodwill allocated to Cubogas CGU is tested at the Cubogas and Snam 4 Mobility CGU grouping level.

<sup>17</sup> The Renerwaste CGU consists of the four companies acquired by the group in November 2019, namely Renerwaste S.r.l., Renerwaste Lodi, Ecoprogetto Milano and Ecoprogetto Tortona.

<sup>18</sup> In compliance with CONSOB Communication no.0003907 of 19-01-2015, following the change in the method for verifying the recoverable amount of the sustainable mobility business for the purposes of the consolidated financial statements as at 31.12.2020, the Cubogas CGU was also tested for impairment separately. The impairment test conducted did not reveal any losses in value.

<sup>16</sup> Investments by business segment are shown in the "Business segment operating performance" section of the Directors' Report.


[> Highlights](#)
[> Directors' report integrated report](#)
[> Consolidated non-financial statement](#)
[> Consolidated Financial Statements](#)

Overall, except for the amendment mentioned above, the impairment test was carried out on the basis of a similar CGU set-up to last year, supplemented by the CGUs Renerwaste.

The recoverable amount of CGUs Snam 4 Mobility and Cubogas was determined as the usage value, on the basis of the Discounted Cash Flow (DCF) Method. Taking into consideration the start up stage of the business, the cash flows were calculated taking into consideration a longer time horizon compared with the forecast 2021-2024 Plan data approved by the Board, in order to be able to consider all the effects that could have a significant impact on cash flows. The Weighted Cost of Capital Average - WAAC method was used to discount cash flows. The Terminal Value was calculated using the perpetuity method, applying a growth rate in line with market evidence for the expected long-term inflation rate, based on the values indicated by the International Monetary Fund (IMF).

With reference to the biogas/biomethane business, the recoverable value of the three CGUs identified consisting of IES Biogas, Enersi and Renerwaste was determined as the usage value, on the basis of the Discounted Cash Flow (DCF) Method, using the 2021-2024 Plan approved by the Board. For the Renerwaste and Enersi CGUs only, cash flows were calculated taking into consideration a longer time horizon compared to the forecast 2021-2024 Plan data approved by the Board, so as to consider all the effects that could have a significant impact on cash flows. The Weighted Cost of Capital Average - WAAC method was used to discount cash flows. The Terminal Value was calculated using the perpetuity method, applying to IES Biogas only, a growth rate in line with market evidence for the expected long-term inflation rate, based on the values indicated by the International Monetary Fund (IMF).

With reference to the energy efficiency business, the recoverable value of the CGU TEP Energy Solutions was determined as the usage value, on the basis of the Discounted Cash Flow (DCF) Method. Given the nature of the business, significantly affected by physical benefits related to the energy reclassification of buildings, cash flows were calculated over a longer time horizon than the Plan approved by the Board, so as to provide an adequate representation of the value of contracts still existing at the end of the approved Plan. The Weighted Average Cost of Capital - WAAC method was used to discount cash flows. The Terminal Value was calculated using the perpetuity method, applying a growth rate in line with market evidence for the expected long-term inflation rate, based on the values indicated by the International Monetary Fund (IMF).

For the companies newly acquired in the last quarter of 2020 (Mieci and Evolve), operating in the energy efficiency business, the recoverable value allocated to the CGUs was assumed to be equal to the purchase prices of the companies also taking into account the timing of the acquisitions.

With reference to the Transportation (Snam Rete Gas), Regasification (GNL) and Storage (Stogit) CGUs, the recoverable value was defined corresponding to estimated value of Net Invested Capital as recognised for those assets for tariff purposes (RAB - Regulatory Asset Base) by the Italian Regulatory Authority for Energy, Networks and the Environment (ARERA) net of the flat-fee components<sup>19</sup>, of the Employee Severance Pay (TFR) and contributions received.

With reference to the ITG CGU, the recoverable value of the CGU was calculated as the usage value, based on the Discounted Cash Flow (DCF) Method, using the 2021-2024 Plan approved by the Board. The Weighted Average Cost of Capital - WAAC method was used to discount cash flows.

<sup>19</sup> The RAB is the reference basis for the determination of the service tariffs and, therefore, of the cash flows generated by the activities. The value of the RAB is defined through the historical cost method revalued as regards the Fixed capital, and on a flat rate basis for the working capital, the employee severance indemnity and, with reference to the storage sector, the site dismantling and restoration fund.


[> Highlights](#)
[> Directors' report integrated report](#)
[> Consolidated non-financial statement](#)
[> Consolidated Financial Statements](#)

For all CGUs, the recoverable value as represented above, was higher than the net book value of the CGUs included in the goodwill.

As required by the accounting principle IAS 36, the CGUs subject to impairment testing, whose recoverable value was determined by discounting the expected cash flows deriving from the use of the asset and from its sale at the end of its useful life, were subjected to sensitivity analyses of the recoverable value, in the worst case scenario formulated which includes a 0.5% increase in the discount rate applied to cash flows. This stress test did not highlight any loss in value of the CGUs.

## 15.1 INTANGIBLE ASSETS BY BUSINESS SEGMENT

Intangible assets by business segment break down as follows:

(million €)	31.12.2019	31.12.2020
<b>Historical cost</b>	<b>1,825</b>	<b>1,997</b>
Transportation	809	907
Storage	844	848
Regasification	6	10
Corporate and other activities	166	232
<b>Provisions for depreciation, amortisation and impairment losses</b>	<b>(835)</b>	<b>(872)</b>
Transportation	(594)	(631)
Storage	(166)	(155)
Regasification	(4)	(5)
Corporate and other activities	(71)	(81)
<b>Net balance</b>	<b>990</b>	<b>1,125</b>
Transportation	215	276
Storage	678	693
Regasification	2	5
Corporate and other activities	95	151


[> Highlights](#)
[> Directors' report integrated report](#)
[> Consolidated non-financial statement](#)
[> Consolidated Financial Statements](#)

## 16) EQUITY INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments accounted for using the equity method, of 1,923 million euros (1,787 million euros at 31 December 2019) break down as follows:

(million €)	31.12.2019	31.12.2020
Terēga Holding S.A.S.	482	338
Trans Austria Gasleitung GmbH	520	521
AS Gasinfrastruktur Beteiligung GmbH	125	125
Iniziativa Biometano S.p.A.		15
OLT - Offshore LNG Toscana S.p.A.		8
<b>Total equity investments in joint ventures</b>	<b>1,127</b>	<b>1,007</b>
Trans Adriatic Pipeline A.G.	264	278
Italgas S.p.A.	209	235
Galaxy Pipeline Assets HoldCo Limited.		207
Senfluga Energy Infrastructure Holding S.A.	125	138
Interconnector (UK) Ltd.	62	58
<b>Total equity investments in associates</b>	<b>660</b>	<b>916</b>
<b>Equity investments accounted for using the equity method</b>	<b>1,787</b>	<b>1,923</b>


[> Highlights](#)
[> Directors' report integrated report](#)
[> Consolidated non-financial statement](#)
[> Consolidated Financial Statements](#)

Changes during the year are detailed in the following table.

(million €)	Equity investments		Total
	Joint ventures	Associates	
<b>Balance at 01.01.2019</b>	<b>1,099</b>	<b>611</b>	<b>1,710</b>
Acquisitions and subscriptions		23	<b>23</b>
Disposals and redemptions	(9)	(22)	<b>(31)</b>
Dividends received	(98)	(34)	<b>(132)</b>
Effect of equity-accounting method			
- Portion recognised in income statement	128	90	<b>218</b>
- Portion recognised in the comprehensive income statement		6	<b>6</b>
Other changes	7	(14)	<b>(7)</b>
<b>Balance at 31.12.2019</b>	<b>1,127</b>	<b>660</b>	<b>1,787</b>
Acquisitions and subscriptions	<b>18</b>	<b>236</b>	<b>254</b>
Disposals and redemptions	<b>(81)</b>		<b>(81)</b>
Dividends received	<b>(198)</b>	<b>(59)</b>	<b>(257)</b>
Effect of equity-accounting method			
- Portion recognised in income statement	<b>132</b>	<b>115</b>	<b>247</b>
- Portion recognised in the comprehensive income statement	<b>1</b>	<b>(38)</b>	<b>(37)</b>
Other changes	<b>8</b>	<b>2</b>	<b>10</b>
<b>Balance at 31.12.2020</b>	<b>1,007</b>	<b>916</b>	<b>1,923</b>


[> Highlights](#)
[> Directors' report integrated report](#)
[> Consolidated non-financial statement](#)
[> Consolidated Financial Statements](#)

Acquisitions and subscriptions (254 million euros) relate essentially to: (i) the acquisition, in consortium with five international funds, of 49% of ADNOC Gas Pipeline Assets LLC for an outlay of approximately 221 million euros<sup>20</sup>; (ii) the capital increase of TAP to meet the requests for shareholders' loans received during the year (15 million euros); (iii) the acquisition and subsequent capital increase of Iniziative Biometano, including the charges for the purchase of the equity investment (15 million euros in all).

Disposals and redemptions (81 million euros) refer to the repayment of the principal amount of the equity investment in Terēga Holding S.A.S.

The dividends received (257 million euros) mainly refer to the jointly controlled companies Terēga (106 million euros) TAG (83 million euros) and the associate companies Italgas (28 million euros) Galaxy Pipeline Assets HoldCo Limited (18 million euros) and Senfluga (11 million euros).

The effect of the equity-accounting method refers to: (i) the portion recognised in the income statement (247 million euros), mainly attributable to the share of the results of the jointly controlled companies TAG (84 million euros), Terēga (35 million euros) and AS Gasinfrastruktur Beteiligung GmbH (9 million euros) and of the associated companies Italgas (52 million euros), Senfluga (27 million euros) and Galaxy Pipeline Assets HoldCo Limited (20 million euros) (ii) the portion recognised in the comprehensive income statement (-37 million euros), mainly due to the change in the fair value hedging derivatives of the associate TAP (-16 million euros) and to exchange rate differences (EUR/USD) of the associate Galaxy Pipeline Assets HoldCo Limited (-18 million euros).

For investments, except for what is stated with reference to the investment in TAP<sup>21</sup>, there were no real guarantees.

Consolidated companies, joint ventures, associates and other significant equity investments are indicated separately in the appendix "Significant shareholdings, associates and equity investments of Snam S.p.A. at 31 December 2020", which is an integral part of these Notes.

In accordance with the provisions of IFRS 12 - "Disclosure of interests in other entities", the economic and financial data for joint ventures and associates for the financial years ended 31 December 2019 and 31 December 2020 are provided below.

The limited exposure of the investee companies to the effects of Covid-19 allowed Snam not to recognise any impairment indicators at 31 December 2020; however, the company tested its relevant equity investments, represented in foreign and Italian companies, for impairment, and did not recognise any impairment losses for the purposes of the 2020 financial statements.

<sup>20</sup> Including accessory charges for the purchase of the equity investment.

<sup>21</sup> For more information, see Note 25, "Guarantees and Commitments - Guarantees and commitments - associate company TAP".


[> Highlights](#)
[> Directors' report integrated report](#)
[> Consolidated non-financial statement](#)
[> Consolidated Financial Statements](#)

## 16.1 EQUITY INVESTMENTS IN JOINT VENTURES

The economic-financial data relating to each investment in joint ventures deemed significant, refers to values in the financial statements prepared on the basis of IFRS for investee companies<sup>22</sup> are listed below:

(million €)	31.12.2019		
	Terëga Holding S.A.S.	Trans Austria Gasleitung GmbH	AS Gasinfrastuktur Beteiligung GmbH
Current assets	133	46	2
- of which cash and cash equivalents	40	5	2
Non-current assets	2,930	1,104	605
<b>Total assets</b>	<b>3,063</b>	<b>1,150</b>	<b>607</b>
Current liabilities	(174)	(92)	(3)
- of which current financial liabilities	(74)	(12)	(3)
Non-current liabilities	(1,700)	(475)	(292)
- of which non-current financial liabilities	(1,425)	(337)	(244)
<b>Total liabilities</b>	<b>(1,874)</b>	<b>(567)</b>	<b>(295)</b>
<b>Net assets</b>	<b>1,189</b>	<b>583</b>	<b>312</b>
Equity investments held by Snam % <sup>(*)</sup>	40.50%	89.22%	40.00%
Snam share	482	520	125
<b>Carrying value of the equity investment</b>	<b>482</b>	<b>520</b>	<b>125</b>
Revenue	502	312	
Operating costs	(208)	(127)	
Amortisation, depreciation and impairment losses	(103)	(61)	
<b>Operating profit/loss</b>	<b>191</b>	<b>124</b>	
Financial income			2
Financial expense	(52)	(11)	(7)
Income (expense) from equity investments			23
Income taxes	(45)	(30)	(2)
<b>Profit for the year</b>	<b>94</b>	<b>83</b>	<b>16</b>
Other components of the comprehensive income statement			
<b>Total comprehensive income</b>	<b>94</b>	<b>83</b>	<b>16</b>
<b>Total comprehensive income held by Snam</b>	<b>38</b>	<b>74</b>	<b>6</b>

(\*) The equity investment in Trans Austria Gasleitung GmbH is valued on the basis of the percentage of economic rights held.

22 Unless otherwise indicated, the financial statement figures for joint ventures, reported in full, have been updated to include adjustments made by the Parent Company pursuant to the equity-accounting method. The aforementioned amounts relate to the preliminary and/or approved reporting packages.


[> Highlights](#)
[> Directors' report integrated report](#)
[> Consolidated non-financial statement](#)
[> Consolidated Financial Statements](#)

(million €)	31.12.2020		
	Terēga Holding S.A.S.	Trans Austria Gasleitung GmbH	AS Gasinfrastruktur Beteiligung GmbH
Current assets	568	44	2
- of which cash and cash equivalents	494	7	1
Non-current assets	2,959	1,075	598
<b>Total assets</b>	<b>3,527</b>	<b>1,119</b>	<b>600</b>
Current liabilities	(612)	(103)	(3)
- of which current financial liabilities	(524)	(32)	(3)
Non-current liabilities	(2,080)	(432)	(284)
- of which non-current financial liabilities	(1,792)	(301)	(40)
<b>Total liabilities</b>	<b>(2,692)</b>	<b>(535)</b>	<b>(287)</b>
<b>Net assets</b>	<b>835</b>	<b>584</b>	<b>313</b>
Equity investments held by Snam % <sup>(*)</sup>	40.50%	89.22%	40.00%
Snam share	338	521	125
<b>Carrying value of the equity investment</b>	<b>338</b>	<b>521</b>	<b>125</b>
Revenue	433	322	
Operating costs	(157)	(124)	
Amortisation, depreciation and impairment losses	(107)	(61)	
<b>Operating profit/loss</b>	<b>169</b>	<b>137</b>	
Financial income			2
Financial expense	(42)	(10)	(7)
Income (expense) from equity investments			28
Income taxes	(40)	(33)	
<b>Profit for the year</b>	<b>87</b>	<b>94</b>	<b>23</b>
Other components of the comprehensive income statement	4		(1)
<b>Total comprehensive income</b>	<b>91</b>	<b>94</b>	<b>22</b>
<b>Total comprehensive income held by Snam</b>	<b>37</b>	<b>84</b>	<b>9</b>

(\*) The equity investment in Trans Austria Gasleitung GmbH is valued on the basis of the percentage of economic rights held.


[> Highlights](#)
[> Directors' report integrated report](#)
[> Consolidated non-financial statement](#)
[> Consolidated Financial Statements](#)

## Individually non-significant minor equity investments in joint ventures

In addition to the investments in joint ventures discussed above, the following are the carrying amounts of the individually minor equity investments in two joint ventures, accounted for using the shareholders' equity method:

(million €)	2020
<b>Aggregate value of individually minor equity investments in joint ventures</b>	<b>23</b>
<b>Aggregate value of the group's share:</b>	
Profit for the year	4
Elements of the comprehensive income statement	
<b>Total comprehensive income</b>	<b>4</b>
Other changes	
<b>Total</b>	<b>4</b>

### Terēga Holding S.A.S.

Terēga Holding S.A.S. is a company operating under French law which controls Terēga S.A., through Terēga S.A.S., wholly-owned by Terēga Holding S.A.S.

Terēga S.A. (Transport et Infrastructures Gaz France) operates in the transportation and storage of natural gas in south-west France. Natural gas transportation and storage activities in France are subject to regulation.

At 31 December 2020 Terēga Holding S.A.S. was an affiliate of Snam S.p.A. (40.5%), Singapore sovereign wealth fund GIC (31.5%), EDF (18%, through a fund dedicated to liabilities arising from the disposal of nuclear assets) and Crédit Agricole Assurances (10%, through Prévoyance Dialogue du Crédit Agricole).

Terēga Holding S.A.S.'s consolidated financial statements include Terēga Holding S.A.S., Terēga S.A.S and Terēga S.A.

Corporate governance rules provide that decisions on certain matters of particular interest to the company must be taken with the favourable vote of Snam and GIC shareholders.

The interest payment to shareholders on the nominal amount of the 470 million euros convertible bond loan (of which Snam has subscribed 190 million euros) may be deferred at the discretion of the issuer Terēga S.A.S.


[> Highlights](#)
[> Directors' report integrated report](#)
[> Consolidated non-financial statement](#)
[> Consolidated Financial Statements](#)

### **Trans Austria Gasleitung GmbH (TAG)**

Trans Austria Gasleitung GmbH (TAG) is a company operating under Austrian law that is active in the natural gas transportation segment. It owns the gas pipeline that links the Slovakian-Austrian border to the Tarvisio entry point.

Natural gas transportation in Austria is a regulated activity.

As at 31 December 2020, Snam S.p.A. holds 84.47% of the share capital, entitling it to 89.22% of the economic rights. The remainder of the share capital is held by Gas Connect Austria GmbH (GCA).

The contractual agreements drawn up between Snam, TAG and (GCA) also stipulate that if TAG is not capable of self-financing, the other companies must finance it according to the equity investment held by each shareholder.

Corporate governance rules provide that decisions on certain relevant activities must be taken with the unanimous consent of all members of the Supervisory Board, composed of Snam and GCA representatives, as well as employee representatives as required by Austrian law.

### **AS Gasinfrastruktur Beteiligung GmbH**

AS Gasinfrastruktur Beteiligung GmbH is an Austrian company jointly controlled by Snam S.p.A. and the Allianz group, with holdings of 40% and 60% respectively.

The company holds 100% of the Austrian company AS Gasinfrastruktur GmbH, which in turn holds 49% of the share capital of Gas Connect Austria GmbH, which is controlled by OMV AG.

Corporate governance rules of AS Gasinfrastruktur Beteiligung GmbH stipulate that decisions at management level must be taken by simple majority with the favourable vote of a Managing Director of Snam and one of Allianz.


[> Highlights](#)
[> Directors' report integrated report](#)
[> Consolidated non-financial statement](#)
[> Consolidated Financial Statements](#)

## 16.2 INVESTMENTS IN ASSOCIATES

The economic-financial data relating to investments in associate companies deemed major, refers to the values in the financial statements prepared in accordance with the IFRS of associates<sup>23</sup> and are reported below:

	31.12.2019			
(million €)	Trans Adriatic Pipeline (TAP)	Italgas S.p.A.	Senfluga Energy Infra- structure Holding S.A.	Intercon- nector UK Ltd.
Current assets	79	985	220	31
Non-current assets	4,100	7,247	839	675
<b>Total assets</b>	<b>4,179</b>	<b>8,232</b>	<b>1,059</b>	<b>706</b>
Current liabilities	(210)	(1,319)	(105)	(29)
Non-current liabilities	(3,103)	(5,118)	(466)	(173)
<b>Total liabilities</b>	<b>(3,313)</b>	<b>(6,437)</b>	<b>(571)</b>	<b>(202)</b>
<b>Net assets</b>	<b>866</b>	<b>1,795</b>	<b>488</b>	<b>504</b>
- attributable to third parties		236	257	
- attributable to investee's shareholders	866	1,559	231	504
<b>Equity investments held by Snam %</b>	<b>20%</b>	<b>13.5%</b>	<b>54%</b>	<b>23.68%</b>
Snam share	173	209	125	119
Goodwill	91			
Reductions/increases in value				(58)
<b>Carrying value of the equity investment</b>	<b>264</b>	<b>209</b>	<b>125</b>	<b>61</b>
Revenue	2	1,893	257	88
<b>Operating profit/loss</b>	<b>(39)</b>	<b>516</b>	<b>141</b>	<b>39</b>
<b>Net profit/loss</b>	<b>(40)</b>	<b>424</b>	<b>88</b>	<b>33</b>
Other components of the comprehensive income statement	(93)	(6)	(5)	28
<b>Total comprehensive income</b>	<b>(133)</b>	<b>418</b>	<b>83</b>	<b>61</b>
- attributable to third parties		6	33	
- attributable to investee's shareholders	(133)	412	58	61
<b>Total comprehensive income held by Snam</b>	<b>(27)</b>	<b>56</b>	<b>31</b>	<b>14</b>

23 The financial statement figures for associates, reported in full, have been updated to include adjustments made by the Parent Company pursuant to the equity-accounting method. The aforementioned amounts relate to the preliminary and/or approved reporting packages.


[> Highlights](#)
[> Directors' report integrated report](#)
[> Consolidated non-financial statement](#)
[> Consolidated Financial Statements](#)

(million €)	31.12.2020				
	Trans Adriatic Pipeline (TAP)	Italgas S.p.A.	Senfluga Energy Infrastructure Holding S.A.	Interconnector UK Ltd.	Galaxy Pipeline Assets HoldCo Limited
Current assets	277	1,494	240	34	152
Non-current assets	4,606	7,635	821	650	8,128
<b>Total assets</b>	<b>4,883</b>	<b>9,129</b>	<b>1,061</b>	<b>684</b>	<b>8,280</b>
Current liabilities	(323)	(1,511)	(110)	(27)	(152)
Non-current liabilities	(3,626)	(5,637)	(427)	(184)	(6,488)
<b>Total liabilities</b>	<b>(3,949)</b>	<b>(7,148)</b>	<b>(537)</b>	<b>(211)</b>	<b>(6,640)</b>
<b>Net assets</b>	<b>934</b>	<b>1,981</b>	<b>524</b>	<b>473</b>	<b>1,640</b>
- attributable to third parties		240	268		
- attributable to investee's shareholders	934	1,741	256	473	1,640
<b>Equity investments held by Snam %</b>	<b>20%</b>	<b>13.5%</b>	<b>54%</b>	<b>23.68%</b>	<b>12.32%</b>
Snam share	187	235	138	112	219
Goodwill	91				5
Reductions/increases in value				(54)	
<b>Carrying value of the equity investment</b>	<b>278</b>	<b>235</b>	<b>138</b>	<b>58</b>	<b>207</b>
Revenue	167	2,127	153	30	219
<b>Operating profit/loss</b>	<b>101</b>	<b>603</b>	<b>127</b>	<b>7</b>	<b>217</b>
<b>Net profit/loss</b>	<b>76</b>	<b>403</b>	<b>77</b>	<b>5</b>	<b>159</b>
Other components of the comprehensive income statement	(81)	(11)	(3)	(12)	12
<b>Total comprehensive income</b>	<b>(5)</b>	<b>392</b>	<b>74</b>	<b>(7)</b>	<b>(134)</b>
- attributable to third parties		20	30		
- attributable to investee's shareholders	(5)	372	48	(7)	25
<b>Total comprehensive income held by Snam</b>	<b>(1)</b>	<b>50</b>	<b>26</b>	<b>(2)</b>	<b>3</b>

### Trans Adriatic Pipeline A.G. (TAP)

Trans Adriatic Pipeline A.G. (TAP) is a Swiss company established to design, develop, build and operate the new gas pipeline extending from the Greek-Turkish border to Italy (at the new entry point in San Foca-Melendugno), crossing Greece and Albania. Construction of the pipeline has been completed and the asset has been commercially operational as of 15 November 2020.

As at 31 December 2020, TAP A.G. was an investee of Snam S.p.A. (20%), Socar (20% through AzTAP GmbH), BP (20% through BP Gas Marketing Ltd), Fluxys (19% through Fluxys Europe B.V.), Enagas (16% through Enagás Internacional S.L.U.) and Axpo (5% through Axpo Trading AG).


[> Highlights](#)
[> Directors' report integrated report](#)
[> Consolidated non-financial statement](#)
[> Consolidated Financial Statements](#)

Under current corporate governance rules, none of TAP's shareholders is able to exercise control over the company, including in a joint capacity.

### Italgas S.p.A.

Italgas S.p.A. is an Italian company that controls 100% of Italgas Reti S.p.A., Seaside S.r.l., Italgas Newco S.r.l. and Italgas Acqua S.p.A., companies operating in the natural gas distribution sector in Italy, energy efficiency and the management of the water service in five municipalities in Campania.

As at 31 December 2020, Italgas S.p.A. was an affiliate of Snam (13.5%) and of CDP Reti S.r.l. (26.05%), while the remaining stake is held by minority shareholders.

On 7 November 2016, the effective date of the separation operation from Snam S.p.A. of the natural gas distribution business the shareholder agreement signed by CDP Reti S.p.A. and CDP Gas S.r.l. on 20 October 2016 covering all the shares each company held in Italgas S.p.A., entered into effect. The shareholder agreement establishes a block voting shareholder's agreement, with Snam having the right of early withdrawal if, in the event of Snam opposing the vote of the syndicated shares on reserved subjects of an extraordinary nature, Snam does not sell its equity investment in Italgas within the next 12 months (accelerated exit). Transfers of Snam's equity investment in Italgas S.p.A. (including in the event of an Accelerated Exit) are subject not only to advance approval by CDP Reti, but also to the subrogation of a third party. In addition, Snam may not increase its equity investment. The agreement has a three-year term that is renewable barring notice of termination; in the event that Snam does not renew, CDP Reti shall have an option to purchase at fair market value Snam's equity investment in Italgas.

### Senfluga Energy Infrastructure Holding

Senfluga Energy Infrastructure Holding is a company through which the European consortium composed of Snam (54%), Enagás (18%), Fluxys (18%) and DAMCO Energy S.A. (10%) owns a 66% stake of DESFA, the national operator in the natural gas infrastructure sector.

DESFA owns and manages a regulated system for a high pressure transportation network covering around 1,500 km, as well as a regasification terminal at Revithoussa. Greece, an important crossroads for the diversification of procurement and the opening of new natural gas routes in Europe, has further development potential as a south-east European hub.

Under current corporate governance rules, none of Senfluga's shareholders is able to exercise control over the company, including in a joint capacity.

### Galaxy Pipeline Assets Holdco Limited

Galaxy Pipeline Assets Holdco Limited ("Holdco") holds a 49% stake in ADNOC Gas Pipeline Assets LLC ("Assetco") through an international consortium, consisting of GIP, Brookfield, Ontario Teachers' Pension Plan, GIC, NH Investments & Securities and Snam, which in turn holds a 12.327% stake in the consortium.

Assetco, a subsidiary of ADNOC (Abu Dhabi National Oil Company), holds a twenty-year lease on ADNOC's strategic assets relating to gas and NGL transportation in the United Arab Emirates; the management and use of these assets are held by ADNOC for the same twenty-year term.

Snam is the only industrial operator in the consortium, representing an important investment opportunity in a strategic infrastructure in the Gulf area.

The rules of governance provide that decisions on certain matters of particular interest to the company must be taken by a reinforced majority vote or unanimously with respect to indirect equity investments in Assetco.

### Interconnector UK Ltd.

Interconnector UK Ltd. is a company under British law that owns the two-way pipeline that joins the United Kingdom to Belgium and the rest of Europe.

At 31 December 2020 Interconnector UK Ltd was an affiliate company of Snam International B.V. (23,68%) and Fluxys UK Ltd (76.32%).

Interconnector UK directly holds 48% of the company under Dutch law Interconnector Zeebrugge Terminal S.C./C.V. S.c.r.l. and 1% indirectly through Interconnector Leasing company Ltd.

The governance of Interconnector UK is structured in such a way as to ensure certain veto rights in favour of Snam International B.V., aimed at protecting the investment and supervising certain decisions of particular importance to Snam International B.V.