

## **TERNA: AGREEMENT FOR THE ACQUISITION OF TWO NEW CONCESSIONS FOR THE CONSTRUCTION OF POWER LINES IN BRAZIL**

*The company will build 350 km of electricity infrastructure in the State of Minas Gerais to increase the efficiency, safety and sustainability of local grids and promote the development and full integration of renewable sources*

**Rome, 12 April 2019** – Today, Terna signed an agreement through its subsidiary Terna Plus, the Group company responsible for the development of international businesses, with Construtora Quebec, an energy sector construction company operating in Brazil. The agreement is aimed at acquiring the controlling stake of two concessions to construct and operate a total of about 350 km of electrical infrastructure in the South American country.

The two concessions, valid for thirty years from the time of signing, will lead to the construction of two 500 kV lines (and consequent inputs at electrical substations) for electricity transmission in the state of Minas Gerais (in central-eastern Brazil): the 'Linha Verde I' (called 'Governador Valadares-Mutum') of about 160 km and the 'Linha Verde II' (called 'Presidente Juscelino-Itabira') about 190 km long. Specifically, the new power lines will increase the efficiency, security and sustainability of the Brazilian electricity grid and, at the same time, exploit the potential of generation from renewable sources.

The total value of the contract, including the development and construction costs, is around 130 million US dollars and will be largely financed through project financing.

The agreement provides for the development, construction and management of assets by the Terna Group, entrusting Construtora Quebec with EPC activities. According to the concession agreements signed with the Brazilian regulator ANEEL (Agência Nacional de Energia Elétrica), the infrastructure should be operational by March 2023.

The agreement reached with Construtora Quebec further strengthens Terna's role in Latin America as a major industry and electricity infrastructure operator. The company's distinctive skills will be used in developing the electricity system in Brazil, a growing country with a favourable regulatory environment. The project will also be completed in line with our limited capital exposure and low risk profile strategy.

The closing of the agreement signed between Terna Plus and Construtora Quebec depends on certain conditions being satisfied, including authorisation from the ANEEL Regulator and the Antitrust CADE (Conselho Administrativo de Defesa Econômica).