(millions of €)	Corporate and other activities	Transpor-tation and dispatch	Storage	Regasifi-cation	Consoli-dation adjustments and eliminations	Total
2018						
Net core business revenue (a)	267	2,087	597	21		2,972
less: intra-segment revenues (b)	*(181)*	*(145)*	*(87)*	*(4)*		*(417)*
Revenue from third parties	86	1,942	510	17		2,555
Other revenue and income	1	26	3	1		31
Net (accruals to) utilisations of provisions for risks and charges	(3)	(3)				(6)
Amortisation, depreciation and impairment losses	(10)	(575)	(100)	(5)		(690)
EBIT	**(17)**	**1,064**	**335**	**2**		**1,384**
Valuation of equity investments using the equity method	157					157
Total assets	4,163	14,570	4,012	107		22,852
- *of which investments valued using the equity method*	*1,710*					*1,710*
Total liabilities	13,997	9,941	2,587	50	(9,978)	16,597
Investments in property, plant and equipment and intangible assets	10	764	99	9		882
2019						
Net core business revenue (a)	**310**	**2,139**	**594**	**27**		**3,070**
less: intra-segment revenues (b)	***(209)***	***(133)***	***(83)***	***(10)***		***(435)***
Revenue from third parties	**101**	**2,006**	**511**	**17**		**2,635**
Other revenue and income	**2**	**25**	**1**	**2**		**30**
Net (accruals to) utilisations of provisions for risks and charges	**(7)**	**(6)**				**(13)**
Amortisation, depreciation and impairment losses	**14**	**628**	**105**	**5**		**752**
EBIT	**(43)**	**1,122**	**337**	**1**		**1,417**
Valuation of equity investments using the equity method	**218**					**218**
Total assets	**5,172**	**14,694**	**4,053**	**124**		**24,043**
- *of which investments valued using the equity method*	***1,787***					***1,787***
Total liabilities	**15,458**	**9,911**	**2,598**	**65**	**(10,247)**	**17,785**
Investments in property, plant and equipment and intangible assets	**19**	**813**	**112**	**19**		**963**

(a) Balances before elimination of intra-segment revenue.
(b) In the consolidated financial statements, the considerations for the modulation service, an integral part of transportation revenue, are eliminated under the transportation companies, along with the costs of the service purchased from the storage company, in order to reflect the substance of the transaction. The comparative 2018 figures have been restated accordingly.

Revenue is generated by applying regulated tariffs or market conditions. The revenue was mainly generated in Italy; costs were incurred almost entirely in Italy.

35) RELATED-PARTY TRANSACTIONS

From 1 August 2019, CDP S.p.A. reclassified its equity investment in Snam, already classified as de facto control pursuant to international accounting standard IFRS 10 – Consolidated financial statements from 2014, as de facto control pursuant to Article 2359, paragraph 1 of the Italian Civil Code and Article 93 of the TUF.
Considering the de facto control of CDP S.p.A. over Snam S.p.A., based on the current Group ownership structure the related parties of Snam are represented by Snam's joint ventures as well as by the parent company CDP S.p.A. and its subsidiaries and joint ventures, as well as the subsidiaries and joint ventures of the Ministry of Economy and Finance (MEF). Members of the Board of Directors, Statutory Auditors and Snam Group and CDP managers with strategic responsibilities, and their families, are also regarded as related parties.
As explained in detail below, related-party transactions mainly concern the exchange of goods and the provision of regulated services in the gas sector. Transactions between Snam and related parties are part of ordinary business operations and are generally settled under market conditions, i.e. the conditions that would be applied between two independent parties. All the transactions carried out were in the interest of the companies of the Snam Group.
Pursuant to the provisions of the relevant legislation, the Company has adopted internal guidelines to ensure that transactions carried out by Snam or its subsidiaries with related parties are transparent and correct in their substance and procedure.
Directors and statutory auditors declare potential interests that they have in relation to the Company and the Group every six months, and/or when changes in said interests occur; they also inform the Chief Executive Officer (or the Chairman, in the case of the Chief Executive Officer's interests), who in turn informs the other directors and the Board of Statutory Auditors, of individual transactions that the Company intends to carry out and in which they have an interest.
Snam is not subject to any direction or coordination activities. Snam manages and coordinates its subsidiaries, pursuant to Article 2497 et seq. of the Italian Civil Code.

In terms of related-party transactions, the following should be pointed out pursuant to the disclosure obligations set forth under Consob Regulation No. 17221 of 12 March 2010:

- the conclusion between Snam Rete Gas S.p.A. and Eni S.p.A. of the natural gas transportation agreement for the Thermal Year 2018-2019. On 4 February 2019, the value of the transport contract exceeded the significance threshold of €140 million as defined in the Snam "Procedure for transactions in which directors and auditors have an interest and transactions with related parties";
- the conclusion between Snam Rete Gas S.p.A. and Enel Global Trading S.p.A. of the natural gas transportation agreement for the Thermal Year 2018-2019. On 3 October 2019, the value of the natural gas transportation contract for the Thermal Year 2018-2019 concluded between Snam Rete Gas S.p.A. and Enel Global Trading S.p.A. exceeded the significance threshold of €140 million identified in the Snam guideline "Procedure for transactions in which directors and auditors have an interest and transactions with related parties". This figure, based on the capacity values committed by Enel Global Trading S.p.A., actually amounted to €142,180,585.

The above contracts are defined in accordance with the procedures defined in the Snam Rete Gas S.p.A. Network Code approved by the Regulatory Authority for Energy Networks and the Environment (ARERA) pursuant to Resolution 75/2003, as amended.
The calculation of a fee for services rendered take place through application of the natural gas transportation and dispatching tariffs approved by Resolution of the Authority. These contracts are configured as ordinary transactions concluded at conditions equivalent to market or standard conditions because, pursuant to paragraph 2 of the guideline (published on the website www.snam.it): (i) they come under ordinary operations and related financial operations; (ii) the conditions applied are based on regulatory tariffs.
The amounts involved in commercial, financial and other transactions with the above-mentioned related parties are shown below for the current year and the previous one for comparison purposes. The nature of the most significant transactions is also stated.

Commercial and other transactions

Commercial and other transactions can be broken down as follows:

	31.12.2018				2018					
					Costs (a)			Revenue (b)		
(millions of €)	Receivables	Other assets	Payables	Other liabilities	Goods	Services	Other	Goods	Services	Other
Companies under joint control and associates										
Interconnector UK	1			1					1	
Senfluga	3								3	
TAG GmbH									3	
Terēga S.A.S.	1									
Trans Adriatic Pipeline AG (TAP)	6			26					10	
	11			**27**					**17**	
Snam Foundation							**2**			
Parent company										
Cassa Depositi e Prestiti			96							
			96							
Companies controlled by the parent company Cassa Depositi e Prestiti										
Italgas Group	5		1				3		16	
Terna Group						1				
	5		**1**			**1**	**3**		**16**	
Companies jointly controlled by the parent company Cassa Depositi e Prestiti										
Saipem Group			19			19				
Valvitalia Finanziaria S.p.A.					5	2				
			19		**5**	**21**				
Companies owned or controlled by the State										
Gestore dei mercati energetici S.p.A.	26		14		47					
Anas group	1	1	3							
Enel Group (c)	81		55						337	
Eni Group (c)	282		84		1	23	1		1,226	1
Ferrovie dello Stato group	4		1						4	
Finmeccanica group			1		1					
	394	**1**	**158**		**48**	**23**	**1**		**1,567**	**1**
Total	**410**	**1**	**274**	**27**	**53**	**45**	**6**		**1,600**	**1**

(a) Includes costs for goods and services to be used in investment activities.
(b) Before tariff components which are offset in costs.
(c) Inclusive of amounts on the balance sheet relating to balancing activities.

	31.12.2019				2019					
(millions of €)	Receivables	Other assets	Payables	Other liabilities	Costs (a) Goods	Costs (a) Services	Costs (a) Other	Revenue (b) Goods	Revenue (b) Services	Revenue (b) Other
Companies under joint control and associates										
Interconnector UK	1			1					3	
Albanian Gas Services	1								1	
Senfluga										
TAG GmbH	3		2						2	
Terēga S.A.S.	1									
Trans Adriatic Pipeline AG (TAP)	4			21					15	
	10		2	22					21	
Snam Foundation	1									
Parent company										
Cassa Depositi e Prestiti			100							
			100							
Companies controlled by the parent company Cassa Depositi e Prestiti										
Italgas Group	1		2				1			1
	1		2				1			1
Companies jointly controlled by the parent company Cassa Depositi e Prestiti										
Saipem Group			16			22				
Valvitalia Finanziaria S.p.A.			1		3	2				
			17		3	24				
Companies owned or controlled by the State										
Gestore dei mercati energetici S.p.A.	11		6							
Anas group	2	1	3		36				2	
Enel Group (c)	65		24			1			354	
Eni Group (c)	200		34			22			1,197	
Ferrovie dello Stato group	1		1						2	
Finmeccanica group						2				
	279	1	68		36	25			1,555	
Total	291	1	189	22	39	49	1		1,576	1

(a) Includes costs for goods and services to be used in investment activities.
(b) Before tariff components which are offset in costs.
(c) Inclusive of amounts on the balance sheet relating to balancing activities.

Companies under joint control and associates

The most significant commercial relations with companies under joint control and associates include:

- the provision to TAP of services for the construction of transport infrastructures governed by the Engineering and Project Management (EPMS) Agreement;
- the provision to TAG of services for the realisation of the transport infrastructures governed by the Engineering, Procurement and Construction Management (EPCM) Agreement.

Companies jointly controlled by the parent company Cassa Depositi e Prestiti

The most significant commercial relations with companies under the joint control of Cassa Depositi e Prestiti include the purchase by Saipem of design and works supervision services for the realisation of natural gas transportation and storage infrastructures, regulated by agreements signed at normal market conditions.

Companies owned or controlled by the State

The most significant commercial relations with companies controlled or owned by the State involve:

- the provision to the Eni Group and the Enel Group of natural gas transportation, regasification and storage services, regulated by tariffs established by the Authority;
- the purchase by the Eni Group of electricity used for carrying out activities.

Additionally, as at 31 December 2019 there were assets posted in reference to transactions arising from the national tax consolidation scheme in force until 31 July 2012.

Financial transactions

Financial transactions can be broken down as follows:

	31.12.2018			2018	
(millions of €)	**Receivables**	**Payables**	**Guarantees and Commitments**	**Expenses**	**Income**
Companies under joint control and associates					
Senfluga Energy Infrastructure Holding S.A.			64		
Trans Adriatic Pipeline AG (TAP)	10		1,453		8
	10		**1,517**		**8**

	31.12.2019			2019	
(millions of €)	**Receivables**	**Payables**	**Guarantees and Commitments**	**Expenses**	**Income**
Companies under joint control and associates					
Trans Adriatic Pipeline AG (TAP)			**1,363**		
			1,363		

Companies under joint control and associates

Financial relations with companies under joint control and associates include:

- the debt service guarantee on the loan agreement of the associate TAP, in the phase relating to the construction and start-up of the plant;
- Snam S.p.A.'s remaining commitment as a shareholder and in relation to the project funding for the construction of the pipeline on the basis of the shares owned, equal to 20%, with regard to TAP[49].

Impact of related-party transactions or positions on the balance sheet, income statement and statement of cash flows

The impact of related-party transactions or positions on the balance sheet and income statement is summarised in the following table:

	31.12.2018			31.12.2019		
(millions of €)	**Total**	**Related parties**	**Share %**	**Total**	**Related parties**	**Share %**
Statement of financial position						
Trade receivables and other current receivables	1,347	420	31.2	**1,341**	**291**	**21.7**
Other non-current assets	36	1	2.8	**26**	**1**	**3.8**
Trade payables and other payables	1,768	274	15.5	**1,801**	**189**	**10.5**
Other current liabilities	86	27	31.4	**97**	**22**	**22.7**

The impact of related-party transactions on the income statement is summarised in the following table:

	2018			2019		
(millions of €)	**Total**	**Related parties**	**Share %**	**Total**	**Related parties**	**Share %**
Income Statement						
Core business revenue	2,555	1,600	62.6	**2,635**	**1,576**	**59.8**
Other revenue and income	31	1	3.2	**30**	**1**	**3.3**
Purchases, services and other costs	311	77	24.8	**316**	**61**	**19.3**
Personnel cost	201			**180**	**(2.0)**	**(1.1)**
Financial income	13	8	61.5	**11**		

Related-party transactions are generally governed on the basis of market conditions, i.e. the conditions that would be applied between two independent parties.

49 For more information, see Note 26, "Guarantees, commitments and risks – Commitments, guarantees and pledges - TAP".

The principal cash flows with related parties are shown in the following table.

(millions of €)	**2018**	**2019**
Revenue and income	1,601	**1,577**
Cost and expense	(77)	**(59)**
Change in trade receivables and other current receivables	64	**129**
Change in trade and other payables	80	**(87)**
Change in other current liabilities	13	**(5)**
Interest received (paid)		
Net cash flow from operating activities	**1,681**	**1,555**
Investments:		
- Tangible and intangible fixed assets	(27)	**(30)**
- Equity investments		
- Long-term financial receivables	(148)	
- Change in payables and receivables relating to investments	(13)	**(3)**
Cash flow from investments	**(188)**	**(33)**
- Financial receivables (consideration for the sale)	519	
Cash flow from divestments	*519*	
Net cash flow from investment activities	**331**	**(33)**
Increase (decrease) in short-term financial debt	(14)	
Net cash flow from financing activities	**(14)**	
Total cash flows with related parties	**1,998**	**1,522**

The effect of cash flows with related parties is shown in the following table:

	2018			**2019**		
(millions of €)	**Total**	**Related parties**	**Share %**	**Total**	**Related parties**	**Share %**
Cash flow from operating activities	1,826	1,681	92.1	**1,486**	**1,555**	
Cash flow from investment activities	(665)	331		**(1,004)**	**(33)**	**3**
Cash flow from financing activities	(8)	(14)		**497**		

36) PUBLIC FUNDS - INFORMATION PURSUANT TO ARTICLE 1, PARAGRAPHS 125-129, LAW NO. 124/2017

Pursuant to Article 1, paragraph 125 of Law No. 124/2017 and later amendments, the information with regard to funds received from Italian public bodies by Snam S.p.A. and its wholly-consolidated subsidiaries are reported below. The consolidated information takes into account the funds received from Italian state bodies/public bodies. Specifically, the following are not presented: (i) forms of incentives/subsidies received in application of a general aid scheme to all those entitled; (ii) considerations relating to the provision of work/services, including sponsorships; (iii) refunds and indemnities paid to parties involved in training and orientation internships; (iv) contributions for ongoing training by inter-professional funds in the form of a legal association; (v) association contributions for membership of trade and regional associations, as far as to foundations, or equivalent organisations, functional to the activities related to the business. The funds are identified according to the cash criterion. Disclosure requirements on the issue of the transparency of public funds granted, pursuant to Law 124 of 2017, Article 1, paragraph 126, are not applicable to the Snam Group.

The information presented below includes funds of more than €10 thousand, supplied by the same party in 2019, including through a number of acts. Pursuant to the provisions of Article 3-quater of Legislative Decree 135/2018, converted with amendments by Law No. 12 of 11 February 2019 for funds received, refer to the guidelines contained in the National State Aid Register pursuant to Article 52 of Law No. 234 of 24 December 2012.

Beneficiary	Lender	Subject of the contribution	Amount of economic benefit received (€)
Snam S.p.A.	Lombardy Region	I-Gap Project: professional training	25,379

37) SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

Pursuant to Consob Communication DEM/6064293 of 28 July 2006, it should be stated that no significant non-recurring events or transactions took place during the course of the year.

38) POSITIONS OR TRANSACTIONS ARISING FROM ATYPICAL AND/OR UNUSUAL TRANSACTIONS

Pursuant to Consob Communication DEM/6064293 of 28 July 2006, it should be stated that no atypical and/or unusual positions or transactions took place during the course of the year.

39) SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

On 31 December 2019, China notified the WHO (World Health Organisation) that it had identified a group of people, in the city of Wuhan, the capital of the Chinese province of Hubei, suffering symptoms of pneumonia with unknown features, caused by an unidentified virus not previously examined, which from that time became known as COVID-19 (the new coronavirus).
From February 2020 cases of infection from COVID-19 were diagnosed in over 100 countries throughout the world and measures and actions were taken by the individual countries to contain the epidemic, which became increasingly more stringent as information spread globally. On 11 March the WHO declared that COVID-19 should be considered “a pandemic”.
In Italy, through four Decrees from the Prime Minister’s Office, dated 23 February, 8 March, 9 March and 11 March 2020, restrictions and measures aimed at containing the COVID-19 epidemic were dictated and measures identified proposing to be more hard-hitting for the purpose of preventing the spread of the contagion, intervening, in particular, by restricting people’s mobility and introducing social distancing.
Snam, which undertook protective measures as early as 21 February 2020, equipped itself to implement new initiatives, both for alignment with the restrictions and for adopting additional precautions, with the goal of protecting its people.
The measures identified by the public authorities to fight and contain the contagion, have not at the moment prevented the continuation of routine operations as a whole, with no interruptions or slow-downs in the provision of the services offered by the Snam Group.
With reference to the impacts on costs, even potential, and on the anticipated cash flows resulting from the Coronavirus, the company, at present, is not capable of reliably calculating any repercussions on the 2020 results or any implications for future years. Based on the current and most up to date information available, including as a result of the nature of the activities carried out by Snam, the company expect limited impacts related to the situation described above.
Snam immediately took all the necessary steps to ensure the normal operation of the company and the energy security of the country.
At present, any effects on the development initiatives and suppliers or customers deriving from the slow-down to business and the current macroeconomic context consequent to the international reach of the pandemic, cannot yet be assessed. The same remarks also apply to the assets held by the Snam Group outside Italy, specifically in France, Austria, Greece, Albania and the UK.

Snam, partly through the Snam Foundation, has allocated €20 million to initiatives for the Italian healthcare system and the voluntary sector to deal with the Coronavirus emergency. The provisions and skills of Snam, which is strictly working with local authority, will go to hospitals, healthcare facilities and other institutions for the purchase of the equipment and items needed, for healthcare and to support voluntary sector organisations protecting the young and the elderly. In this regard, Snam has signed contracts to purchase 500 lung ventilators and 650 thousand N95 masks that will be donated to the territories most affected by the emergency. Through this initiative, Snam intends to demonstrate that it is close to healthcare operators and to support the institutions, the voluntary sector and the areas in Italy busy dealing with the emergency.

40) PUBLICATION OF THE FINANCIAL STATEMENTS

The financial statements were authorised for publication by Snam's Board of Directors at its meeting of 18 March 2020, in accordance with the law.