

A transaction worth \$ 50 million

THE SECOND OF THE TWO TRANSACTIONS ANNOUNCED TO THE MARKET IN APRIL 2019 WAS FINALISED

Terna has acquired a second concession from Construtora Quebec for the development and management of a 150 km infrastructure in the Brazilian state of Minas Gerais which will allow the integration of renewables in central Brazil

**Terna is already building another 150 km line in Minas Gerais, also acquired from Construtora Quebec, with the closing finalised
in November 2019**

Rome, 12 August 2020 – Terna, through its subsidiary Terna Plus, the Group company responsible for international activities, has finalised the closing with Construtora Quebec, a construction company in the energy sector that operates in Brazil, for the acquisition of the *Linha Verde I* power line, the second of two concessions acquired by Terna in the South American country, announced to the market in April 2019.

Specifically, with this transaction, Terna has acquired the controlling stake in the company that is the subject of the transaction, holder of the concession for the construction of the 500 kV "Governador Valadares-Mutum" power line, approximately 150 km long, and located in the State of Minas Gerais, in central-eastern Brazil. The new infrastructure will make it possible to increase the efficiency, safety and sustainability of the Brazilian electricity grid and to further exploit the potential of production from renewable sources.

With this agreement – which took place after authorisation from the regulator ANEEL (Agência Nacional de Energia Elétrica) and the Antitrust CADE (Conselho Administrativo de Defesa Econômica) – all the development and management activities of the assets have been entrusted to Terna, and EPC activities have been entrusted to Construtora Quebec. The transaction, which includes development and construction costs, is worth approximately US \$ 50 million and will be largely financed through a project financing operation.

Terna is already building the 150 km long *Linha Verde II* "Presidente Juscelino-Itabira" power line in Minas Gerais acquired, again from Construtora Quebec, with finalisation of the closing in November 2019. Overall, the contractual value of the two thirty-year concessions obtained by Terna in Brazil, for around 300 km of electricity grid infrastructures, is approximately \$ 100 million.