

# Milestones

ORIGINS

THE NEW TERNA

THE PRESENT DAY

1962  
1999

## From a Monopoly to an Independent System Operator

Terna's principal activities are rooted in Italy's history: in 1962, Law 1943 paves the way for nationalisation of the electricity industry, handing ENEL responsibility for all the stages of the electricity supply chain, previously in private hands.

The monopoly operator is able to complete electrification of the Italian Peninsula, but the driving force behind the changes that have led to the current operating environment is the process of deregulation promoted by the European Union aimed at making grid management independent.

In implementation of Decree 79 of 16 March 1999, focused on separation of ownership the National Transmission Grid ("NTG") from management of the grid itself (involving transmission and dispatching) along the lines of the so-called "Independent System Operator" model, two new companies are established: Terna, owner of the national transmission grid, and GRTN (the National Transmission Grid Operator).

2004  
2008

## Terna's Initial Public Offering

A Cabinet Office Decree gives the Group a new corporate governance system, designed to guarantee the neutrality and impartiality of Terna's management.

In June 2004, 50% of the Company's share capital is floated on the Italian Stock Exchange (in the Blue-Chip segment).

## Unification of the roles of Transmission Operator and System Operator: Terna's new mission to serve the country

In 2005, ownership and management of the grid are combined. This marks the culmination of a process that began in 1999 and the start of a new stage in Terna's mission to serve the country. The percentage of the Company's shares listed on the stock market progressively increases to 70%.

In this period, the Company records continuous growth, acquiring many portions of the grid from other operators. To safeguard Terna's independence as the National Transmission Grid Operator, the Ministry of the Economy and Finance acquires a 29.99% stake in Terna through CDP (Cassa Depositi e Prestiti).

2009  
2013

## Terna becomes the largest TSO in Europe

Terna acquires 18,600 km of high-voltage lines from Enel, thereby becoming the leading independent grid operator in Europe and the seventh largest in the world. Terna now owns 98.6% of Italy's national grid.

## Shareholder value grows

In 2009, Terna sells 66% of the Brazilian subsidiary, Terna Participações, to Cemig, recording a gain of over €400 million, some of which is invested in development of the Italian electricity network and some is returned cash to shareholders.

## New infrastructure projects and growing success of Non-regulated Activities

In 2011, Terna develops infrastructure of international excellence. The SA.PE.I. line (Sardinia to the mainland) starts operating, as does the Chignolo Po-Maleo line in Lombardy. Work begins on the Sorgente-Rizziconi line (linking Sicily and Calabria).

Two new operating companies are established in 2012: Terna Rete Italia S.p.A., responsible for regulated activities, and Terna Plus S.r.l., with responsibility for expanding Non-regulated services.

2014  
2016

## European leadership consolidated with new investments

In 2015, Terna acquires the Ferrovie dello Stato group's high-voltage grid for €757 million, consolidating its leadership in Europe with approximately 72,600 km of grid managed. Terna's value has more than doubled since its IPO.

In 2016, Terna focuses on strategic power lines. The Villanova-Gissi and Sorgente-Rizziconi lines enter service. The latter is a record-breaking power line, connecting Sicily and Calabria and the Italian Peninsula with the rest of Europe via the country's high-voltage electricity system.

2017  
2020

## Investment in the energy transition

In 2017 a new Board of Directors is elected, with Luigi Ferraris appointed Chief Executive Officer and General Manager, new managers appointed to key roles and Catia Bastioli re-appointed as Chairwoman.

## The "Grids and Values" Strategic Plan

In line with the guidance provided by the United Nations (COP21), EU guidelines and the objectives set out in the Integrated National Plan for Energy and the Climate (*Piano nazionale integrato per l'energia e il clima* or "PNIEC"), Terna steps up the pace of investment, focusing on development of the national transmission grid in order to facilitate the integration of renewable sources and improve the system's security for the benefit of the energy transition. At the same time, it intends to renew the Group's asset base in order to mitigate the risk of interruptions to supply, boost environmental sustainability, and improve the performance of maintenance activities through the use of digital grid technologies. The new corporate strategy, presented for the first time in March 2018 by the CEO and General Manager, Luigi Ferraris, is revised at the meeting with investors held on 21 March 2019 and 10 March 2020.

## A new organisational structure and the Transmission Operator-System Operator logic

In order to optimise and integrate dispatching and long-term planning activities, on the one hand, and maximise the operational efficiency of design, implementation, operations and maintenance, on the other, two key organisational structures, reporting directly to the Chief Executive Officer, are redesigned. Terna thus plays two core roles: as System Operator, embodied in the "Strategy, Development and Dispatching" structure, and as Transmission Operator of the "National Transmission Grid".

## The new Terna Plus and Terna Energy Solutions

In August 2018, the partial demerger of Terna Plus S.r.l. (a wholly-owned subsidiary of the Parent Company, Terna S.p.A.), and the transfer of the demerged assets to a newly established company named Terna Energy Solutions S.r.l., came into effect. The latter's business is focused on energy market solutions and energy solutions. Terna Plus will now be responsible for the Group's development and plant construction activities in South America, and more generally for the development of new businesses around the world.

## Acquisition of BRUGG CABLE

On 29 February 2020, as part of the growth strategy for Non-regulated Activities, Terna, acting through its subsidiary, Terna Energy Solutions S.r.l., completes the acquisition of a 90% interest in Brugg Kabel AG (a Brugg group company), one of Europe's leading manufacturers of terrestrial cables.