

## **TERNA: 2024-2028 INDUSTRIAL PLAN UPDATE APPROVED**

**Over the five years of the Plan, investments rise to €17.7 billion (+7%, an increase of €1.2 billion over the same period).**

**At the heart of the strategy for energy transition and independence are: sustainable infrastructure development, integration of renewable sources and storage systems, interconnections with foreign countries.**

**Capex in Regulated Activities at the highest level in the Group's history: €16.6 billion (+7% compared to the previous Plan) to make the national electricity grid more efficient, digital and resilient.**

**Progress in the execution of the Plan, with around 90% of projects approved and around 80% covered by procurement contracts (79% and 70%, respectively, in the previous Plan).**

**Increased contribution from Non-regulated Activities, while investments in digitisation and innovation gain further momentum with a view to enabling the Twin Transition - Energy and Digital (over 20% more compared to approximately €2 billion of the previous Plan).**

**All activities included in the Sustainability Plan are confirmed and a commitment made to a programme to reach the Net Zero Science Based target by 2050.**

**New guidance: in 2028, EBITDA is expected to increase to €3.36 billion and Group net profit to €1.19 billion.**



## RESULTS AS OF 31 DECEMBER 2024 APPROVED

**2024 saw the highest investments in the Group's history: around €2.7 billion, showing double-digit growth over the previous year (+17.6%).**

**Projects exceeding €2.3 billion authorised during the year, including the Adriatic Link and Elmed, two key infrastructures for Italy's energy transition and security.**

**All major economic indicators improved, exceeding the year's guidance communicated to the market.**

- **Revenues** €3,680.2 million (€3,186.7 million in 2023, +15.5%)
- **EBITDA** €2,566.4 million (€2,168.6 million in 2023, +18.3%)
- **Group net profit for the year** €1,061.9 million (€885.4 million in 2023, +19.9%)
- **Capex** €2,692.1 million (€2,290.0 million in 2023, +17.6%)
- **Net debt** €11,160.4 million (€10,494.3 million at 31 December 2023)
- **Ordinary dividend for the financial year 2024** of €39.62 cents per share, resulting in a 75% payout, in line with the dividend policy.

**Rome, 25 March 2025** - Today's meeting of the Board of Directors of Terna S.p.A. ("Terna"), chaired by Igor De Biasio, examined and approved the Group's 2024-2028 Industrial Plan Update and the results for the year ended 31 December 2024, presented by the Chief Executive Officer and General Manager, Giuseppina Di Foggia.

*"I would like to summarize in three points the cornerstones of the 2024-2028 Industrial Plan update presented today: significant increase in investments, with €17.7 billion over five years marking a new milestone for Terna; territorial planning, in order to facilitate the integration of renewable sources into the grid, which we set out to make even more reliable and efficient; and strengthening the Group's role in underpinning Italy's electric security and energy independence", said **Giuseppina Di Foggia, Chief Executive Officer and General Manager of Terna**. "We are focusing on sustainability and digitalisation to build infrastructure that is key for the country's decarbonization, with a reduced environmental impact, and to manage a grid that is more resilient and ready to face the challenges of the energy sector. The results achieved in 2024, which come from the efforts and expertise of our people, allow us to continue to create value for all our stakeholders and confirm our position as an increasingly solid Group in the national energy landscape, fully aware of the responsibility entrusted*

*to us: to enable the energy transition, ensuring the highest transmission service quality standards at the lowest possible cost for businesses and citizens".*

## 2024-2028 INDUSTRIAL PLAN UPDATE

### Overview and main strategic features of the Plan update

**With a total of €17.7 billion of investments**, Terna consolidates its role as a key enabler for the energy transition while providing significant momentum to its commitment to leading the country towards decarbonization and reducing its dependence on foreign sources of supply.

The objectives set by the **European Green Deal** include a reduction in greenhouse gas emissions of at least 55% by 2030 compared to 1990 levels. Decarbonization targets to be reached by 2030 are also very challenging at a national level, according to the **National Integrated Energy and Climate Plan (NECP)** updated in 2024: 63% of the electricity sector's final consumption by 2030 will have to be met by renewable production, with installed photovoltaic and wind power capacity in Italy reaching 107 GW, compared to 50 GW installed at the end of 2024.

The 2024-2028 Industrial Plan update confirms the strategic objectives that Terna will have to pursue in order to fulfil its role as national Transmission System Operator. The Group will have to enable the integration of **new renewable generation capacity** by **expanding** the **grid infrastructure**, to be planned and implemented in conjunction with the development of **storage systems** and an **upgrading in the adequacy of the electricity system**. It will also be necessary to promote **greater energy independence of the national electricity system** through the new renewable capacity that will be installed in the coming years, with the aim of reducing Italy's dependence on imported commodities from foreign countries. Maximum integration of renewables and the most efficient management of energy flows will be key in enabling the country to look to a more secure and independent energy future, with a decrease in price volatility for the end user.

Terna will also be required to **guarantee the energy transmission service** to the country, complying with **the highest quality standards** in an increasingly changing environment and **ensuring the highest level of security for the transmission grid**, in terms of both physical asset protection and cybersecurity, by introducing innovative digital and technological solutions to meet new challenges. **Increasing infrastructure resilience** will also be a key objective, given the increased frequency of extreme weather events.

While keeping the basic strategy unchanged, the update to the 2024-2028 Industrial Plan reinforces the **Twin Transition - Energy and Digital** concept, as it plays a major role in ensuring a fair and inclusive Just Transition for all stakeholders.

According to the update approved today by the Board of Directors, in five years Terna will invest **a total of €17.7 billion**, with an **increase of €1.2 billion (+7%) over the same time period** of the previous Plan.

In the update to the 2024-2028 Industrial Plan, the **sustainability of investments** is once again identified as a key driver for the creation of value for the Company and the system as a whole. Indeed, **over 99%** of Terna's capex is classified as sustainable based on **EU Taxonomy criteria**.

The Terna Group's development initiatives will continue to focus on two strategic areas: Regulated Activities in Italy and Non-regulated Activities.

#### **Regulated Activities in Italy: investment at an all-time high**

**Regulated Activities** in Italy will continue to represent the Group's core business. Terna plans to invest **€16.6 billion in total** in the five-year period 2024-2028 to develop and modernise the national electricity transmission grid. This is **Terna's highest ever regulated investment plan**, showing a **7% increase compared to the previous Plan**.

In this area, Terna made **significant strides in the execution of major projects** as they showed considerable progress in the last 12 months in terms of approvals and supply chain: **approximately 90%** of the investment **projects were approved** by the relevant authorities (compared to 79% in March 2024) and **about 80% are covered by procurement contracts** (compared to 70% in March 2024). These figures underline Terna's significant steps forward in ensuring objectives remain on track. The Group has reduced the average lead time of authorization procedures by streamlining internal processes and ensuring constant collaboration with local communities, as well as strengthening relations with key suppliers.

According to the update to the 2024-2028 Industrial Plan, Terna plans to invest a total of €10.8 billion over five years for the **development of the national transmission electricity grid**.

On 14 March 2025, Terna presented the **2025-2034 National Development Plan**, with **over €23 billion investment planned over a ten-year time horizon** (+10% compared to the previous ten-year 2023-2032 Plan). Terna's planned capex mainly pertains to the construction of high-voltage direct current lines, including numerous submarine cable connections. These will ensure an increase in energy exchange capacity between the different market zones (which will reach approximately 39 GW compared to today's 16 GW) and the resolution of grid congestion, the integration of the growing energy from renewable sources into the grid, and an improvement in service quality. The development of interconnections with other countries, with transport capacity abroad being expected to grow by around 40% compared to current values, will also increase the reliability and security of our electricity system, strengthening Italy's role as a Mediterranean energy hub.

The major infrastructure projects outlined in the 2024-2028 Industrial Plan include the **Tyrrhenian Link**, the submarine power line that will connect Sardinia, Sicily and Campania; the **Bolano-Annunziata** submarine link between Calabria and Sicily, the 380 kV power lines **Colunga-Calenzano** (between Emilia-Romagna and Tuscany) and **Chiaramonte-Gulfi-Ciminna** (in Sicily). Interconnection projects with foreign countries include **Elmed**, the first direct current submarine electricity link between Europe and Africa, which will connect Italy to Tunisia, the infrastructure between Sardinia, Corsica and the Italian peninsula (**Sa.Co.I.3**) and the doubling of the **interconnection between Italy and Greece**.

Completing the landscape of grid development investments planned for the ten-year term of the 2025-2034 National Development Plan are projects such as the **Adriatic Link**, the submarine link that will connect Abruzzo and Marche, the direct current power line **Milan-Montalto**, which will connect Lazio and Lombardy via Tuscany, Liguria and Emilia-Romagna, the **Central Link** between Umbria and Tuscany, the **Adriatic Backbone**, a direct current submarine link between Foggia and Forlì, and the 380 kV **Montecorvino-Benevento** power line (in Campania).

The increase in investment in the 2024-2028 Industrial Plan update focuses mainly on the upgrading of electrical assets and the Defence Plan.

Terna will invest **€3.6 billion** in **asset renewal and efficiency**, compared to approximately €2.9 billion allocated in the previous Plan. Capex will mainly pertain to the rationalisation of existing infrastructure and the replacement of components that have reached obsolescence. These activities also include actions to improve digitisation in the transmission network by relying on new data-driven technologies, artificial intelligence-based solutions and robotics.

Terna's investment for the **Defence Plan** rose to **€2.3 billion** compared to the approximately €1.7 billion allocated in the previous Plan. In this context, the Group has planned a number of actions aimed at strengthening and enhancing the technical and technological functions of the electricity system, such as installing synchronous compensators, resistors and STATCOM devices to manage energy flows at the most critical points of the grid, as well as increasing cybersecurity endeavours to protect the system. **Investment** in the Defence Plan also includes **grid resilience**. Terna is now also facing with the challenges of the increasing frequency of extreme weather events. Italy was hit by 350 extreme weather events in 2024, approximately six times the number recorded in 2015. It was therefore necessary to increase efforts for a more robust infrastructure. The planned increase in investment will be used to implement such targeted actions and innovative solutions as may be necessary to increase grid resilience in the face of climate change risks.

As a result of all planned investments, the value of regulated assets (Regulatory Asset Base, RAB) will grow from €22.5 billion in 2024 to approximately €32 billion in 2028, with a Compound Annual Growth Rate (CAGR) of approximately 9% over the Plan period, showing an improvement from 8% in the previous Plan. By the end of 2025, RAB will stand at €24,8 billion.

#### **Non-regulated Activities: new structure and significant growth in contribution**

**Non-regulated Activities** will help to generate new business opportunities thanks to the development of innovative and digital solutions supporting energy transition, in line with Terna's core business.

At the beginning of March 2025, Terna announced a new structure for **Terna Energy Solutions, the Group company that manages the Activities carried out on competitive markets** and sets out to act as a blueprint for businesses seeking strategic expertise in the field of energy and digital transition **by relying on its network of subsidiaries**: **Tamini**, a leading Italian company in the transformers sector, **Brugg**, top global player in the underground cables sector, and **Altenia**, a new-co that brings together system integrator activities with specialised and diversified skills in the design, construction, maintenance and efficiency of medium- and high-voltage electrical systems, renewables and Battery Energy Storage Systems (BESS), previously provided separately by LT, Terna Energy Solutions and Avvenia.

Specifically, Terna's industrial activities, including those of the Brugg Cables Group and the Tamini Group, will also support the Group's supply chain in implementing the regulated projects outlined in the Plan, contributing, through essential supplies and strategic services for the development,



operation and maintenance of the National Transmission Grid. In this regard, efforts are being made to streamline and expand the production capacity of Brugg and Tamini. A feasibility study for the construction of a new production plant for Tamini is also underway. There are further plans to expand activities in the photovoltaic service market (Operation and Maintenance of systems), in energy services (consulting services for energy efficiency), as well as developing connectivity offers for telecommunications operators, with new contracts and entry into additional markets. By leveraging the expertise gained in these areas and using strategic assets, these activities will allow market opportunities to be exploited, helping to achieve energy transition and create value for both the Terna Group and the country as a whole.

**Non-regulated Activities are expected to account for approximately €730 million of the Group's EBITDA over the Plan period** (+22% compared to the previous Plan), with a limited investment effort and a low risk profile.

#### **Digital transition and innovation: further acceleration in investments**

Innovation, new technologies and digitisation will continue to play an increasingly key role in managing the growing complexity of the electricity system and enabling Twin Transition - energy and digital. With the update of the 2024-2028 Industrial Plan, **Terna will invest €2.4 billion in the Company's digital transformation** process, an increase of over 20% compared to the approximately €2 billion allocated in the previous Plan.

The investments will cover a range of ambitious innovation and digitisation initiatives along the Group's entire value chain and will also impact the corporate organisation. Among the major endeavours planned in **grid engineering** is the digitisation of construction sites by implementing software programmes to support planning (**Building Information Modelling, BIM**). In addition to providing 3D models of the infrastructure, they store all the information needed to move projects forward more smoothly and in line with the planned schedule. Installation activities on **Internet of Things (IoT)** sensor infrastructure and other predictive tools will also continue in order to create a **Digital Twin** of the grid that facilitates the **maintenance, including predictive maintenance, of assets** while ensuring an adequate level of service and cost control. With regard to **System Operator** activities, increasingly high-performance **algorithms** will be developed and adopted. They will be based on **Artificial Intelligence** with a view to supporting control room operators in energy dispatching and transmission capacity enhancement operations, against a backdrop of greater electricity system complexity due to the increasing integration of renewable sources into the grid. Investments in

**cybersecurity** will also be increased to improve the security of the Group's digital and physical assets, internal processes and Terna's own people. Digitisation will also involve HR management processes, which, thanks to an increasing rate of adoption of digital and innovative solutions, will benefit from increased efficiency and greater effectiveness in decision-making processes, in line with the objective of changing, including from a cultural perspective, working models with a view to the Twin Transition - Energy and Digital.

**All the activities included in the Sustainability Plan have been confirmed. A new commitment to enter into a programme aimed at reaching the Net Zero Science Based target by 2050**

For Terna, the objective of enabling the energy transition coincides with the establishment of a sustainable business model and the implementation of a number of activities whereby the Group is committed to pursuing a **Just Transition**, a fair and inclusive process that considers the possible impacts on all stakeholders. These activities are set out in the **Sustainability Plan**, which not only confirms the increasingly key role played by sustainability in Terna's strategies but also forms **an integral part of the Group's** Industrial Plan.

The update confirms all sustainability projects and actions carried out by the Company and adds, compared to the previous Plan, the **launch of a programme** in line with the requirements for certification by the international organisation **Science Based Targets initiative (SBTi)**, **to commit to achieving the Net Zero Science Based target by 2050**.

From an environmental sustainability perspective, Terna confirmed its commitment to **reduce by 46% its CO<sub>2</sub> emissions by 2030 as compared to 2019**, according to the Science Based Target adopted. The Group also stressed its desire to position itself as one of the most committed companies globally to the protection of ecosystems and biodiversity and confirmed its goal of adopting a new **Science Based Target for Nature** by 2026.

On the subject of **value chain sustainability**, Terna's commitment to integrate the principles of circularity into its business model was confirmed. In this regard, the Company aims to start as early as 2026, ahead of the provisions of the law, an initial application of the requirements set forth in the European Commission's Corporate Sustainability Due Diligence Directive (Directive 2024/1760).

Lastly, Terna's attention to safety in the workplace and its commitment to ensuring the highest possible level of stakeholder involvement in the conduct of its business remain key to its operations.



### Terna Foundation

Regarding the creation of shared value, **Terna Foundation**, established on 30 July 2024, will focus its activities on three main action areas, all of which can be linked to a general objective of social inclusion: the spreading of an energy culture, promoting energy literacy, including through educational projects designed to involve younger generations; mitigating energy poverty; and the definition of programmes that facilitate access to the labour market and new professional opportunities in the energy sector.

### Main results expected in the update to the 2024-2028 Industrial Plan

Terna confirms its commitment to maintaining a solid capital structure that will help to support investment growth and will continue to ensure an attractive dividend policy. Furthermore, the Group's continued commitment to the execution of its Industrial Plan and the achievement of the related economic and financial targets is evidenced by the fact that the **guidance** communicated to the financial markets for 2024 was met and even exceeded, providing a solid basis for the achievement of the new targets set out in the updated 2024-2028 Industrial Plan.

Group **revenues in 2028** are expected to grow to **€5.19 billion**, compared to €4.60 billion in the previous Plan, and **EBITDA** to **€3.36 billion**, compared to €3.25 billion in the previous Plan. The **Average Annual Growth Rate (CAGR)** over the Plan period will be **approximately 9%** for **EBITDA**. More specifically, **in 2025 revenues** are expected to stand at **€4.03 billion** and **EBITDA** at **€2.70 billion**.

The growth in operating results will also be reflected in the **group net profit**, which will increase from **€1.08 billion in 2025** to **€1.19 billion in 2028** (compared to €1.10 billion forecast in the previous Plan by 2028).

Furthermore, out of the €17.7 billion of the Group's total **investments** in the 2024-2028 period, Terna plans to invest **€3.4 billion in 2025**.

Despite the acceleration in capex, Terna confirms its commitment to preserve a solid and sustainable capital structure, also through the issue of further hybrid instruments. The average cost of net debt under the Plan is approximately 3.1%, showing an improvement over the 3.3% set out in the previous Plan.

The **new dividend policy** introduces a minimum level (floor) equal to the 2024 dividend (39.62 euro cents per share) for the entire period of the 2024-28 Industrial Plan Update, with the aim of guaranteeing shareholders an attractive and solid remuneration. Over the Plan period, the new dividend policy foresees the distribution of a dividend equal to the higher between (i) the value of the 2024 dividend per share (39.62 euro cents per share) and (ii) an annual growth of the dividend per share equal to 4%, assuming 2023 as the reference year (33.96 euro cents per share).

## CONSOLIDATED FINANCIAL RESULTS FOR 2024

The European and Italian macroeconomic environment in 2024 was characterised by a return of inflationary indices compared to the previous year. Against an improving but still volatile backdrop, the use of natural gas as an energy carrier exposes Italy to procurement risks of a geopolitical and economic nature, with the country highly vulnerable to commodity price movements due to tensions on international markets.

Natural gas consumption in Italy in 2024 was down 2.5% on the previous year, with the price remaining stable over the past two years at around €40-50/MWh. Since the price development of fossil fuels, especially gas, has a strong impact on the electricity market, due to the price formation mechanism on the market, the average value of the Single National Price was €109/MWh in 2024, down from the figure posted in 2023 (€127/MWh) and especially from the €304/MWh in 2022, but still well above the €52/MWh recorded in 2019. Italian electricity consumption stood at €312.3 billion kWh in 2024, increasing by 2.2% compared to 2023. Renewable sources recorded the highest ever demand coverage figure for the year, coming in at 41.2% (compared to 37.1% in 2023).

In this respect, in 2024 Terna reported an improvement in all key economic and financial indicators, which exceeded the year's guidance communicated to the financial markets. Furthermore, the Group led by Giuseppina Di Foggia strengthened its commitment to serving the country and the community, significantly increasing its investments with the aim of guaranteeing an even more efficient, resilient and digital National Transmission Grid capable of maximising the integration of energy produced from renewable sources, in line with the decarbonization targets set by the National Integrated Energy and Climate Plan (NECP) and the European Green Deal.

Overall, **during the year, Terna deployed investments in the amount of €2,692.1 million, the highest figure ever recorded in the Group's history, up 17.6% over 2023.**

In 2024, the Ministry of the Environment and Energy Security and regional authorities authorized 25 projects for the development of the national electricity grid, amounting to an investment of over €2.3 billion. Among the most important projects approved are large submarine cables such as the **Adriatic Link**, the connection between Marche and Abruzzo that will optimise energy exchange in the central part of Italy, **Elmed**, the energy bridge between Italy and Tunisia co-financed by the Connecting

Europe Facility European programme, and the **Bolano-Annunziata** power line, which will connect Sicily and Calabria.

€m	2024*	2023*	% change
<b>Revenues</b>	3,680.2	3,186.7	+15.5%
<b>EBITDA (gross operating profit)</b>	2,566.4	2,168.6	+18.3%
<b>EBIT (operating profit)</b>	1,677.4	1,362.3	+23.1%
<b>Group net profit for the period</b>	1,061.9	885.4	+19.9%
<b>Capital expenditure</b>	2,692.1	2,290.0	+17.6%

\* Given that the requirements of IFRS 5 have been met, the total results for 2024 and 2023 attributable to the South American subsidiaries included in the planned sale of assets have been classified in the item "Profit/(Loss) for the year from discontinued operations and assets held for sale" in the Group's reclassified income statement.

**Revenues** for 2024, amounting to €3,680.2 million, are up €493.5 million (+15.5%) compared to 2023. The result primarily reflects an improvement in Regulated Activities, thanks to the increase in the Regulated Asset Base (RAB) and in the WACC (Weighted Average Cost of Capital) set for 2024. Non-regulated Activities also delivered significant growth in revenues, above all reflecting increased contributions from the Tamini Group and the Brugg Cables Group, in the Equipment segment, and from the Energy Services provided by the LT Group.

**EBITDA** for 2024 stood at €2,566.4 million, up €397.8 million (+18.3%) compared to 2023 due to the improved result from Regulated Activities.

**EBIT** for the period, after amortisation, depreciation and impairments totalling €889.0 million, came in at €1,677.4 million compared to €1,362.3 million in 2023 (+23.1%).

**Net financial expenses** for 2024 amounted to €171.5 million, with an increase of €53.8 million compared to the €117.7 million of 2023. This was due to new borrowings undertaken at higher interest rates compared to those of existing debts, partially offset by higher income from liquid assets and other financial assets as well as by an increase in capitalised financial expenses.

**Profit before tax** of €1,505.9 million is up €261.3 million compared to 2023 (+21.0%).

**Income tax expense** for the year totalled €455.0 million, up €90.7 million compared to 2023 (+24.9%). This essentially reflects the increase in pre-tax profit and higher non-deductible charges recognised in the period. The resulting tax rate of 30.2% compared to 2023 of 29.3%.

**Group net profit** for the year stood at €1061.9 million, up €176.5 million (+19.9%) compared to the €885.4 million of 2023.

The **consolidated statement of financial position** shows **equity attributable to owners of the Parent** of €7,524.2 million, compared to €6,324.4 million at 31 December 2023.

The Terna Group's **total capex** during the year amounts to €2,692.1 million, with a significant increase (+17.6%) on the €2,290.0 million of 2023. With regard to the main projects carried on during the year, emphasis is placed on the milestones reached for the Tyrrhenian Link, the submarine electricity connection between Campania, Sicily and Sardinia. In early 2025, the first phase of the laying of the submarine cable got underway in the East Section of the link, between Campania and Sicily. In addition to this, progress was made on the Adriatic Link, the submarine power line that will connect the Abruzzo and Marche regions, and on the connection between Tuscany, Corsica and Sardinia (Sa.Co.I.3). Work was also carried out on projects designed to boost the security and efficiency of the high voltage and very high voltage grids in the areas due to host the Milan-Cortina Winter Olympics and Paralympics in 2026, on projects designed to boost exchange capacity between Calabria and Sicily (the "Bolano-Annunziata" link), and between the different zones of the electricity market in Sicily (the "Paternò-Pantano-Priolo" link), and on construction of the "Colunga-Calenzano" link, connecting Emilia-Romagna with Tuscany, and the "Cassano-Chiari" link in Lombardy. Progress was also made on the plan to install equipment, such as reactors, synchronous compensators and stabilising resistors, to improve grid security. This latter investment amounted to €55.2 million in 2024.

Work also continued during the period on the renewal of overhead lines and substation equipment, with 1,124 km of lines and 16 other assets, including transformers, autotransformers and reactors, being replaced at 31 December 2024 at a total cost of €526.6 million.

To finance the major increase in capex needed to develop an even more efficient, resilient and digital electricity system, capable of guaranteeing the country's energy security, **net debt** at 31 December 2024 amounted to €11,160.4 million, compared to €10,494.3 million at the end of 2023.

The increase in net financial debt was mitigated by the hybrid bond issue issued on 4 April 2024 for an amount of €850 million, which was accounted for as an equity instrument.

The Group's **workforce** at the end of 2024 totals 6,420, up 493 compared to 31 December 2023. The increase is linked to the need to strengthen the pool of expertise and growth across all the Group's operations.

### **OPERATING RESULTS OF REGULATED ACTIVITIES**

During 2024, due to the expansion of the Regulated Asset Base (RAB) and the updated WACC (Weighted Average Cost of Capital) recognised for the period, **revenues** from **Regulated Activities** rose to €3,096.2 million (€2,669.8 million in 2023, +16.0%).

**EBITDA** is thus €2,461.5 million, with an increase of €375.9 million compared to the previous year.

### **OPERATING RESULTS OF NON-REGULATED ACTIVITIES**

In 2024, **revenues** from **Non-regulated Activities** rose significantly to €584.0 million (+13.0% compared to the €516.8 million of 2023). This reflects primarily the higher contributions from the Tamini Group, the Brugg Cables Group and activities in the energy services segment.

**EBITDA** from Non-regulated Activities in 2024, amounting to €107.8 million, was up €20.9 million compared to the previous year. This primarily reflects increased contributions from the Equipment (the Brugg Cables Group and the Tamini Group) and Connectivity areas.

### **RESULTS FOR 2024 FOR THE PARENT COMPANY, TERNA S.p.A.**

The Parent Company, Terna S.p.A., ended 2024 with revenues at €3,023.1 million (€2,634.8 million in 2023, +14.7%). EBITDA stood at €2,313.4 million (€1,980.2 million in 2023, +16.8%). EBIT, after amortisation, depreciation and impairments of €795.0 million, stood at €1,518.4 million (€1,260.9 million in 2023, +20.4%). Net profit for the year thus totalled €970.4 million (€834.8 million in 2023, +16.2%).

The statement of financial position shows equity of €6,976.1 million (compared to €5,871.0 million at 31 December 2023) and net debt of €10,981.2 million (compared to €10,364.7 million at 31 December 2023).



## KEY EVENTS IN 2024 AND SUBSEQUENT TO THE END OF THE YEAR

### Business

Terna continued with **development of the national grid** in 2024, making progress on all the major investment projects supporting the energy transition. Thanks to investment in the main projects referred to above, 96 km of new power lines and 2 new substations became operational on the National Transmission Grid during the year.

During the year, Terna obtained authorisation from the Ministry of the Environment and Energy Security to implement a number of important projects intended to upgrade the national electricity grid. Among them is the **Adriatic Link**, the submarine power line that will connect Marche and Abruzzo, **Elmed**, the submarine interconnection between Italy and Tunisia that will become the first electricity bridge between Europe and Africa, and the **Bolano-Annunziata** electrical infrastructure, the submarine cable that will connect Sicily and Calabria, in addition to the two power lines already in operation, the Sorgente-Rizziconi link (between Scilla and Villafranca), which came on stream in 2016, and the Bolano-Paradiso line, dating back to the 1980s.

As part of the expansion of the national electricity grid, the Group also signed an **agreement with Areti**, the subsidiary of Acea S.p.A. responsible for electricity distribution. According to the agreement, Terna will acquire 100% of share capital of a newly created company ("NewCo") to which Areti will contribute part of its high-voltage grid assets situated in the metropolitan area of Rome.

Regarding the **Tyrrhenian Link**, work began in early 2025 at Fiumetorto, in the municipality of Termini Imerese (Palermo), on the **first phase of the laying of the submarine cable** in the East Section, which will connect Sicily and Campania. Before the laying got underway, in August 2024 Terna launched an experimental project for the **transplanting of Cymodocea nodosa** a protected aquatic plant, at the Fiumetorto (Palermo) dock. This is a pioneering initiative from a sustainability perspective.

In June 2024, Terna launched **TE.R.R.A.** (Territorio, Reti, Rinnovabili e Accumuli), the **digital portal** introduced under Italian Law 11/2024 (also known as the "Energy Decree"). Terna has made the portal available to local and national administrators, legislators and applicants, giving them access to relevant strategic information in those four areas, the goal being to support a more efficient planning of energy infrastructure.

In 2024, Terna also entered into a five-year partnership agreement with **RSE (Ricerca sul Sistema Energetico)**, a leader in analysis and applied research in the energy sector. The purpose of the agreement is the development and application of processes and technologies in the field of energy and the environment, promoting study initiatives and development and innovation endeavours.

In addition, **Terna Forward**, the Terna Group company dedicated to tech innovation and Corporate Venture Capital initiatives, and DXT Commodities S.A. (DXT), a Duferco Group company, completed a €2.8 million **investment round** — through a joint capital increase — in **Wesii**, a leading Italian company in inspection and remote-sensing services for the renewable energy sector.

In the area of developing international innovation ecosystems, Terna hosted the **Innovation Zone Forum**, a series of events focused on enhancing the startups with which the Group collaborates, as well as on discussions with American energy players and investors, in order to discuss the challenges and innovative technologies related to the future of the electricity system. As part of this strategy, in January 2025 the Company opened the **Terna Innovation Zone Tunisia**, the first innovation hub operated in Africa by the Italian transmission grid operator. It is a corporate social responsibility project that aims to promote technological innovation and capacity building in the Tunisian energy sector, further strengthening the strategic partnership between Italy and Tunisia while contributing to the achievement of the objectives set out in the Mattei Plan for Africa.

Finally, in November 2024, in accordance with of the agreement entered into on 29 April 2022 and following the fulfilment of the conditions set forth therein, **Terna Plus** S.r.l., a Group company, finalised the **third closing for the sale to CDPQ**, a global investment group, **of "SPE Transmissora de Energia Linha Verde I S.A.", the owner of a power line in Brazil** for a total of about 150 km, for an equity value of €79 million, in line with the terms of the agreement. The transaction, as a whole, represented a further step in the strategy aimed at increasing the value of operations in South America.

### **Sustainable finance and additional financial resources**

With regard to borrowing transactions related to construction and deployment, in February 2024 Terna and the **European Investment Bank (EIB)** entered into an agreement covering the **final tranche of the €1.9 billion loan for the Tyrrhenian Link**, the submarine power cable connecting the Italian mainland with Sicily and the latter with Sardinia. Terna plans to invest around €3.7 billion in total for this infrastructure, which is key for Italy's energy security. Around 50% of the project cost will be

financed by the EIB, demonstrating the strategic nature of the project. The final tranche of €500 million follows on from the earlier agreements signed on 8 November 2022 (first tranche of €500 million) and 30 March 2023 (second and third tranches, totalling €900 million).

In October 2024, Terna and the EIB also entered into a €400 million **loan agreement to improve the efficiency and reliability of the national transmission grid**. The interventions, set to be carried out across Italy by 2026, aim to upgrade and replace existing infrastructure with cutting-edge environmentally sustainable solutions, helping to significantly improve the resilience of the grid to future extreme weather events.

With terms of around 22 years from each drawdown, all the EIB loans stated above have a longer maturity and more competitive costs than those generally available on the market, aligning them with Terna's policy of optimising its financial structure.

In terms of capital market transactions, on 10 January 2024, Terna successfully launched a single tranche euro-denominated fixed-rate **bond issue totalling €850 million**, under its Euro Medium Term Notes (EMTN) programme. The issue, which received a very favourable market response with demand outstripping supply by almost 3 times the offered amount, is characterized by high quality and broad geographical diversification of investors. The bond has a duration of 7 years and maturity on 17 January 2031. It will pay a coupon of 3.50% and was issued at a price of 99.385%, with a spread of 100 basis points over the midswap.

On 4 April 2024, Terna also successfully launched a euro-denominated, perpetual, subordinated, **hybrid**, non-convertible, fixed-rate **green bond issue** intended for institutional investors, **with a face amount totalling €850 million**. The issue received a very favourable response from the market, with applications topping €3 billion and the issue approximately 4 times oversubscribed. The issue attracted a high quality of geographically diversified investor. The bond is non-callable for six years. The issue price was set at 99.745%, with a spread of 214.2 basis points over the Mid-Swap.

In line with Terna's strategy, which aims to combine investment and sustainability to drive growth and value creation, in 2024 Terna confirmed once again its **leading role in the sustainable finance market**. The senior green bonds issued by Terna under its Euro Medium Term Notes (EMTN) programme and not yet matured, totalled €2.25 billion, in addition to the two hybrid issues of perpetual, subordinated green bonds, which totalled €1.85 billion.

## Sustainability and ESG

In 2024, Terna confirmed its leadership in the field of sustainability, being rated as a top performer by leading ESG rating agencies. The Company obtained confirmation of its inclusion in **“S&P Global’s Dow Jones Sustainability”** ESG indices for the 16th consecutive year, and in the **“FTSE4Good”** indices for the 20th consecutive year, **“Euronext Vigeo”** (World 120, Europe 120 and Eurozone 120), for the thirteenth consecutive year, and **“Stoxx Global ESG Leaders”** (and the underlying “Stoxx Global Environmental Leaders”, “Stoxx Global Social Leaders” and “Stoxx Global ESG Governance Leaders”), for the fourteenth consecutive year.

At the beginning of 2025, **CDP (former Carbon Disclosure Project)** ranked once again Terna among the leading international companies in **the fight against climate change**, awarding it **an 'A-' rating**.

Terna's commitment to ESG issues was further emphasised by the improvement of the **Corporate Rating** awarded by **Standard Ethics**, a renowned international non-financial rating agency, which improved Terna's rating from 'EE' to 'EE+' (corresponding to a 'Very Strong' rating), ranking the Company in the 'Sustainable' category, the best.

In March 2024, Terna received gender equality certification from the certification body, IMQ - Istituto italiano Marchio di Qualità, **confirming compliance of its Gender Equality Management System** with the UNI/PdR 125:2022 standard. This certification marks the fourteenth integrated management system implemented and managed by Terna. In May 2024, Terna also **adopted the Code of Corporate Governance for Responsible Businesses** in support of shared parenting and maternity, promoted by the Equal Opportunities Department of the Presidency of the Council of Ministers. This reaffirmed the Group's commitment to promoting gender equality and supporting shared parenting with concrete actions that can have a positive impact on employees' working and personal lives.

On the subject of inclusion, in December 2024 Terna presented **Terna Ability**, a project designed to create the best conditions to enable people with disabilities to integrate and participate fully in working life, acting on their growth process and on the causes that generate inequality, to fully exploit the value and social innovation of this programme.

Finally, the **Terna Foundation**, one of the key innovations reflected in the Sustainability Plan which is integrated in the Group's Industrial Plan, was established on 30 July 2024. This was followed, on

26 September, by the Foundation's entry into the Register of Legal Persons. In January 2025, the first activities of the Foundation got underway.

## OUTLOOK

Weak global economic growth is expected in 2025, against an even more uncertain backdrop due to trade tensions between the world's major economies, exacerbated by the heightened risk of new protectionist measures. Geopolitical tensions may well persist or even worsen, with negative effects on political and economic stability.

In this environment, the Terna Group will continue to focus on delivering on the updated 2024-2028 Industrial Plan.

In detail, with reference to [Regulated Activities](#), the sharp acceleration in capital expenditure was confirmed with a view to achieving the objectives of the European *Fit-for-55* and *Repower EU* packages, as set out in Italy's 2024 Integrated National Energy and Climate Plan. These investments will support the integration of renewable sources, the development of interconnections with foreign countries, the improvement of the security and resilience of the electricity system, and the digitisation of the grid.

With regard to the main investment projects underway, emphasis is placed on the milestones reached in the deployment of the Tyrrhenian Link, in respect of which the submarine laying operations of the first pole in the East Section are expected to be completed. Regarding the connection between Sardinia, Corsica and the Mainland (Sa.Co.I. 3), work began on the landing points for the submarine cables in Sardinia and Tuscany and the executive design of the terrestrial cables and converter stations got underway. As to the Adriatic Link project, the civil works ahead of the laying of the underground cable in the Marche region got underway, while the civil works for the underground cables in Abruzzo were scheduled to start; in addition, work on the converter stations was planned to start during the course of the year.

With regard to the main infrastructure of the National Transmission Grid, the Pantano-Priolo power line and the Foiano and Ponte Caffaro substations were scheduled for entering into service. Work on the new electricity grid for the "Milan-Cortina 2026" Olympic and Paralympic Games will continue during the year with the aim of increasing the reliability of energy supply in the locations hosting the event, with infrastructure having a reduced impact on the landscape. More specifically, the Livigno-

Premadio, Laion-Corvara and Moena-Campitello connections were scheduled to enter into service in 2025.

Finally, the Group will continue to make progress towards meeting the requirements resulting from the output-based regulatory mechanisms introduced by ARERA, with regard to both reducing dispatching costs (DSM - "Dispatching Services Market" - incentives, Resolution 554/2024/R/eel) and delivering additional interzonal transmission capacity (interzonal incentives, Resolution 55/2024/R/eel). The Group is committed to maintaining the performance levels achieved during the observation period.

With reference to **Non-regulated Activities**, the reorganisation process involving the subsidiaries of Terna Energy Solutions was completed. Terna Energy Solutions is a company of the Terna Group that manages activities in competitive markets. It has integrated diversified expertise along the entire energy value chain through its network of subsidiaries, setting out to act as a blueprint for businesses seeking strategic expertise in energy and digital transition.

As a result, the Terna Group will gain a stronger foothold in the various segments of the energy transition value chain: Altenia (previously known as LT S.r.l., which changed its company name on 24 February 2025 as a result of the aforementioned reorganisation), a system integrator with specialised and diversified expertise in the design, construction and maintenance of electrical and renewable energy plants; the Tamini Group, a leading transformer manufacturer; and the Brugg Cables Group, a company operating in the underground cable sector. The latter two, which are also instrumental in the realisation of the Group's investments, will develop high value-added activities for businesses, offering customers technological, innovative and digital solutions in the energy and industrial sectors and seizing growth opportunities by both strengthening market leadership and increasing production capacity.

The Group will also continue to develop the Connectivity business based on activities related to the fibre optic network.

Regarding **International Activities**, the Group will continue the process of enhancing the asset portfolio in Latin America, taking all the actions that may be required to finalise the sale of the assets in Peru. In addition, monitoring of the foreign market will continue, with a special focus on the Mediterranean area, with a view to gaining insights into changes in the backdrop and context and seizing any opportunities involving a low risk profile and limited capital absorption.



During the year, the Group will intensify its focus on improving operational efficiency and management of the power grid through the adoption of innovative technologies and the digitalisation of grid assets, also thanks to the implementation of IoT technologies. This will include, by way of example, implementation of the latest mobile network technologies, the upgrade of monitoring systems and the development of advanced predictive algorithms designed to optimise infrastructure maintenance and boost grid resilience.

Management of the Terna Group's business will continue to be based on a sustainable approach and respect for ESG aspects, ensuring that it is able to minimise its environmental impact, involve local stakeholders and meet the need for integrity, responsibility and transparency.

**In 2025**, the Terna Group's expects **revenues at €4.03 billion, EBITDA at €2.70 billion and Group net profit at €1.08 billion**. With specific reference to the **Capex**, the Group has targeted **investments of approximately €3.4 billion in 2025**. The above objectives will be pursued whilst maintaining a commitment to maximising the cash generation, necessary to ensure a sound and balanced financial structure.

## **2024 REPORT ON OPERATIONS**

The Terna Group's 2024 Annual Report, approved by the Board of Directors, contains the Report on Operations, which, in accordance with recent regulatory requirements regarding the reporting of ESG information, includes a specific section on Sustainability Reporting, as well as the Consolidated Financial Statements of the Terna Group and the Financial Statements of the Parent Company for the year ended 31 December 2024. It aims to provide all stakeholders with a clear, comprehensive and balanced account of the Group's business and its value creation process.

Starting from the 2024 reporting year, the Terna Group is required to prepare its 2024 Sustainability Report pursuant to Legislative Decree No. 125 of 6 September 2024, which transposes into national law the provisions of Directive (EU) 2022/2464 "Corporate Sustainability Reporting Directive" (CSRD), replacing the previous provisions on non-financial reporting (under Legislative Decree 254/2016).

As required by the CSRD, the Sustainability Report was prepared according to the "European Sustainability Reporting Standards" (ESRS) developed by the European Financial Reporting Advisory Group (EFRAG), whose main purpose is to provide stakeholders with a comprehensive and fair view of the Group's ESG performance, allowing a comparison to be made with other

companies operating in the European market. These reporting standards are well identified in the Report on Operations.

## CORPORATE GOVERNANCE, ANNUAL GENERAL MEETING AND DIVIDEND

The Board of Directors approved the Report on Corporate Governance and Ownership Structure for 2024, with the approval of the Sustainability, Governance and Scenarios Committee. The Report contains the results of the reviews conducted of the Board of Directors, Board Committees and the Board of Statutory Auditors, presented during today's Board of Directors' meeting.

The Board of Directors also assessed its members' compliance with the independence requirements set out in the Articles of Association, Article 147-ter(4) and Article 148(3) of the Consolidated Law on Finance (CLF) as well as the independence requirements set out in the Corporate Governance Code (Article 2, Recommendation 7) incorporated in the document "*Criteria and procedure for assessing independence*".

In view of the governance recommendations, the Chairman, **Igor De Biasio**, was assessed as independent pursuant to both Article 147-ter(4) and Article 148(3) of the Consolidated Law on Finance (CLF) and Article 2, Recommendation 7 of the Corporate Governance Code.

The non-executive Directors **Angelica Krystle Donati, Enrico Tommaso Cucchiani, Gian Luca Gregori, Simona Signoracci, Marco Giorgino, Karina Audrey Litvack, Jean-Michel Aubertin and Anna Chiara Svelto** were assessed as independent pursuant to both art. 147-ter, paragraph 4 and art. 148, paragraph 3 of the CLF and to art. 2, Recommendation 7 of the Corporate Governance Code. Directors **Regina Corradini D'Arienzo, Francesco Renato Mele and Qinjing Shen** were assessed as not independent pursuant to both Article 147-ter(4) and Article 148(3) of the Consolidated Law on Finance and Article 2, Recommendation 7 of the Corporate Governance Code.

The Board of Directors also verified that all its members fulfil the requirements in the provisions of art. 15.5 of the Articles of Association concerning independence and incompatibility, adopted pursuant to the Unbundling Regulations.

As recommended by the Corporate Governance Code, and in accordance with the role assigned to it by law, the Board of Statutory Auditors verified the correct application of the established assessment criteria and procedures adopted by the Board of Directors in assessing the independence of its non-executive members.

During today's meeting, the Board of Statutory Auditors also reported that all the Statutory Auditors meet the relevant independence requirement, pursuant to Article 2, Recommendation 9 of the Corporate Governance Code, as verified during the meetings held on 14 January 2025 and 13 February 2025 in accordance with the Board of Statutory Auditors' Terms of Reference.

The Board of Directors has also resolved, giving mandate to the Chairman, regarding the convocation of the **Annual General Meeting of shareholders** ("AGM"), which will be held, in accordance with the timing announced to the market on 22 January 2025, on **21 May 2025**. The Meeting, to be held in single call, will be invited, during the ordinary session, to deliberate on the following agenda:

1. **2024 Annual Report including the Report on Operations and the consolidated sustainability report prepared pursuant to Legislative Decree No. 125 of 6 September 2024, the draft financial statements of Terna S.p.A. and the consolidated financial statements of the Terna Group for the year ended 31 December 2024, as well as the reports of the Board of Statutory Auditors and the Independent Auditors.**
2. **The proposed allocation of profit for the year**

The Board of Directors will propose that the AGM of shareholders approve a total dividend for 2024 of €796,358,830.40, equal to 39.62 euro cents per share, and payment - after taking into account the ordinary interim dividend for 2024 of 11.92 euro cents per share previously paid from 20 November 2024 – of a final dividend of 27.70 euro cents per share, before any withholdings required by law. The final dividend will be payable from 25 June 2025, with an ex-dividend date for coupon 42 of 23 June 2025 (record date, as defined by art.83-*terdecies* of Legislative Decree 58 of 24 February 1998, the Consolidated Law on Finance: 24 June 2025). The treasury shares held as of the above record date will not participate in the distribution. The final dividend for 2024 attributable to the treasury shares held by the company at the record date will be taken to retained earnings.

3. **Long-term incentive plan based on Performance Shares for the period 2025-2029 for the management of Terna S.p.A. and/or its subsidiaries, as defined by art. 2359 of the Italian Civil Code**

This is an equity-based Plan, involving the grant of the right to receive a certain number of Terna S.p.A.'s shares (the Performance Shares) free of charge if, at the end of the vesting period, the performance targets to which the Plan is linked have been met.

The targets break down as follows:

## Operating performance:

- cumulative EBITDA in the three-year period 2025-2027.
- average FFO over Net Debt in the three-year period 2025-2027.

## Market performance:

- Relative Total Shareholder Return.

## Sustainability performance:

- Overgeneration: reduced use of modulated production from non-programmable renewable sources at Terna's request to meet the security needs of the national electricity system.
- Connections: they measure Terna's efficiency in meeting average connection times to the National Transmission Grid by renewable sources generation and storage plants.

At the end of the vesting period, 30% of the shares awarded will be subject to a further two-year lock-up period, during which time the shares are non-transferable (meaning that they cannot be transferred and/or sold for a period of 24 months).

Clawback provisions also apply to the Plan, as required by the Corporate Governance Code and best market practices.

The beneficiaries of the Plan are the General Manager, who is also the Chief Executive Officer, key management personnel and other senior and middle managers of the Company and/or its subsidiaries, pursuant to art. 2359 of the Italian Civil Code.

In consideration of its features, its structure, and the performance objectives identified, the Plan is designed to ensure the alignment of management's interests with the priority objective of creating value for shareholders over the medium to long term.

For a full description of the Plan, please see the Information Document prepared pursuant to Article 114-*bis* of the Consolidated Law on Finance, which will be made accessible to the public within the deadline required by law.

4. [Authority to buy back and dispose of the Company's own shares, subject to revocation of the authority granted by the AGM held on 10 May 2024](#)

The Board of Directors has decided to request the ordinary session of the AGM of 21 May to approve the proposed authority to buy back and subsequently dispose of, in one or more transactions, the Company's own shares at a total cost of up to €9 million and involving up to a maximum of 1.8 million ordinary shares, representing approximately 0.09% of Terna's share capital.

This request aims to grant the Company's Board of Directors the option of purchasing and disposing of own shares, in compliance with the current regulations and procedures indicated below, to service the Performance Share Plan and/or any other share-based incentive plans for the Directors and/or employees of the Company and/or its subsidiaries and/or associates.

The authorization to buy back own shares is requested for the maximum period permitted by art. 2357, paragraph 2 of the Italian Civil Code, and therefore for eighteen months from the date of the General Meeting granting the authority. There is no time limit for the subsequent disposal of the shares.

The request for the authority provides that purchases can be made at a price that must not be more than 10% higher or lower than the price of the shares on the Euronext Milan market organised and managed by Borsa Italiana S.p.A. as recorded during the previous day's session for each individual transaction. Additionally, market purchases of own shares shall be carried out in accordance with the terms, conditions and requirements established by current regulations and, where applicable, with the market practices from time to time prevailing.

The sale or other use of the resulting treasury shares will be made to service the Performance Share Plan and/or any other share-based incentive plans for the Directors and/or employees of the Company and/or its subsidiaries and/or associates, in accordance with the terms and conditions indicated in the applicable rules, without prejudice to current regulations, and, where applicable, the market practices from time to time prevailing. Buybacks will be carried out in compliance with the provisions of art. 132 of the Consolidated Law on Finance and art. 144-*bis* of the Regulations for Issuers and all other applicable regulations and, where applicable, with the market practices from time to time prevailing.

More specifically, pursuant to art. 132.1 of the Consolidated Law on Finance, share buybacks must be made in a way that ensures the equal treatment of all shareholders, according to the procedures established by the CONSOB. In this latter regard, among the procedures provided for in art. 144-*bis* of the Regulations for Issuers, Terna's share buybacks may also be carried out under the conditions

indicated in art. 5 of Regulation (EU) 596/2014, except for the procedures provided for in letters d and d-*bis* of art. 144-*bis*.

It should be noted that, in cases where the option referred to in art. 144-*bis*, section 1(c) of the Regulations for Issuers is to be exercised, purchases and sales of derivative instruments must be carried out through authorised financial intermediaries, specially appointed for this purpose.

In conclusion, it should be noted that, in accordance with the share buyback programme launched on 4 September 2024, and concluded on 20 September 2024, to service the Performance Share Plan 2024-2028, Terna purchased 998,428 treasury shares (equal to 0.050% of the share capital) on the Euronext Milan Market at a total cost of €7,999,999.09. The total number of shares purchased is in addition to the 3,153,420 own shares already purchased by the company between 2020 and 2023, after deducting the own shares allotted in 2023 and in 2024 in execution of the Performance Share Plans 2020-2023 and 2021-2025. To date, therefore, Terna holds a total of 4,151,848 treasury shares (equal to 0.207% of the share capital).

The Company does not hold any additional treasury shares with respect to those purchased under the above programmes, including through subsidiaries.

## 5. Report on the Remuneration Policy and Remuneration Paid

The AGM will be invited to hold:

- a binding vote on the first section of the Report, which explains the policy on remuneration of the members of Terna S.p.A.'s Board of Directors and the Board of Statutory Auditors, the General Manager and key management personnel, as well as the procedures used in adopting and implementing the Policy;
- a non-binding vote on the second section of the Report, which explains the remuneration paid to the members of the Board of Directors and the Board of Statutory Auditors, the General Manager and, on an aggregate basis, key management personnel.

A detailed description of the Remuneration Policy and remuneration paid is provided in the relevant document, prepared in accordance with art. 123-*ter* of the Consolidated Law on Finance, which will be made available to the public within the deadline required by law.

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With regard to the Annual General Meeting (“AGM”), the Company resolved to take advantage of the option available under Article 106, paragraph 4 of Law Decree 18/2020, converted by Law 27/2020, the final deadline for application thereof being extended to 31 December 2025 pursuant to Law Decree No. 202 of 27 December 2024, as written into law complete with amendments by Law No. 15 of 21 February 2025. This means that attendance at the AGM may only take place through the representative designated by the Company pursuant to Article 135-undecies of Legislative Decree No. 58 of 24 February 1998 (“CLF”). The Company has selected Computershare S.p.A., with its registered office in Milan at Via Lorenzo Mascheroni no. 19 (the “Designated Representative”) for this purpose.

The notice of call will be published according to the procedures and the deadline required by law, as will the documentation relating to agenda items.

## **BOND ISSUES AND BONDS NEARING MATURITY**

Issues in 2024:

- on 10 January 2024, Terna launched a fixed rate, single tranche bond issue, under its Euro Medium Term Notes (EMTN) programme, for a total amount of € 850 million. The bond has a term of 7 years, pays annual coupon interest of 3.5% and features a spread of 100 basis points over the midswap;
- on 4 April 2024, Terna successfully launched the second issue of issue of a perpetual, subordinated, hybrid, non-convertible, green, fixed rate bond for institutional investors, with a total nominal amount of € 850 million. The bond is non-callable for six years. The issue price was set at 99.745%, with a spread of 214.2 basis points over the midswap. The issue will pay an annual coupon of 4.750% until the first reset date scheduled on 11 April 2030 and will have an effective rate equal to 4.800%. From this date, if the bond has not been called, the hybrid bond will pay annual interests equal to the 5-year Euro Mid-Swap rate plus an initial spread of 214.2 basis points. This will be increased by a further spread of 25 basis points from 11 April 2035 and an additional increase of 75 basis points from 11 April 2050.

Finally, regarding financial transactions after the end of 2024 and bonds reaching maturity between **1 January 2025 and 30 June 2026, the following should be noted:**

- on 10 February 2025, Terna successfully launched a fixed rate, single tranche, green bond issue for institutional investors, with a total nominal amount of € 750 million. The issue, which was made in the framework of Terna’s Euro Medium Term Notes (EMTN) Programme, received a very favourable market response with demand outstripping supply by almost 5

times the offered amount. The bond has a duration of 7 years and a maturity on 17 February 2032. It will pay a coupon of 3.125% and will be issued at a price of 99,975%, with a spread of 90 basis points over the midswap.

- On 21 March 2025, Terna signed an ESG-linked Revolving Credit Facility, totalling €1.8 billion, to refinance the ESG Revolving Credit Facility signed on 17 December 2021, totalling €1.65 billion.
- The following maturities will be reached between July 2025 and April 2026: €500 million relating to a bond issued in July 2019; €80 million relating to a “private placement” bond issued in March 2016; and €500 million relating to a bond issued in April 2019, all three transactions being completed as part of the “EMTN” bond issue programme.

## ALTERNATIVE PERFORMANCE MEASURES

This release includes a number of “alternative performance measures” (EBITDA, EBIT, the tax rate and net debt) not required by IAS/IFRS. A description of these measures is provided below in accordance with the ESMA/2015/1415 guidelines published on 5 October 2015:

- EBITDA (Gross Operating Profit): an indicator of operating performance, representing “Profit for the period” before “Income tax expense for the period”, “Net financial income/(expenses)” and “Amortisation, depreciation and impairment losses”;
- EBIT (Operating Profit): an indicator of operating performance, representing the sum of “Profit/(Loss) before tax” and “Net financial income/(expenses)”;
- Tax rate: the amount of tax paid as a proportion of pre-tax profit, based on the ratio of “Income tax expense” to “Profit/(Loss) before tax”;
- Net debt: an indicator of the financial structure, calculated by deducting “Cash and cash equivalents”, “Current financial assets” and “Non-current financial assets”, as they relate to the value of the derivatives hedging bond issues and bank borrowings, from short-term financial liabilities (“Short-term borrowings”, the “Current portion of long-term borrowings” and “Current financial liabilities”) and long-term financial liabilities (“Long-term borrowings”) and the related derivative instruments (“Non-current financial liabilities”). The net debt of the Terna Group complies with the requirements of ESMA Recommendation 32-382-1138 of 2021 with regard to the definition of net debt or funds.

The following changes in the structure of the Terna Group have taken place with respect to 31 December 2023:

- On 7 March 2024, Terna's subsidiary Terna Forward S.r.l. finalised the acquisition of a 33% share in the share capital of Wesii S.r.l., an Italian company and market leader in inspection and remote sensing services in the renewable energy sector with registered office in Chiavari (Genoa)
- On 18 November 2024, the third closing for the sale of SPE Transmissora de Energia Linha Verde I S.A. to CDPQ was finalised. Effective from that date, the company is no longer part of the Terna Group. It should also be noted that on 7 February 2024, the subsidiary Terna Plus S.r.l. completed the acquisition of the remaining 25% minority interest in the company, thus acquiring full ownership.
- On 4 December 2024, Terna Chile S.p.A. sold to Terna USA LLC its shares in the two subsidiaries Terna Peru S.A.C. and Terna 4 Chacas S.A.C., each representing 0.01% of the share capital. Following this transaction, Terna Peru S.A.C. and Terna 4 Chacas S.A.C. are therefore owned by Terna Plus S.r.l. and by Terna USA LLC to the extent of 99.9% and 0.01%, respectively;
- On 20 December 2024, the subsidiary Terna Energy Solutions S.r.l. completed the purchase of a percentage (12.5%) of the minority interest held by the shareholder Solaris S.r.l. in LT S.r.l. The company's share thus increased from 75% to 87.5%.

*A meeting will be held at 6.00pm today to present the Company's strategies and results for the year ended 31 December 2024 to financial analysts and investors. Back-up material for the event will be made available in the Investors section of the Company's website ([www.terna.it](http://www.terna.it)) as the meeting starts. The presentation will also be made available via "eMarket SDIR", on the website of Borsa Italiana S.p.A. ([www.borsaitaliana.it](http://www.borsaitaliana.it)) and through the authorised storage service "1Info" ([www.1info.it](http://www.1info.it)). Journalists will have the opportunity to follow the meeting by telephone without any right to speak. It will also be possible to follow the presentation by connecting to the audio webcast on the Company's website ([www.terna.it](http://www.terna.it)): following the live broadcast, the file will be available in the Investors section of the website.*

*The Manager Responsible for Financial Reporting, Francesco Beccali, declares that, pursuant to section two of article 154-bis of the Consolidated Law on Finance, the information contained in this release is consistent with the underlying accounting records.*

*The Annual Report for 2024, including Terna S.p.A.'s separate financial statements and the Terna Group's consolidated financial statements for the year ended 31 December 2024, accompanied by the report on operations on Terna S.p.A.'s separate financial statements and the consolidated financial statements, including the sustainability report prepared pursuant Legislative Decree No. 125 of 6 September 2024, and by the attestations issued by the Manager Responsible for Financial Reporting and the Chief Executive Officer under the terms of paragraph 5 and paragraph 5-ter of Article 154-bis of the Consolidated Law on Finance, respectively, together with the additional documents required by the law, the Consolidated Non-Financial Statement and the Annual Report on Corporate Governance and Ownership Structures, will, by the deadline set out by law, be made available to the public at the Company's registered office, and published on the Company's website ([www.terna.it](http://www.terna.it)) and on the website of the authorised storage service "1Info" ([www.1info.it](http://www.1info.it)). The documents will also be filed at the stock exchange management company, Borsa Italiana S.p.A. ([www.borsaitaliana.it](http://www.borsaitaliana.it)). The required announcement of the filing will also be published*

*The Annual Report for 2024 has been submitted to the Board of Statutory Auditors and to the Independent Auditors to enable them to carry out the procedures they are responsible for.*

*The report of the Board of Statutory Auditors and the report of the Independent Auditors will be made available to the public as soon as they are available according to the terms established by the law.*

*The reclassified income statement and statement of financial position and the statement of cash flows of the Terna Group and of Terna S.p.A. are attached. It should be noted that, pursuant to CONSOB Statement DME/9081707 of 16 September 2009, the reclassified statements presented below are those included in the Report on Operations (included in the Annual Report for 2024), for which the Independent Auditors, in compliance with art. 14 of Legislative Decree 39 dated 27 January 2010, will verify consistency with the financial statements.*

## The Terna Group's reclassified income statement

(€m)

	2024*	2023*	CHANGE	% CHANGE
<b>TOTAL REVENUES</b>	<b>3,680.2</b>	<b>3,186.7</b>	<b>493.5</b>	<b>15.5%</b>
- Regulated Revenues	3,096.2	2,669.8	426.4	16.0%
<i>of which Revenues from construction services performed under concession</i>	112.9	80.6	32.3	40.1%
- Non-Regulated Revenues	584.0	516.8	67.2	13.0%
- International Revenues	-	0.1	(0.1)	(100.0%)
<b>TOTAL OPERATING COSTS</b>	<b>1,113.8</b>	<b>1,018.1</b>	<b>95.7</b>	<b>9.4%</b>
- Personnel expenses	393.3	368.0	25.3	6.9%
- Cost of services, leases and rentals	299.3	249.8	49.5	19.8%
- Materials	263.3	276.1	(12.8)	(4.6%)
- Other costs	42.5	38.3	4.2	11.0%
- Quality of service	2.5	5.3	(2.8)	(52.8%)
- Cost of construction services performed under concession	112.9	80.6	32.3	40.1%
<b>GROSS OPERATING PROFIT (EBITDA)</b>	<b>2,566.4</b>	<b>2,168.6</b>	<b>397.8</b>	<b>18.3%</b>
- Amortisation, depreciation and impairment losses	889.0	806.3	82.7	10.3%
<b>OPERATING PROFIT (EBIT)</b>	<b>1,677.4</b>	<b>1,362.3</b>	<b>315.1</b>	<b>23.1%</b>
- Net financial income/(expenses)	(171.5)	(117.7)	(53.8)	45.7%
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>1,505.9</b>	<b>1,244.6</b>	<b>261.3</b>	<b>21.0%</b>
- Income tax expense for the year	455.0	364.3	90.7	24.9%
<b>PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS</b>	<b>1,050.9</b>	<b>880.3</b>	<b>170.6</b>	<b>19.4%</b>
- Profit/(Loss) for the year from discontinued operations and assets held for sale	11.6	2.5	9.1	(364.0%)
<b>PROFIT FOR THE YEAR</b>	<b>1,062.5</b>	<b>882.8</b>	<b>179.7</b>	<b>20.4%</b>
- Profit/(Loss) attributable to non-controlling interests	0.6	(2.6)	3.2	(123.1%)
<b>PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT</b>	<b>1,061.9</b>	<b>885.4</b>	<b>176.5</b>	<b>19.9%</b>

\* Given that the requirements of IFRS 5 have been met, the total results for 2024 and 2023 attributable to the South American subsidiaries included in the planned sale of assets have been classified in the item "Profit/(Loss) for the year from discontinued operations and assets held for sale" in the Group's reclassified income statement.

## *The Terna Group's reclassified statement of financial position*

(€m)

	at 31 December 2024	at 31 December 2023	CHANGE
<b>Total net non-current assets</b>	<b>20,704.0</b>	<b>18,964.7</b>	<b>1,739.3</b>
- Intangible assets and goodwill	982.2	867.2	115.0
- Property, plant and equipment	19,237.1	17,596.7	1,640.4
- Financial assets	484.7	500.8	(16.1)
<b>Total net working capital</b>	<b>(2,025.2)</b>	<b>(2,174.6)</b>	<b>149.4</b>
- Net energy-related pass-through payables	(624.4)	(912.0)	287.6
- Net receivables resulting from Regulated Activities	1,324.2	1,107.6	216.6
- Net trade payables	(1,072.7)	(937.1)	(135.6)
- Net tax assets	(74.5)	25.7	(100.2)
- Other net liabilities	(1,577.8)	(1,458.8)	(119.0)
<b>Gross invested capital</b>	<b>18,678.8</b>	<b>16,790.1</b>	<b>1,888.7</b>
Sundry provisions	10.4	(32.9)	43.3
<b>Net invested capital</b>	<b>18,689.2</b>	<b>16,757.2</b>	<b>1,932.0</b>
<b>Net assets held for sale</b>	<b>15.2</b>	<b>80.4</b>	<b>(65.2)</b>
<b>TOTAL NET INVESTED CAPITAL</b>	<b>18,704.4</b>	<b>16,837.6</b>	<b>1,866.8</b>
<b>Equity attributable to owners of the Parent</b>	<b>7,524.2</b>	<b>6,324.4</b>	<b>1,199.8</b>
<b>Equity attributable to non-controlling interests</b>	<b>19.8</b>	<b>18.9</b>	<b>0.9</b>
<b>Net debt</b>	<b>11,160.4</b>	<b>10,494.3</b>	<b>666.1</b>
<b>TOTAL</b>	<b>18,704.4</b>	<b>16,837.6</b>	<b>1,866.8</b>



## The Terna Group's cash flow

(€m)

	Cash flow 2024	Cash flow 2023
- Profit for the year	1,062.5	882.8
- Amortisation, depreciation and impairment losses	889.0	806.3
- Net change in provisions	(43.3)	(35.3)
- Net losses/(gains) on sale of assets	(12.6)	(18.0)
<b>Operating cash flow</b>	<b>1,895.6</b>	<b>1,635.8</b>
- Change in net working capital	(154.2)	(558.8)
- Other changes in property, plant and equipment and intangible assets	65.1	15.1
- Change in investments	(6.5)	(2.9)
- Change in financial assets	22.6	10.7
<b>Cash flow from operating activities</b>	<b>1,822.6</b>	<b>1,099.9</b>
- Total capital expenditure	(2,692.1)	(2,290.0)
<b>Free cash flow</b>	<b>(869.5)</b>	<b>(1,190.1)</b>
<b>Net assets held for sale</b>	<b>65.2</b>	<b>(19.3)</b>
- Dividends paid to the Parent Company's shareholders	(691.9)	(649.0)
- Reserve for equity instruments, cash flow hedge reserve after taxation and other movements in equity attributable to owners of the Parent	829.8	(54.0)
Other movements in equity attributable to non-controlling interests	0.3	(5.6)
<b>Change in net debt</b>	<b>(666.1)</b>	<b>(1,918.0)</b>

## Terna S.p.A.'s reclassified income statement

(€m)

	2024	2023	CHANGE	% CHANGE
<b>TOTAL REVENUES</b>	<b>3,023.1</b>	<b>2,634.8</b>	<b>388.3</b>	<b>14.7%</b>
- Tariff revenues and incentives	2,741.9	2,386.5	355.4	14.9%
<i>of which transmission revenues</i>	2,242.2	1,955.6	286.6	14.7%
<i>of which dispatching, metering and other revenues</i>	499.7	430.9	68.8	16.0%
- Other operating income	168.3	167.7	0.6	0.4%
- Revenues from construction services performed under concession*	112.9	80.6	32.3	40.1%
<b>TOTAL OPERATING COSTS</b>	<b>709.7</b>	<b>654.6</b>	<b>55.1</b>	<b>8.4%</b>
- Personnel expenses	123.9	118.6	5.3	4.5%
- Cost of services, leases and rentals	443.4	422.7	20.7	4.9%
- Materials	1.8	2.6	(0.8)	(30.8%)
- Other costs	25.2	24.8	0.4	1.6%
- Quality of service	2.5	5.3	(2.8)	(52.8%)
- Cost of construction services performed under concession*	112.9	80.6	32.3	40.1%
<b>GROSS OPERATING PROFIT (EBITDA)</b>	<b>2,313.4</b>	<b>1,980.2</b>	<b>333.2</b>	<b>16.8%</b>
- Amortisation, depreciation and impairment losses	795.0	719.3	75.7	10.5%
<b>OPERATING PROFIT (EBIT)</b>	<b>1,518.4</b>	<b>1,260.9</b>	<b>257.5</b>	<b>20.4%</b>
- Net financial income/(expenses)	(131.2)	(90.8)	(40.4)	44.5%
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>1,387.2</b>	<b>1,170.1</b>	<b>217.1</b>	<b>18.6%</b>
- Income tax expense	416.8	335.4	81.4	24.3%
<b>PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS</b>	<b>970.4</b>	<b>834.7</b>	<b>135.7</b>	<b>16.3%</b>
Profit/(Loss) for the year from discontinued operations and assets held for sale	-	0.1	(0.1)	100.0%
<b>PROFIT FOR THE YEAR</b>	<b>970.4</b>	<b>834.8</b>	<b>135.6</b>	<b>16.2%</b>

\* Recognised in application of interpretation "IFRIC 12 – Service Concession Arrangements".

## ***Terna S.p.A.'s reclassified statement of financial position***

(€m)

	at 31 December 2024	at 31 December 2023	CHANGE
<b>Total net non-current assets</b>	<b>19,697.7</b>	<b>17,951.3</b>	<b>1,746.4</b>
- Intangible assets and goodwill	882.7	763.5	119.2
- Property, plant and equipment	17,275.6	15,612.5	1,663.1
- Financial assets	1,539.4	1,575.3	(35.9)
<b>Total net working capital</b>	<b>(1,765.0)</b>	<b>(1,708.9)</b>	<b>(56.1)</b>
- Net energy-related pass-through payables	(654.7)	(938.4)	283.7
- Net receivables resulting from Regulated Activities	1,324.2	1,107.6	216.6
- Net trade payables	(1,299.0)	(910.1)	(388.9)
- Net tax liabilities	(138.1)	(33.5)	(104.6)
- Other net liabilities	(997.4)	(934.5)	(62.9)
<b>Gross invested capital</b>	<b>17,932.7</b>	<b>16,242.4</b>	<b>1,690.3</b>
Sundry provisions	24.6	(6.7)	31.3
<b>NET INVESTED CAPITAL</b>	<b>17,957.3</b>	<b>16,235.7</b>	<b>1,721.6</b>
<b>Equity</b>	<b>6,976.1</b>	<b>5,871.0</b>	<b>1,105.1</b>
<b>Net debt</b>	<b>10,981.2</b>	<b>10,364.7</b>	<b>616.5</b>
<b>TOTAL</b>	<b>17,957.3</b>	<b>16,235.7</b>	<b>1,721.6</b>

## ***Terna S.p.A.'s cash flow***

(€m)

	<b>Cash flow 2024</b>	<b>Cash flow 2023</b>
- Profit for the year	970.4	834.8
- Amortisation, depreciation and impairment losses	795.0	719.3
- Net change in provisions	(31.3)	(31.1)
- Net losses/(gains) on sale of assets	(11.3)	(15.7)
<b>Operating cash flow</b>	<b>1,722.8</b>	<b>1,507.3</b>
- Change in net working capital	55.7	(549.2)
- Change in investments	3.9	(23.3)
- Other changes in property, plant and equipment and intangible assets	60.3	21.7
- Change in financial assets	32.0	14.3
<b>Cash Flow from Operating Activities</b>	<b>1,874.7</b>	<b>970.8</b>
- Total capital expenditure	(2,625.9)	(2,179.6)
<b>Free cash flow</b>	<b>(751.2)</b>	<b>(1,208.8)</b>
<b>Net assets held for sale</b>	<b>-</b>	<b>-</b>
- Dividends paid to shareholders	(691.9)	(649.0)
- Reserve for equity instruments, cash flow hedge reserve after taxation and other movements in equity attributable to owners of the Parent	826.6	(60.9)
<b>Change in net debt</b>	<b>(616.5)</b>	<b>(1,918.7)</b>