

2026

Consolidated interim
financial report -
31 March





INTRODUCTION

The Terna Group's Consolidated interim financial report for the three months ended 31 March 2026 has not been audited and was prepared on a voluntary basis pursuant to art. 82-ter of Consob Issuers' Regulation (as amended by Consob Resolution no. 19770 of 26 October 2016).



“ Terna is investing in Italy's development

We guarantee energy security and balance electricity supply and demand 24 hours a day, ensuring that the system is reliable, efficient and accessible to all.

We invest and innovate every day in the development of an electricity grid capable of integrating the energy produced from renewable sources, improving links between the different areas of the country and strengthening cross-border interconnections, applying a sustainable approach that takes into account the needs of the communities and people we work with. ”

MISSION

“ We are behind the energy you use every day

We are responsible for guaranteeing the continuity of power supply, essential in making sure that electricity reaches Italian homes and businesses at all times.

We provide everyone with equal access to electricity and are working to provide clean energy for future generations. ”

PURPOSE

“ We care about the future of energy

We are committed to building a future powered by clean energy, enabling new forms of consumption and production increasingly based on renewable sources. This will allow us to achieve the goal of delivering an energy transition that is fair and inclusive, whilst also lowering costs.

Thanks to our overall vision of the electricity system and new digital technologies, we are leading the country's drive to get to net zero by 2050, in line with European climate goals. ”

VISION



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Q1 2026 overview



ECONOMIC FINANCIAL

(€/million)



OPERATIONAL

* Provisional data.

Revenue

988.7

+9.6% vs Q1 2025

EBITDA

697.6

+7.0% vs Q1 2025

Profit attributable to owners of the Parent

276.5

+0.4% vs Q1 2025

Capital Expenditure

511.4

-9.0% vs Q1 2025

Net Debt

12,170.2

Terna's share

9.864 €/share
at 31.03.2026

Electricity system

Demand

80* TWh

+3.0% vs Q1 2025

Demand met from RES

36%*

34%* in Q1 2025

38* MWh

the actual level of energy not supplied through NTG (**RENS indicator**), compared to the annual target of approximately 686 MWh set by ARERA in 2026

€2.5 million service quality costs
+€2.3 million vs Q1 2025

Infrastructure

Operational in the NTG approximately

24 km

of circuits and

no. 8 bays to expand substations

Laying of the first submarine cable of the west link (Sicily-Sardinia) of the Tyrrhenian Link completed at the beginning of January, with a record depth of 2,150 metres

10 development projects for the NTG authorised by the Ministry of the Environment and Energy Security and the relevant bodies, for a total amount of approximately

€167 million

In January, under the €4 billion Euro Medium Term Notes (EMTN) Programme, a **fixed rate, non convertible, hybrid, subordinated and perpetual European Green Bond**, non-callable for six years, was launched for a total of €850 million.

In March, a five-year **ESG-linked Credit Facility Agreement** was signed with **Banco BPM** for a total amount of €100 million.



ENVIRONMENTAL

In the 2024-2028 Industrial Plan update, Terna has formally committed to setting a net zero target for 2050 within two years, in accordance with the Science-Based Targets Initiative framework, the leading global benchmark in this area, and in line with the Science-Based Target of reducing CO₂ emissions by 2030 to limit global warming to within 1.5°C.

In addition to its commitment to combating climate change, Terna has pledged to obtain Science-Based Target certified by the Science-Based Targets Network certification for its efforts to protect nature and biodiversity by 2026.



SOCIAL

+63 new personnel added in the first quarter of 2026, in line with the recruitment plan set out in the 2024-2028 Industrial Plan update.

+30 thousand additional hours of training compared with the first quarter of 2025: over 110 thousand hours of training delivered in the first quarter of 2026 (equivalent to 16 hours of training per capita), compared with over 75 thousand hours provided in the first quarter of 2025 (equivalent to 15 hours of training per capita).

Top Employer 2026 Certification obtained in January, recognising excellence in people management practices and policies.



INNOVATION AND DIGITALISATION

In March, **Terna Forward S.r.l.** took part in a €4 million investment round in **Gyala S.r.l.**, an Italian cyber security company, as a follower investor. This transaction strengthens Terna Forward S.r.l.'s portfolio of direct investments in technological innovation, confirming its commitment to supporting deep-tech solutions that contribute to the security of critical infrastructure and the country's digital and energy transitions.



International indices and ESG Ratings

In the first quarter of 2026, Terna received the **“Top 1%”** award, the highest recognition within the **“Sustainability Yearbook 2026”**, the leading annual ESG publication edited by **S&P Global** based on the results of the “Corporate Sustainability Assessment 2025” in which Terna achieved the highest score (90/100) worldwide among the around 250 electric utilities analysed.

In early 2026 **Standard Ethics**, the leading international non-financial rating agency, confirmed Terna’s Corporate Rating **“EE+”** (corresponding to a “Very Strong” rating) which places the Company in the top **“Sustainable”** band and among the top performers in the “Utilities” sector.

At the end of February, Terna was confirmed as one of the leading international companies engaging its suppliers in combating climate change, according to the assessment by **CDP** (formerly the Carbon Disclosure Project), which again awarded Terna a score of “A-” for its **Supplier Engagement Assessment**.

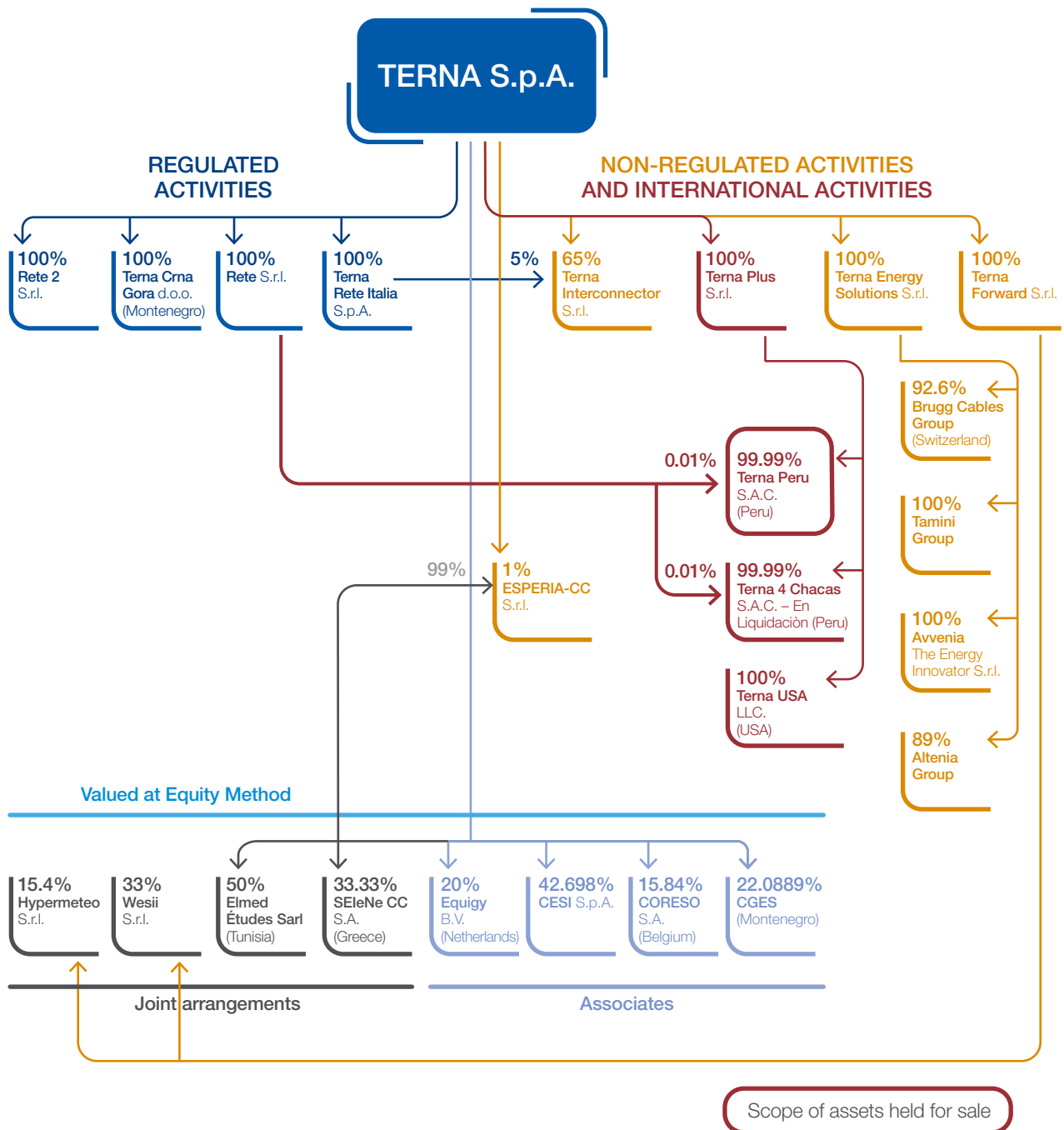
In March, Terna was included among the **“Sustainability Leaders 2026”**, an award curated by Il Sole 24 Ore and Statista which recognises Italian companies with the best sustainability performance across the environmental, social and governance pillars.

Finally, **Terna** was **confirmed** within the main **ESG indices**, including the Stoxx Global ESG Leaders Index, in which Terna has been included since 2011, the Euronext Sustainable Index and the MIB ESG Index, Italy’s first blue-chip index dedicated to environmental, social and governance best practices.



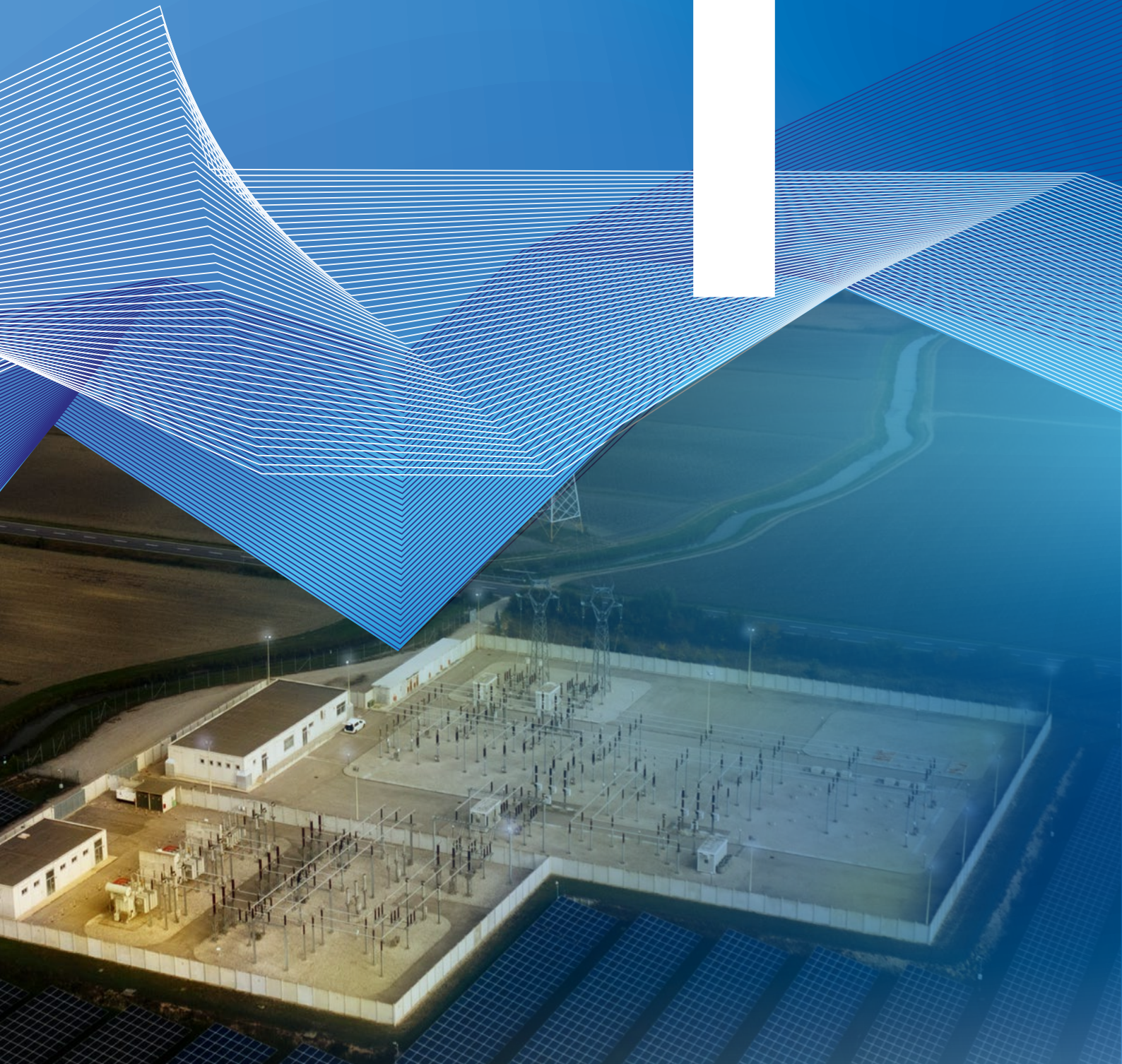
Structure of the Group


In line with the role and the objectives of enabler of the current energy and digital transition, below is the structure of the Group as of 31 March 2026.



Compared to 31 December 2025, the liquidation process of Terna 4 Chacas S.A.C. formally began on **16 February 2026**. At the same time, the company name was changed to "Terna 4 Chacas S.A.C. - En Liquidaciòn". The process is expected to be completed during the course of 2026.

1





The energy scenario

Electricity demand and production in Italy

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Electricity demand and production in Italy

Electricity demand

ELECTRICITY BALANCE IN ITALY (GWh)*	Q1 2026**	Q1 2025**	CHANGE	% CHANGE
Net production	68,252	65,571	2,681	4.1%
From overseas suppliers (imports)	13,821	13,829	(8)	(0.1%)
Sold to overseas customers	(1,038)	(1,130)	92	(8.1%)
For use in pumping***	(469)	(490)	21	(4.3%)
Standalone storage intake****	(656)	(207)	(449)	216.9%
Total demand in Italy	79,910	77,573	2,337	3.0%

* Does not include demand for energy for ancillary services related to electricity production.

** Provisional data.

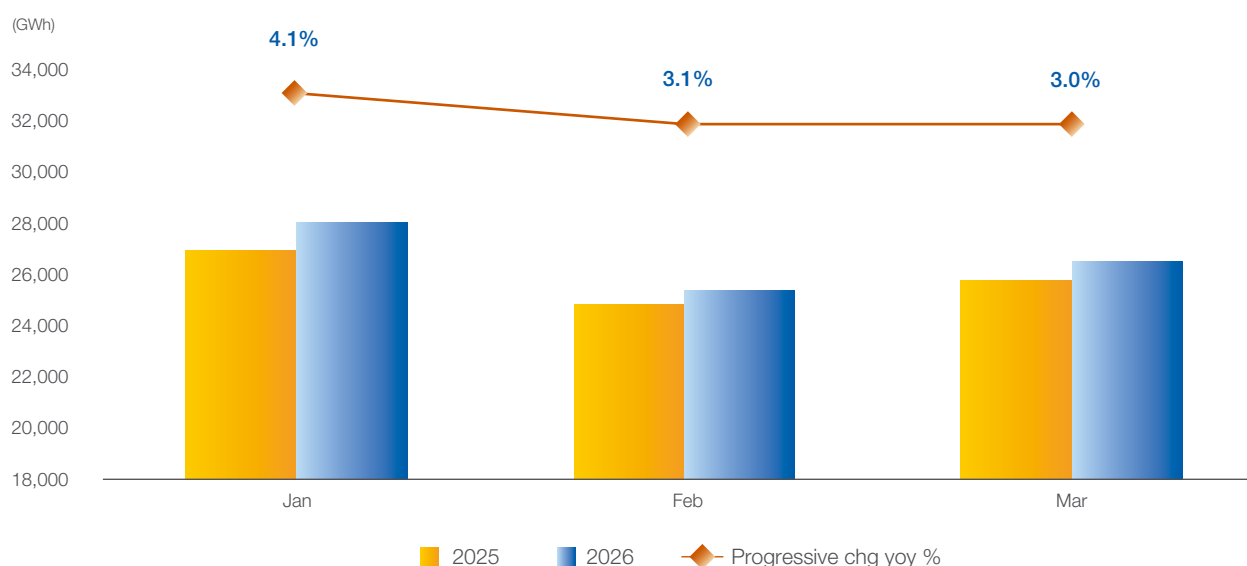
*** Electricity used for pumping water for subsequent use in the production of electricity or as a way of immediately balancing overproduction.

**** Electricity absorbed by standalone storage (electrochemical storage systems not integrated into production plants) for the purpose of being used at a later date for the production of electricity or to immediately balance excessive production.

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In the first three months of 2026, demand for electricity in Italy amounted to 79,910 GWh (provisional data), **making an increase compared to the same period in 2025 (up 3.0%)**. This is mainly due to the stabilisation of the structural increase in demand that began in 2025.

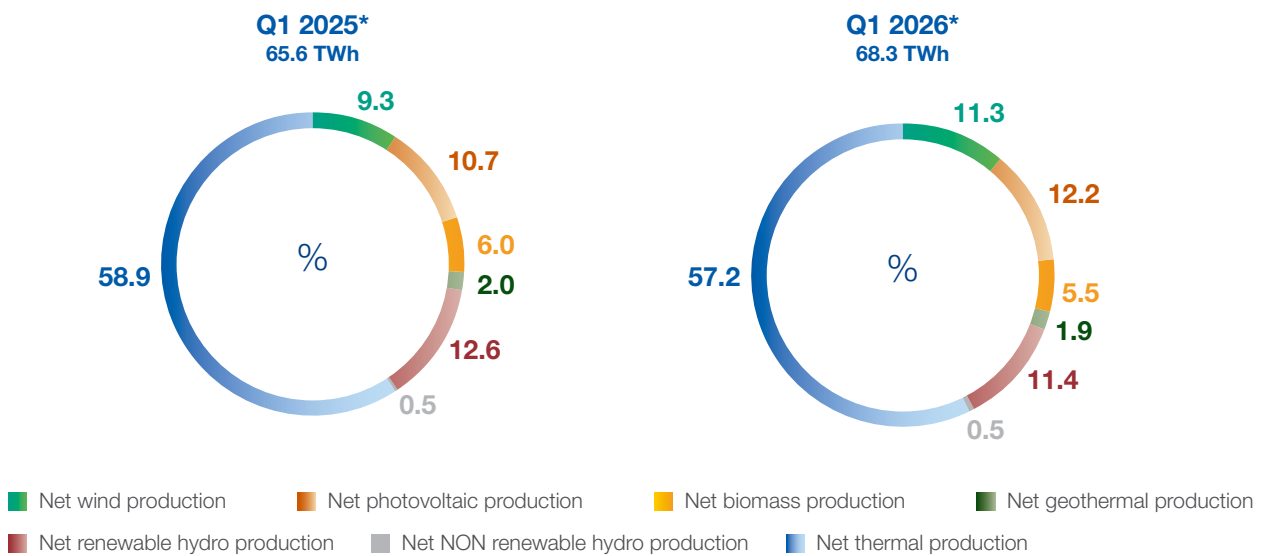
Monthly demand for electricity*



* Provisional data.

Meeting demand and energy production

Net electricity production by source



Electricity production in the first three months of 2026 rose 4.1% compared with the same period of the previous year, mainly due to the growth in renewable energy sources (up 8.7%) compared with the first quarter of 2025.

In the first quarter of 2026, approximately **36%** (provisional data) **of the total electricity demand was met from renewable energy sources**, up from the same period in 2025 (roughly 34% provisional data). Looking at individual sources, there was an increase in wind production (up 26.3%, due to higher wind conditions) and photovoltaic production (up 19.2%, mainly due to the higher level of installed photovoltaic capacity), and a decrease in biomass production (down 4.7%), hydroelectric production (down 5.3%) and geothermal production (down 1.4%).



The Terna Group's business

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Operating activities

In line with the enabling factors of the 2024-2028 Industrial Plan update, the Terna Group's business model is structured into two main distinct areas of activity: Regulated Activities that correspond to the core business (electricity Transmission and Dispatching) and coincide with the obligations deriving from the government concession and the Non-Regulated Activities, i.e., the complementary strand that operates in the free market and integrates diversified skills along the entire energy value chain for the design, engineering, operation and maintenance of solutions for the energy market. These activities are complemented by International activities.

Regulated Activities Electricity Transmission and Dispatching

Within the electricity system value chain (generation, transmission, distribution and sale of electricity) Terna occupies the central segment through its transmission and dispatching activities.

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As a **Transmission System Operator (TSO)**, Terna not only has to design a grid capable of dealing with the progressive decarbonisation and the ever-growing integration of renewable sources (Transmission Operator), but also ensure that, moment by moment, consumer demand for energy is constantly balanced with production, through **dispatching** (System Operator). Terna has the key and delicate role of guaranteeing this balance through a high-technology system, using a specific market, in which it makes daily purchases of the services necessary to constantly ensure the continuity and security of electricity supply.

In addition to strengthening the domestic grid, Terna is required to develop **interconnection capacity with other countries' electricity systems**. Indeed, Italy is electrically connected with France, Switzerland, Austria, Slovenia, Montenegro, Greece, and Malta via 30 interconnecting lines.

Terna **operates Italy's** high and very-high-voltage **National Transmission Grid (NTG)**, **one of the most modern and technologically advanced in Europe**. It is the continent's largest independent transmission system operator and one of the leading operators in the world with more than 75 thousand kilometres of circuits.

This operational process is divided into three areas;

- the planning of development measures for the national electricity grid;
- the construction of works;
- the maintenance of electricity infrastructure.

The **sustainability approach** developed by Terna takes the form of transparent management of the Group's social and relational capital, involving all stakeholders affected by development measures, with a view to fostering ever greater awareness of the importance of the construction and management of electricity infrastructure.

The Group's capital expenditure

The Terna Group's **total capital expenditure** in the first quarter of 2026 amounts to **€511.4 million**, a decrease of 9.0% compared with €562.1 million in the first three months of the previous year, which had benefited from the completion of significant milestones in major grid development projects.

	Q1 2026	Q1 2025	CHANGE	% CHANGE
Development Plan	264.4	294.8	(30.4)	(10.3%)
Security Plan	46.6	72.6	(26.0)	(35.8%)
Renewal of electricity assets ⁽¹⁾	92.0	115.7	(23.7)	(20.5%)
Other capital expenditure ⁽¹⁾	59.7	43.6	16.1	36.9%
Total Regulated Assets	462.7	526.7	(64.0)	(12.2%)
Non-Regulated Assets ⁽²⁾	13.0	7.8	5.2	66.7%
Capitalised financial expenses	35.7	27.6	8.1	29.3%
Total capital expenditure	511.4	562.1	(50.7)	(9.0%)

(€m)

⁽¹⁾ The data for the first three months of 2025 have been restated due to changes in the investment purpose, without modifying the overall value of capital expenditures in regulated assets.

⁽²⁾ Capital expenditure in non-regulated assets primarily regard the re-routing of power lines for third parties and non-core business companies of the Group.

The following **main regulated assets entered service** in the first quarter of 2026:

Lines and Cables:

- 132 kV San Benedetto Querceto-Firenzuola power line (up 12.2 km) (FI);
- 380 kV Calenzano-San Benedetto Querceto power line (up 5.8 km) (BO);
- 132 kV Casalpusterlengo-Maleo cable (up 4.5 km) (LO).

Substations:

- Carpani (up 5 bays) (FE);
- Cirè (up 2 bays) (TN).



Main regulated works carried out during the period

> DEVELOPMENT PLAN – €264.4 million

Tyrrhenian Link (€103.2 million)

East Link:

Cable connections: civil works for the installation of the land cable for poles 1 and 2 are under way, with progress in Sicily reaching 88% of trench excavation and 73% of cable laying, and in Campania, reaching 96% of trench excavation and 70% of cable laying. In addition, laying of the pole 2 submarine cable was completed in early April.

Converter substations: for both the Eboli and Termini Imerese substations, production of the main equipment has been completed; assembly of the remaining buildings and the construction of the civil works required for the installation of the electromechanical equipment are under way.

West Link:

Cable connections: laying of the pole 1 submarine cable was completed in early January 2026 and its protection is underway. The campaign to lay electrode cables in Sicily and Sardinia has been completed. Civil works for the installation of the land cable for poles 1 and 2 are under way, with progress in Sicily reaching 55% of trench excavation and in Sardinia 34% of trench excavation and 19% of cable laying.

Converter substations: production of the converters has been completed and the last 150 kV line interfering with the Termini Imerese site has been removed. Production of the transformers and the remaining electromechanical equipment is under way. Civil works and the construction of the main buildings at both substations are underway.

Chiaromonte Gulfi-Ciminna (€19.9 million)

Chiaromonte Gulfi-Ciminna power line: about 25% of the foundations and about 3% of pylon assembly have been completed out of a total of 397.

Chiaromonte Gulfi substation: the bays for migrating the 380 kV lines have been completed.

Ciminna substation: assembly of the new 220 kV section has begun.

SA.CO.I.3 (€17.6 million)

Cable connections: construction of the land-sea landing works for the power cables in Salivoli has been completed. Construction work is underway for the land-sea landings of the power cables at Bonifacio and Santa Teresa Gallura, as well as for the power line at San Vincenzo (LI). Construction of the land cable duct in Tuscany is underway.

Converter substations: construction of the foundations of the valve and service buildings for the first pole has been completed at both the Suvereto and Codrongianos sites.

Corsica overhead line: foundation reinforcement works and access track upgrading activities are under way.

Adriatic Link (€10.0 million)

Cable connections: 38% of land cable out of the total 34.0 km have been installed in the Marche region, and 11% out of the total 46.0 km in Abruzzo. Production of the submarine cable is under way, with progress at 39%, together with qualification tests on both the submarine and land cables. Land-sea landing works commenced in Abruzzo.

Converter substations: site set-up has been completed and preparatory activities have begun at the Fano and Cepagatti sites. Production of some of the main equipment, such as converters and the control system, is under way.

Bolano-Annunziata (€8.7 million)

380 kV Bolano-Annunziata cable variant: 95% of the excavation of the total 3.3 km of connection has been completed and cable laying, jointing and related joint shielding activities are under way.

Annunziata substation: construction of the cable pits has been completed. The insulator support foundations have been completed. Works to support the access road are under way.

Bolano substation: preparatory activities for the start of works are under way.

Doubling of the 380 kV Bolano-Annunziata: civil works are under way for the landing site in Sicily and the land-sea landing site in the Calabria region has been completed.

Colunga-Calenzano power line (€7.8 million)

380 kV Colunga-Calenzano power line: approximately 94% of the foundations have been completed, around 81% of the pylons have been assembled and about 58% of the conductors have been strung.

Cassano-Chiari power line (€3.2 million)

380 kV Cassano-Chiari power line: completed the construction of approximately 98% of the foundations and the erection of approximately 92% of the supports out of a total of 70, and the stringing of approximately 84% of the cables on a total of 35.3 km of connection.



> SECURITY PLAN¹ – €46.6 million

Synchronous compensators (€6.1 million)

Troia: civil works to upgrade the existing electricity substation have been completed; seismic authorisation has been obtained for the construction of the structural works related to the synchronous compensator device. Production of machinery and equipment is under way.

Caracoli: civil works and the production of machinery and equipment are under way.

Other sites (Santa Maria Capua Vetere, Forli): supplies began after the awarding of contracts. Production of machinery and equipment is under way in accordance with the construction timelines and related production plans. Executive design is in progress for the Santa Maria Capua Vetere site.

Reactors (€1.7 million)

San Rocco al Porto: the executive design is being reviewed ahead of the beginning of works.

Ponte Resia: the contract for the start of civil works is pending.

Stabilising resistors (€0.6 million)

Scandale: electromechanical assembly completed; testing activities started.

Feroleto, Melilli, Brindisi: civil works under way.

Rossano: Activation Letter for design and supplies issued.

Melfi: filing with the civil engineering department completed.

> PROJECTS TO RENEW ELECTRICITY ASSETS – €92.0 million

Renewal of electricity assets

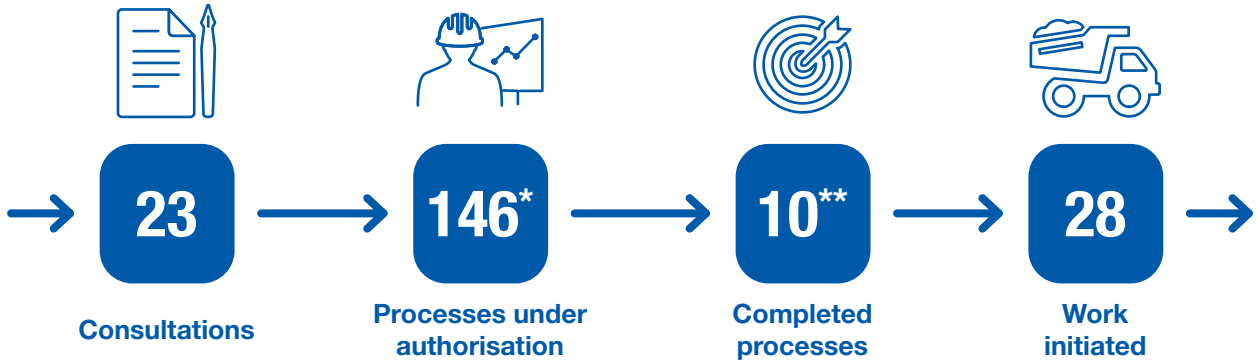
Fulfilment of the commitment to carry out works to renew electricity assets to improve the reliability and resilience of the NTG has continued.

After overhead line and substation machinery renewal activities, around 60 km of circuits and 1 reactor were replaced in the first three months of 2026.

¹ Synchronous compensators devices and reactors are grid components that carry out reactive compensation, while stabilising resistors are devices that provide dynamic stability and damping of grid oscillations and can be used in restart strategies to mitigate disturbances from renewable sources.

Consents processes in the first quarter of 2026

During the first quarter of 2026, **10** development **projects** for the National Transmission Grid **were authorised** by the Ministry of the Environment and Energy Security and the relevant Regional Authorities, for a total amount of **approximately €167 million**.



* It should be noted that the data relates to pending processes as at 31 March 2026, i.e., procedures formally initiated both at the Ministry of the Environment and Energy Security and at the Regions and Autonomous Provinces and not yet completed.

** It should be noted that the data relates to the processes completed at 31 March 2026, i.e. the procedures formally concluded both at the Ministry of the Environment and Energy Security and at the Regions and Autonomous Provinces.





Continuity and quality of service

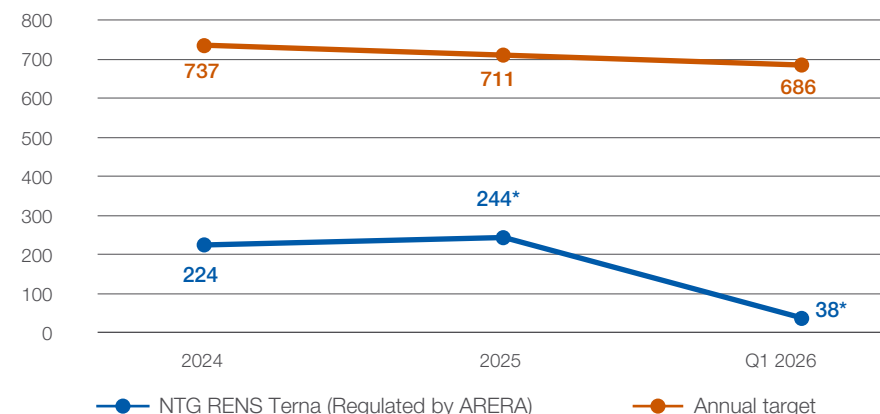
Terna monitors service quality in terms of service continuity (the absence of interruptions in the electricity supply, and voltage quality, that is, maintaining the technical parameters of voltage and supply frequency within defined limits). This monitoring is carried out by measuring the various indices, such as RENS, ASAI and the number of voltage dips, defined in ARERA Resolution no. 55/2024/R/eel and chapter 11 of the Grid Code. The analysis of these indices is one of the most effective tools for guiding development measures, with the aim of preventing and reducing over time the consequences of disruptions on the grid.

Within the framework of service continuity and Annex A to Resolution no. 55/2024/R/eel, the Authority has defined an incentive mechanism based on compliance with a preset annual target level of Reference Energy Not Supplied (NTG RENS). The annual outturn of the NTG RENS indicator, and the resulting bonus or penalty for Terna, is certified by ARERA following verification of the data reported by Terna, through a specific Resolution.

These continuity indicators are significant for the system, as they monitor the frequency and impact of events that have occurred on the electricity grid as a result of faults or due to external factors, such as weather events. In all cases, the period of observation is three years, a period in which there have been no significant changes, testifying to the high quality of service achieved.

NTG RENS Index²

(MWh)



* Provisional data.

The **NTG RENS** indicator, based on the preliminary data for the period from January to March 2026, amounts to 38 MWh (provisional data and annual target for 2026 of approximately 686 MWh set by ARERA).

As regards the **ASA** indicator, availability was 99.99982% (provisional data) in the first quarter of 2026, compared with 99.99978% (provisional data) in the previous period. The operating performance shows that ASA has remained stable at a high level over the years (the higher the indicator, the better the performance). This indicator shows that the energy not supplied following a fault on the owned grid represents a minimal part of the total quantity of energy supplied to users of the grid.

Existing regulations (set out, in particular, in Annex A to Resolution no. 55/2024/R/eel) envisage a series of mechanisms designed to regulate and encourage improvements in the quality of service provided by Terna. The overall economic effects of these mechanisms are accounted for at year end (including RENS).

With regard to costs, which are determined periodically on the basis of occurring events, Terna registered a balance of €2.5 million in the first quarter of 2026, compared to €0.2 million in the first quarter of 2025.

Continuity indicators

RENS*

What it measures

Energy not supplied following events affecting the relevant grid**.

How it is calculated

The sum of the energy not supplied to users connected to the NTG (following events affecting the relevant grid, as defined in the ARERA regulations governing quality of service).

* Regulated Energy Not Supplied.

** The "relevant grid" refers to all of the high-voltage and very high-voltage network.

ASA***

What it measures

Availability of the service provided by the NTG.

How it is calculated

Based on the ratio of the sum of energy not supplied to users connected to the NTG (ENS) and energy fed into the grid.

*** Average Service Availability.

² The targets of reference for the years 2024-2026 (set forth in Annex A to ARERA Resolution no. 55/2024/R/eel) were defined in continuity with the targets of the 2016-2023 regulatory period, i.e. with an improvement of 3.5% required for each year over the previous one. Since 2016, NTG RENS also includes the performance of the grid operated by Terna Rete Italia S.r.l. (merged with Terna S.p.A. on 31 March 2017).

Electricity market and cost trends

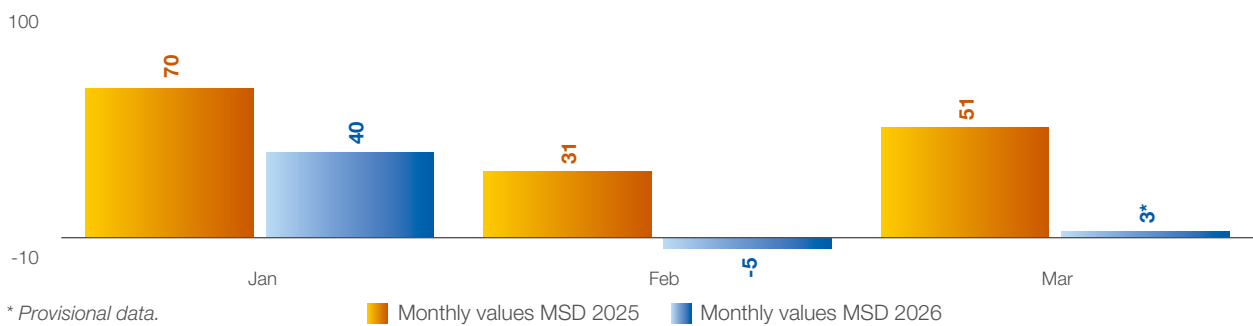
Dispatching Services Market (MSD)

Terna procures the resources to manage and control the system (freeing up intra-zonal congestion, creation of power reserves, real-time balancing) in order to ensure the security and adequacy on the Dispatching Services Market (MSD).

The net charge for the MSD selections was approximately €37 million in the first quarter of 2026 (provisional data), down 75% compared to the first quarter of 2025 (approximately €152 million). This change was due to the reduction in selection costs, as a result of both the volume and price effect.

Monthly MSD costs

(€m)



Cost of procuring resources on the Dispatching Services Market (Uplift)

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As of 1 January 2025, Resolution no. 345/2023/R/eel – Integrated Electricity Dispatching Act (TIDE), as amended, entered into force, introducing the split of the Uplift Fee, previously defined by Resolution no. 111/2006/R/eel, into two new fees, **Uplift and Other**.

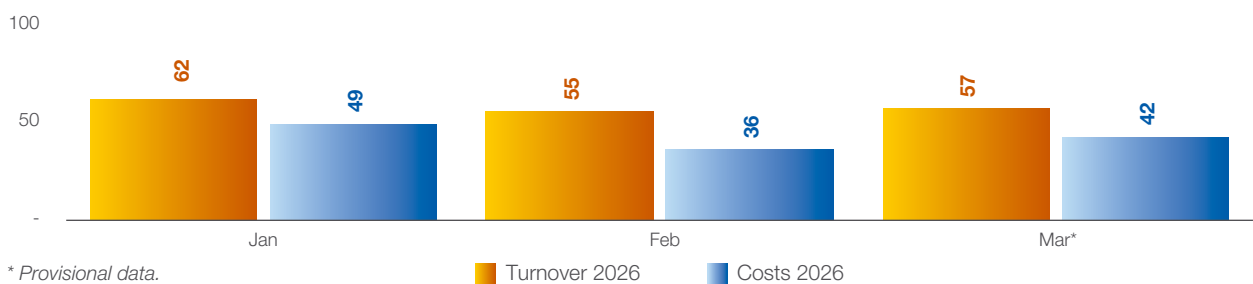
The TIDE, as amended, streamlines all fees under Dispatching regulations. In this context, the Authority established that the Uplift Fee would retain only those components strictly related to Dispatching activities, while a new fee (the “Fee to cover additional items relating to the dispatching service” – Other Fee) would incorporate the remaining components. The macro-items included in the Other Fee are:

- rents, fees and penalties concerning transmission capacity allocation;
- incentive mechanisms;
- remuneration for the metering aggregation service;
- settlement adjustments and uncollected receivables.

In the first quarter of 2026, the total cost of the Uplift Fee³ amounted to approximately €127 million (provisional data), slightly down by 17% compared to the same period in 2025 (approximately €153 million).

Monthly trends in turnover and Uplift costs

(€m)



³ The data refer to the monthly publication pursuant to Article 4-25.3.2 of the TIDE (Resolution no. 227/2025/R/eel, as amended).



Non-Regulated Activities

Non-Regulated Activities are developed in close alignment with the core business. They consist of solutions and services designed to enable the energy transition, through which the Terna Group makes its know-how in the design, engineering, operation and maintenance of plants available to industrial and commercial customers through complex, innovative and digital solutions in the energy sector.

These activities are structured into four macro-business areas, the first three of which fall within the scope of Terna Energy Solutions S.r.l.:

- **Equipment**
- **Connectivity**
- **Energy Services**
- **Private interconnectors pursuant to Law 99/2009**



Equipment

Via two leading companies in their fields, Terna is able to oversee know-how and supplies in two key areas for grid development:

- **Transformers - Tamini Group:** a world leader in the production of industrial transformers and in after-sales service;
- **Terrestrial cables - Brugg Cables Group:** a centre of excellence for research, development and testing in the field of terrestrial cables, the Brugg Group is based in Switzerland and has several overseas subsidiaries.

Transformers - Tamini Group

The sustained trend in order intake volume led to a further increase in the backlog compared to the same period in the previous year (up 23%).

Compared with the end of 2025, the value of factory backlogs is increasing on the back of first-quarter 2026 orders (up about 9%).

Commercial performance

Total revenue in the first quarter of 2026 rose sharply from the first quarter of 2025 (up by around 21%), mainly due to increased production capacity.

Financial performance

For the Power segment, testing has been carried out on a 250 MVA phase shifting transformer for a major player in the energy sector in Northern Europe.

For the Industrial sector, the following testing are reported:

- one 240 MVA furnace transformer for a major steel mill in Mexico;
- one 220 MVA furnace transformer for a low-CO₂ steel production plant in Austria.

Furthermore, in response to market demand, Tamini Group has confirmed its commitment to producing vegetable oil transformers for the Power segment in 2026.

Operating activity



Terrestrial cables – Brugg Cables Group

Commercial performance

The commercial trend in the first quarter of 2026 remained stable and in line with expectations.

In the first three months of 2026, sales orders increased compared to the first quarter of 2025 in both the High Voltage System segment (up 16%) and the Low Medium Voltage segment (up 44%). On the other hand, the High Voltage Accessories segment maintained a substantially stable order volume compared with the same period last year.

For high and extra high voltage systems, the first quarter of 2026 saw a positive performance in order acquisition, with increases in both sales volumes and margins compared with the first quarter of 2025, and particularly favourable developments in the European market.

Financial performance

Total revenue in the first quarter of 2026 rose by approximately 16% compared with the same period of 2025. Margins increased by 7% compared with the first quarter of 2025.

The results were driven by a more favourable sales mix, full leverage of the industrial and commercial drivers developed in previous years and ongoing monitoring of operating and market dynamics.

Operating activity

The High Voltage Accessories segment performed particularly well, with increased volumes and an improvement compared to the first quarter of 2025.

Production of high-voltage cables has increased by approximately 24% compared with the same period in the previous year. This is due to a more favourable production mix in terms of plant utilisation and operational continuity, improving overall efficiency and increased output volumes.

At the same time, production of low- and medium-voltage cables increased by 25% compared with the first quarter of 2025, in line with orders received. In this segment, the focus remains on the high quality demanded by the market and the consolidation of the strong position in the Swiss local market.

Connectivity

New commercial contracts were signed in the first quarter of 2026, marking a 50% increase compared to the same period in the previous year.

Commercial performance

Revenue in the first quarter of 2026 is up by approximately 22% compared with the same period in 2025, mainly due to deliveries made to a leading Italian Electricity Supplier - DSO.

Financial performance

To date, around 50,000 km of fibre pairs have been granted IRU (Indefeasible Right of Use), for which the Terna Group provides both maintenance and housing services for optical signal regeneration.

Operating activity

Talks continue on an agreement with one or more leading Italian DSOs for the granting of IRU rights on fibre pairs (with a minimum term of 20 years and a maximum term of 24 years) and maintenance service. Under this agreement, signed in 2023, and the project review discussed in early 2026, approximately 42,600 km of fibre pairs will be made available to customers, connecting 1,865 primary distribution installations through 153 rings, with delivery scheduled between 2023 and 2028. A total of 1,214 km of fibre optic cable was delivered during the first quarter of 2026, enabling 63 plants to be connected.





Energy Services Altenia Group

Commercial performance

The commercial performance in the first quarter of 2026 has shown a significant improvement compared to the same period in 2025. This is mainly due to the integration of STE Energy S.r.l. into the Group in May 2025.

Commercial activities targeting new initiatives in the Utility-Scale and BESS segments continued.

Financial performance

Revenue in the first quarter of 2026 is up by approximately 120% compared with the same period in the previous year, mainly due to greater progress on photovoltaic EPC contracts, the sale of power plant controllers and the integration of STE Energy S.r.l. into the Altenia Group.

Operating activity

In the first quarter of 2026, a major Utility-Scale photovoltaic plant with an installed capacity of 41.2 MWp was energised in the province of Ragusa.

At the same time, construction of EPC plants continued, primarily in Sicily (around 125 MWp, including substation construction), Central Italy (about 85 MWp) and Southern Italy (roughly 12 MWp).

The first three months of 2026 also saw the launch of new major EPC projects and the related infrastructure for connection to the NTG; specifically: 45 MW in Central Italy, 66 MW in Puglia and a 86 MW cluster in Sicily for a customer with which the Altenia Group has a strong relationship.

A turnkey construction project is ongoing for an NTG connection (electricity substation and HV cable⁴) for a major customer operating in the data centre sector in the province of Milan.

The revamping of a HV plant for an industrial customer in Sicily has been completed.

⁴ High voltage.

Other Activities

The activities related to the framework agreement with Rete Ferroviaria Italiana (RFI) relating to the “Design, supply, installation, certification and commissioning of Metering Equipment”, are in progress. To date, 170 plants have been completed, compared to the 182 envisaged under the existing application contracts.

Private interconnectors pursuant to Law 99/2009

In the first quarter of 2026, operations and maintenance activities for the existing private interconnectors (**Italy-Montenegro, Italy-France** and **Italy-Austria**) continued, as did preparatory activities for the development of further interconnectors, including those with Switzerland and Slovenia:

Italy - Switzerland Interconnector Project

The project involves the development of new transmission lines between Italy and Switzerland, with the aim of increasing interconnection capacity between Italy and Switzerland. The project is currently under study.

Italy - Slovenia Interconnector Project

On 1 October 2025, Terna and the Slovenian TSO ELES signed a strategic cooperation agreement aimed at strengthening the electricity interconnections between the two countries through the implementation of the project “Removal of constraints on the 380 kV and 220 kV grid interconnected with Slovenia”. The new interconnection will make it possible to double the interconnection capacity between Italy and Slovenia.

Under this agreement, it will be possible to supersede the current project, which is in the authorisation phase on the Italian side, relating to the construction of the direct current interconnection, partly by submarine cable, between the substations of Salgareda (IT) and Divača/Beričevò (SI).



International activities

As part of international initiatives, work on the project to enhance activities in South America continued by implementing the actions necessary to finalise the sale of Terna Perú and formally launch the liquidation of Terna 4 Chacas S.A.C.. These processes are expected to be completed in 2026.

In particular, on February a binding agreement for the disposal of 100% of Terna Peru S.A.C. was signed by the Terna Group's companies, Terna Plus S.r.l. and Rete S.r.l with Engie Transmisión Perú S.A.C. (Engie Group company). The company owns a 138 kV power line, approximately 132 km in length, connecting the Aguaytía and Pucallpa electricity substations in the Ucayali region of Peru. The transaction value amounts to approximately \$15 million. Closing is expected by the third quarter of 2026, subject to the fulfilment of certain conditions precedent.



People

People are the Terna Group's most important asset and one of the key enablers of the 2024–2028 Industrial Plan update. People's skills and experience contribute to the Company's value creation.

(unit)

WORKFORCE	AT 31 MARCH 2026	AT 31 DECEMBER 2025	CHANGE
Senior managers	107	110	(3)
Middle managers	1,034	1,029	5
Office staff	4,258	4,219	39
Blue-collar workers	1,781	1,759	22
Total	7,180	7,117	63

The increase in workforce at 31 March 2026 (up 63 units compared with 31 December 2025) is directly attributable to the coverage of staffing needs to implement the ambitious investment plan set out in the 2024-2028 Industrial Plan update, as well as to the strengthening of the Group's distinctive expertise.





Financial review for Q1 2026

In order to present the performance of the Terna Group and to analyse the financial positions, reclassified statements have been prepared in line with industry practice. These reclassified statements include Alternative Performance Measures (hereinafter APMs, in accordance with ESMA Guidelines 2015/1415), which management considers useful for monitoring the Group's performance and representative of the economic and financial results generated by the business. The criteria used in the construction of these indicators are the same as those applied in the 2025 Annual Report; for further details, reference should be made to the Annex "Alternative Performance Measures (APMs)".

Basis of presentation

The accounting standards and recognition and measurement criteria applied in this Interim Management Report are consistent with those adopted in the Consolidated Financial Statements at 31 December 2025.

Therefore, given that the requirements of IFRS 5 have been met, the total results for the first quarters of 2026 and 2025 attributable to the South American subsidiary Terna Perú S.A.C. included in the planned sale of assets, launched at the end of 2021, have been classified in the item "Profit/(Loss) for the period from assets held for sale" in the Group's reclassified income statement. Likewise, the attributable assets and liabilities at 31 March 2026 and 31 December 2025 have been reclassified to the item "Net assets held for sale" in the Group's reclassified statement of financial position.

The Group's reclassified income statement

The Terna Group's economic results for the first quarter of 2026, compared with the same period of the previous year, are summarised in the following statement.

	(€m)			
	Q1 2026	Q1 2025	CHANGE	% CHANGE
TOTAL REVENUE	988.7	901.8	86.9	9.6%
- Revenue from Regulated Activities	794.7	755.2	39.5	5.2%
<i>of which Revenue from construction services performed under concession</i>	19.0	16.6	2.4	14.5%
- Revenue from Non-Regulated Activities	194.0	146.6	47.4	32.3%
TOTAL OPERATING COSTS	291.1	249.8	41.3	16.5%
- Personnel expenses	105.6	97.5	8.1	8.3%
- Cost of services, leases and rentals	80.3	63.4	16.9	26.7%
- Materials	74.8	66.0	8.8	13.3%
- Other costs	8.9	6.1	2.8	45.9%
- Quality of service	2.5	0.2	2.3	-
- Cost of construction services performed under concession	19.0	16.6	2.4	14.5%
GROSS OPERATING PROFIT (EBITDA)	697.6	652.0	45.6	7.0%
- Amortisation, depreciation and impairment losses	247.8	219.2	28.6	13.0%
OPERATING PROFIT/LOSS (EBIT)	449.8	432.8	17.0	3.9%
- Net financial income/(expenses)	(46.6)	(38.8)	(7.8)	20.1%
PROFIT BEFORE TAX	403.2	394.0	9.2	2.3%
- Income tax expense for the period	125.3	118.6	6.7	5.6%
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	277.9	275.4	2.5	0.9%
- Profit/(Loss) for the period from assets held for sale	(0.1)	0.3	(0.4)	(133.3%)
PROFIT FOR THE PERIOD	277.8	275.7	2.1	0.8%
- Profit/(Loss) for the period attributable to non-controlling interests	1.3	0.4	0.9	225.0%
PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT	276.5	275.3	1.2	0.4%

EBITDA by operating segment is as follows:

	(€m)		
EBITDA BY OPERATING SEGMENT	Q1 2026	Q1 2025	CHANGE
Regulated Activities	652.1	626.6	25.5
Non-Regulated Activities	45.7	25.7	20.0
International activities	(0.2)	(0.3)	0.1
EBITDA	697.6	652.0	45.6

Gross Operating Profit (EBITDA) for the first quarter of 2026 amounts to **€697.6 million**, an increase of €45.6 million compared with €652.0 million in the first quarter of 2025, driven by the improved profitability of Regulated and Non-Regulated Activities.



Revenue

(€m)

REGULATED ACTIVITIES	Q1 2026	Q1 2025	CHANGE
Tariff revenue and incentives	758.8	726.5	32.3
- Transmission revenue	712.7	678.1	34.6
- Dispatching, metering and other revenue	46.1	48.4	(2.3)
Other regulated revenue	16.9	12.1	4.8
Revenue from construction services performed under concession in Italy	19.0	16.6	2.4
TOTAL	794.7	755.2	39.5

Revenue from **Regulated Activities**, excluding revenue from construction services performed under concession (up €2.4 million), is up €37.1 million on the same period of the previous year, and primarily refers to the Transmission fee (up €34.6 million). The rise is mainly due to the increase in the Regulatory Asset Base (RAB) and the depreciation recognised in connection with the new assets that became operative and to the change in the scope of consolidation (acquisition of Rete 2 S.r.l. at the end of September 2025), offset by the reduction in the fast money component, following the update of the notional capitalisation rate defined for the 2026-2027 two-year period. No change in revenue is due to the cost of capital (WACC) which remains unchanged at 5.5%, as in the previous period. Higher insurance proceeds were also recognised (up €6.7 million), partially offset by lower revenue from service quality, which decreased by €1.0 million.

(€m)

NON-REGULATED ACTIVITIES	Q1 2026	Q1 2025	CHANGE
Equipment	117.8	97.8	20.0
- Brugg Cables Group	62.4	52.7	9.7
- Tamini Group	55.4	45.1	10.3
Services for third parties (Connectivity, Energy Services, other)	71.1	43.7	27.4
Private interconnectors	5.1	5.1	0.0
TOTAL	194.0	146.6	47.4

The €47.4 million increase in revenue from **Non-Regulated Activities** mainly reflects the higher contribution from the Equipment segment of the Brugg Cables Group (up €9.7 million) and the Tamini Group (up €10.3 million) due to higher orders, as well as the increase in revenue from the Energy Services segment (up €25.0 million) mainly resulting from the acquisition of STE Energy S.r.l. at the end of May 2025.

Costs

Operating costs, net of the change in the cost of construction services performed under concession (up €2.4 million), rose by €38.9 million compared to the same period of the previous year. This is mainly due to:

- higher costs for services supporting the development of operations in both the Energy Services segment (up €16.3 million for the Alenia Group) and in regulated activities, in particular due to the intensification of maintenance activities (up €2.6 million);
- higher costs for materials related to Energy Services and Equipment operations (up €4.0 million for the Tamini Group and up €2.5 million for the Brugg Cables Group), mainly due to the progress of contracts and higher supply costs;
- personnel expenses (€8.1 million), mainly due to the rise in the average workforce, partially offset by higher capitalisations.

Amortisation, depreciation and impairment losses for the period amount to €247.8 million, an increase of €28.6 million compared with the first quarter of 2025, primarily due to the entry into service of new infrastructure.

Operating Profit (EBIT), after amortisation, depreciation and impairment losses, amount to **€449.8 million**, up €17.0 million compared with the first quarter of 2025 (up 3.9%).

Net financial expenses for the period total €46.6 million, mainly relate to the Parent Company, increased of up €7.8 million compared to €38.8 million in the first three months of 2025. The increase is mainly attributable to a higher average level of debt in the first quarter of 2026 compared with the corresponding period of 2025 and to higher interest rates compared to existing debt. This effect is partially offset by higher capitalised financial expenses.

After net financial expenses, **profit before tax** amounts to **€403.2 million**, compared with €394.0 million in the first quarter of 2025 (up 2.3%).

Income tax expense for the period amounts to €125.3 million, up €6.7 million compared with the same period of the previous year, essentially due to the higher profit before tax and the temporary two-percentage-point increase in the IRAP rate for 2026 and 2027 ("Decreto Bollette" - Decree-Law no. 21 of 20 February 2026). The tax rate stands at 31.1%, compared with 30.1% for the same period last year.

The **profit for the period from continuing operations** amounts to **€277.9 million**, an increase of €2.5 million (up 0.9%) compared with €275.4 million in the first quarter of 2025.

The **loss for the period from assets held for sale** amounts to €0.1 million, down €0.4 million compared with the first quarter of 2025.

The **profit for the period** amounts to **€277.8 million**, an increase of €2.1 million (up 0.8%) compared with €275.7 million in the first quarter of 2025.

The **profit for the period attributable to owners of the Parent** (excluding the share attributable to non-controlling interests) amounts to **€276.5 million**, up €1.2 million (up 0.4%) compared with the €275.3 million in the first quarter of 2025.



Cash flow

Cash flow from operating activities and the change in net debt covered the cash needs linked to capital expenditure in the period.

	(€m)	
	CASH FLOW Q1 2026	CASH FLOW Q1 2025
- Profit for the period	277.8	275.7
- Amortisation, depreciation and impairment losses	247.8	219.2
- Net change in provisions	(14.1)	(11.9)
- Net losses/(gains) on sale of assets	(1.4)	-
Operating cash flow	510.1	483.0
- Change in net working capital	(44.3)	187.9
- Other changes in Property, plant and equipment and intangible assets	44.3	1.5
- Change in investments	(0.7)	0.3
- Change in financial assets	0.9	(62.5)
Cash flow from operating activities	510.3	610.2
- Total capital expenditure	(511.4)	(562.1)
Free cash flow	(1.1)	48.1
Net assets held for sale	(0.4)	0.4
- Reserve for equity instruments, cash flow hedge reserve after taxation and other movements in equity attributable to owners of the Parent	834.0	(14.7)
- Other movements in equity attributable to non-controlling interests	(2.5)	-
Change in net debt	830.0	33.8



The Group's reclassified statement of financial position

The Terna Group's reclassified statement of financial position at 31 March 2026 and 31 December 2025 is summarised in the following table.

	AT 31 MARCH 2026	AT 31 DECEMBER 2025	CHANGE
			(€m)
Total Net Non-current assets	23,731.9	23,511.9	220.0
- Intangible assets and goodwill	1,296.3	1,292.7	3.6
- Property, plant and equipment	21,881.7	21,665.1	216.6
- Financial assets	553.9	554.1	(0.2)
Total Net Working Capital	(2,666.7)	(2,711.5)	44.8
- Net energy-related pass-through payables	(769.0)	(530.3)	(238.7)
- Net receivables resulting from regulated activities	1,060.1	1,173.2	(113.1)
- Net trade payables	(981.7)	(1,465.5)	483.8
- Net tax assets/(liabilities)	(29.3)	114.0	(143.3)
- Other net liabilities	(1,946.8)	(2,002.9)	56.1
Gross Invested Capital	21,065.2	20,800.4	264.8
Sundry provisions	13.0	(1.1)	14.1
Net Invested Capital	21,078.2	20,799.3	278.9
Net assets held for sale	14.0	13.6	0.4
TOTAL NET INVESTED CAPITAL	21,092.2	20,812.9	279.3
Equity attributable to owners of the Parent	8,901.8	7,791.3	1,110.5
Equity attributable to non-controlling interests	20.2	21.4	(1.2)
Net debt	12,170.2	13,000.2	(830.0)
TOTAL	21,092.2	20,812.9	279.3

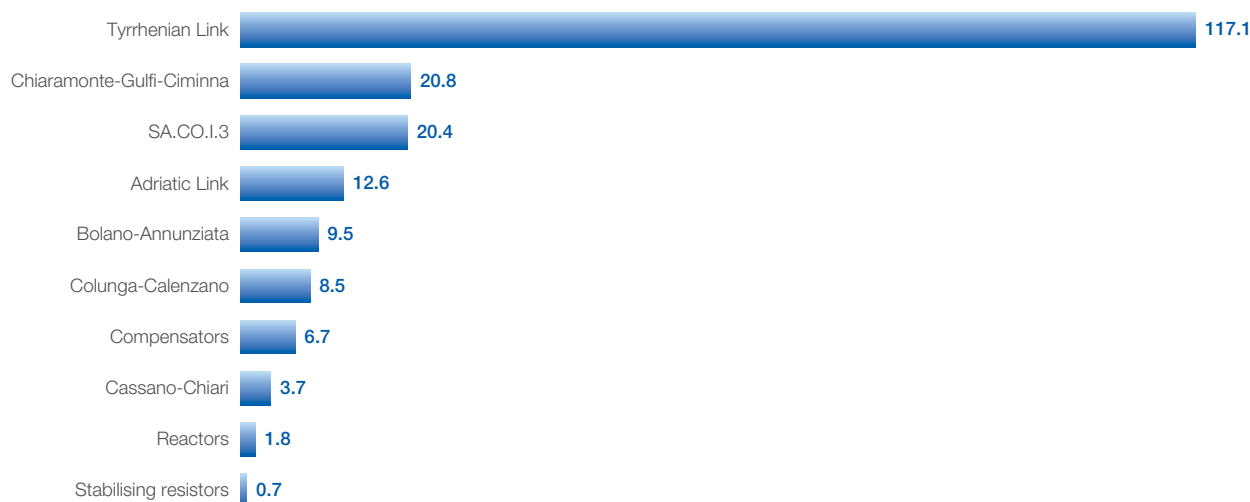
The €220.0 million increase in **net non-current assets** compared with 31 December 2025 primarily reflects a combination of the following:

- total capital expenditure of €511.4 million, as described in detail in the section on “Operating activities - Regulated Activities”;
- depreciation and amortisation for the period of €248.3 million;
- other movements during the period in “Property, plant and equipment” and “Intangible assets”, which overall fell by €42.7 million reflecting grants related to assets of the Parent Company (down €43.6 million, primarily for the re-routing of power lines at the request of third parties and projects financed by the Ministry of the Environment and Energy Security and the EU) and disposals and impairment losses resulting in a reduction of €0.2 million.

Total capital expenditure by the Terna Group in the first quarter of 2026, equal to **€511.4 million**, is down by 9.0% compared with €562.1 million in the corresponding period of 2025.



Main capital expenditure in the NTG* (€m)



* Amounts including financial expenses.

Net Working Capital of -€2,666.7 million absorbed cash of €44.8 million during the period compared with 31 December 2025, mainly due to the combined effect of:

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Cash outflows

- decrease of €483.8 million in **net trade payables**, largely due to the payments made to increase capital expenditure in the last few months of the previous year;
- decrease of €56.1 million in **other net liabilities**, mainly due to lower contributions received from operators participating in the capacity market, the MACSE, the electricity market and the Interconnector Guarantee Fund as a guarantee for the related contractual obligations.

Cash inflows

- increase in **net energy-related pass-through payables** for €238.7 million, mainly due to the combined effect of:
 - higher net liabilities related to the units essential for the security of the electricity system – UESS of €61.0 million arising from the collection items net of payments made during the first three months of 2026 to the owners of the plants⁵;
 - decrease in Terna S.p.A.'s net receivables for the provision of dispatching services of €160.6 million, mainly attributable to recoveries made during the quarter in relation to costs recognised in the previous year, settled through the Uplift and Other⁶ components;
- decrease in **net receivables resulting from regulated activities** of €113.1 million mainly attributable to the combined effect of:
 - decrease in receivables following settlement by the Fund for Energy and Environmental Services (CSEA) of the tariff decoupling adjustment for 2024 (former Resolution no. 573/2025), amounting to €67 million;
 - decrease in receivables following the collection, during the first quarter of 2026, of part of the bonuses paid to Terna under the DSM 2022-2024 incentive mechanism, amounting to €58.7 million;
- increase in **net tax liabilities** of €143.3 million, mainly attributable to higher income taxes for the period (€125.3 million) and a reduction in the net VAT receivable of €16.1 million.

⁵ ARERA authorised payments to operators of Essential Units through Resolutions no. 15-22-55-56/2026.

⁶ Resolution no. 345/2023/R/eel - The Integrated Electricity Dispatching Act (Testo Integrato del Dispacciamento Elettrico - TIDE) came into force on 1 January 2025.

The TIDE streamlines all fees under Dispatching regulations. Therefore, the Authority established that the Uplift Fee should retain only those components strictly related to Dispatching activities, while a new fee (the "Fee to cover additional items relating to the dispatching service" - Other Fee) should incorporate the remaining components.

Gross Invested Capital amounts to €21,065.2 million, up by €264.8 million compared with 31 December 2025.

Sundry provisions are down €14.1 million, mainly due to accruals, net of related utilisations, for deferred tax assets. The decrease is mainly attributable to the tax effects of changes in derivative financial instruments held in portfolio and amortisation/depreciation.

Net assets held for sale amount to €14.0 million at 31 March 2026, substantially in line with the balance at 31 December 2025.

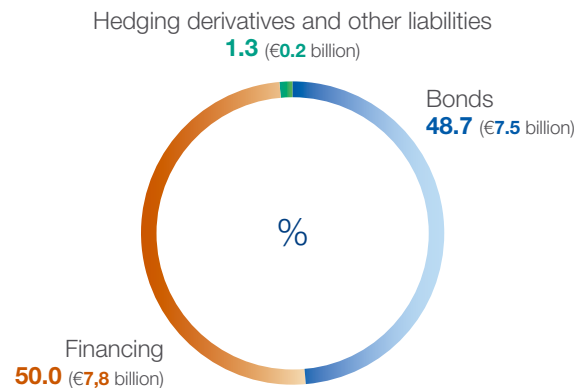
Total Net Invested Capital, including net assets held for sale, amounts to €21,092.2 million, up €279.3 million compared to 31 December 2025. It is financed by equity attributable to owners of the parent of €8,901.8 million (€7,791.3 million at 31 December 2025), equity attributable to non-controlling interests of €20.2 million (€21.4 million at 31 December 2025) and net financial debt of €12,170.2 million, down €830.0 million compared to €13,000.2 million at 31 December 2025.

Debt

The Terna Group's financial management is based on an approach that aims to maximise efficiency and achieve and maintain a solid financial structure, whilst adopting a highly prudent approach to mitigation of the potential financial risks. The key aspects of the Group's financial policy are diversification of the sources of funding, a balance between short-and medium/long-term forms of debt and the proactive management of debt.

Gross debt at 31 March 2026 amounts to approximately **€15.5 billion**, mainly consisting of approximately €7.5 billion in the form of bond issues, approximately €7.0 billion in medium/long-term bank loans and approximately €0.8 billion in short-term borrowings.

The average term to maturity of medium/long-term debt, roughly 75% of which is fixed rate, is approximately 6 years.



The bond debt consists of both public issues and private placements, carried out as part of:

- the €12 billion EMTN Programme, authorised by the Commission de Surveillance du Secteur Financier (CSSF) and listed on the Luxembourg Stock Exchange;
- the €4 billion EMTN Programme, approved by CONSOB and listed on the *Mercato Telematico delle Obbligazioni* (MOT) managed by Borsa Italiana.

Targeted specifically on qualified investors, Terna's bonds have a very diverse investor base, in terms of both sector and geographical profile. Most issues are listed on the Luxembourg Stock Exchange and some of the most recent ones are listed on the Electronic Bond Market (MOT) managed by Borsa Italiana.

With regard to bank debt, Terna's main lender is the European Investment Bank (EIB). The amount of outstanding debt with the EIB at 31 March 2026 was approximately €4.7 billion.



Thanks to the solidity of its credit profile, Terna is able to raise funding on the financial markets at extremely favourable conditions, as evidenced by the transactions described in the following paragraphs.

Sustainable finance

Fully in line with Terna's strategy, which aims to combine investment and sustainability to drive growth and value creation, it is Terna's ambition to play a leading role in the sustainable finance market. This strategy was also confirmed in the first quarter of 2026.

At 31 March 2026, **the senior green bonds issued by Terna** under the two Euro Medium Term Notes (EMTN) programmes amount to **€3.75 billion**. In addition, there are **three perpetual, subordinated hybrid green issues**, two issued on a standalone basis in February 2022 and April 2024, respectively, for an amount of **€1.85 billion**, and a third issued in January 2026 under the €4 billion EMTN Programme listed on the MOT, for a total nominal amount of **€850 million**. The latter issue is the **first fixed-rate, non-convertible, perpetual, subordinated hybrid European Green Bond** issued by Terna. The bond is non-callable for six years and was issued at 100%, with a spread of 123 basis points over the Mid-Swap rate, implying a subordination premium of less than 60 basis points over a senior issue of equivalent maturity. It will pay a fixed annual coupon of 3.875%, corresponding to the effective rate of the transaction, up to, but excluding, the first reset date of 2 February 2032. From that date, if the bond has not been redeemed early, the hybrid instrument will bear annual interest at the five-year Euro Midswap rate plus an initial margin of 123 basis points, increased by an additional 25 basis points from 2 February 2037 and by a further 75 basis points from 2 February 2052.

Green bond issues are used to finance or refinance **Eligible Green Projects**. These are projects producing environmental benefits that meet the criteria listed in the **Green Bond Framework**, updated by Terna in July 2025, and drafted in compliance with the Green Bond Principles updated by ICMA (International Capital Market Association) in June 2025, the requirements introduced by the new EU Regulation 2023/2631 (EU Green Bond Standard), and the European Union Taxonomy.

In July 2025, Terna's Green Bond Framework was assessed by **S&P Global Ratings**, acting as a **"Second Party Opinion" provider**, which assigned it an overall "Dark Green" rating, the highest level on S&P's "Shades of Green" scale. In addition, in January 2026, Moody's Ratings assigned the Green Bond Framework an overall **"SQS1 Sustainability Quality Score (Excellent)"**, **the highest possible level under Moody's methodology**.

Specifically, the net proceeds from the issues are used to finance:

- projects that aim to increase renewable energy production – for example, infrastructure enabling renewable energy plants to be connected to the national grid or that allow for a larger volume of renewable energy to be injected into the grid;
- projects designed to cut CO₂ emissions by reducing grid losses – for example, infrastructure designed to boost the efficiency of the electricity transmission grid;
- projects designed to ensure the quality, security and resilience of grid infrastructure.

At 31 March 2026, Terna has also several **ESG-linked Term Loans** totalling **€2.6 billion**, including an **ESG-linked Credit Facility Agreement** of €100 million with a five-year term, signed with Banco BPM S.p.A. on 30 March 2026. In addition, there are **three ESG linked Revolving Credit Facilities** linked to sustainability indicators for a total of approximately **€4.3 billion** and a **Euro Commercial Paper (ECP) programme of €2 billion** for the issuance of short-term conventional or "ESG Notes".

Terna's leadership in sustainable finance is widely recognised in the market which, since 2018, has shown a strong appetite for the green bonds issued. In addition to its inclusion in the main ESG indices, from January 2021, Terna is the first Italian electric utility to join the **Nasdaq Sustainable Bond Network**, the sustainable finance platform operated by Nasdaq that brings together investors, issuers, investment banks and specialist organisations.

Net debt

The Group's net debt at 31 March 2026 amounts to €12,170.2 million, marking a decrease of €830.0 million compared with 31 December 2025.

	AT 31.03.2026	AT 31.12.2025	CHANGE
(€m)			
NET DEBT (BY TERM TO MATURITY)			
Total medium/long-term debt	13,888.1	13,938.3	(50.2)
- Bond Issues	6,995.9	6,992.5	3.4
- Borrowings	6,836.4	6,894.2	(57.8)
- Derivative financial instruments	55.8	51.6	4.2
Total short-term Debt/(funds)	(1,717.9)	(938.1)	(779.8)
- Bond Issues (current portions)	500.0	579.9	(79.9)
- Short-term borrowings	754.7	720.3	34.4
- Borrowings (current portions)	196.0	195.9	0.1
- Other financial liabilities net	135.5	141.2	(5.7)
- Derivative financial instruments	0.8	(0.6)	1.4
- Financial assets	(1,288.7)	(742.1)	(546.6)
- Cash and cash equivalents	(2,016.2)	(1,832.7)	(183.5)
Total net debt	12,170.2	13,000.2	(830.0)
NET DEBT (BY TYPE OF INSTRUMENT)			
- Bond Issues	7,495.9	7,572.4	(76.5)
- Borrowings	7,032.4	7,090.1	(57.7)
- Short-term borrowings	754.7	720.3	34.4
- Derivative financial instruments	56.6	51.0	5.6
- Other financial liabilities net	135.5	141.2	(5.7)
GROSS DEBT	15,475.1	15,575.0	(99.9)
- Financial assets	(1,288.7)	(742.1)	(546.6)
- Cash and cash equivalents	(2,016.2)	(1,832.7)	(183.5)
Total net debt	12,170.2	13,000.2	(830.0)
Net debt attributable to assets held for sale	(3.0)	(2.8)	(0.2)

Changes in the **Group's net debt** are as follows:

- €76.5 million decrease in bond loans, mainly due to the effect of the repayment of private placement issue of €80 million, and the adjustment at amortised cost and fair value of the same financial instruments;
- €57.7 million decrease in borrowings, mainly due to repayments of instalments on existing EIB loans;
- increase in short-term borrowings (€34.4 million), essentially due to the drawing of credit lines by the Parent Company;
- increase in the negative fair value of the portfolio of derivative financial instruments (€5.6 million), mainly due to changes in the derivatives portfolio and changes in the market interest rate curve;
- decrease in other net financial liabilities (€5.7 million) mainly due to the payment of interest accrued in previous periods;
- €546.6 million increase in financial assets as a result of higher investments linked to greater available liquidity;
- €183.5 million increase in cash and cash equivalents. Cash amounts to €2,016.2 million at 31 March 2026, including €1,747.8 million invested in short-term, readily convertible instruments and €268.4 million held in bank current accounts and cash in hand.

The **net financial debt of assets held for sale** amounts to a negative €3.0 million at 31 March 2026 and consists in the value of cash and cash equivalents of Terna Peru S.A.C..



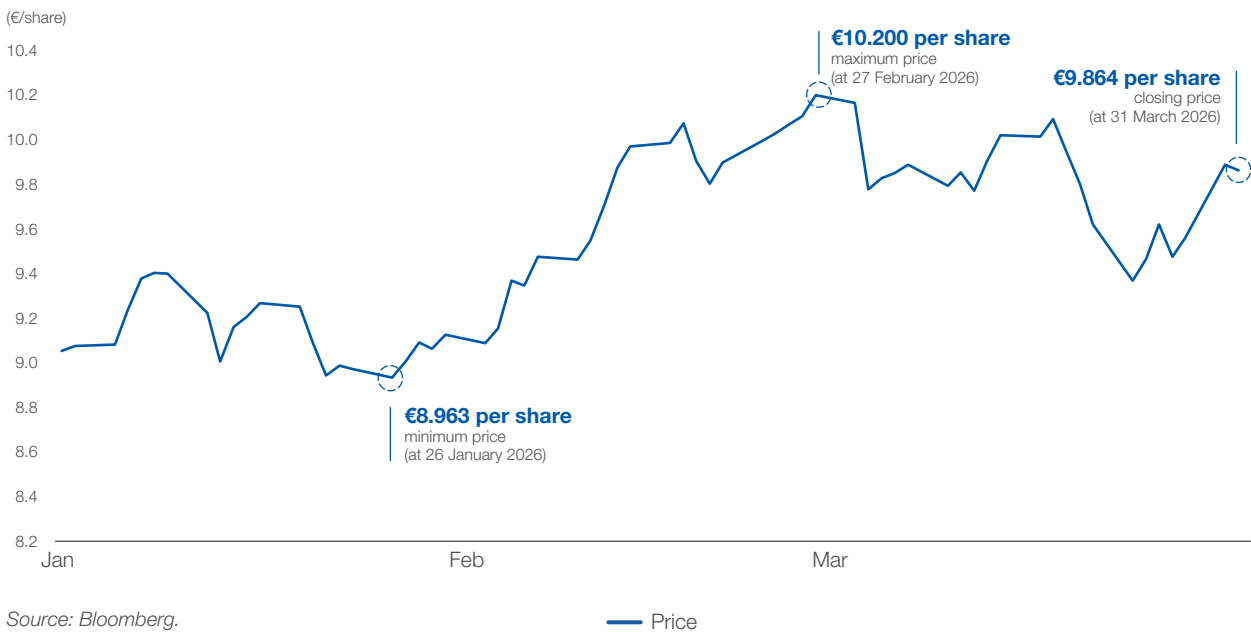
Share price performance

Terna S.p.A. has been listed on Borsa Italiana's screen-based trading system (Mercato Telematico Azionario) since 23 June 2004. **From the date of floatation to the end of March 2026, the share price has risen 480% (capital gain)**, providing a Total Shareholder Return (TSR⁷) of 1,664%, ahead of both the Italian market (the FTSE MIB, up 258%) and the relevant European sector index (DJ Stoxx Utilities), which is up 596%.

The main European stock exchanges closed the first quarter of 2026 with negative results, weighed down by the climate of uncertainty caused by the conflict in the Middle East. Milan fell by 1.4%, Paris and Frankfurt closed down by 4.1% and 7.7%, respectively, and Madrid fell 1.5%. London was the only market with a positive sign, up 2.5%.

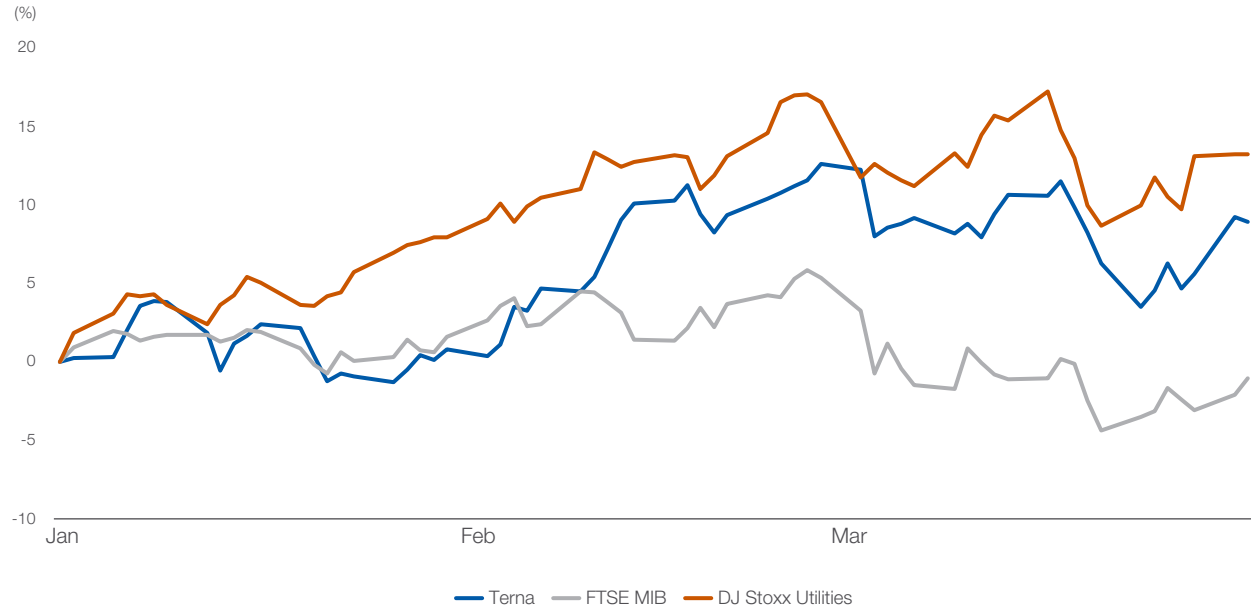
Terna's shares closed the first quarter of 2026 at a price of €9.864/share, increasing its performance by 8.9% compared to 31 December 2025. The DJ Stoxx Utilities, a sector-based reference index for Europe, also closed the period with a positive sign, up 12.4%. During the period, the shares reached a yearly high on 27 February 2026, closing at €10.200 per share. Subsequently, on 10 April 2026, they hit a new all-time high, closing at €10.320 per share.

Performance of Terna's share (Price trend from 1 January to 31 March 2026)



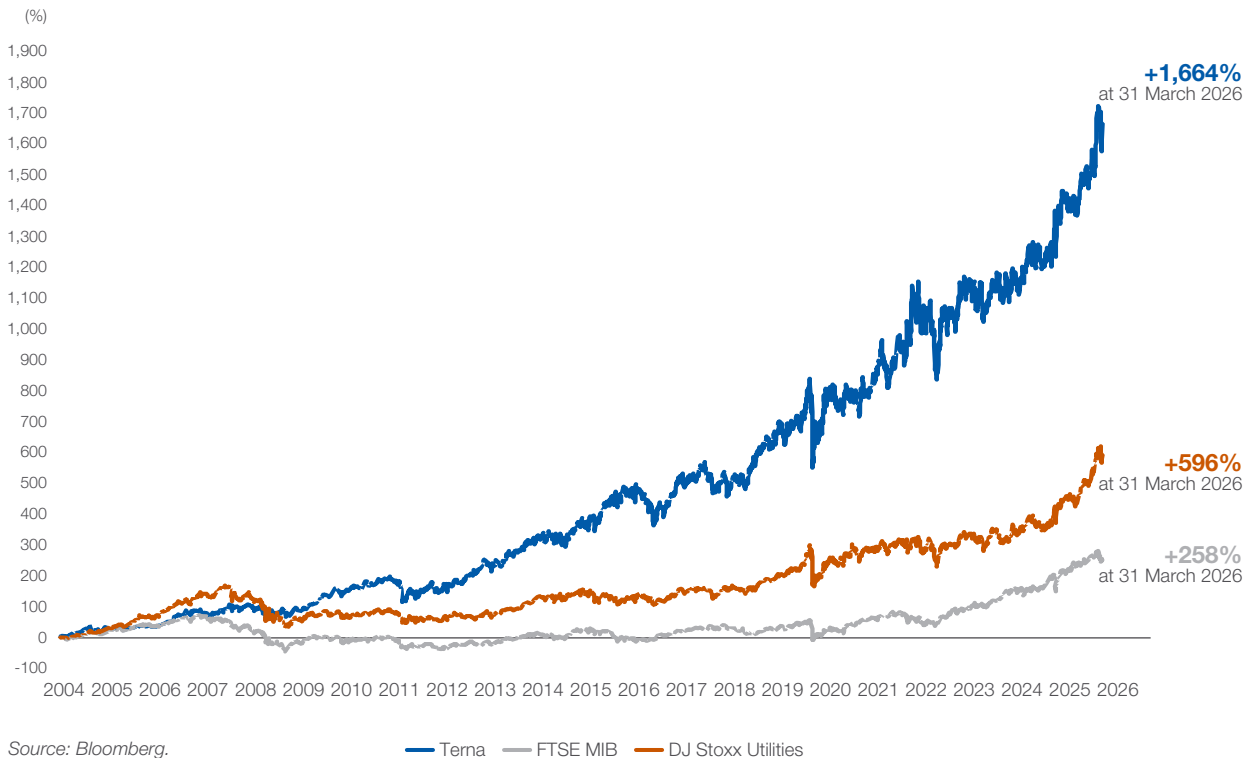
⁷ Total Shareholder Return (TSR): total return on an equity investment, calculated as the sum of:
 I. capital gain: the change in the share price (difference between the price at the end and at the beginning of the relevant period) as a percentage of the price at the beginning of the period;
 II. reinvested dividends: the ratio between dividends per share paid out during the period and the share price at the beginning of the period. Dividends are assumed to have been reinvested in the shares.

Total Shareholder Return on Terna's shares and the FTSE MIB and DJ Stoxx Utilities (From 1 January to 31 March 2026)



Source: Bloomberg.

Total Shareholder Return on Terna's share and the FTSE MIB and DJ Stoxx Utilities (From the date of floatation to the end of March 2026)



Source: Bloomberg.



Weighting of Terna's shares

	Q1 2026	Q1 2025
> on the FTSE MIB index	2.2%	2.2%

Source: Bloomberg.

Ratings

Below are Terna's ratings at 31 March 2026.

	SHORT-TERM	MEDIUM/LONG-TERM	OUTLOOK
Terna S.p.A.			
Standard & Poor's	A-2	A-	Stable
Moody's	Prime-2	Baa1	Stable
Italian state			
Standard & Poor's	A-2	BBB+	Positive
Moody's	Prime-2	Baa2	Stable

At present, both of the company's ratings are one notch above those of the Italian Republic.

Outlook

The current geopolitical landscape continues to deteriorate, with mounting rivalries between major powers, escalating regional tensions and intensifying competition for access to strategic resources. Furthermore, this situation has been exacerbated by the recent extension of the conflict in the Middle East. This context creates an unstable climate that makes the global economy vulnerable to potential shocks and inflationary pressures. These are linked to the fragmentation of value chains, the reorganisation of trade routes and the strengthening of protectionist measures.

The macroeconomic picture continues to show moderate economic growth in 2026, which is slower than in 2025 and remains below pre-pandemic levels. In this scenario, the European electricity sector will continue its path to decarbonisation and energy security outlined in the Fit-for-55 package, as set out in Italy's NECP 2024.

Therefore, the Terna Group focuses on implementing the 2024-2028 Industrial Plan update, which includes investments totalling €17.7 billion, confirming Terna's role as an enabler of energy and digital transition, contributing to decarbonisation targets and increasing the Italian electricity system's independence.

In particular, with respect to **Regulated Activities**, the acceleration of investments aimed at increasing transport capacity, integrating growing volumes of production from renewable sources and improving the network's resilience and digitalisation will continue.

The strategic investment projects include the progress of the Tyrrhenian Link. In this respect, on the east link, the completion of laying terrestrial cables for both poles and the marine cable for pole 2, continues, in addition to assembly activities for the main equipment in the converter substations. On the west link, the marine laying of the electrode is also planned, as well as the continuation of civil works and the laying of terrestrial cables. The civil works of the converter substations, as well as the production of electromechanical equipment and prefabricated buildings will also continue.

With respect to SA.CO.I.3, both the construction sites for the land-sea landings in Italy and Corsica and the cable laying of cables in Tuscany will continue. The laying of the terrestrial cable in Sardinia and marine power cables is also planned.

With respect to the Adriatic Link project, production of the marine cable and the civil engineering works for the terrestrial cables in the Marche and Abruzzo regions will continue, as will the qualification tests for the marine and terrestrial cables. Activities at the sites of the converter substations and production of the related electromechanical equipment will continue.

Finally, with respect to the Chiaramonte Gulfi – Ciminna project, after the opening of the related work sites, construction activities will continue alongside the securing of easements, the supply of materials and the second-level authorisation process with the relevant concessions.

In addition, 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 (Dispatching Services Market incentives (MSD), Resolution no. 326/2024/R/eel) and delivering additional interzonal transmission capacity (interzonal incentives, Resolution no. 55/2024/R/eel). The Group is committed to maintaining the performance levels achieved during the observation period.



In 2026, ARERA is also expected to publish consultation documents and subsequent implementing resolutions regarding the experimental mechanism introduced with Resolution no. 390/2025/R/COM to encourage implementation and/or performance efficiency, for the evolution of regulation based on expenditure and output targets (ROSS). The Group will also continue to monitor the evolution of the main parameters used in the formula for calculating the WACC for the 2025-2027 regulatory period, depending on whether the trigger event for 2027 is activated.

With respect to **Non-Regulated Activities**, after completing the reorganisation process involving the subsidiaries of Terna Energy Solutions S.r.l., the Terna Group will gain a stronger foothold in the various segments of the Energy Transition value chain: the Altenia Group, 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 terrestrial 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 its Connectivity business based on activities related to the dark fibre network.

With respect to **International activities**, the Group will continue the process of enhancing the asset portfolio in the American continent, continuing the actions required to finalise the disposal transaction in Peru. In addition, monitoring of the foreign market will continue, with a focus on the Mediterranean and Balkan areas, with a view to gaining insights into changes in the backdrop and context.

In 2026, the Group confirms its focus on improving operational efficiency and management of the transmission grid through the adoption of innovative technologies and the digitalisation of grid assets, 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.

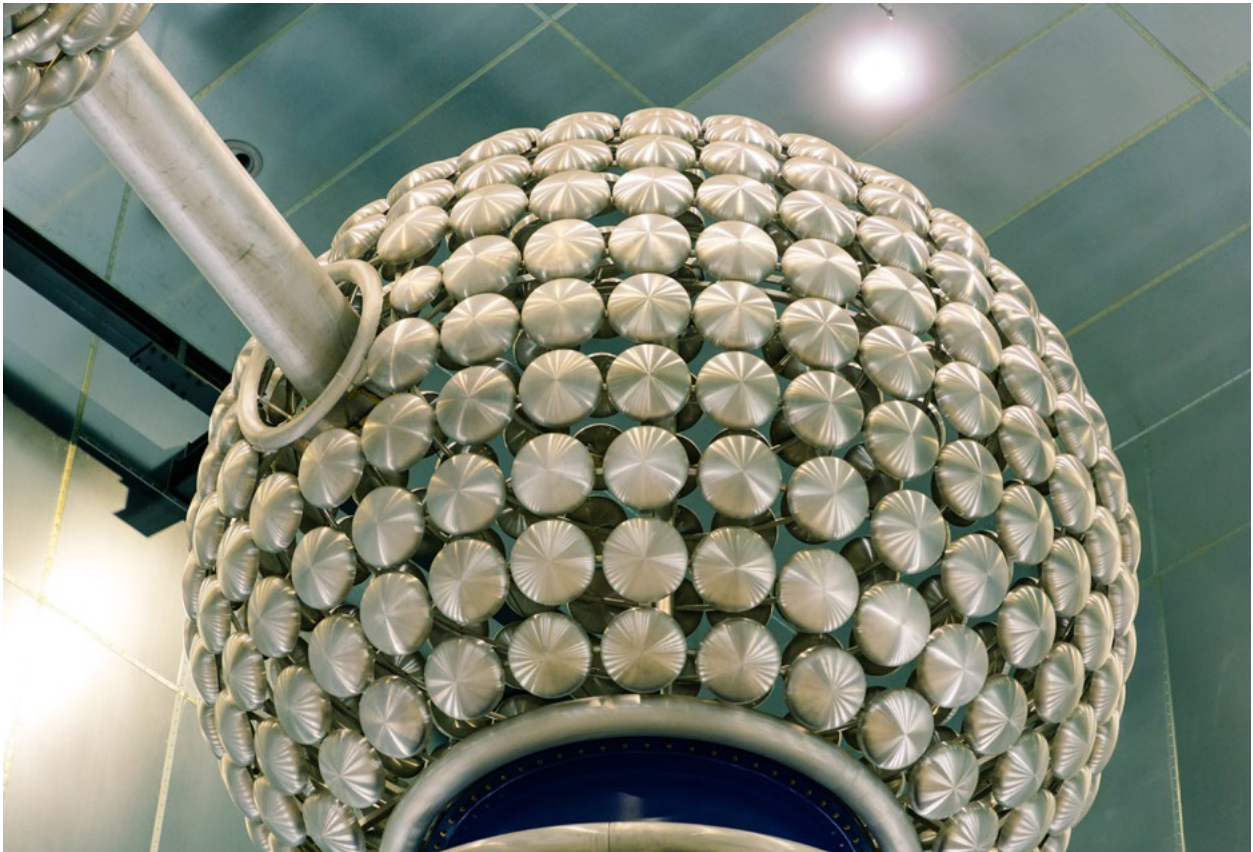
Management of the Terna Group's business will continue to be based on a sustainable approach and respect for ESG aspects, ensuring that it is able to minimise the environmental impact, involve local stakeholders and meet the need for integrity, responsibility and transparency.

In 2026, the Terna Group's expected financial highlights include revenue of €4.41 billion, EBITDA of €2.93 billion and Net profit at €1.12 billion. With specific reference to capital expenditure, the Group has a target of approximately €4.2 billion in 2026. The above objectives will be pursued whilst maintaining a commitment to maximising the cash generation necessary to ensure a sound, balanced financial structure.

Declaration

of the manager responsible for financial reporting pursuant in accordance with article 154-bis, paragraph 2, of Legislative Decree 58/1998

The manager responsible for financial reporting, Francesco Beccali, declares that, pursuant to article 154-bis, section 2, of the Consolidated Law on Finance, the information contained in this Consolidated interim financial report at 31 March 2026 is consistent with the underlying accounting records.





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Annexes

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Alternative Performance Measures (APMs)

In line with the ESMA/2015/1415 guideline, the Alternative Performance Measures used in this document are outlined below.

MEASURE	DESCRIPTION
GROUP PERFORMANCE	
Operating profit/(loss) - EBIT	an indicator of operating performance, representing the sum of Profit/(Loss) before tax and Net financial income/(expenses) .
Gross operating profit/(loss) - EBITDA	an indicator of operating performance, obtained by adding Amortisation, depreciation and impairment losses to the EBIT .
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 .
FINANCIAL RESULTS	
Net Working Capital	represents a balance sheet indicator that expresses the Company's liquidity position and is determined by the difference between current assets and current liabilities of a non-financial nature shown in the statement of financial position.
Gross Invested Capital	represents a balance sheet indicator that expresses the Group's total assets and is derived from the sum of Net non-current and Net Working Capital .
Net Invested Capital	determined by Gross Invested Capital net of Sundry provisions .
CASH FLOW	
Net debt	represents an indicator of the Group's financial structure and is determined as the result of current and non-current financial liabilities, short-term and long-term borrowings, current portions of long-term financial liabilities and related derivatives , net of cash and cash equivalents, current financial assets and non-current financial assets relating only to derivatives .
Free cash flow	represents cash flow and is the difference between cash flow from operating activities and cash flow from investing activities .

Other information

Additional information is presented below in accordance with specific statutory or industry requirements.

Treasury shares

At 31 March 2026, the Parent Company holds a total of 4,294,627 treasury shares (equal to 0.214% of the share capital).

The aforementioned total number of shares held by the Company is the sum of the purchases made in implementation of six separate Share buyback programmes to respectively service the:

- (i) 2020-2023 Performance Share Plan, in the period between 29 June 2020 and 6 August 2020;
- (ii) 2021-2025 Performance Share Plan, in the period between 31 May 2021 and 23 June 2021;
- (iii) 2022-2026 Performance Share Plan, in the period between 27 May 2022 and 9 June 2022;
- (iv) 2023-2027 Performance Share Plan, in the period between 22 June 2023 and 6 July 2023;
- (v) 2024-2028 Performance Share Plan, in the period between 4 September 2024 and 20 September 2024;
- (vi) 2025-2029 Performance Share Plan, in the period between 8 September 2025 and 16 September 2025⁸,

net of: (a) 1,079,860 treasury shares allocated by the Company in the period between 9 May 2023 and 1 June 2023 to the beneficiaries of the 2020-2023 Performance Share Plan and (b) 1,060,240 treasury shares allocated by the Company in the period between 10 May 2024 and 3 June 2024 to the beneficiaries of the 2021-2025 Performance Share Plan and (c) 917,720 treasury shares allocated by the Company between 21 May 2025 and 3 June 2025 to the beneficiaries of the 2022-2026 Performance Share Plan.

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

The Parent Company does not directly or indirectly hold any shares in CDP Reti S.p.A. or Cassa Depositi e Prestiti S.p.A., nor has it purchased or sold any such shares during the first quarter of 2026.

Related party transactions

For related party disclosure, reference should be made to the detailed information provided in the 2025 Annual Report.

Participation in the regulatory simplification process introduced by CONSOB Resolution no. 18079 of 20 January 2012

For information on the adherence to the CONSOB simplification process, please refer to the details in the 2025 Annual Report.

⁸ In this respect, see the press releases of 10 August 2020, 28 June 2021, 13 June 2022, 10 July 2023, 23 September 2024 and 22 September 2025 available at the following links:

https://download.terna.it/terna/2020.08.06_CS%20TERNA%20operazioni%20su%20azioni%20proprie%20CHIUSURA%20ENG_8d83d43b5fabf4d.pdf.

https://download.terna.it/terna/Terna_notification_share_buy_back_end_program_8d93a670d6933f8.pdf.

https://download.terna.it/terna/Terna_closing_programme_share_buy_back_8da4d59b6327fb0.pdf.

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https://download.terna.it/terna/Terna_closing_programme_share_buy_back_2024_8dcdc02c9b813eb.pdf.

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