

Press Release

ACEA SELLS ITS HIGH VOLTAGE ELECTRICITY GRID TO TERNA

Agreement signed for the sale to Terna of the High Voltage electricity grid at the price of 247 million Euro, of which 224 million recognised by Terna and 23 million relating to the incentive paid by ARERA

Rome, 6 November 2024 – ACEA and Terna have today signed a binding agreement for the sale to Terna of the High Voltage (HV) electricity grid managed by Areti (a company fully owned by ACEA).

The assets concerned with the sale include 73 HV power lines extending over about 481 km of network (overhead and cable lines), fiber optic network extended on the HV lines included in the agreement, HV elements pertaining to 3 primary substations.

This transaction forms part of Italy's HV grid management streamlining process, as indicated by ARERA, the completion of which is supported by the said Authority's introduction of incentives for the sale of assets to Terna (Resolution 616/2023 of 27 December 2023).

The overall value for regulatory purposes (Regulated Asset Base - RAB) of the assets subject to sale is estimated at around 203 million Euro as at the end of 2024.

The total consideration for the sale amounts to 247 million Euro, of which nearly 224 million Euro recognised by Terna and around 23 million Euro relating to the incentive recognised by ARERA corresponding to 4% of the revalued historical cost (assuming that the closing takes place during 2025). The transaction's implied Enterprise Value/RAB multiple is therefore over 1.2x.

In 2024, the pro-forma EBITDA of the transferred perimeter can be estimated at 23 million Euro.

The consideration will be paid by Terna at the time of the closing and is subject to a price adjustment mechanism as contemplated for this type of operation, whereas the premium recognised by ARERA, amounting to approximately 23 million Euro, will be paid after the closing.

The completion of the transaction, expected to take place during the first half of 2025, is conditional on, *inter alia*, the satisfactory outcome of an additional confirmatory due diligence phase, the authorisation from the Prime Minister's office pursuant to Golden Power regulations and from the Italian Competition Authority (AGCM), the adoption of the decree of the Italian Ministry of Environment and Energy Security (MASE) for the purpose of including the transferred assets in the National Electricity Transmission Grid and the successful outcome of further negotiations and consequent signing of final agreements.

ACEA's Chief Executive Officer, Fabrizio Palermo, commented: *"this transaction is part of the programme to valorise and optimise our asset portfolio as set forth by the 2024-2028 Business Plan and takes advantage of an opportunity provided by the regulatory framework. The sale proceeds will be used to increase the investments planned for Rome's electricity distribution network, which is expected to become increasingly resilient and digital, with a consequent*

improvement in service quality. These interventions will also have a positive impact on RAB growth during the Plan period".

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