

TERNA: SUCCESSFUL LAUNCH OF A 10-YEAR NEW GREEN BOND ISSUE FOR € 650 MILLION

The issuance has been very successful in the market with an orderbook at peak of approximately four times the offered amount. The green bond will have a duration of 10 years and will pay a coupon of 3.875%

Rome, 17 July 2023 – Terna S.p.A. (“Terna” or “Company”) today successfully launched a fixed rate, single tranche, green bond addressed to institutional investors for a nominal amount of € 650 million.

The green bond issuance, which received a great market response with demand outstripping supply by almost four times the offered amount, is characterized by high quality and broadly geographically diversified investors. It was made in the framework of its € 9,000,000,000 Euro Medium Term Notes (EMTN) Programme, which has been rated “BBB+” by Standard and Poor’s, “(P)Baa2” by Moody’s.

The green bond has a duration of 10 years and maturity date falling on 24 July 2033, will pay an annual coupon of 3.875% per annum and will be issued at a price of 99.107%, with a spread of 90 basis points over the midswap. The final cost of the issuance for Terna will be significantly lower than the issue cost, thanks to the previous subscription of interest rate hedges at lower values compared to current market conditions.

The settlement date for the issue is scheduled for 24 July 2023.

It is expected that the net proceeds from the issue will be used to finance the Company’s “*eligible green projects*”, defined or to be defined in compliance with the Terna’s Green Bond Framework, which is aligned to the “Green Bond Principles 2021” published by the International Capital Market Association (ICMA) and to the EU Taxonomy, aimed at facilitating sustainable investments.

An application will be made for the green bond - at the time of the issue - to be listed on the *Luxembourg Stock Exchange*.

The strategy of the Group led by Giuseppina Di Foggia confirms its focus on combining sustainability and growth in order to promote the current energy transition and generate greater benefits for Italy and all its stakeholders. In this regard, Terna has drawn up and published a Green Bond Framework aimed at facilitating transparency and quality of the green bonds issued. The Framework and the second party opinion, prepared by the independent advisor Vigeo Eiris (currently Moody’s), are available to the public on the Company’s website (www.terna.it).

The green bond issuance was placed by a syndicate of banks formed by BofA Securities, BNP Paribas, Deutsche Bank, IMI-Intesa Sanpaolo, Mediobanca, Santander, Société Générale, UniCredit, acting as joint-bookrunners.

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