CONSOLIDATE QUARTERLY REPORT

as at 30 September 2023

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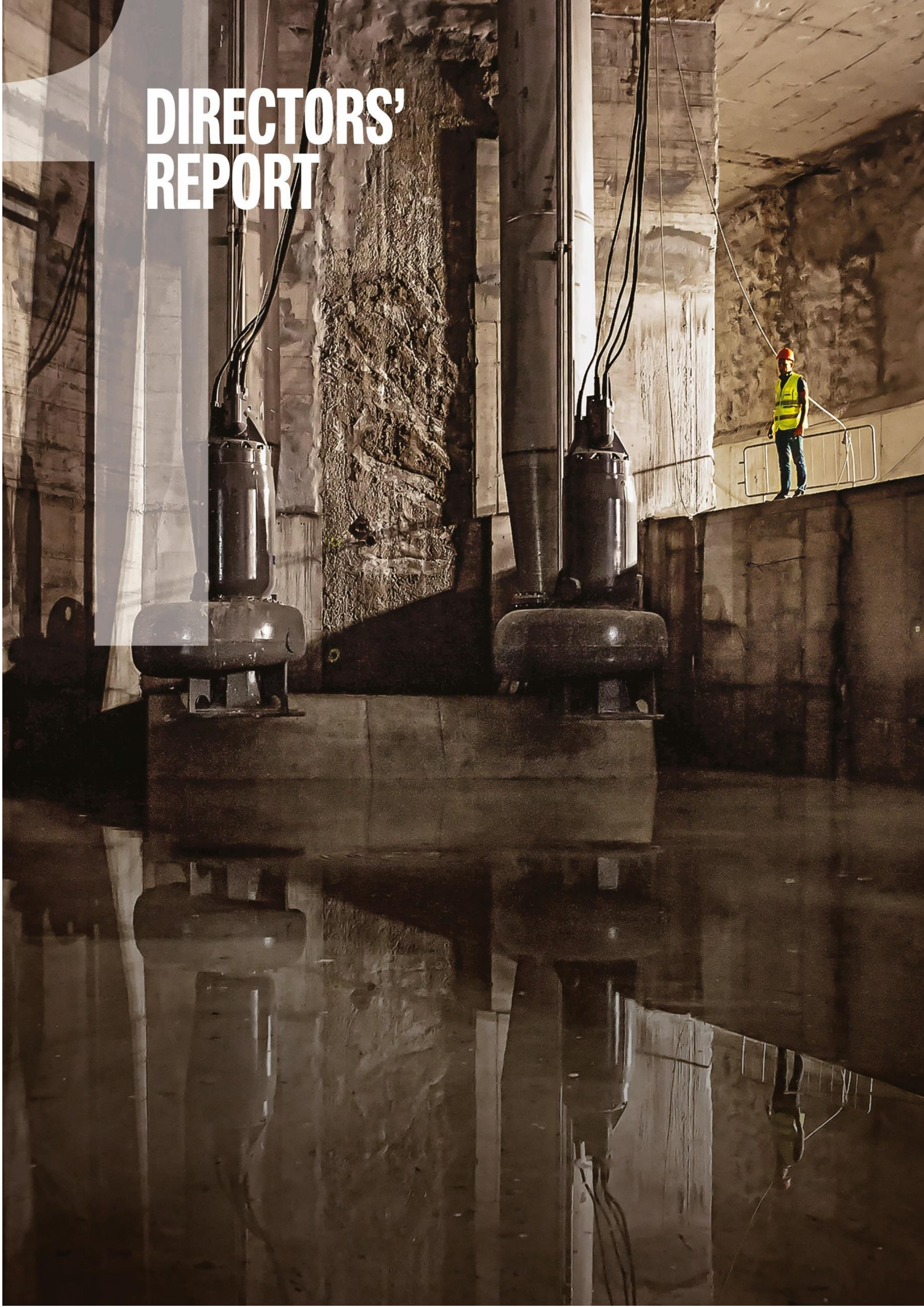
DIRECTORS' REPORT



1.01 TRENDS AND CONTEXTS

Global economic trends and forecasts

In the first nine months of 2023, the global economic context saw an overall deceleration, with regard to which some significant distinctions must be made. The resilience shown by the USA economy was contrasted by a clear slowdown in China's GDP, as a result of the real estate crisis and deflationary risks affecting this country. While the United States implemented restrictive monetary policies to curb price increases, China was forced to opt for supportive economic policies.
Globally, the expansion in the services sector weakened over the summer months and the downturn in the manufacturing cycle continued. Some weakness appeared in trade in goods, which continued to weigh on outlooks for international trade, and energy prices rose again, threatening policies designed to contain inflation. Lastly, geopolitical tensions, heightened by the recent conflict between Israel and Palestine, are now weighing on prospects for the global economic situation.

Focus on the Eurozone

In the Eurozone, the stagnation seen in GDP that started in late 2022 was confirmed, due to tighter conditions for financing and the effects of high inflation on household purchasing power. Manufacturing activity remained sluggish, services weakened and signs of a slowdown also emerged in the labour market.
In September, headline and core inflation fell to 4.3% and 4.5% respectively, following the interventions carried out in July and September by the ECB, which raised official interest rates by a total of 50 basis points. The ECB's September 2023 macroeconomic projections point towards an average inflation rate of 5.6% p in 2023, 3.2% in 2024 and 2.1% in 2025, and were thus revised upward for 2023 and 2024 and downward for 2025. The upward adjustment for 2023 and 2024 mainly reflects the sustained trend in energy prices. Considering the impact of tightened financing conditions on domestic demand and weak international trade, the ECB also significantly revised its projections for the euro area's economic growth downwards, to 0.7% in 2023, 1.0 in 2024 and 1.5 in 2025.

The current situation and the national economic outlook

According to the Bank of Italy's assessments, the current phase of weaker economic activity in Italy continued in the third quarter of 2023, concerning both manufacturing and services. The indicators confirmed the lack of vitality in domestic demand due to the tighter conditions for accessing credit, the erosion of household incomes due to inflation and the loss of vigour in the labour market. After the drop seen in recent months, consumer inflation rose slightly again in September, affected by rising fuel prices. Exports were affected by both weak global demand and economic activity in the euro area.
GDP is expected to grow by 0.7% this year, 0.8% in 2024 and 1.0% in 2025. This slight growth is due to the tightened financing conditions and weak international trade, while seeming to benefit from the effects of the NRRP measures and a gradual recovery in household purchasing power. Inflation is expected to fall to 2.4% in 2024 (from 6.1% in 2023) and 1.9% in 2025.

Ongoing trend towards a restrictive monetary policy

Given that the eurozone economy is poised between a high risk of a recession (with stagflation among the plausible scenarios) and the possibility of inflation remaining above the 2% target in the long term, the ECB decided at its September meeting to continue with an aggressive monetary policy and to proceed with a further increase of the three key rates by 25 basis points. The rate curve indicates short-term rates at 4%, with medium- and long-term rates at 3.4%. The ten-year BTP-Bund spread remains at around 200 basis points, due to ongoing uncertainty about Italy's growth prospects.

Energy sector: prices, consumption and demand

In the third quarter of 2023, even though energy prices remained well below the levels reached during the previous year, beginning in the summer months there was a rise in gas prices on the main hubs and electricity prices on the main exchanges in Europe, both influenced by the unstable geopolitical environment.
In the first nine months of 2023, the Day-Ahead Energy Market (MGP) saw prices drop by 60% compared to the same period in 2022. According to data compiled by the national grid transmission company (Terna), electricity consumption in the first nine months of the year showed a slight decrease compared to the same period of the previous year (-4%), going from 242.1 TWh to 232.5TWh. During the same period, 84.6% of demand was met by domestic production, down by 7% compared to the same period of 2022 and settling at 196.7 TWh, while the foreign balance stood at 35.7 TWh.

In the first nine months of 2023, net domestic production from renewables amounted to 38.1% of total net production, with a volume of 74.9 TWh, up compared to the 66.1 TWh produced in the same period of 2022. The amount of consumption met by renewables came to 32.2%, up from 27.3% in 2022, with increases in hydroelectric (+6.1 TWh), wind (+0.5 TWh) and photovoltaic (+2.2 TWh) production. Lastly, there was a considerable reduction in thermoelectric production, coming to -23.6 TWh.

The price index for natural gas at the Dutch hub (TTF), taken as a reference for European short-term spot market prices, showed a decrease in the first nine months of 2023 of 60% compared to the same period in 2022. The information made available by the national gas transmission network operator (Snam Rete Gas) for the same period also showed an 11.3% decrease in natural gas consumption compared to the same period one year earlier, going from 50.9 to 45.1 billion cubic metres. A drop was seen in all sectors: thermoelectric demand was the most penalised in absolute terms, standing at 15.8 billion cubic metres and down 17.9% compared to the same period of the previous year, followed by consumption in the civil sector, with volumes coming to 18.2 billion cubic metres and a 13.2% drop, while the most limited contraction was seen in the industrial sector, down 6.9% compared to the previous year and reaching volumes of 8.5 billion cubic metres.
During 2023, 95% of demand in terms of feed-in was met by imports (net of exports and storage requirements) and 5% by domestic production.

Changes in the regulatory framework

As far as regulatory aspects are concerned, the most important changes in the first nine months of 2023 include:

- the definition of criteria and modalities for abandoning the protected electricity service;
- Arera's provisions for removing the protected natural gas service;
- the introduction of general criteria and principles for the Regulation by Expenditure and Service Objectives valid for 2024-2031 and concerning regulated infrastructure services in the electricity and gas sectors;
- the Authority's guidelines for the infrastructural regulation of electricity distribution and metering services for the sixth regulatory period (2024-2027) concerning the criteria with which to apply the Regulation by Expenditure and Service Objectives (ROSS), economic-tariff regulation and output-based regulation;
- Arera's provisions on the new development plans for a selective model of investments in the electricity distribution network;
- Arera, executing the rulings issued by the Lombardy Regional Administrative Court in recent months concerning the appeals against Resolution 570/19, corrected the calculation errors relating to the determination of recognised operating costs and the X-Factor for the 2020-2025 regulatory period;
- the Authority's guidelines for defining the tariff method for the district heating service;
- the start of the procedure to determine the new water tariff method for the upcoming regulatory period (2024-2027);
- the Authority's guidelines on the new MTI-4 tariff method and updating technical service quality;
- the introduction of criteria for determining the efficient costs of sorted municipal waste collection, transport and sorting operations and the definition of technical and quality standards for disposal and recovery;
- the definition of a standard outline of a service contract between contracting authorities and municipal waste service operators;
- the two-year update (2024-25) of the waste tariff method (MTR-2).

As regards regulatory provisions, the main and most significant changes at 30 September 2023 are mentioned below.

Elimination of the protected electricity and gas services

As regards the elimination of the protected electricity service, the Mase intervened by approving the definition of the criteria and modalities for a conscious entry of household customers into the free electricity market (Ministerial Decree of 18 May 2023, no. 169). The most important points include the allocation of the graduated protection service by means of auctions only for non-vulnerable household customers, for a period not exceeding four years, as well as the establishment of an "opt-out" mechanism at the end of the service, already applicable for micro-enterprises. This mechanism foresees that household customers who at the end of the gradual protection service not have independently chosen a seller on the free market will be supplied by the seller of the outgoing service, at the most convenient market offer. For vulnerable customers, on the other hand, the protected service will continue to be applied until specific tariffs are adopted. The specific tariff regime will continue no later than 1 April 2027, the date from which the gradual protection service will also fulfil its function as a last resort for vulnerable customers.

On the basis of the guidelines set out in the aforementioned decree, Arera, in consultation document 212/2023/R/eel, developed proposals for assigning the gradual protection service for non-vulnerable household customers who find themselves without a supplier on the date of the elimination of the protected service. This proposal essentially takes the form of an assignment through a single-round sealed-bid auction model for all regional areas at the same time. Arera furthermore intends to establish a duration of three years for the allocation of the service (from 1 April 2024 to 31 March 2027).
With regard to the removal of the protected gas service, scheduled to take effect on 10 January 2024, Arera implemented the provisions of the "Aiuti bis" Decree (Decree Law No. 115 of 9 August 2022), setting out a path for the gradual elimination of this service (Resolution 100/2023/R/com). More specifically, this resolution introduces both the modalities for removing the protected gas service and identifying vulnerable customers as defined by the Decree.

Electricity and gas distribution

Following the consultation process launched in 2021, Arera approved, with Resolution 163/2023/R/com, the Integrated Text with Criteria and General Principles of the Regulation by Expenditure and Service Objectives ("ROSS") for 2024-2031 (TIROSS 2024-2031), which currently consists of general indications (Part I) and the general outline of the Ross method in its "basic" sense (Part II). The TIROSS including Part III, dedicated to the "integral" ROSS, is expected to be completed by the end of the year. The new regulation's objective is to efficiently target resources, eliminating the distortions of the current regulatory tools in the investment choices made by companies. The route towards the new method will start with the simplified version, the "basic" ROSS, which will be applied as of 2024 to electricity distribution operators and as of 2026 to gas distribution companies.
With regard to the infrastructural regulation of electricity distribution and metering services, with consultation documents 381/2023/R/com and 423/2023/R/eel, guidelines were proposed concerning the application criteria for the Regulation by Expenditure and Service Objectives (ROSS) and the infrastructural regulation of electricity distribution and metering services.
As regards electricity distribution, with resolution 296/2023/R/eel, new rules were defined, concerning distribution companies having more than 100,000 end customers, for drawing up Development Plans (PdS), which will become much more complex than in the past, with a view to developing new criteria for recognising costs. With regard to the gas distribution sector, Arera, with resolution 409/2023/R/GAS, corrected the calculation errors relating to defining recognised operating costs and the X-Factor for the 2020-2025 regulatory period, in execution of the rulings issued by the Lombardy Regional Administrative Court in recent months related to resolution 570/19.

District heating service

Consultation document 388/2023/R/tlr illustrates the Authority's guidelines for defining the tariff method applicable to the district heating service. More specifically, it describes the transitional methodology proposed by the Authority for the first implementation of the provisions set forth in Article 10, paragraph 17, letter e) of Legislative Decree No. 102 of 4 July 2014, in order to allow the introduction of a regulated tariff system as early as the 2023-2024 thermal year.

Integrated water service

Concerning the integrated water service, Arera, with Resolution 64/2023/R/idr, initiated the procedure for revising the tariff method valid from 2024 until 2027 (so-called MTI-4) and published at the same time the amount of the average sector cost for recognising the expenses incurred for the procurement of electricity in 2022 (coming to 285 €/MWh). This was followed by a consultation in which Arera expressed its own guidelines regarding the new MTI-4 tariff method for determining the tariff of the integrated water service and updating the technical quality of the service (consultation document no. 442/2023/R/idr). This document illustrated some guidelines for the future regulatory framework (effective as of 2024), postponing the completion and refinement of the proposals to a second consultation, which will presumably take place between November and December 2023.

Integrated waste cycle

With regard to the integrated waste cycle, three main interventions by the Authority should be mentioned: resolution 387/2023/R/rif, which introduces monitoring and transparency obligations concerning the efficiency of sorted waste collection and municipal waste treatment plants; resolution 385/2023/R/rif, which defines a standard outline for the service contract for regulating relations between the institutions entrusting the service and urban waste service managers; and resolution 389/2023/R/rif, which regulates the two-year update for 2024-2025 of the reference tariff entries and access tariffs for "minimum plants", including a series of adjustments to the MTR-2 tariff method.

1.02 OVERVIEW OF OPERATING AND FINANCIAL TRENDS AND DEFINITION OF ALTERNATIVE PERFORMANCE MEASURES

Alternative performance measures (APMs)

The Hera Group uses alternative performance measures (APMs) to convey as effectively as possible information concerning trends in the profitability of the businesses in which it operates, as well as its equity and financial situation. In accordance with the guidelines published on 4 March 2021 by the European securities and markets authority and in keeping with the provisions of Consob communication no. 5/21 of 29 April 2021, the content of and the criteria used in defining the APMs used in this financial statement, if present, are explained below. Any operating, financial and fiscal special items are described below, as are any adjustments related to operations (operational adjustments) considered to be useful in understanding the results.

The Hera Group determines its operating indicators for the reporting period by classifying as special items any significant components of income that: (i) derive from non-recurring events or transactions, or any transactions or events that are not frequently repeated during the usual course of business; (ii) derive from events or transactions that do not represent normal business activities. At the same time, certain accounting items are adjusted using a management valuation criterion, if and when the latter facilitates the analysis of certain specific business trends. In light of the fact that the operational adjustments referred to above have an impact on the balance sheet, their effects are provided as an adjustment of the financial indicators described below.
The indicators illustrated below are used as financial targets in internal presentations (business plans) and in external documents (for analysts and investors). They provide useful measures for assessing the Group's operating performance (as a whole and within each business unit), including comparisons between the reporting period in question and previous periods as regards operating profitability.

The operational adjustments indicated in the calculation of the single APMs are described, if present, in a specific table provided in the section below entitled "Special items and operational adjustments / balance sheet reconciliation", as are any operating, financial and fiscal special items.

Operating APMs and investments

Ebitda is calculated as the sum of the operating income shown in the balance sheets and depreciation, amortization and write-downs.
Adjusted Ebitda (hereinafter referred to as Ebitda*) is calculated based on Ebitda, as described above, adding or subtracting operational adjustments.
Ebit is calculated by subtracting operating costs from operating revenues. Among operating costs, special operating items are deducted from amortisations and provisions.
Adjusted Ebit is calculated based on Ebit, as described above, adding or subtracting any operational adjustments.
Adjusted pre-tax results are calculated by subtracting the financial operations shown in the balance sheets from adjusted Ebit, as described above, net of any special financial items.
Adjusted net results are calculated by subtracting from adjusted pre-tax results, as described above, the taxes shown in the balance sheets minus special fiscal items and the fiscal effect of any operational adjustments.
Results from special items (if present in the current report) are aimed at drawing attention to the result of the special item entries.
Adjusted net profit is calculated by adding the result from special items to the adjusted net result, as described above. This indicator therefore includes any operational adjustments used to bring certain accounting valuation items back into line with operational criteria.
Adjusted Ebitda on revenues, adjusted Ebit on revenues and adjusted net profit on revenues measure the Group's operating performance through a proportion, expressed as a percentage, of adjusted Ebitda, adjusted Ebit and adjusted net profit divided by the amount of revenues.
Net investments are calculated as the sum of investments in tangible fixed assets, intangible assets and equity investments net of capital grants.

Financial APMs

Adjusted net non-current assets are calculated as the sum of: tangible fixed assets; intangible assets and goodwill; equity investments; deferred tax assets and liabilities (including operational adjustments).
Adjusted net working capital is made up of the sum of: inventories (adjusted to reflect the different operational value of gas storage); trade receivables and payables; current tax receivables and payables; other assets and other current liabilities; the current portion of assets and liabilities for financial derivatives on commodities.
Provisions includes the sum of the items "employee severance indemnities and other benefits" and "provisions for risks and charges".
Adjusted net invested capital is defined by calculating the sum of "adjusted net fixed assets", "adjusted net working capital" and "provisions".
Adjusted net equity is obtained by adding the economic effects of operational adjustments applied to gas storage, net of deferred taxes, to the equity that appears in the balance sheets.
Net financial debt (at times referred to below as **Net debt**) is a measure of the company's financial structure determined in accordance with ESMA guidelines 32-382-1138, adding the value of non-current financial assets. This measure is therefore calculated by adding together the following items: current and non-current financial assets; cash and cash equivalents; current and non-current financial liabilities; current and non-current portions of assets and liabilities for derivative financial instruments on interest and exchange rates.
Adjusted sources of financing are obtained by adding "net financial debt" and "adjusted net equity".

The Hera Group's APMs are provided in the following table:

Operating APMs and investments (mn€)	Sept-23	Sept-22	Abs. change	% change
Revenues	**10,955.0**	**14,320.1**	**(3,365.1)**	**(23.5)%**
Adjusted Ebitda	**1,006.8**	**874.8**	**132.0**	**+15.1%**
Adjusted Ebitda/revenues	9.2%	6.1%	+3.1 p.p.	0.0%
Adjusted Ebit	**504.6**	**437.0**	**67.6**	**+15.5%**
Adjusted Ebit/revenues	4.6%	3.1%	+1.5 p.p.	0.0%
Adjusted net profit	**267.1**	**248.4**	**18.7**	**+7.5%**
Adjusted net profit/revenues	2.4%	1.7%	+0.7 p.p.	0.0%
Net investments	**515.9**	**446.1**	**69.8**	**+15.6%**

Financial APMs (mn€)	Sept-23	Dec-22	Abs. change	% change
Adjusted net non-current assets	7,887.8	7,522.3	365.5	+4.9%
Adjusted net working capital	517.1	1,096.0	(578.9)	(52.8)%
Provisions	(677.8)	(657.6)	(20.2)	+3.1%
Net invested capital	7,727.1	7,960.7	(233.6)	(2.9)%
Net debt	**(4,148.9)**	**(4,249.8)**	**100.9**	**(2.4)%**

Special items and operational adjustments / IFRS balance sheet reconciliation

As described in detail in the Consolidated financial report at 31 December 2022, which may be consulted for a complete discussion, starting from the second half of 2022, and as a supplement to the statements drafted in accordance with IFRS standards, the Group's management held it appropriate to present the results by valuing the natural gas inventories according to an operational criterion, in order to provide a representation that is consistent with the market context, which showed significant and sudden changes in prices with respect to previous trends.
At the end of the first quarter of 2023, at the end of winter and as a result of the sale of the expected flows, the previous valuation differential was fully recovered. Therefore, this had an effect on the change in inventories recorded in the income statement, but not on the value of inventories recorded in the balance sheet. The following period of injection, which began in the second half of March, was also

subject to a double valuation process, consistent with the approach used during the previous year. From an accounting point of view, in particular, all gas deliveries made during the injection period (March – September) were considered according to a calculation of the average carrying cost, regardless of their destination, while from an operational point of view, only the procurement flows identified as having the purpose of injection into storage were considered. On the basis of this operational valuation, and as part of the balanced management of its portfolio, the Group introduced the appropriate hedges, corresponding to the withdrawals planned for the winter.

The combined effect of decreasing prices and the timespan required for filling resulted in an accounting valuation that was higher than the operational valuation, since purchases that from an operational point of view are intended for sale to end customers also had to be taken into account in the balance sheets. This means that the book value at 30 September 2023 was higher than the net sale value, identified in the operational valuation that represents the basis for the hedges mentioned above. Consequently, an impairment was introduced and recorded in the income statement.

The following table provides a reconciliation between the income statement referred to in the remarks on operations and the consolidated income statement drafted pursuant to accounting standards.

	Sept-23			Sept-22		
mn€	Published statement	Operational adjustments	Operations statement	Published statement	Operational adjustments	Operations statement
Revenues	10,955.0		10,955.0	14,320.1		14,320.1
Other operating revenues	441.4		441.4	345.3		345.3
Raw and other materials	(7,387.9)	(93.0)	(7,480.9)	(11,794.6)	152.1	(11,642.5)
Service costs	(2,421.9)		(2,421.9)	(1,693.9)		(1,693.9)
Personnel costs	(477.6)		(477.6)	(449.8)		(449.8)
Other operating expenses	(58.2)		(58.2)	(56.6)		(56.6)
Capitalised costs	49.0		49.0	52.2		52.2
Ebitda	**1,099.8**	**(93.0)**	**1,006.8***	**722.7**	**152.1**	**874.8***
Amortization, depreciation and provisions	(502.2)		(502.2)	(437.8)		(437.8)
Ebit	**597.6**	**(93.0)**	**504.6***	**284.9**	**152.1**	**437.0***
Financial operations	(139.7)		(139.7)	(89.5)		(89.5)
Pre-tax result	**457.9**	**(93.0)**	**364.9***	**195.4**	**152.1**	**347.5***
Taxes	(124.6)	26.8	(97.8)	(55.7)	(43.4)	(99.1)
Net result	**333.3**	**(66.2)**	**267.1***	**139.7**	**108.7**	**248.4***
Result from special items						
Net profit	**333.3**	**(66.2)**	**267.1***	**139.7**	**108.7**	**248.4***
Attributable to:						
Parent company shareholders, adjusted	301.7	(66.2)	235.5*	105.4	108.7	214.1*
non-controlling interests	31.6		31.6	34.3		34.3

* Adjusted results, as described above

The table below shows the impact on the balance sheet of the operational adjustments made to gas storage:

mn€	Sept-23 Published values	Sept-23 Operational adjustments	Sept-23 Operational values	Dec-22 Published values	Dec-22 Operational adjustments	Dec-22 Operational values
Net non-current assets	7,887.8	-	7,887.8*	7,549.1	(26.8)	7,522.3*
Net working capital	517.1	-	517.1*	1,003.0	93.0	1,096.0*
Provisions	(677.8)	-	(677.8)	(657.6)		(657.6)
Net invested capital	**7,727.1**	**-**	**7,727.1***	**7,894.5**	**66.2**	**7,960.7***
Equity	(3,578.2)	-	(3,578.2)*	(3,644.7)	(66.2)	(3,710.9)*
Net debt	(4,148.9)	-	(4,148.9)	(4,249.8)		(4,249.8)
Total sources of financing	**(7,727.1)**	**-**	**(7,727.1)***	**(7,894.5)**	**(66.2)**	**(7,960.7)***

* Adjusted results, as described above

For 2022, as illustrated above, the value of stored gas was adjusted by 93 million euro, leading to a negative tax effect coming to 26.8 million euro and, consequently, a positive impact on equity amounting to 66.2 million euro.

1.02.01 Operating results and investments

Operating results and investments rise

The first nine months of 2023 closed for the Hera Group with improved operating results and investments compared to the previous year. Adjusted Ebitda amounted to 1,006.8 million euro, up 15.1%, while adjusted Ebit was up 15.5% and adjusted net profit rose by 7.5%. As regards investments as well, significant growth was seen compared to September 2022, amounting to 15.6% and reflecting the Group's ongoing focus on growth, valorising and strengthening the resilience of the assets under management.

The results for the first nine months of 2023 must be considered within an external scenario that showed less volatility in energy commodity prices, bringing the Hera Group back to operating in a more stable market environment. The Group's performance is still driven by its multi-business strategy, balanced between regulated and free-market activities, with a focus on sustainability and the circular economy. The Hera Group pursues this model both through internal growth and the opportunities offered by the market for external development.

With respect to September 2022, note that an important company was integrated into the Hera Group's waste management area. Herambiente Servizi Industriali Srl acquired 60% of A.C.R. di Reggiani Albertino Spa, which operates in the remediation sector, offering industrial waste treatment, decommissioning of industrial plants and civil works related to oil & gas.

Also worth mentioning are the acquisition by Hera Comm Spa of 60% of F.lli Franchini Srl, a company based in Rimini that operates in the sector of thermo-hydraulic and electrical system installations and photovoltaic solutions for business customers, and the acquisition by Acantho Spa of 36.8% of the company Asco Tlc Spa, a company operating in the provision of ICT services mainly to companies and public administrations. Furthermore, the third quarter saw the acquisition of the entire shareholding of the company Tiepolo Srl, which will construct and manage a photovoltaic solar park. These transactions have not yet produced any economic effects.

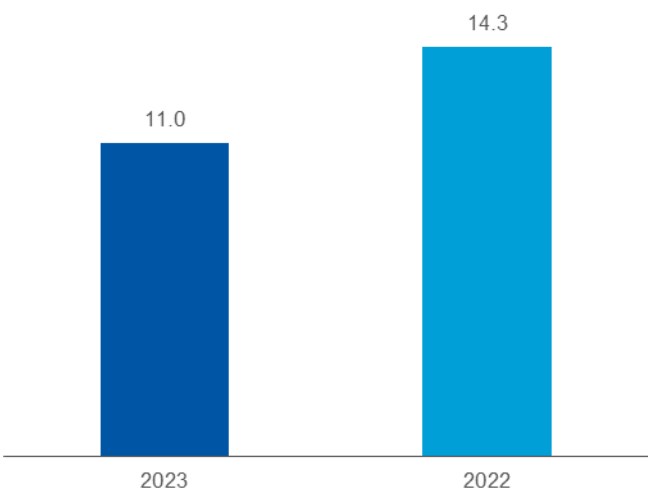
Also note that Hera Comm Spa was awarded two of the nine lots of the safeguarded service for 2023 and 2024, one lot more than in the previous two-year period, and one of the twelve lots of the gradual safeguarded service for supplying electricity to micro-businesses for the period from 1 April 2023 to 31 March 2027. More detailed information on this issue is provided in paragraph 1.04.02.

The following table shows operating results at 30 September 2023 and 2022:

Income statement (mn€)	Sept-23	% inc.	Sept-22	% inc.	Abs. change	% change
Revenues	10,955.0	0.0%	14,320.1	0.0%	(3,365.1)	(23.5)%
Other operating revenues	441.4	4.0%	345.3	2.4%	96.1	27.8%
Raw and other materials	(7,480.9)	(68.3)%	(11,642.5)	(81.3)%	(4,161.6)	(35.7)%
Service costs	(2,421.9)	(22.1)%	(1,693.9)	(11.8)%	728.0	43.0%
Other operating expenses	(58.2)	(0.5)%	(56.6)	(0.4)%	1.6	2.8%
Personnel costs	(477.6)	(4.4)%	(449.8)	(3.1)%	27.8	6.2%
Capitalised costs	49.0	0.4%	52.2	0.4%	(3.2)	(6.1)%
Ebitda*	**1,006.8**	**9.2%**	**874.8**	**6.1%**	**132.0**	**15.1%**
Amortization, depreciation and provisions	(502.2)	(4.6)%	(437.8)	(3.1)%	64.4	14.7%
Ebit*	**504.6**	**4.6%**	**437.0**	**3.1%**	**67.6**	**15.5%**
Financial operations	(139.7)	(1.3)%	(89.5)	(0.6)%	50.2	56.1%
Pre-tax result*	**364.9**	**3.3%**	**347.5**	**2.4%**	**17.4**	**5.0%**
Taxes	(97.8)	(0.9)%	(99.1)	(0.7)%	(1.3)	(1.3)%
Net result*	**267.1**	**2.4%**	**248.4**	**1.7%**	**18.7**	**7.5%**
Attributable to:						
Parent company shareholders	**235.5**	**2.2%**	**214.1**	**1.5%**	**21,4**	**10,0%**
Minority shareholders	31.6	0.3%	34.3	0.2%	(2,7)	(7,9)%

* Adjusted results, as described in paragraph 1.02

REVENUES (bn€)



11.0
billion euro
revenues
(-23.5%)

Revenues in September 2023 were down by 3,365.1 million euro compared to the same period in 2022. The energy segments showed a drop coming to 3,631 million euro, mainly due to lower energy commodity prices and lower gas volumes resulting from lower trading activities and the mild weather seen in the first part of the year. This decrease was partially offset by the higher volumes of electricity sold, thanks to commercial development initiatives, Consip tenders and the protected and gradual protection service lots awarded, as mentioned above.

In addition, growth occurred in revenues for energy services, as an effect of energy efficiency incentives for residential buildings (insulation bonus and 110% super-bonus), as did the increased activities involving value-added services for customers. As a whole, these factors amounted to roughly 276 million euro.

Lastly, revenues in the waste management sector added 73 million euro to the growth seen, attributable in particular to the acquisition made in the industry market.

For further details, see the analyses of each individual business area in paragraph 1.04.

Other operating revenues in September 2023 rose by 96.1 million euro compared to the same period in 2022. Note the higher revenues for orders on assets under concession and for energy efficiency certificates.

Raw material costs linked to the trend in revenues

Costs for raw and other materials decreased by 4,161.6 million euro compared to September 2022, mainly due to the trend in energy revenues linked to the decrease in energy raw material prices, caused by the more stable markets seen during this past year.

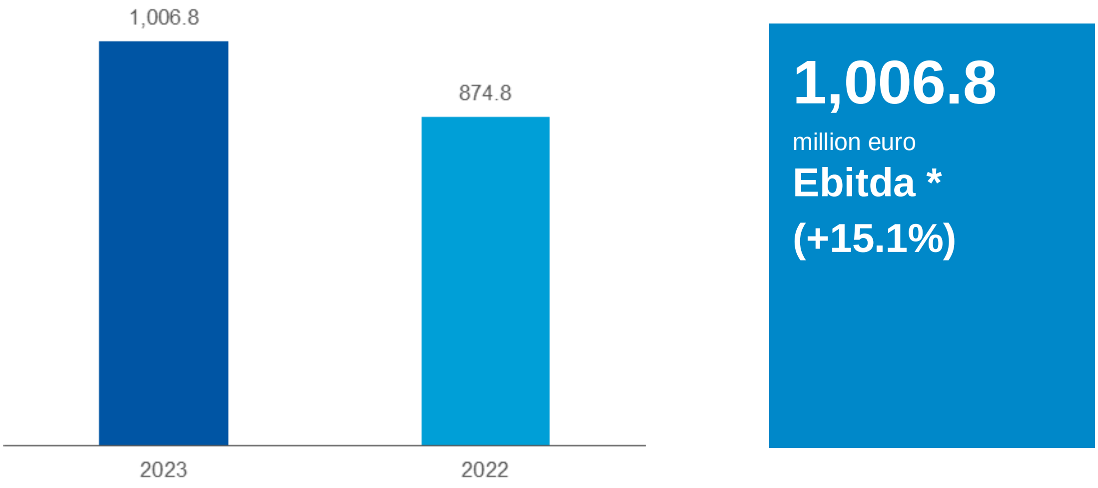
Other operating costs increased by 729.6 million euro (with higher service costs coming to 728.0 million and higher operating expenses amounting to 1.6 million euro). Overall, costs for higher works in energy services, for energy efficiency and value-added services, amounted to roughly 239.0 million euro, in addition to higher waste collection and treatment costs totalling approximately 95 million euro, mainly due to corporate acquisitions, increased transport costs and increased activities in developing new sorted waste projects.
In addition, higher gas transport and storage costs and system charges were seen. The latter, which had been eliminated to face the energy crisis, have been fully reinstated, as indicated in paragraphs 1.04.01 and 1.04.02.

+1.7% personnel cost excluding changes in scope of operations

Personnel costs increased by 6.2% compared to September 2022, amounting to 27.8 million euro. Of this increase, 20.0 million euro is related to the change in the scope of consolidation caused by the corporate acquisition described above. Not including this event, the increase in personnel costs came to only 1.7%, involving salary increases provided for in the national collective labour agreement.

Capitalised costs decreased by 3.2 million euro, due to lower investments on Group-owned assets.

EBITDA * (mn€)

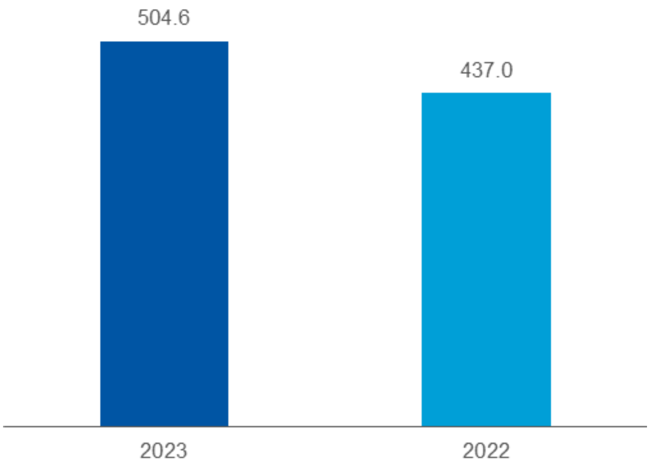


Adjusted Ebitda increased by 132.0 million euro compared to September 2022, up 15.1%. This performance is due to the overall contribution coming from the energy areas, amounting to 111.8 million euro, the good performance seen in the waste management area, up 11.8 million euro, and the contribution coming from the water cycle area, coming to 3.5 million euro, and the other services area, amounting to 4.8 million euro.

For further details, see the analyses of each individual business areas.

Depreciation, amortisation and provisions at 30 September 2023 increased by 64.4 million euro compared to the previous year, up 14.7%. The higher depreciation and amortisation mainly involved new operating investments, increased activities for the acquisition of new customers and changes in the scope of consolidation resulting from the transaction involving ACR, as mentioned above.
Allocations to the provision for bad debts also increased overall, mainly due to the effect of the increase in gas and electricity volumes in the last resort gas and safeguarded markets.

EBIT * (mn€)



Adjusted Ebit amounted to 504.6 million euro, up 15.5% compared to 2022, an increase exceeding the one seen in adjusted Ebitda. Depreciation, amortisation and provisions, as described above, in fact rose to a lesser degree than the increase in Ebitda*.

Financial operations increase

Financial operations rose by 50.2 million euro, mainly due to the significant change in interest rates, which led to a considerable increase in the cost of money compared to the same period in 2022, and to the Group's greater average funding and flexibility requirements in an energy price scenario that has not yet fully stabilised. Thanks to the funding activity carried out in 2022 and the liability management operations in the early months of 2023, the financial structure is now stronger and optimised to protect the Group from potential liquidity risks and to guarantee operations and a significant amount of investments.

The adjusted pre-tax result showed growth coming to 5.0% compared to September 2022. The increase in Ebit was only partially offset by the trend seen in financial operations, as described above.

Tax rate at 26.8%

Taxes for the first nine months of the year amounted to 97.8 million euro, down from the 99.1 million euro seen in the same period of 2022. The tax rate, which came to 26.8%, was down from the 28.5% recorded in the previous year, due to the recognition of benefits arising from the redemption of the higher amounts arising from the acquisition of Con Energia Spa, as well as the tax credits recognised for the purchase of electricity and gas, pursuant to Legislative Decree 4/2022 and subsequent measures, which are not relevant for tax purposes. When comparing the two periods, it should also be noted that the taxes accrued for the first nine months of 2022 include the extraordinary contribution against high utility bills amounting to 2.3 million euro.

+7.5% net profit *

As a result of all the events described above, adjusted net profit increased by 18.7 million euro compared to the amount seen in September 2022.

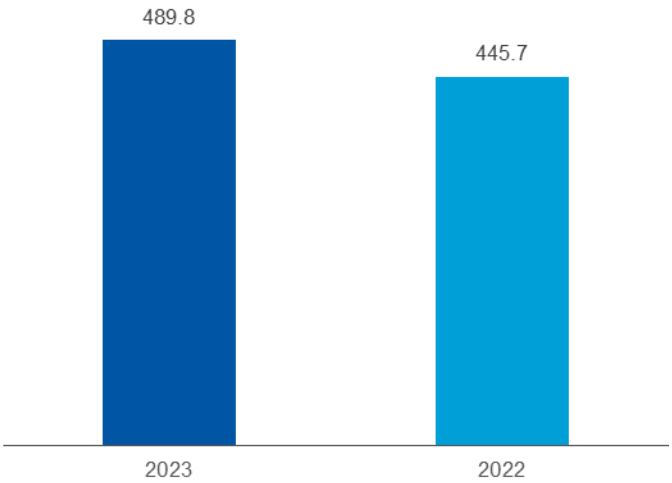
Net investments increase to 515.9 million euro

As of the third quarter of 2023, the Group's net investments amounted to 515.9 million euro, up 69.8 million euro compared to the same period one year earlier.
This amount also includes financial investments coming to 26.1 million euro, involving investments in the companies F.lli Franchini Srl, with 9.0 million euro (60% of the shareholding), Asco Tlc Spa, with 14.9 million euro (36.8% of the shareholding), and Tiepolo Srl, with 2.2 million euro. The first two companies operate in the photovoltaic plant installation and ICT services sectors respectively, while Tiepolo Srl, which will construct and manage a photovoltaic solar park in Bondeno (FE), is not yet operational.
Capital grants amounted to 24.2 million euro, of which 14.2 million came from FoNI investments, as foreseen by the tariff method for the integrated water service. Net operating investments amounted to 489.8 million euro, up 44.1 million euro on the previous year.

The following table provides a breakdown by business area, with separate mention of capital grants:

Total investments (mn€)	Sept-23	Sept-22	Abs. change	% change
Gas area	138.1	105.2	32.9	+31.3%
Electricity area	81.3	53.0	28.3	+53.4%
Integrated water cycle area	142.0	149.4	(7.4)	(5.0)%
Waste management area	83.7	96.9	(13.2)	(13.6)%
Other services area	7.4	7.2	0.2	+2.8%
Headquarters	61.5	51.6	9.9	+19.2%
Total gross operating investments	**514.0**	**463.3**	**50.7**	**+10.9%**
Capital grants	24.2	17.6	6.6	+37.5%
of which FoNi (New Investments Fund)	14.2	12.9	1.3	+10.1%
Total net operating investments	**489.8**	**445.7**	**44.1**	**+9.9%**
Financial investments	26.1	0.5	25.6	+5,120.0%
Total net investments	**515.9**	**446.1**	**69.8**	**+15.6%**

TOTAL NET OPERATING INVESTMENTS (mn€)



489.8
million euro
net operating investments (+44.1 mn€)

Including capital grants, the Group's operating investments amounted to 514 million euro, up 50.7 million euro compared to the previous year, and mainly involved works on plants, networks and infrastructures. In addition to these, regulatory adjustments mainly concerned gas distribution, with a large-scale meter replacement, and the purification and sewerage area.
Comments on investments in the individual areas are provided in the analyses by business area.

At Group headquarters, investments concerned interventions on corporate buildings, IT systems and the vehicle fleet, as well as laboratories and remote control structures.
Overall, investments in structures amounted to 61.5 million euro, up 9.9 million euro on the previous year, mainly due to renewals in the company's fleets.

1.02.02 Financial structure and adjusted net debt

What follows in an analysis of trends in the Group's net invested capital and sources of financing at 30 September 2023.

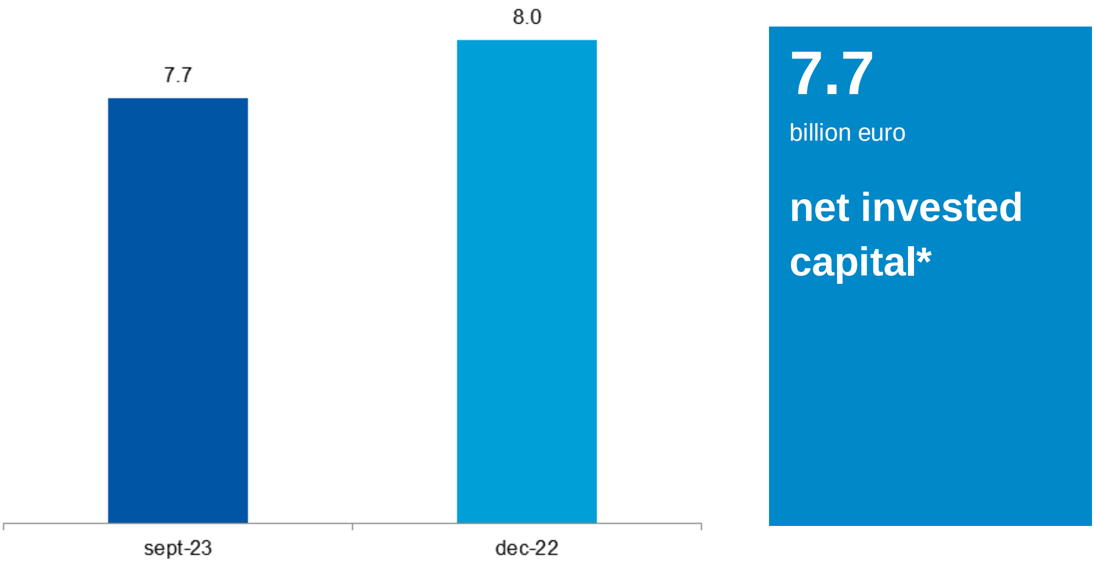
Invested capital and sources of financing (mn€)	Sept-23	% inc.	Dec-22	% inc.	Abs. change	% change
Net non-current assets*	7,887.8	+102.1%	7,522.3	+94.5%	365.5	+4.9%
Net working capital*	517.1	+6.7%	1,096.0	+13.8%	(578.9)	(52.8)%
(Provisions)	(677.8)	(8.8)%	(657.6)	(8.3)%	(20.2)	(3.1)%
Net invested capital*	**7,727.1**	**+100.0%**	**7,960.7**	**+100.0%**	**(233.6)**	**(2.9)%**
Equity*	(3,578.2)	+46.3%	(3,710.9)	+46.6%	132.7	+3.6%
Long-term borrowings	(4,492.1)	+58.1%	(5,598.5)	+70.3%	1,106.4	+19.8%
Net current financial debt	343.2	(4.4)%	1,348.7	(16.9)%	(1,005,5)	(74.6)%
Net debt	(4,148.9)	+53.7%	(4,249.8)	+53.4%	100.9	+2.4%
Total sources of financing*	**(7,727.1)**	**(100.0)%**	**(7,960.7)**	**+100.0%**	**233.6**	**+2.9%**

* Adjusted results, as described in the section on Alternative Performance Measures (APMs)

Group solidity confirmed

Net invested capital* (NIC), which amounted to 7,727.1 million euro, decreased compared to 31 December 2022, due to the positive trend in net working capital mainly resulting from a reduction in the value of gas inventories coming to 161.4 million euro and the fall in energy prices. The increase in net non-current assets was due to the investments made (net of depreciation and amortisation) and the corporate transactions carried out during the period, above all the acquisition of 60% of A.C.R. Spa, operating in the waste management sector, and 60% of the Rimini-based company F.lli Franchini Srl, a leader in technological plants and renewable energy.

NET INVESTED CAPITAL* (bn€)



677.8 million provisions

At September 2023, provisions amounted to 677.8 million euro, up from the previous year-end. This result is a consequence of provisions for the period and adjustments of the post-mortem provisions for landfills and restoration of third-party assets, which more than offset the outflows for utilisations.

3.6 billion equity *

Equity* decreased from 3,710.9 million euro in 2022 to 3,578.2 million euro in 2023, mainly due to a reduction of reserves for cash flow hedge derivatives. The Group's solidity was strengthened by the positive net result coming from operations in the first nine months of 2023, amounting to 267.1 million euro, which more than offset the effect of the dividends paid, totalling 216.7 million euro.

An analysis of adjusted net financial debt is shown in the following table:

mn€		30 Sept. 23	31 Dec. 22
A	Cash	1,118.9	1,942.4
B	Cash equivalents	-	-
C	Other current financial assets	117.6	77.7
D	**Liquidity (A+B+C)**	**1,236.5**	**2,020.1**
E	Current financial debt	(360.2)	(563.0)
F	Current portion of non-current financial debt	(518.8)	(108.4)
G	**Current financial indebtedness (E+F)**	**(879.0)**	**(671.4)**
H	**Net current financial indebtedness (G+D)**	**357.5**	**1,348.7**
I	Non-current financial debt	(722.7)	(1,997.0)
J	Debt instruments	(3,384.3)	(3,197.3)
K	Non-current trade and other payables	-	-
L	**Non-current financial indebtedness (I+J+K)**	**(4,107.0)**	**(5,194.3)**
M	**Total financial indebtedness (H+L)**	**(3,749.5)**	**(3,845.6)**
	Non-current financial receivables	146.9	151.8
	Net financial debt (excluding put option)	**(3,602.6)**	**(3,693.8)**
	Nominal amount - fair value put option	(485.2)	(475.9)
	Net financial debt with adjusted put option	**(4,087.8)**	**(4,169.7)**
	Portion of future dividends - fair value put option	(61.2)	(80.1)
	Net financial debt (Net debt)	**(4,148.9)**	**(4,249.8)**

The total value of net financial debt came to 4,148.9 million euro, down roughly 100.9 million euro compared to the previous year.

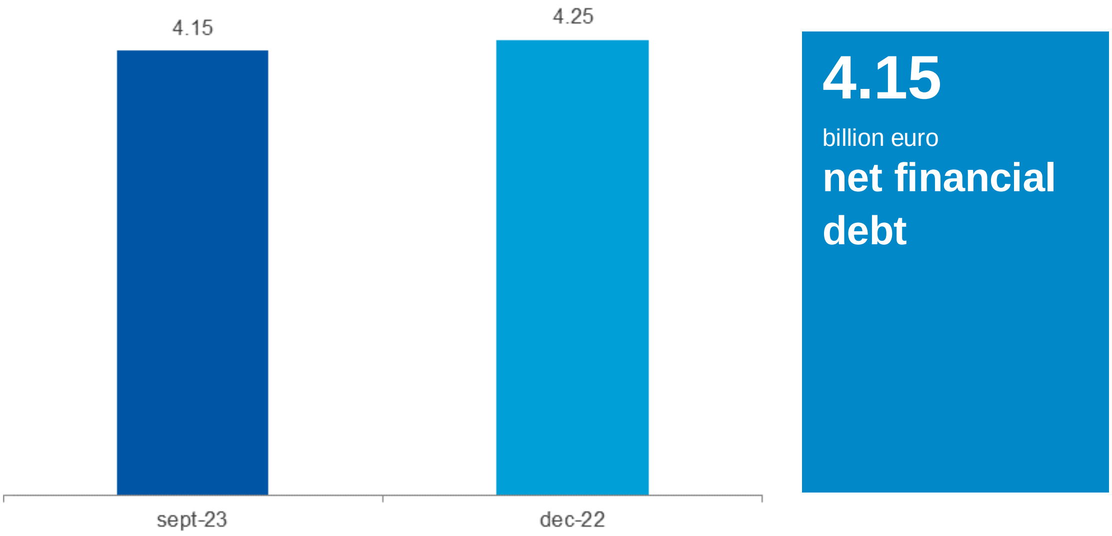
The financial structure showed current financial indebtedness coming to 879 million euro, of which 86.4 million was due to banks, referring to drawdowns on current account lines amounting to roughly 32.4 million euro and accrued interest on loans totalling 54.0 million euro.
The current portion of debt to other lenders amounted to 267.8 million euro, including 62.6 million euro for the daily settlement of the fair value of commodity derivatives, and 29.7 million euro referring to the advances disbursed by CSEA following the May 2023 flood events.
As regards the current portion of non-current financial debt, 518.8 million euro refers to the portion of medium- and long-term bank loans maturing within the year, of which 438 million euro were related to bond repayments (149.8 million euro for the Aflac Bond and 288.3 million euro remaining for the Green Bond maturing in 2024). This also included 20.3 million euro in current debt for leasing contracts.

Non-current financial indebtedness decreased by 1,087.3 million euro compared to the previous year, thanks to the repayment of 1,250 million euro in financing against a new 600 million euro bond finalised in April 2023 (Sustainability-Linked Bond) and the reclassification of 438 million euro of maturing bonds to short-term debt.

Cash and cash equivalents fell from 1,942.4 million euro in 2022 to 1,118.9 million euro at 30 September 2023, due to cashflow from operations and debt transactions.

At 30 September 2023, 83% of medium-/long-term debt consisted in bonds with repayment at maturity. Total medium-/long-term debt, of which 93% was at fixed rates, had an average residual maturity coming to approximately five years and four months, and 46.6% of the debt had a maturity of more than five years.

NET FINANCIAL DEBT (bn€)



1.02.03 May 2023 flood events

The flood that struck a significant part of Emilia-Romagna from 1-3 May and from 16-17 May had a devastating impact on the Region and some surrounding areas.
The flooding affected 44 municipalities in Emilia-Romagna, mainly in the provinces of Ravenna, Forlì-Cesena, Rimini, Bologna, Modena and Reggio Emilia.
Heavy rain caused 23 rivers to overflow, while the Tuscan-Emilian and Tuscan-Romagna Apennine areas witnessed over 1,100 instabilities and landslides.
The calamitous events also affected the northern provinces of the Marche region: Pesaro and Urbino, Ancona, Macerata and Fermo, as well as some municipalities in Tuscany: Fiorenzuola, Marradi, Palazzuolo sul Senio and Londa.
Faced with this emergency, the Hera Group took immediate action to restore the services provided in the areas affected by the disaster to normal operations as quickly as possible, including gas distribution, electricity, district heating, public lighting and the integrated water service, as well as municipal waste collection and disposal. More specifically, the Group immediately established and oversaw a task force made up of more than a thousand operators and 250 vehicles that, in addition to working on plants, provided support to the populations affected, collaborating with the Civil Guard and law enforcement agencies.
To date, some 100,000 tonnes of waste, almost entirely disposed of, were generated as a result of the flooding and collected in the affected areas, equivalent to the quantity normally collected in the same areas over a 10-month period. In addition, integrated water, gas distribution, district heating and public lighting services were restored for almost all customers. In particular, approximately 25,000 integrated water service users were disconnected, while the public lighting points and gas meters damaged came to 4,550 and 25,400 respectively, and 15 thermal power plants were flooded.

As things stand, an estimate of the costs generated by the disaster, taking into account both the initial emergency interventions and the property damage sustained to plant equipment, amounts to approximately 95.5 million euro, about half of which is related to network services and the remainder to waste management services.

Faced with this flood, the Group immediately activated the appropriate channels with the regulatory authority (Arera), the local regulators (Egato), as well as the Emilia-Romagna region. Hera was thus able to focus its interventions and support families and businesses, as well as to identify the instruments that will have to guarantee the recognition of the above-mentioned costs and the maintenance of its operating-financial balance, through the appropriate reporting activities that will be defined. The Group has also activated its insurance coverage and is working with the insurance companies to define and agree upon an estimate of the damages suffered to its plant, which will be followed up on with the appropriate reimbursements.

With Decree Law No. 61 of 1 June 2023 (converted, with amendments, into Law No. 100 of 31 July 2023), the Government allowed the affected municipalities to suspend the deadline for payment of the Tari due for the period from 1 May 2023 to 31 August 2023, and instructed Arera to regulate the procedures for temporarily suspending the payment deadlines for invoices issued, or to be issued, or payment notices due during the aforementioned period, for the following services: gas, electricity, water and waste. Subsequently, by resolution 390/2023/R/com of 03/08/2023, the deadline previously set at 31 August was extended to 31 October, only in the case of customers who explicitly request this extension from their operator.

In response to this decree, Arera intervened, setting the period for suspension of bill payments at four months (starting in May), defining the possibility of automatic instalment payments, without discrimination and without applying interest, without prejudice to the customers' right to pay in a single instalment, or to pay the amounts due according to an instalment plan to be agreed with the supplier.

In order to guarantee operating and financial balance for operators, Arera also introduced a mechanism based on free advances, payable by CSEA, with the first reporting set to begin on 10 July 2023. Any subsequent statements must be submitted by the 15th of each month, until the end of October. In this regard, the last statement submitted by the Hera Group, as of 15 October 2023, defined the advance received at 15 million euro.
Also note that with Presidential Decree of 10 July 2023, army corps General Francesco Paolo Figliuolo was appointed as extraordinary Commissioner for the reconstruction. On 25 September 2023, the Commissioner issued Order no. 6 defining the interventions required to face the situations defined as "maximum emergencies", liable to receive State financing, along with the respective disbursement methods. In particular, attachment A of this decree lists 374 interventions having a Hera Group company as the implementing party, with a total estimated amount coming to approximately 75.5 million euro. Order no. 6 also makes it possible to request:

- 40% of the amount as an advance;
- the balance in the event that: a) a test or regular performance certificate, or a declaration in lieu thereof, can be produced; b) final SALs and settled warrants/invoices/receipts are available.

At the moment, the possibility of proceeding with the requests for the balance for the interventions concerning the waste management sector is being verified, while for all other interventions the request for advance payments is considered feasible. In particular, for the interventions related to networks and plants, it should be noted that since insurance coverage is in place for Group assets, the path to be taken is being assessed with the Commissioner's Structure, taking into account that appraisals are in progress and it will be possible to proceed with requests for advance payments only for the part that is not covered by the insurance indemnity.

At present, two further orders are expected to be issued for financing conclusive works, following the "maximum emergency" situations and classified as "security works", whose value is expected at approximately 20 million euro. The first order concerns the damages suffered by Hera Spa, involving assets in the integrated water service, and by Herambiente Spa. The second concerns the damages suffered by Inrete Spa, involving gas and electricity distribution assets, and by Hera spa, involving district heating assets. These orders, along with the previously issued Order No. 6, will allow the estimated costs related to the damages suffered by the Group to be covered.

Considering the above, with the exception of the delay in receiving sums for bills, concerning the recovery of costs incurred and in the reimbursement of damages suffered to restore the necessary investments, due to the finalisation of the estimates and the definition of the reporting processes with respect to the competent authorities and insurance companies, the impact of the calamitous events on the Group can be considered, on the whole, negligible and these events will be offset in the next few months without causing significant operating or financial effects on the Group's structure.

1.03 SHARE PERFORMANCE AND INVESTOR RELATIONS

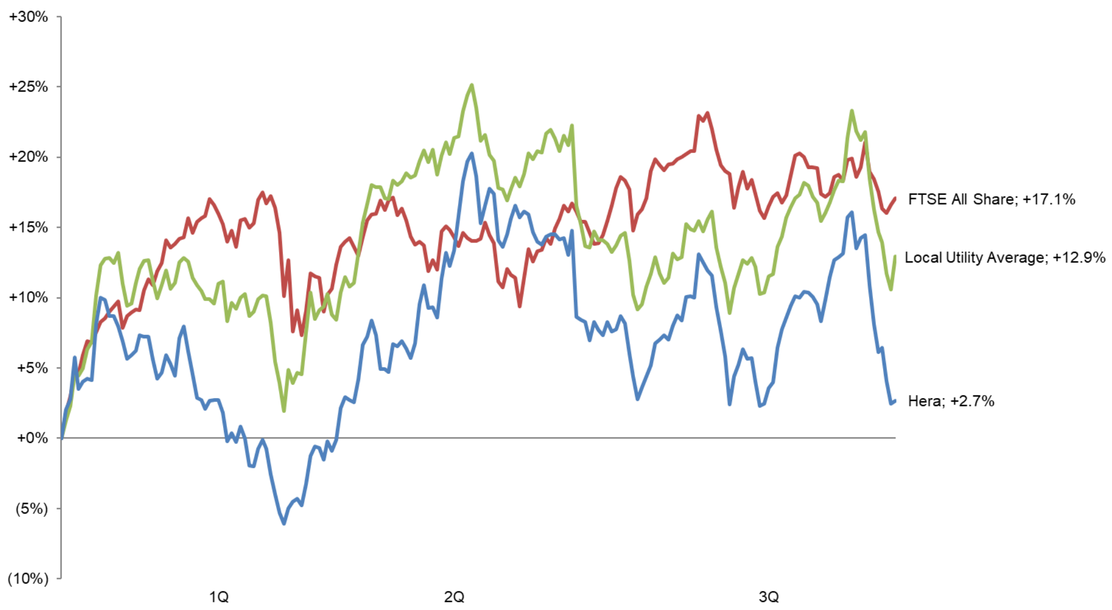
Financial markets recover 2022 losses

During the first nine months of 2023, all major stock markets recorded positive performances and recovered from the heavy losses that occurred during the previous year. Even in a context in which central banks maintained the cycle of rising interest rates to contain inflation, investors looked favourably on both lower energy commodity prices and macroeconomic data, which, while showing an economic slowdown, dispelled fears of a deep recession. In fact, partially as a consequence of the pandemic and the more recent conflict in Ukraine, growth continues to be underpinned by expansionary fiscal policies, with investments mainly directed at the energy transition and defence.

The Italian stock market rises, driven by banks. Utilities face the effects of higher interest rates

Against this backdrop, the Italian FTSE All Share index rose by 17.1% over the reporting period, achieving the best performance among all main European stock exchanges, supported by the brilliant performance of bank stocks, whose balance sheets benefited from the European Central Bank's interest rate hike. The utilities sector, instead, saw share prices decline as of mid-September, after the Federal Reserve announced that it expects high interest rates for a longer period of time. Hera's stock, which had attained a 16.1% rise, completed the period in question with a reduced performance, in a movement that involved the entire sector, coming to 2.7%, as shown in the graph below.

3Q 2023 HERA STOCK, LOCAL UTILITY AVERAGE AND ITALIAN MARKET PERFORMANCE COMPARISON



Dividing rises to 12.5 cents per share

Hera's Board of Directors, which met on 21 March 2023 to approve the year-end results for 2022, decided to submit to the Shareholders Meeting a proposal for a dividend per share coming to 12.5 cents, up 4.2% on the previous year and in line with the indications set out in the business plan. Following the approval coming from shareholders at the meeting, held on 27 April 2023, the ex-dividend date was set at 19 June, with payment as of 21 June.
Hera thus confirmed its ability to remunerate shareholders thanks to the resilience of its business portfolio, which has allowed it to distribute progressively increasing dividends every year since its listing in 2002.

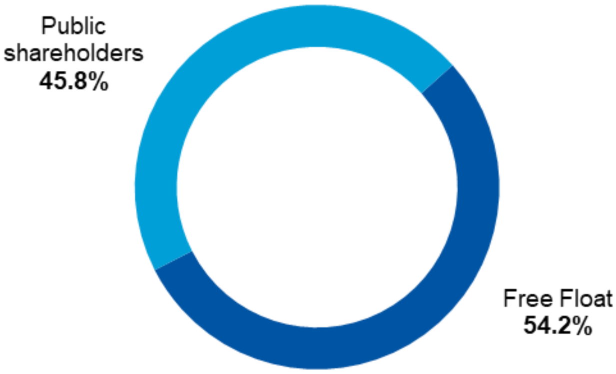
+250%: total shareholders' return since the IPO

The joint effect of continuously remunerating shareholders through dividends and the rise in the price of the stock over the years allowed the total shareholders return accumulated since listing to remain consistently positive and to stand at over +250.3% at the end of the reporting period.

3.51 euro: consensus target price

The number of financial analysts covering the stock (Banca Akros, Equita Sim, Exane Bnp Paribas, Intermonte, Intesa Sanpaolo, Kepler Cheuvreux, Mediobanca) increased with Banca Akros' resumed coverage, with a positive rating. They almost unanimously expressed positive recommendations, with a target price that continues to show significant potential for improvement.
At the end of the period, the consensus target price came to 3.51 euro, up 4.2% from the previous reporting period due to the positive reception of the Group's half-year results, and showed an upside potential of 35.2%.

SHAREHOLDER BREAKDOWN AT 30 SEPTEMBER 2023



45.8%: share capital pertaining to the public shareholders' agreement

At 30 September 2023, the shareholding structure showed its usual stability and balance, with 45.8% of shares belonging to 111 public shareholders located across the areas served and brought together by a stockholders agreement, renewed for further three years and effective from 1 July 2021 to 30 June 2024, and, and a 54.2% free float. The shareholding structure includes a high number of public shareholders (111 municipalities, the largest of which hold less than 10%) and a significant number of private institutional and retail shareholders.

Treasury share plan approved

Since 2006, Hera has adopted a share buyback plan, most recently renewed by the Shareholders Meeting held on 27 April 2023 for a further 18 months, for an overall maximum amount of 240 million euro. This plan is aimed at financing M&A opportunities involving smaller companies, and smoothing out any abnormal market price fluctuations vis-à-vis those of the main comparable Italian companies. At 30 September 2023, Hera held 44.6 million treasury shares.

Ongoing communications with the market in 2023 as well

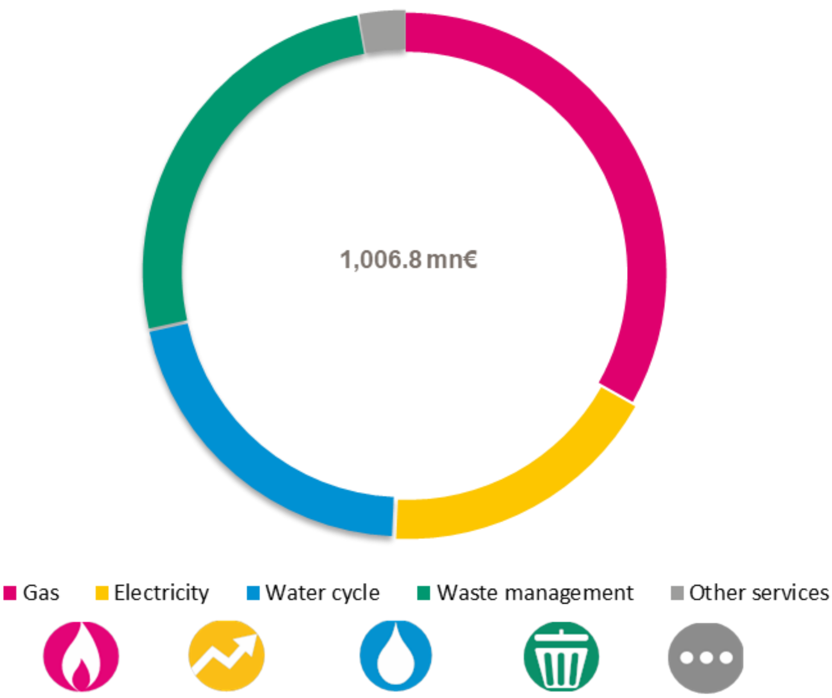
The Group continued to engage in intense communications with financial market players in 2023. After presenting the 2022-2026 Business plan, the Group's top management took part in a road show to meet investors in the main financial centres and update them on business trends and future prospects. Following a renewal in corporate positions, the new management immediately expressed its willingness to meet analysts and investors and participated in important conferences organised by Italian and international brokers. The intensity of the Group's commitment to dialogue with investors contributes to strengthening its market reputation and represents an intangible asset benefiting Hera stock and stakeholders.

1.04 ANALYSIS BY BUSINESS AREA

A multi-business strategy

An analysis of the operating results achieved in the Group's business areas is provided below, including: the gas area, which covers services in natural gas distribution and sales, district heating and energy services; the electricity area, which covers services in electricity generation, distribution and sales; the integrated water cycle area, which covers aqueduct, purification and sewerage services; the waste management area, which covers services in waste collection, treatment and recovery; the other services area, which covers services in public lighting and telecommunications, as well as other minor services.

EBITDA* SEPTEMBER 2023



The Group's income statements include corporate headquarter costs and account for intercompany transactions at arm's length.

The following analyses of each business area take into account all increased revenues and costs, having no impact on adjusted Ebitda, related to the application of IFRIC 12. The business areas affected by this accounting standard are: natural gas distribution services, electricity distribution services, all integrated water cycle services, waste collection services and public lighting services.

The value of adjusted Ebitda, broken down by strategic business areas, reflects the adjustment to the valuation of stored gas described in the introduction to paragraph 1.03. For a detailed identification of the effects of this adjustment, the values of Adjusted Ebitda and Ebitda are provided below:

	Sept-23		Sept-22	
(mn€)	Ebitda*	Ebitda	Ebitda *	Ebitda
Gas area	334.1	427.1	377.0	224.9
Electricity area	176.8	176.8	22.1	22.1
Integrated water cycle area	209.3	209.3	205.8	205.8
Waste management area	258.0	258.0	246.2	246.2
Other services area	28.6	28.6	23.8	23.8
Total	**1,006.8**	**1,099.8**	**874.8**	**722.7**

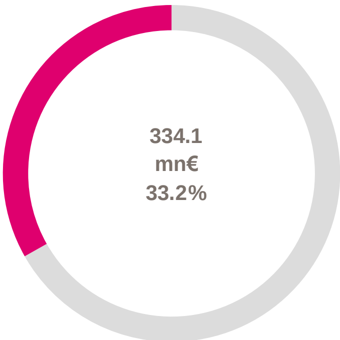
* Adjusted results, as described in paragraph 1.02

1.04.01 Gas

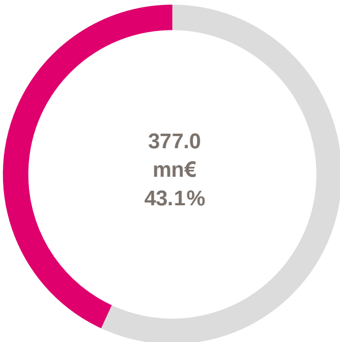
The first nine months of 2023 showed a decrease in volumes sold compared to the same period of 2022, due to the mild weather seen in the first part of the year and lower trading activities. The energy services segment still felt the effect of energy efficiency incentives, 110% super-bonus and insulation bonuses, and the tenders awarded to Hera Comm Spa in the following lots nationwide:

- six of the nine lots as Last resort gas service supplier (for customers providing public services or without a supplier) for the period going from 1 October 2021 – 30 September 2023, in: Valle d'Aosta, Piedmont, Liguria, Trentino A.A., Veneto, Friuli-Venezia Giulia, Emilia-Romagna, Tuscany, Umbria, Marche, Lazio and Campania. In the previous tender, Hera Comm was awarded eight out of nine lots.
- all nine lots of the Default gas distribution service (for customers in arrears), for the period going from 1 October 2021 – 30 September 2023, in: Valle d'Aosta, Piedmont, Liguria, Lombardy, Trentino A.A., Veneto, Friuli-Venezia Giulia, Emilia-Romagna, Tuscany, Umbria, Marche, Abruzzo, Molise, Basilicata, Puglia, Lazio, Campania, Sicily and Calabria. In the previous tender, Hera Comm was awarded five out of nine lots.
- three of the 12 lots of the Consip GAS14 tender for supplying natural gas to public administrations in 2022-23: the 2 lots in Lombardy were confirmed, and a new lot was awarded regarding Emilia Romagna and Friuli Venezia Giulia.

EBITDA* GAS AREA 2023



EBITDA* GAS AREA 2022



The following table shows the changes occurred in terms of adjusted Ebitda:

(mn€)	Sept-23	Sept-22	Abs. change	% change
Area Ebitda*	**334.1**	**377.0**	**(42.9)**	**(11.4)%**
Group Ebitda*	1,006.8	874.8	132.0	+15.1%
Percentage weight	33.2%	43.1%	(9.9) p.p.	

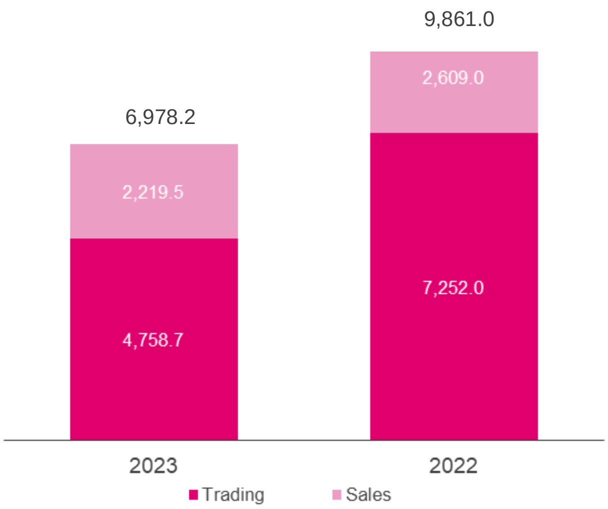
* Adjusted results, as described in paragraph 1.02

CUSTOMERS (k)

2.1
million
gas
customers
(+2.0%)

The number of gas customers increased by 40.3 thousand, or 2.0%, compared to the same period of the previous year. This trend was due to growth in both last resort markets, which saw an increase of 22.8 thousand units, and traditional markets, which recorded growth coming to 17.5 thousand units.

VOLUMES SOLD (mn m^3)



7.0
billion
m^3 sold
(-29.2%)

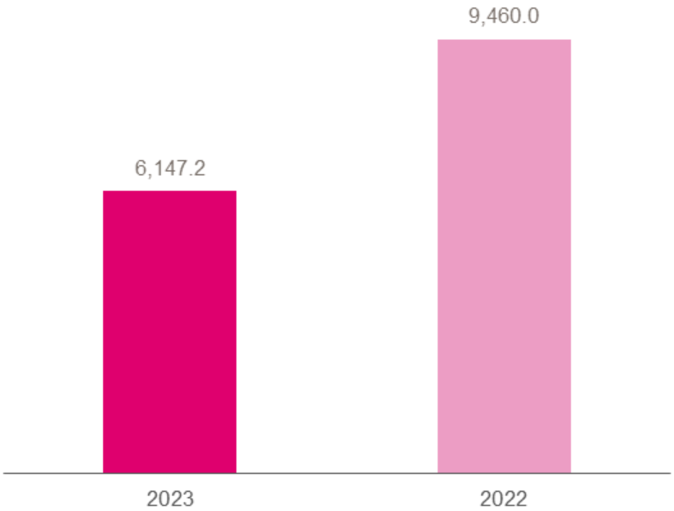
Total volumes of gas sold decreased by 2,882.8 million m^3 (-29.2%), mainly due to reduced trading activity amounting to 2,493.3 million m^3. Volumes sold to end customers also fell, down 389.5 million m^3 (-14.9%) compared to the same period of the previous year. This trend is due to a decline in traditional markets coming to 490.6 million m^3 (-20.9% compared to September 2022, and -18.8% on total volumes sold). This can be traced to both the weather, which, in the first months of the year, saw higher temperatures than during the previous year, and by lower consumption by the customer base, linked to changed consumer habits in the household and industrial segments. These factors were only partially offset by an increase in volumes on last resort markets coming to 101.1 million m^3 (+38.7% compared to September 2022, and +3.9% out of the total volumes sold), thanks to the increased number of customers mentioned above.

The following table summarises operating results for the gas area:

Income statement (mn€)	Sept-23	% inc.	Sept-22	% inc.	Abs. change	% change
Revenues	6,147.2		9,460.0		(3,312.8)	(35.0)%
Operating costs	(5,734.7)	(93.3)%	(8,990.1)	(95.0)%	(3,255.4)	(36.2)%
Personnel costs	(90.0)	(1.5)%	(102.5)	(1.1)%	(12.5)	(12.2)%
Capitalised costs	11.7	+0.2%	9.6	0.1%	2.1	(21.9)%
Ebitda *	**334.1**	**5.4%**	**377.0**	**4.0%**	**(42.9)**	**(11.4)%**

* Adjusted results, as described in paragraph 1.02

REVENUES (mn€)



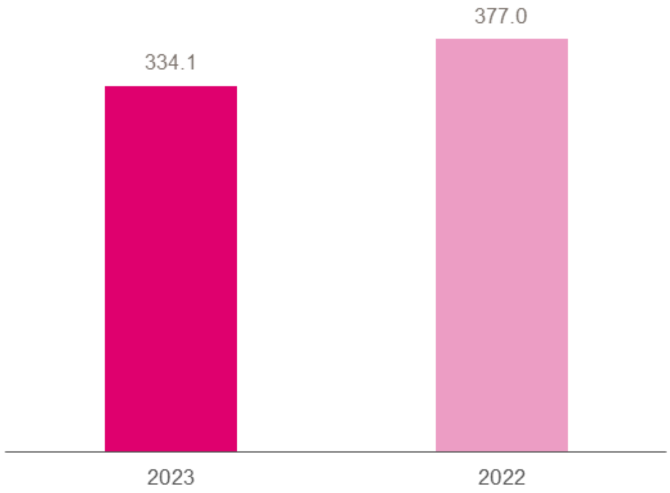
6.1
billion euro
revenues
(-35.0%)

Revenues decreased by 3,312.8 million euro compared to the same period of the previous year. The reasons for this mainly lie in lower sales and trading activities coming to 3,588 million euro, due to the unfavourable weather conditions mentioned above, lower consumption by the customer base, lower raw material prices, and lower revenues mainly related to system charges, which had an equal effect on costs, pursuant to Resolutions 735/2022/R/com, 134/2023/R/com and 297/2023/R/com. Revenues also decreased due to lower activities in Bulgaria and lower district heating volumes, with a total of 42 million euro. These trends were partially offset by higher revenues coming from energy efficiency activities, amounting to 277 million euro, and higher revenues from IFRIC 12 assets under concession and energy efficiency certificates, which increased by approximately 23 million euro overall.

Regulated revenues increased by 7 million euro compared to the same period of the previous year. From a regulatory perspective, gas distribution and metering regulations (RTDG) were updated for the three-year period covering 2023-2025 by the Authority's Resolution 737/2022/R/gas.

The drop in revenues was proportionally reflected in operating expenses, which showed an overall decrease of 3,255.4 million euro. This trend was mainly related to lower sales and trading activities, on account of lower volumes and the decreased price of raw materials.

EBITDA* (mn€)

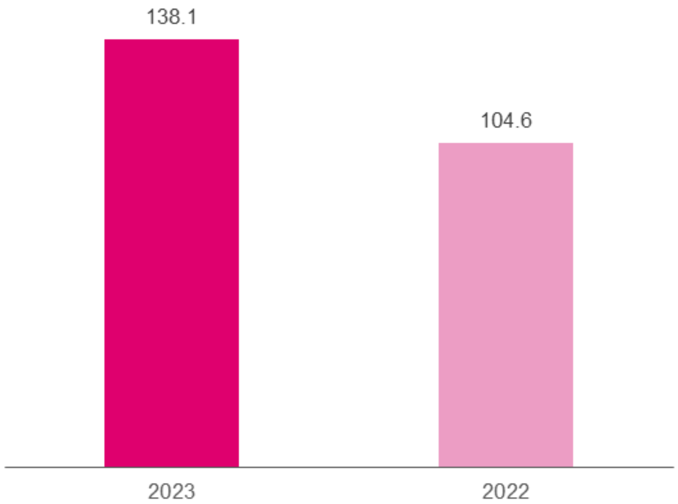


334.1
million euro
Ebitda*
(-11.4%)

* Adjusted results, as described in paragraph 1.02

Adjusted Ebitda decreased by 42.9 million euro, down 11.4% due to the higher cost of purchasing formulas and lower volumes, both due to the weather and changed consumption habits, as mentioned above, and lower trading activities. This was offset by the ongoing opportunities grasped in energy services, related to incentivised energy efficiency activities.

NET GAS INVESTMENTS (mn€)



138.1
million euro
net investments gas
(+33.5 mn€)

In the third quarter of 2023, net investments in the gas area increased by 33.5 million euro compared to the previous year and totalled 138.1 million euro. In gas distribution, the overall increase amounted to 15.8 million euro, 12.1 million of which came from the investment related to the redemption value for plants and networks in complementary municipalities, awarded through the ATEM Udine2 tender, in addition to the increased non-recurring maintenance work on networks and plants. In gas sales, investments rose by 12.1 million euro for activities related to the acquisition of new customers. Investments also grew overall in district heating and energy services, up by 5 million euro due to the activities of the company Hera Servizi Energia Spa and for works on district heating networks and plants. Requests for new connections in the gas area were also up slightly compared to the previous year.

Details of operational investments in the gas area are as follows:

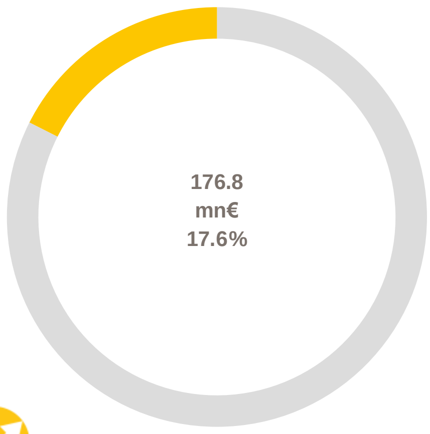
Gas (mn€)	Sept-23	Sept-22	Abs. change	% change
Networks and plants	96.1	80.3	15.8	+19.7%
Acquisition gas customers and other sales	21.7	9.6	12.1	+126.0%
DH/Energy services	20.3	15.3	5.0	+32.7%
Total gas gross	**138.1**	**105.2**	**32.9**	**+31.3%**
Capital grants	0.0	0.7	(0.7)	(100.0)%
Total gas net	**138.1**	**104.6**	**33.5**	**+32.0%**

1.04.02 Electricity

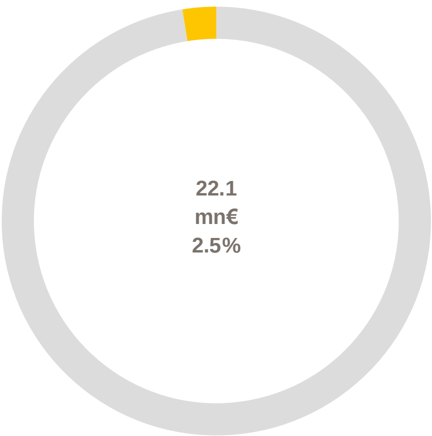
At the end of the first nine months of 2023, significant growth was seen compared to the same period of 2022, both in terms of Ebitda and volumes sold to end customers, thanks to commercial development, mainly in the free market, innovative offers (relating to electric mobility, photovoltaics, heating and air conditioning) and value-added services. In addition to this, Hera Comm Spa was awarded the following lots nationwide through tenders:

- four out of the seventeen lots of the Consip EE20 tender for supplying electricity to public administrations in 2023 in: the province of Rome, Campania, Calabria and the Italy lot, confirming the number of lots awarded in the previous tender;
- three of the nine lots of the graduated protection service for supplying electricity to SMEs for the period from 1 July 2021 to 30 June 2024 in: Campania, Marche, Umbria, Abruzzo, Molise, Basilicata, Calabria, Sicily, Sardinia;
- two of the nine safeguarded service lots for the years 2023 and 2024 in: Campania, Abruzzo, Umbria and Calabria, one more lot than in the previous two-year period;
- one of the twelve lots of the gradual protection service for supplying electricity to micro-businesses for the period from 1 April 2023 to 31 March 2027 in Friuli-Venezia Giulia, Trentino-Alto Adige and the provinces of Belluno, Venice and Verona.

EBITDA ELECTRICITY AREA 2023



EBITDA ELECTRICITY AREA 2022

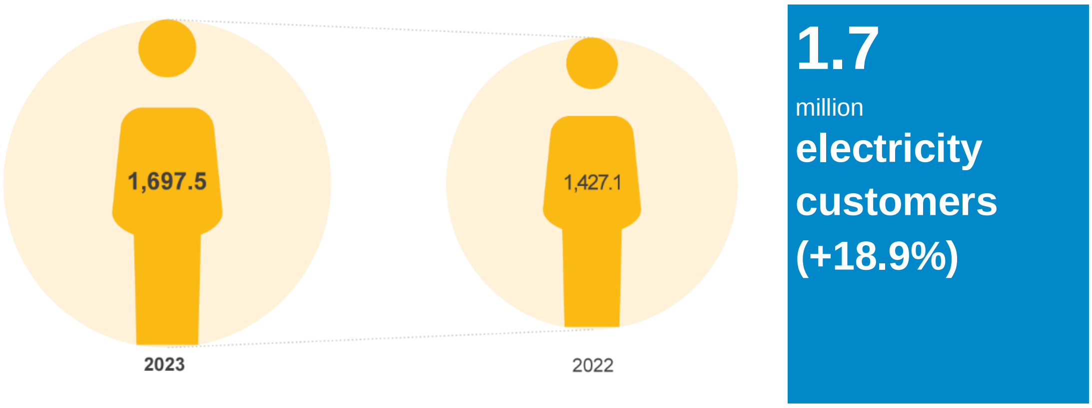


The following table shows the changes occurred in terms of Ebitda:

(mn€)	Sept-23	Sept-22	Abs. change	% change
Area Ebitda	**176.8**	**22.1**	**154.7**	**+699.6%**
Group Ebitda*	1,006.8	874.8	132.0	+15.1%
Percentage weight	17.6%	2.5%	15.1 p.p.	

* Adjusted results, as described in paragraph 1.02

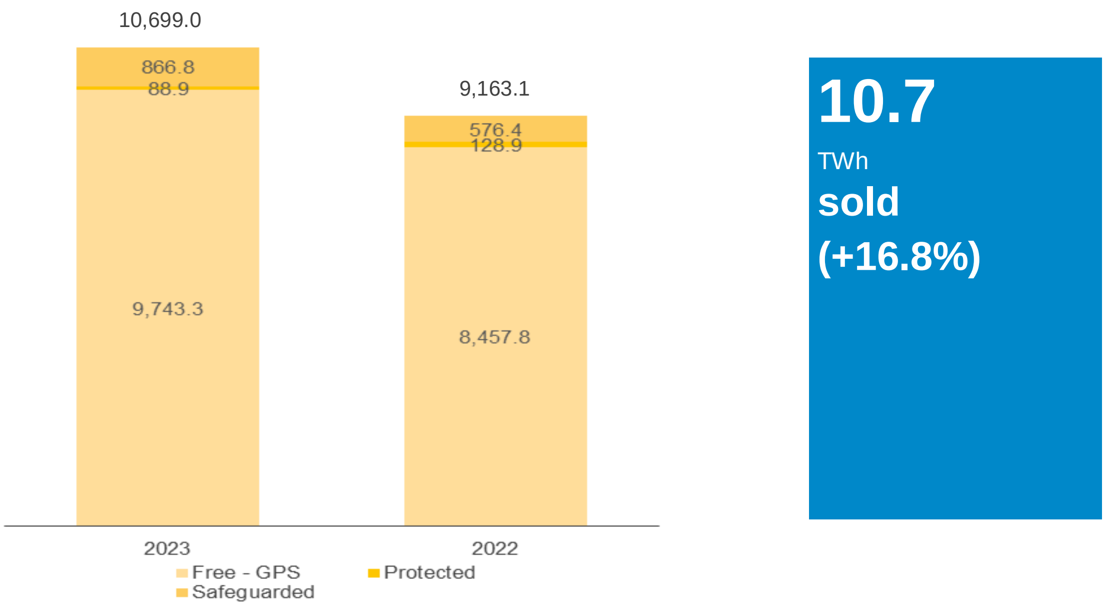
CUSTOMERS (k)



The number of electricity customers rose by 270.4 thousand, corresponding to an 18.9% increase compared to the same period of 2022. This growth occurred mainly in the free market, with roughly 287.0 thousand customers (+21.9%, or +20.1% of the total), due to both the reinforced commercial actions put in place and the positive contribution coming from the Consip tenders and the gradual protection service, partially thanks to the new lot mentioned above, which will supply electricity to micro-businesses. The safeguarded market also grew by 10.0 thousand customers (+56.2%, or +0.7% of the total) thanks to the award of an additional lot in the tender for the period 2023-2024. These factors largely succeeded in offsetting the drop, of roughly 26.6 thousand customers (-27.6%, or -1.9% of the total), seen in the protected market.

Customer appreciation and loyalty for the value-added services offered by the Group was confirmed, with approximately 73,000 customers signing up in the first nine months of 2023.

VOLUMES SOLD (GWh)

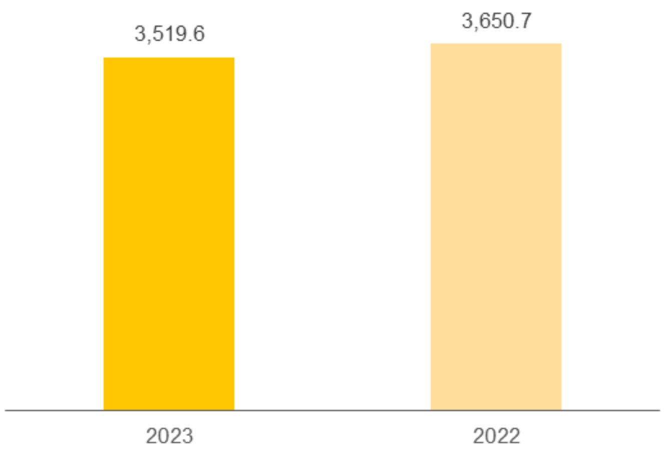


The volumes of electricity sold increased by 1,535.9 GWh, up 16.8%, compared to the same period one year earlier. This trend was caused by an increase in volumes on traditional markets coming to 1,245.5 GWh (14.5% of the total), rising from 8,586.7 GWh in 2022 to 9,832.2 GWh in 2023, driven by the contribution from Consip tenders in the free market, which was partially offset by a slight decrease in the protected market. In the safeguarded market, a 290.4 GWh increase occurred, or 3.2% of the total, due to changes in the amount of areas served.

The following table summarises operating results for the electricity area:

Income statement (mn€)	Sept-23	% inc.	Setp-22	% inc.	Abs. change	% change
Revenues	3,519.6		3,650.7		(131.1)	(3.6)%
Operating costs	(3,316.7)	(94.2)%	(3,613.3)	(99.0)%	(296.6)	(8.2)%
Personnel costs	(44.2)	(1.3)%	(30.1)	(0.8)%	14.1	46.8%
Capitalised costs	18.1	0.5%	14.8	0.4%	3.3	22.3%
Ebitda	**176.8**	**5.0%**	**22.1**	**0.6%**	**154.7**	**699.6%**

REVENUES (mn€)

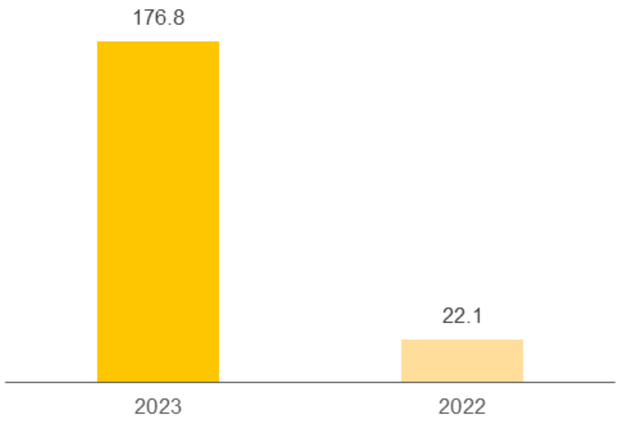


3.5
billion euro
revenues
(-3.6%)

Revenues decreased by 131.1 million euro compared to the same period of the previous year. This performance was due to lower sales, trading and generation revenues coming to 142 million euro, which was mainly due to energy prices, which recorded a 60% drop in the average PUN for the first nine months. This factor was partially offset by higher revenues involved in the increase in volumes sold and system charges, since the latter, which had been eliminated in response to the energy crisis, were fully restored.
Finally, revenues from value-added services for customers increased by 6 million euro.

The drop in revenues was more than proportionally reflected by operating expenses, which decreased by 296.6 million euro. This trend is mainly due to the drop in raw material prices, due to more stable markets over the past year, which impacted sales and production activities.

EBITDA (mn€)



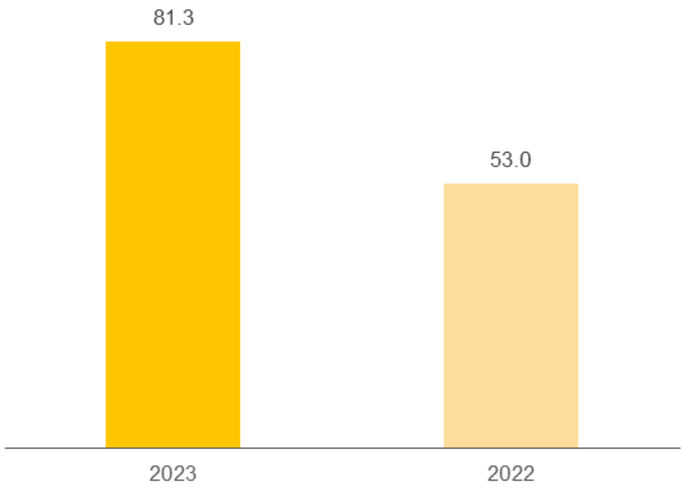
176.8
million euro
Ebitda
(+699.6%)

Ebitda rose by 154.7 million euro compared to the same period in 2022, mainly due to sales, which benefited from the lower impact coming from modulation and higher volumes sold due to the development of the customer base both in traditional markets and in the safeguarded service, for the new lot awarded. Value-added service activities grew, recording an increase in margins coming to roughly 4 million euro.

In the electricity area, investments in the third quarter of 2023 amounted to 81.3 million euro, up 28.3 million euro year-on-year.

In electricity distribution, work mainly involved non-recurring maintenance and upgrading on plants and distribution networks in the Modena, Imola, Trieste, and Gorizia areas, as well as the ongoing large-scale meter replacement and work to improve network resilience. These investments increased by 5.9 million euro compared to the same period of the previous year.
In energy sales, investments in activities related to acquiring new customers were up by 22.5 million euro. Requests for new connections also rose compared to the previous year.

NET INVESTMENTS IN ELECTRICITY (mn€)



81.3
million euro
net investments electricity

Operating investments in the electricity area were as follows:

Electricity (mn€)	Sept-23	Sept-22	Abs. change	% change
Networks and plants	41.7	35.8	5.9	+16.5%
Acquisition electricity customers and other sales	39.6	17.1	22.5	+131.6%
Total electricity gross	**81.3**	**53.0**	**28.3**	**+53.4%**
Capital grants	-	-	-	+0.0%
Total electricity net	**81.3**	**53.0**	**28.3**	**+53.4%**

1.04.03 Integrated water cycle

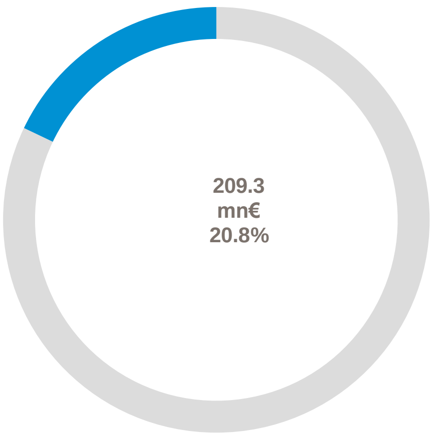
Growing results in the first nine months of 2023

In the first nine months of 2023, results for the integrated water cycle area increased compared to the previous year, with Ebitda coming to 209.3 million euro.

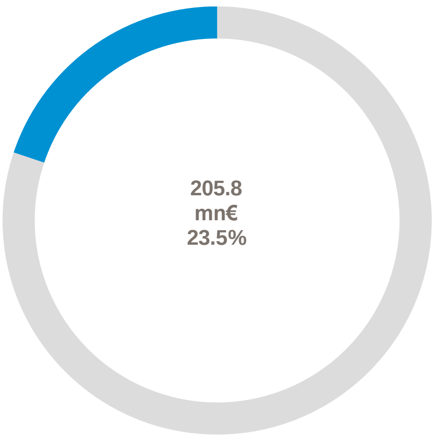
From a regulatory perspective, note that 2023 is the fourth year in which the tariff method defined by the Authority for the third regulatory period (Mti-3), 2020-2023 (Resolution 580/2019), is applied. Each operator is granted a revenue (Vrg) determined on the basis of operating and capital costs, according to the investments made, with a view to increasing cost efficiency, as well as measures aimed at promoting and enhancing interventions for sustainability and resilience.

In the second half of October 2023, with Resolutions 476/2023/R/idr and 477/2023/R/idr, the Authority communicated the results of an analysis of the achievement of Contractual Quality and Technical Quality improvement objectives by Italian water operators during the two-year period 2020-2021. In particular, as regards the level of excellence of Technical Quality, which identifies and rewards the top three positions nationwide considering all the macro-indicators analysed by the Authority, the Hera Group was awarded first and third place in the general ranking of Italian utilities, confirming the very high quality standards adopted by the Group in managing the service provided. The effects, both economic and financial, will be recorded in the last quarter of 2023.

EBITDA WATER CYCLE AREA 2023



EBITDA WATER CYCLE AREA 2022

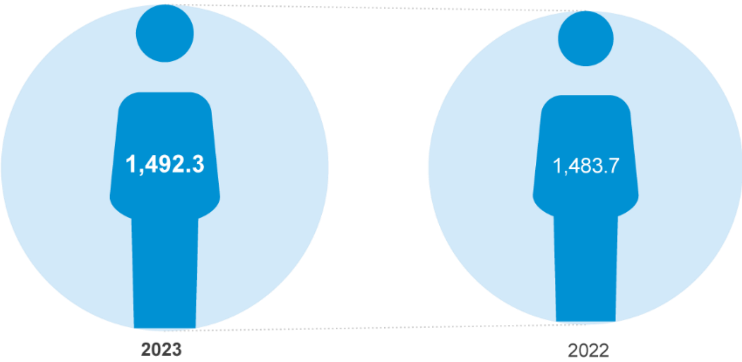


The following table shows the changes occurred in terms of Ebitda:

(mn€)	Sept-23	Sept-22	Abs. change	% change
Area Ebitda	**209.3**	**205.8**	**3.5**	**+1.7%**
Group Ebitda*	1,006.8	874.8	132.0	+15.1%
Percentage weight	20.8%	23.5%	(2.7) p.p.	

* Adjusted results, as described in paragraph 1.02

CUSTOMERS (k)

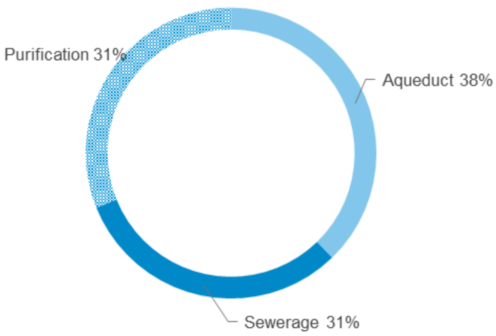


1.5 million **customers integrated water cycle (+0.6%)**

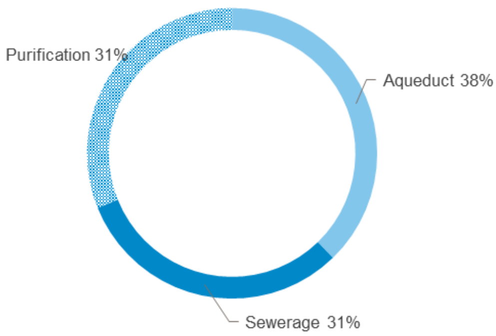
The number of water customers increased compared to September 2022 by 8.6 thousand, up 0.6%, confirming the moderate trend of internal growth seen in the areas served by the Group. Of this growth, 87% occurred in Emilia-Romagna, managed by Hera Spa, 8% in the area served by AcegasApsAmga Spa and the remainder in the area served by Marche Multiservizi Spa.

Below are the main quantitative indicators of the area:

QUANTITIES MANAGED 2023 (mn m^3)



QUANTITIES MANAGED 2022 (mn m^3)



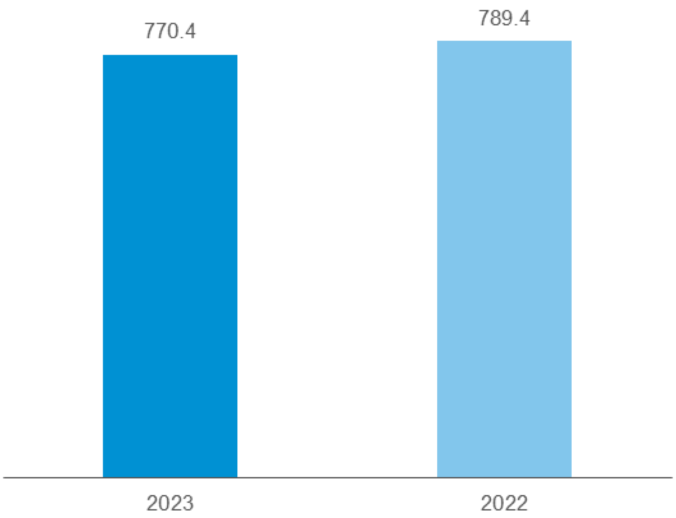
219.2 million cubic metres: quantity managed in the aqueduct

The volumes supplied through the aqueduct, which amounted to 219.2 million cubic metres, showed a slight decrease compared to September 2022, down 0.1% or 0.3 million cubic metres. As of September 2023, the quantities supplied in sewerage amounted to 180.6 million cubic metres, up 1.2% compared to the previous year, while those related to purification amounted to 180.7 million cubic metres, up 2.4% compared to September 2022. The volumes supplied, following the Authority's Resolution 580/2019, are an indicator of the activity of the areas in which the Group operates and are subject to equalisation, as a

result of the regulations that provide for the recognition of a regulated revenue independently of the volumes distributed.
The following table summarises operating results for the water cycle area:

Income statement (mn€)	Sept-23	% inc.	Setp-22	% inc.	Abs. change	% change
Revenues	770.4		789.4		(19.0)	(2.4)%
Operating costs	(420.6)	(54.6)%	(448.2)	(56.8)%	(27.6)	(6.2)%
Personnel costs	(144.1)	(18.7)%	(139.0)	(17.6)%	5.1	+3.7%
Capitalised costs	3.6	0.5%	3.6	0.5%	-	+0.0%
Ebitda	**209.3**	**27.2%**	**205.8**	**26.1%**	**3.5**	**+1.7%**

REVENUES (mn€)

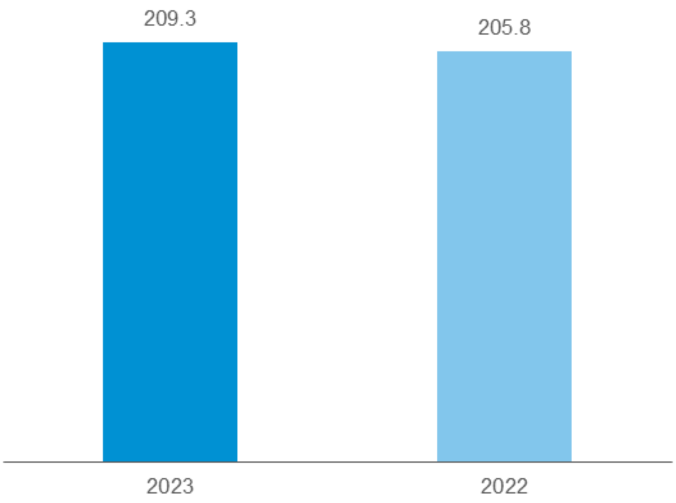


770.4
million euro
revenues
(-2.4%)

Revenues from the water cycle decreased by 2.4% compared to one year earlier, going from 789.4 million euro in September 2022 to 770.4 million euro in September 2023. Lower revenues were caused by the equalisation of energy components, as described in further detail under operating expenses, and by lower bonuses, partly offset by tariff increases. Overall, the aforementioned factors correspond to approximately 24 million euro in lower revenues, which were only partially offset by the higher subcontracted and third-party works carried out in the first nine months of 2023, amounting to roughly 4 million euro.

The decrease in operating costs in September 2023 was mainly related to lower procurement costs for energy components as a result of an energy scenario with falling commodity prices compared to the previous year. This was only partially contained by an increase in costs for the higher subcontracted and third-party works carried out during the first nine months of 2023. Lastly, note the growth in operating costs for the management of networks and plants and higher costs related to the increase in the list prices of all major supplies of materials and, in particular, of chemical products and services.

EBITDA (mn€)

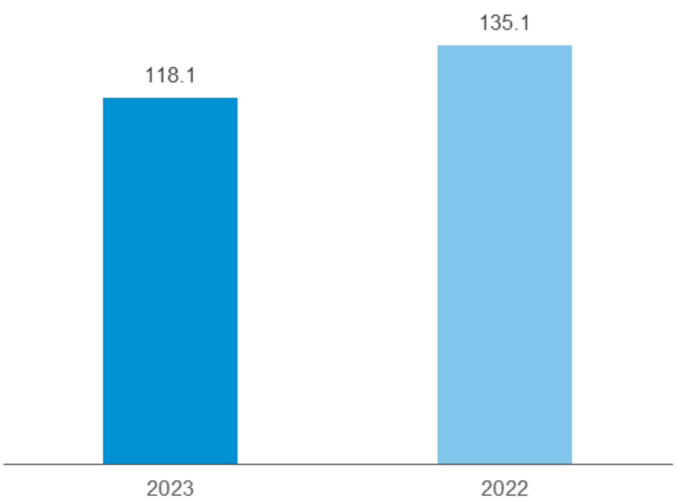


209.3
million euro
Ebitda (+1.7%)

Ebitda increased by 3.5 million euro, or 1.7%, going from 205.8 million euro in September 2022 to 209.3 million euro in the same period of 2023.

In the third quarter of 2023, net investments in the integrated water cycle area amounted to 118.1 million euro, compared to 135.1 million euro in the previous year. This 17 million euro reduction was mainly caused by delays in the execution of works due to the effects of the floods that affected vast areas of Romagna and the Emilia-Romagna Apennines, but also by the effect of the increase in capital grants, which reduced net investments more than during the previous year. In fact, including the capital grants received, the investments made totalled 142 million euro, down 7.4 million euro compared to the same period one year earlier.
The investments mainly involved extensions, reclamation and upgrades on networks and plants, as well as regulatory adjustments mainly in the purification and sewerage area, and amounted to 89.0 million euro in the aqueduct, 34.6 million euro in the sewerage area, and 18.4 million euro in the purification area.

WATER CYCLE NET INVESTMENTS (mn€)



118.1
million euro
net investments water cycle

The main interventions include: in the aqueduct, ongoing reclamation activities on networks and connections related to Arera Resolution 917/2017 on the regulation of the technical quality of the integrated water service, with specific renewal and upgrading interventions also aimed at countering the risks of water shortages related to the increasingly frequent drought conditions, such as the construction of hydraulic connections capable of expanding the interconnections of the water systems. The significant maintenance done on the intake coming from the Setta stream serving the Sasso Marconi drinking water treatment plant continued, as did the reinforcement of water networks in other areas served and the large-scale replacement of meters. In addition, development of a project for the new Castel Bolognese supply system began, as did the important reclamation of a water adduction pipeline from Pontelagoscuro to Ferrara. In the sewerage sector, in addition to the ongoing implementation of the Rimini seawater protection plan (Psbo), note the maintenance intended to upgrade the sewerage network in other areas served and works to adapt discharges to Dgr 201/2016. In the field of purification, note the expansion of the plant in the municipality of San Giovanni in Persiceto and the ongoing revamping of the Gramicia purification plant in Ferrara, with the replacement of the sludge centrifuges. Requests for new water and sewerage connections dropped compared to the previous year. Capital grants amounted to 23.8 million euro, increasing by 9.5 million euro compared to the previous year, and included 14.2 million euro from the tariff component of the New Investment Fund (FoNI).

Details of operating investments in the integrated water cycle area are as follows:

Integrated water cycle (mn€)	Sept-23	Sept-22	Abs. change	% change
Aqueduct	89.0	90.7	(1.7)	(1.9)%
Purification	18.4	24.3	(5.9)	(24.3)%
Sewerage	34.6	34.4	0.2	+0.6%
Total integrated water cycle gross	**142.0**	**149.4**	**(7.4)**	**(5.0)%**
Capital grants	23.8	14.3	9.5	+66.4%
of which FoNI (New Investments Fund)	14.2	12.9	1.3	+10.1%
Total integrated water cycle net	**118.1**	**135.1**	**(17.0)**	**(12.6)%**

1.04.04 Waste management

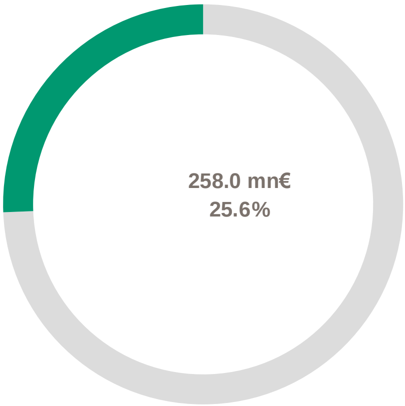
Ebitda rises

In the first nine months of 2023, the waste management area the waste management area accounted for 25.6% of the Hera Group's overall Ebitda, with area rising by 11.8 million euro over the previous year. In the third quarter, therefore, the Group continued to guarantee a significant rate of growth, within a context marked by a slight slowdown in inflation, a decline in manufacturing, with repercussions on waste production in particular, and increased competitive pressure in the markets in which it is present.

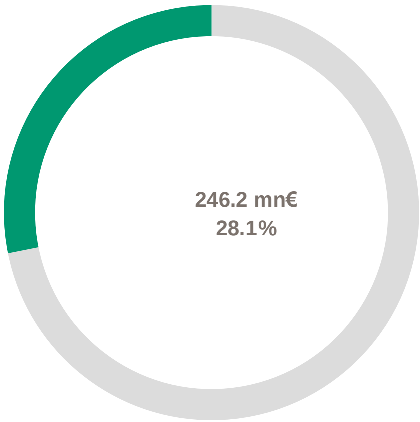
In the first nine months of 2023, all main initiatives in the circular economy continued, from material recovery to the production of renewable energy. One example is the new plant recently opened in Spilamberto, created out of a partnership between Herambiente and Inalca by converting an old biodigester into a state-of-the-art plant to transform organic waste and food industry waste into 100% renewable methane and compost.

In 2023, the protection of environmental resources was confirmed as a priority objective, as was the maximisation of their reuse. This is also shown by the special attention dedicated to increasing sorted waste collection which, thanks to the strong commitment made by the Group in all areas served, increased by almost five percentage points compared to the amount seen in the first nine months of 2022.

EBITDA WASTE MANAGEMENT AREA 2023



EBITDA WASTE MANAGEMENT AREA 2022



The following table shows the changes occurred in terms of Ebitda:

(mn€)	Sept-23	Sept-22	Abs. change	% change
Area Ebitda	**258.0**	**246.2**	**11.8**	**+4.8%**
Group Ebitda*	1,006.8	874.8	132.0	+15.1%
Percentage weight	25.6%	28.1%	(2.5) p.p.	

* Adjusted results, as described in paragraph 1.02

Volumes marketed and treated by the Group in the first nine months of 2023 are as follows:

Quantity (k tons)	Sept-23	Sept-22	Abs. change	% change
Municipal waste	1,772.8	1,648.8	124.0	+7.5%
Market waste	2,036.6	1,850.0	186.6	+10.1%
Waste commercialised	**3,809.4**	**3,498.8**	**310.6**	**+8.9%**
Plant by-products	2,035.1	1,571.7	463.4	+29.5%
Waste treated by type	**5,844.5**	**5,070.6**	**773.9**	**+15.3%**

An analysis of this quantitative data shows an increase in waste commercialised due to the increase in both municipal and market waste. As far as municipal waste is concerned, the third quarter of 2023 showed a 7.5% increase compared to the previous year, mainly due to waste caused by the flood, concerning which details are provided in paragraph 1.02.03, dedicated entirely to the flood events.

Market volumes, instead, increased by 10.1% compared to the same period in 2022, due to the consolidation of existing business relationships, growth in the customer portfolio and recent corporate acquisitions.

Finally, plant by-products showed an amount up by 29.5% year-on-year, mainly due to an increase in liquid waste as a result of higher rainfall compared to the same period in 2022, which was one of the years most affected by drought on record.

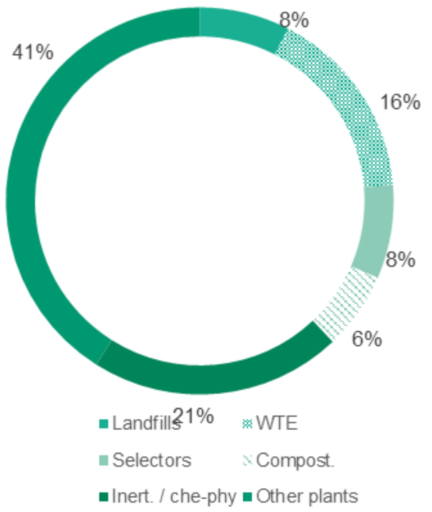
SORTED WASTE (%)

+4.6
percentage points
sorted waste

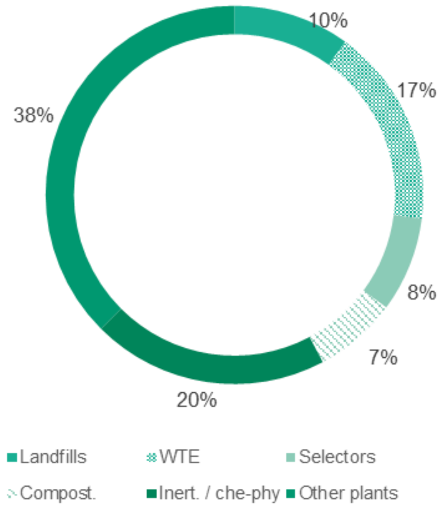
As mentioned above, municipal sorted waste collection stood at 71.4%, up +4.6 percentage points over the previous year, thanks to the development of numerous projects in the areas managed by the Group.

The Hera Group operates in the entire waste cycle, with 101 plants for treating municipal and special waste and regenerating plastic materials. The main plants include: 9 waste-to-energy plants, 13 composting/digestion plants and 17 selecting plants.
The close attention paid to the Group's set of plants has always been a distinctive element of its propensity for excellence, and operations are ongoing to provide plants with the best available technologies.

WASTE TREATED BY TYPE OF PLANT 2023



WASTE TREATED BY TYPE OF PLANT 2022



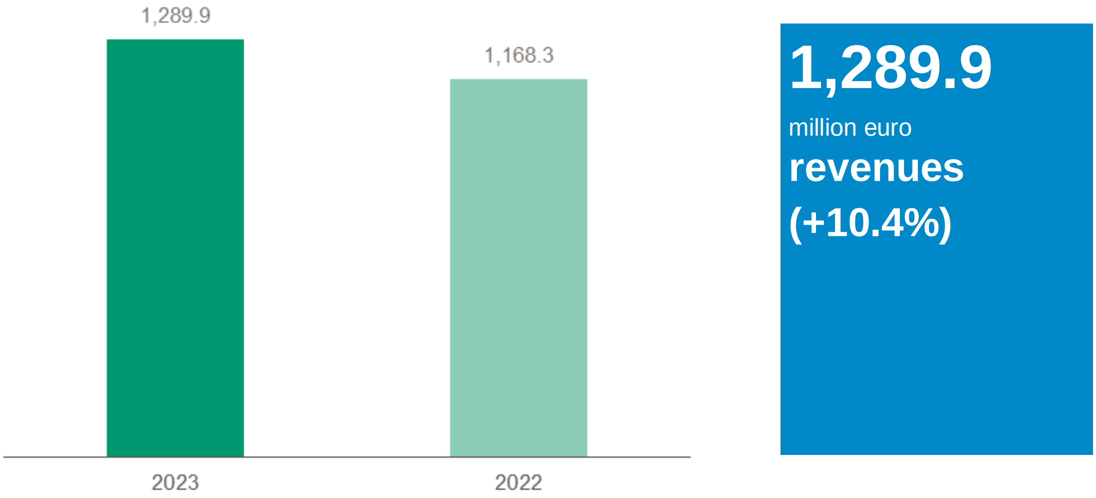
Quantity (k tons)	Sept-23	Sept-22	Abs. change	% change
Landfills	440.2	506.5	(66.3)	(13.1)%
WTE	943.2	862.2	81.0	+9.4%
Selecting plants and other	457.5	413.6	43.9	+10.6%
Composting and stabilisation plants	378.0	360.1	17.9	+5.0%
Inertisation and chemical-physical plants	1,227.5	1,026.0	201.5	+19.6%
Other plants	2,398.0	1,902.1	495.9	+26.1%
Waste treated by plant	**5,844.5**	**5,070.6**	**773.9**	**+15.3%**
Plastic recycled by Aliplast	**62.1**	**59.0**	**3.1**	**+5.3%**

Waste treatment showed a 15.3% overall increase compared to the first nine months of 2022. Analysing the individual sectors, quantities decreased in landfills while, as regards waste-to-energy plants, the upward trend was mainly due to higher volumes in the Modena and Trieste plants, which underwent routine maintenance and revamping, respectively, in the same period of 2022. The increased quantities in sorting plants is attributable to the higher quantities processed in all plants due to the growth seen in sorted waste collection and recent acquisitions. In composting and stabilisation plants, volumes were up mainly due to greater quantities treated in the Spilamberto and Nonantola plants, which were at full capacity in 2023, while in inertisation and chemical-physical plants, the increased quantities mainly involved higher volumes of liquid waste treated. Lastly, an increase was also seen in the other plants sector, mainly due to changes in the scope of operations, third-party and storage plants used for managing flood waste, higher volumes in purification plants and trading.

The table below summarises the area's operating results:

Income statement (mn€)	Sept-23	% inc.	Setp-22	% inc.	Abs. change	% change
Revenues	1,289.9		1,168.3		121.6	+10.4%
Operating costs	(862.6)	(66.9)%	(782.0)	(66.9)%	80.6	+10.3%
Personnel costs	(183.0)	(14.2)%	(162.5)	(13.9)%	20.5	+12.6%
Capitalised costs	13.7	1.1%	22.3	1.9%	(8.6)	+(38.5)%
Ebitda	**258.0**	**20.0%**	**246.2**	**21.1%**	**11.8**	**+4.8%**

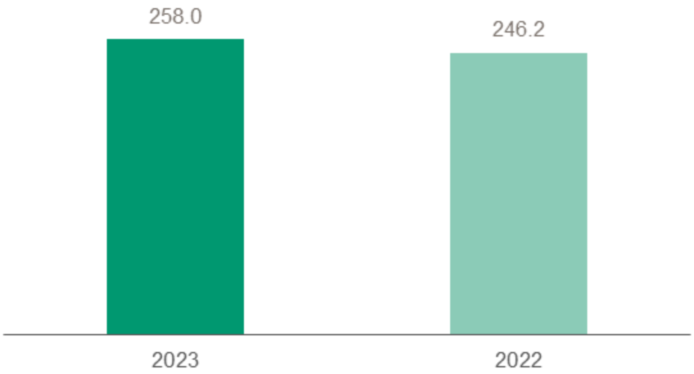
REVENUES (mn€)



In the first nine months of 2023, revenues increased by 10.4% compared to the previous year. Note the 101.2 million euro increase in revenues due to changes in the scope of consolidation following recent acquisitions in the Industrial market, and higher revenues from disposal due to increased commercial activities in the utilities market amounting to roughly 22.0 million euro.

Operating costs increased by 10.3% in 2023. These higher costs can be traced to both changes in the scope of consolidation compared to the previous year due to recent acquisitions, and for transport and treatment services for by-product management due to higher volumes and increased supplier prices. A decrease was also seen in costs for purchasing raw materials due to the drop in commodity prices, and, in the treatment market, an increase occurred in maintenance costs and consumables, particularly chemicals.
With regard to municipal waste collection, increased activities were seen in connection with the development of new sorted waste collection projects.

EBITDA (mn€)



258.8
million euro
Ebitda
(+4.8%)

The increase in Ebitda was mainly due to the good performance of the treatment area. The contribution coming from changes in the scope of operations due to recent acquisitions came to roughly 14.2 million euro, and the excellent performance of energy management amounted to 9.3 million euro, offsetting the inflationary increases in costs and the closure of the Ca' Lucio landfill in the Marche region.
Net investments in the waste management area were related to the maintenance and upgrading of treatment plants, and amounted to 83.4 million euro, down 13.4 million euro compared to the previous year.

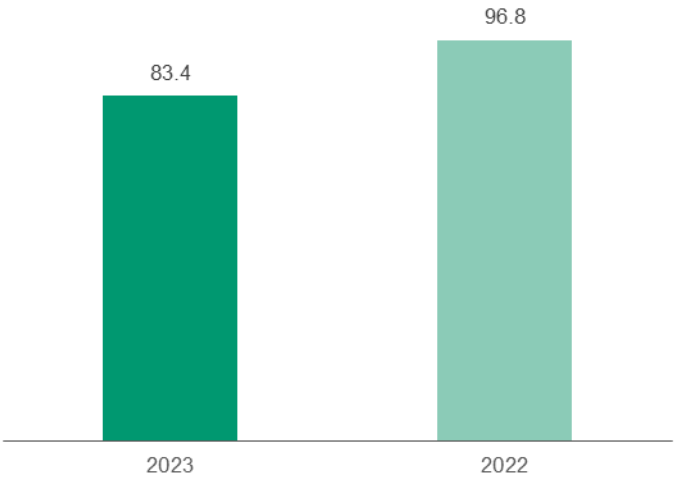
The composting/digesting sector saw a 7.1 million euro decrease in investments compared to the previous year, due to the construction in the first part of 2022 of a plant for biomethane production in Spilamberto.

Investments on landfills increased by 7.4 million euro, due to the work carried out on the Feronia and Galliera plants, as well as the work done by Marche Multiservizi Spa on the fourth lot of the Cà Asprete plant.

The WTE sector showed an 8.7 million euro decrease in investments, due to the significant work carried out during the initial period of the previous year in revamping line two of the Trieste plant and the extraordinary maintenance scheduled on the Rimini, Modena and Bologna plants. In the industrial waste plants sector, the 11.7 million euro decrease was mainly due to revamping on the Ravenna F3 plant, also carried out in the initial part of 2022.

The collection area and equipment sector saw a 2.1 million euro increase in investments compared to the previous year, while the sorting and recovery plants sector recorded an overall increase coming to 4.7 million euro, due to the delta perimeter involving the acquisition of the company A.C.R. Spa and other interventions, which more than offset the reduction recorded by the company Aliplast Spa, the latter due to higher investments made during the previous year for purchasing buildings for the company's operating headquarters.

NET INVESTMENTS WASTE MANAGEMENT (mn€)



83.4
million euro
net investments waste management

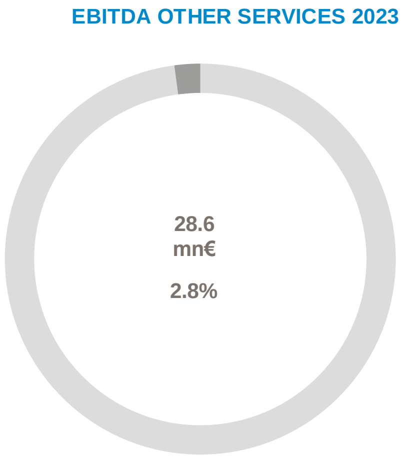
Details of operating investments in the waste management area are as follows:

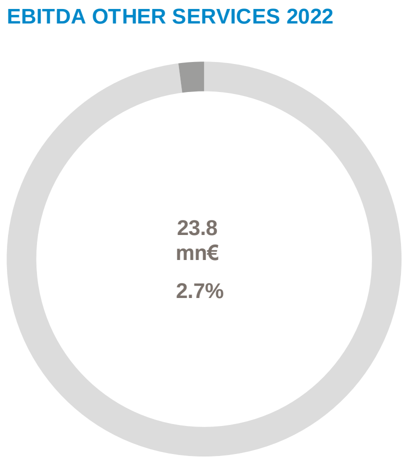
Waste management (mn€)	Sept-23	Sept-22	Abs. change	% change
Composters/digesters	7.7	14.8	(7.1)	(48.0)%
Landfills	16.6	9.2	7.4	+80.4%
WTE	12.7	21.4	(8.7)	(40.7)%
RS plants	8.4	20.1	(11.7)	(58.2)%
Collection areas and equipment	11.8	9.7	2.1	+21.6%
Transshipment, selecting and other plants	26.4	21.7	4.7	+21.7%
Total waste management gross	**83.7**	**96.9**	**(13.2)**	**(13.6)%**
Capital grants	0.3	0.0	0.3	+100.0%
Total waste management net	**83.4**	**96.8**	**(13.4)**	**(13.8)%**

1.04.05 Other services

Ebitda rises

The other services area covers all minor businesses managed by the Group, including: public lighting, in which the Hera Group's efforts go towards planning, constructing and maintaining lighting structures, contributing to safety across the areas served through avant-garde technologies and constant attention towards the circular economy and sustainability; telecommunications, in which the Group offers connectivity for private customers and companies, telephone and data centre services through its own digital company; and cemetery services. At September 2023, results from the other services area stood at 28.6 million euro, up by 4.8 million euro compared to the previous year.





The changes occurred in terms of Ebitda are as follows:

(mn€)	Sept-23	Sept-22	Abs. change	% change
Area Ebitda	**28.6**	**23.8**	**4.8**	**+20.2%**
Group Ebitda*	1,006.8	874.8	132.0	+15.1%
Percentage weight	2.8%	2.7%	+0.1 p.p.	

* Adjusted results, as described in paragraph 1.02

The main indicators in the area related to public lighting activity:

Quantity	Sept-23	Sept-22	Abs. change	% change
Public lighting				
Lighting points (k)	645.1	581.4	+63.7	+11.0%
of which LED	38.6%	37.9%	+0.7	+0.0%
Municipalities served	208.0	194.0	+14.0	+7.2%

During the first nine months of 2023, the Hera Group acquired approximately 78.0 thousand lighting points in 30 new municipalities. In geographical terms, the most significant acquisitions included approximately 30.5 thousand lighting points in Tuscany, approximately 15.3 thousand lighting points in the Triveneto region, approximately 11.4 thousand lighting points in Emilia-Romagna, approximately 9.7 thousand lighting points in Umbria, and approximately 5.2 thousand lighting points in Lombardy. The acquisitions made in other regions, mainly in central Italy, totalling roughly 5.9 thousand lighting points, are also worth mentioning. The period's increases fully offset the loss of approximately 14.3 thousand lighting points and 16 municipalities, mainly in the Triveneto area.

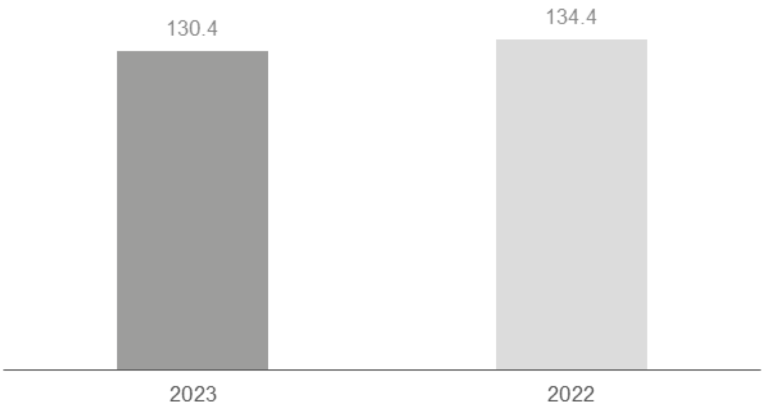
The percentage of lighting points managed using LED bulbs also increased to 38.6%, up 0.7 percentage points. This trend highlights the Group's ongoing focus on an increasingly efficient and sustainable management of public lighting.

The quantitative indicators in the other services area also include the 4,580 km of ultra-wideband fibre optic network owned by the Hera Group through its digital company, Acantho Spa. This network serves the main cities in Emilia-Romagna, as well as Padua and Trieste, and provides companies and individuals with high-performance connectivity, high reliability and maximum security for systems, data and service continuity.

The area's operating results are provided in the table below:

Income statement (mn€)	Sept-23	% inc.	Setp-22	% inc.	Abs. change	% change
Revenues	130.4		134.4		(4.0)	(3.0)%
Operating costs	(87.4)	(67.0)%	(96.8)	(72.0)%	(9.4)	(9.7)%
Personnel costs	(16.3)	(12.5)%	(15.7)	(11.7)%	0.6	+3.8%
Capitalised costs	1.9	1.5%	1.9	1.4%	-	+0.0%
Ebitda	**28.6**	**21.9%**	**23.8**	**17.7%**	**4.8**	**+20.2%**

REVENUES (mn€)

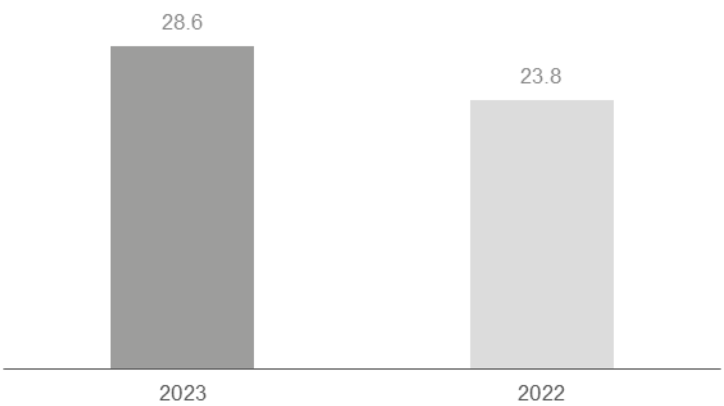


130.4
million euro
revenues
(-3.0%)

The decrease in revenues was mainly due to the public lighting business, thanks to lower energy adjustments on service management fees, as described in more detail under costs, which was only partially offset by the progress made in energy upgrading compared to 2022. Telecommunications accounted for increased revenues totalling 3.1 million euro, due to enhanced activities in telephone and connectivity services.

The decreased costs in the public lighting business were related to lower costs for the energy component of raw materials, affected by the significant rise in the prices of energy carriers during the previous year, despite the increased upgrading activities mentioned above under revenues. Operating costs related to trends in telecommunication services increased.

EBITDA (mn€)



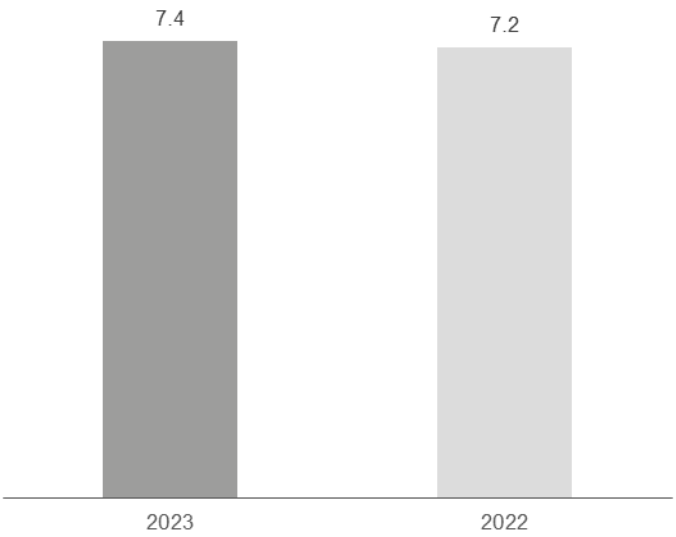
28.6
million euro
Ebitda
(+20.2%)

Ebitda for the other services area as a whole increased by 20.2%, reaching 4.8 million euro, thanks to the contribution coming from public lighting and telecommunications.

In the first three quarters of 2023, net investments in the other services area amounted to 7.4 million euro, essentially in line with the previous year.

In telecommunications, 6.0 million euro were invested in network and TLC services. In the public lighting service, investments were related to the maintenance, upgrading and modernisation of lighting systems in the areas served and amounted to 1.4 million euro, in line with the previous year.

NET INVESTMENTS OTHER SERVICES (mn€)



7.4
million euro
net investments other services

Details of operating investments in the other services area are as follows:

Other services (mn€)	Sept-23	Sept-22	Abs. change	% change
TLC	6.0	6.0	-	+0.0%
Public lighting and traffic lights	1.4	1.3	0.1	+7.7%
Total other services gross	**7.4**	**7.2**	**0.2**	**+2.8%**
Capital grants	-	-	-	+0.0%
Total other services net	**7.4**	**7.2**	**0.2**	**+2.8%**

2 CONSOLIDATED FINANCIAL STATEMENTS

2.01 FINANCIAL STATEMENT FORMATS

2.01.01 Income statement

mn€	30-Sept-23 (9 months)	30-Sept-22 (9 months)
Revenues	10,955.0	14,320.1
Other operating revenues	441.4	345.3
Raw and other materials	(7,387.9)	(11,794.6)
Service costs	(2,421.9)	(1,693.9)
Personnel costs	(477.6)	(449.8)
Other operating costs	(58.2)	(56.6)
Capitalised costs	49.0	52.2
Amortisation, provisions, and depreciation	(502.2)	(437.8)
Operating revenues	**597.6**	**284.9**
Share of profits (losses) pertaining to joint ventures and associated companies	8.1	7.5
Financial income	109.9	47.6
Financial expenses	(257.7)	(144.6)
Financial management	**(139.7)**	**(89.5)**
Earnings before taxes	**457.9**	**195.4**
Taxes	(124.6)	(55.7)
Net revenues for the period	**333.3**	**139.7**
Attributable to:		
parent company shareholders	301.7	105.4
minority shareholders	31.6	34.3
Earnings per share		
basic	0.209	0.096
diluted	0.209	0.096

2.01.02 Statement of financial position

mn€	30-Sept-23	31-Dec-22
ASSETS		
Non-current assets		
Tangible assets	2,004.2	1,984.4
Rights of use	77.8	84.2
Intangible assets	4,618.9	4,417.4
Goodwill	871.7	848.1
Shareholdings	212.9	190.3
Non-current financial assets	146.9	151.8
Deferred tax assets	275.0	240.4
Derivative instruments	0.5	1.0
Total non-current assets	**8,207.9**	**7,917.6**
Current assets		
Inventories	1,153.7	995.1
Trade receivables	2,379.3	3,875.0
Current financial assets	117.6	77.7
Current tax assets	57.4	46.0
Other current assets	547.9	642.5
Derivative instruments	456.7	1,622.2
Cash and cash equivalents	1,118.9	1,942.4
Total current assets	**5,831.5**	**9,200.9**
TOTAL ASSETS	**14,039.4**	**17,118.5**

mn€	30-Sept-23	31-Dec-22
NET EQUITY AND LIABILITIES		
Share capital and reserves		
Share capital	1,444.2	1,450.3
Reserves	1,557.8	1,692.9
Profit (loss) for the period	301.7	255.2
Group net equity	**3,303.7**	**3,398.4**
Non-controlling interests	274.5	246.3
Total net equity	**3,578.2**	**3,644.7**
Non-current liabilities		
Non-current financial liabilities	4,590.1	5,689.9
Non-current lease liabilities	49.4	55.1
Post-employment and other benefits	84.4	92.0
Provisions for risks and charges	593.4	565.6
Deferred tax liabilities	172.7	215.7
Derivative instruments	-	6.3
Total non-current liabilities	**5,490.0**	**6,624.6**
Current liabilities		
Current financial liabilities	849.1	650.1
Current lease liabilities	20.3	21.3
Commercial payables	1,847.8	3,093.1
Current tax liabilities	117.8	17.1
Other current liabilities	1,733.8	1,720.0
Derivative instruments	402.4	1,347.6
Total current liabilities	**4,971.2**	**6,849.2**
TOTAL LIABILITIES	**10,461.2**	**13,473.8**
TOTAL NET EQUITY AND LIABILITIES	**14,039.4**	**17,118.5**

2.01.03 Cash flow statement

mn/euro	30-Sept-23	30-Sept-22
Earnings before taxes	**457.9**	**195.4**
Adjustments to reconcile net profit to the cashflow from operating activities		
Amortisation and impairment of assets	374.0	348.5
Allocation to provisions	128.2	89.3
Effects from valuation using the net equity method	(8.1)	(7.5)
Financial (income) expenses	147.8	97.0
(Capital gains) losses and other non-monetary elements	(66.4)	154.4
Change in provision for risks and charges	(20.6)	(23.3)
Change in provision for employee benefits	(8.8)	(9.1)
Total cash flow before changes in net working capital	**1,004.0**	**844.7**
(Increase) decrease in inventories	(165.0)	(775.7)
(Increase) decrease in commercial receivables	1,258.0	(280.3)
Increase (decrease) in commercial payables	(1,281.5)	(327.0)
Increase/decrease in other current assets/liabilities	194.2	201.7
Changes in working capital	**5.7**	**(1,181.3)**
Dividends collected	9.1	11.3
Interest income and other financial income collected	65.4	21.5
Interest expenses. net charges on derivatives and other paid financial charges	(172.5)	(97.5)
Paid taxes	(50.8)	(66.4)
Cash flow from operating activities (a)	**860.9**	**(467.7)**
Investments in tangible assets	(137.2)	(138.4)
Investments in intangible assets	(376.8)	(324.9)
Investments in subsidiary companies and business units net of cash holdings	(57.3)	(49.8)
Other equity investments	(26.1)	(0.5)
Sale price of tangible and intangible assets	1.7	3.1
(Increase) decrease in other investment activities	62.8	(16.4)
Cash flow from (for) investing activities (b)	**(532.9)**	**(526.9)**
New issue of long-term bonds	614.9	1,076.0
Repayments of non-current financial liabilities	(750.0)	-
Repayments and other net changes in financial liabilities	(763.4)	539.2
Repayments of lease liabilities	(15.4)	(39.9)
Acquisition of interests in consolidated companies	-	(10.6)
Minority share capital increase	1.9	-
Dividends paid out to Hera shareholders and non-controlling interests	(223.1)	(210.5)
Changes in treasury shares	(16.4)	(20.7)
Cash flow from (for) financing activities (c)	**(1,151.5)**	**1,333.5**
Increase (decrease) in cash holdings (a+b+c)	**(823.5)**	**338.9**
Cash and cash equivalents at the beginning of the period	1,942.4	885.6
Cash and cash equivalents at the end of the period	1,118.9	1,224.5

2.01.04 Statement of changes in net equity

mn/euro	Share capital	Reserves	Reserves derivatives valued at fairvalue	Reserves actuarial income (losses) employee benefits	Reserves shares valued at fair valued	Revenues for the period	Net equity	Non-controlling interests	Total
Balance at 31 December 2021	**1,459.6**	**1,352.8**	**93.6**	**(33.7)**	**(5.6)**	**333.5**	**3,200.2**	**216.6**	**3,416.8**
Revenues for the period						105.4	105.4	34.3	139.7
Other components of comprehensive income:									
fair value of derivatives, change for the period			(140.8)				(140.8)	(7.9)	(148.7)
Actuarial income (losses) employee benefits				7.9			7.9	0.8	8.7
fair value of shareholdings, change for the period					(15.1)		(15.1)		(15.1)
other business components valued at net equity		0.2					0.2		0.2
Overall revenues for the period	**-**	**0.2**	**(140.8)**	**7.9**	**(15.1)**	**105.4**	**(42.4)**	**27.2**	**(15.2)**
change in treasury shares	(6.7)	(14.0)					(20.7)		(20.7)
change in equity investments		(8.1)	1.2				(6.9)	(3.7)	(10.6)
Allocation of revenues:									
dividends paid out						(174.7)	(174.7)	(19.1)	(193.8)
allocation to reserves		158.8				(158.8)	-		-
Balance at 30 September 2022	**1,452.9**	**1,489.7**	**(46.0)**	**(25.8)**	**(20.7)**	**105.4**	**2,955.5**	**221.0**	**3,176.5**
Balance at 31 December 2022	**1,450.3**	**1,485.8**	**256.6**	**(31.8)**	**(17.7)**	**255.2**	**3,398.4**	**246.3**	**3,644.7**
Revenues for the period						301.7	301.7	31.6	333.3
Other components of comprehensive income:									
fair value of derivatives, change for the period			(201.0)				(201.0)	3.4	(197.6)
Actuarial income (losses) employee benefits				0.8			0.8	0.1	0.9
fair value of shareholdings, change for the period					(4.6)		(4.6)		(4.6)
Overall revenues for the period	**-**	**-**	**(201.0)**	**0.8**	**(4.6)**	**301.7**	**96.9**	**35.1**	**132.0**
change in treasury shares	(6.1)	(10.3)					(16.4)		(16.4)
payments of non-controlling shares							-	1.9	1.9
change in equity investments		0.8					0.8	(0.8)	-
changes in the scope of consolidation							-	32.7	32.7
other movements		4.9					4.9	(4.9)	-
Allocation of revenues:									
dividends paid out						(180.9)	(180.9)	(35.8)	(216.7)
allocation to reserves		74.3				(74.3)	-		-
Balance at 30 September 2023	**1,444.2**	**1,555.5**	**55.6**	**(31.0)**	**(22.3)**	**301.7**	**3,303.7**	**274.5**	**3,578.2**

2.02 ACCOUNTING POLICIES

As set forth in article 82-ter "Informazioni finanziarie periodiche aggiuntive" (additional periodic financial information) of the Issuers' Regulation, the Hera Group has voluntarily decided to publish the consolidated three-month report at 30 September 2023.

This report was not prepared in accordance with what is outlined in the accounting principle regarding the sub-annual financial statement (IAS 34 "Interim Financial Reporting") even though it was prepared in accordance with accounting standards in relation to the consolidated financial statements at 31 December 2022.

The preparation of this three-month report required estimates and assumptions to be made that affect the reported amounts of revenues, expenses, assets, and liabilities as of the reporting date. If, in the future, such estimates and assumptions, which are based on the management's best judgment, should differ from actual events, they will be adjusted accordingly to provide an accurate representation of management operations. It is also noted that certain valuation processes, specifically the more complex ones such as establishing any impairment of non-current assets, are generally carried out in full only for the preparation of the annual financial statements, except in cases where there are impairment indicators that require an immediate impairment test.

The data included in this consolidated three-month report are comparable to the same data of the previous periods, taking into account what is described in the following section "Scope of consolidation".

The financial statement formats are expressed in millions of euro to one decimal point.

Scope of consolidation

The consolidated financial statements at 30 September 2023 include the financial statements of the Parent Company Hera Spa and those of its subsidiaries. Control is obtained when the Parent Company has the power to determine the financial and operational policies of a company, by way of currently valid rights, in such a way as to obtain benefits from the company's activity. Equity investments in joint ventures in which the Hera Group exercises joint control with other companies as well as the companies over which the Group exercises significant control are consolidated with the equity method. Small-scale subsidiaries and associated companies are excluded from overall consolidation and valued at fair value.

The lists of the companies included in the scope of consolidation are shown at the end of these notes.

Changes in the scope of consolidation

The table below shows changes in the scope of consolidation introduced during the first 9 months of the 2023 financial year as compared to the consolidated financial statement at 31 December 2022:

Acquisition of control	Company/business unit
	A.C.R. di Reggiani Albertino Spa
	F.lli Franchini Srl*

* Acquisition of control over the company F.lli Franchini Srl occurred on 29 June 2023. Given the insignificant economic and equity values in relation to the size of the Group and the fact that an interim report is not yet available, this shareholding has been temporarily excluded from the scope of consolidation and accounted for at acquisition cost under other equity investments.

Other corporate operations

With effect from 1 January 2023, Vallortigara Angelo Srl and Hydro Mud Srl were merged by incorporation into the parent company Vallortigara Servizi Ambientali Spa.

With effect beginning 1 January 2023, Hera Servizi Energia Srl, of which the shareholding amounts to 67.61%, was merged by incorporation into the parent company AcegasApsAmga Servizi Energetici Spa (ASE Spa). As a consequence of the merger, the merging company changed its name to Hera Servizi

Energia Spa. Additionally, as a result of the exchange ratio, AcegasApsAmga Spa's equity investment in Hera Servizi Energia Spa decreased from 100% to 84.5%.

With effect from 1 March 2023 and accounting effects backdated to 1 January 2023, Alibardi Fiorenzo Srl was merged by incorporation into the parent company Aliplast Spa.

On 14 March 2023, Acantho Spa acquired 36.8% of Asco Tlc Spa, a company active in the provision of ICT services, mainly to corporate customers and public administrations. The company has been recognised under other equity investments.

On 11 May 2023, Hera Spa and Orogel Società cooperativa agricola established the company Horowatt Srl. The newco, 50% owned by both partners, will produce renewable energy through the construction of an agrophotovoltaics plant. As of 30 September 2023, the company is valued at cost as it is not yet operational.

On 23 May 2023, Hera Comm Spa, thanks to the purchase option it held in connection with a corresponding put option held by the minority shareholders, acquired the remaining shareholding in Eco Gas Srl, equal to 10% of the share capital, thus becoming the sole shareholder. The operation had no impact on minority interests, however, as Group policy stipulates that minority interests should not be exposed if there is a put option since the related financial debt for their acquisition is already exposed

On 6 July 2023, Hera Spa acquired the entire shareholding of Tiepolo Srl. The company, which will build and manage a photovoltaic solar park in Bondeno (Fe), is valued at cost at 30 September 2023 because it is not yet operational.

Earnings per share

The following is a statement of earnings per share, calculated in relation to profit or loss attributable to holders of ordinary shares of the parent company.

	30-Sept-23 (9 months)	30-Sept-22 (9 months)
Profit or loss for the period attributable to holders of ordinary shares of the parent entity (A)	301.7	105.4
Weighted average number of shares outstanding for the purposes of calculating earnings (loss) per share		
basic (B)	1,446,865,451	1,455,862,250
diluted (C)	1,446,865,451	1,455,862,250
Earnings (loss) per share (in euro)		
basic (A/B)	**0.209**	**0.096**
diluted (A/C)	**0.209**	**0.096**

Other information

This consolidated three-month financial statement at 30 September 2023 was drawn up by the Board of Directors and approved by the same at the meeting held on 8 November 2023.

2.03 LIST OF CONSOLIDATED COMPANIES

Subsidiaries

Registered name	Registered office	Share capital (€) (*)	Consolidated percentage		Total interest
			direct	indirect	
Acantho Spa	Imola (BO)	23,573,079	80.64%		80.64%
AcegasApsAmga Spa	Trieste	284,677,324	100.00%		100.00%
A.C.R. di Reggiani Albertino Spa	Mirandola (Mo)	390,000		60.00%	60.00%
Aliplast Spa	Istrana (TV)	5,000,000		75.00%	75.00%
Aliplast France Recyclage SAS	La Wantzenau (France)	1,025,000		75.00%	75.00%
Aliplast Iberia SL	Calle Castilla-Leon (Spain)	815,000		75.00%	75.00%
Aliplast Polska Sp.zo.o	Zgierz (Poland)	1,200,000 PLN		75.00%	75.00%
Aresenergy Eood	Varna (Bulgaria)	50,000 Lev		100.00%	100.00%
AresGas Ead	Sofia (Bulgaria)	22,572,241 Lev		100.00%	100.00%
Ares Trading Eood	Varna (Bulgaria)	50,000 Lev		100.00%	100.00%
Asa Scpa	Castelmaggiore (BO)	1,820,000		38.25%	38.25%
Atlas Utilities Ead	Varna (Bulgaria)	50,000 Lev		100.00%	100.00%
Biorg Srl	Bologna	10,000,000		75.00%	75.00%
Black Sea Gas Company Eood	Varna (Bulgaria)	5,000 Lev		100.00%	100.00%
Con Energia Spa	Forlì (FC)	500,000		100.00%	100.00%
Eco Gas Srl	Castel di Sangro (AQ)	100,000		100.00%	100.00%
EstEnergy Spa	Trieste	299,925,761		100.00%	100.00%
Etra Energia Srl	Cittadella (PD)	100,000		51.00%	51.00%
Feronia Srl	Bologna	100,000		75.00%	75.00%
Frullo Energia Ambiente Srl	Bologna	17,139,100		38.25%	38.25%
Green Factory Srl	Pesaro	500,000		46.70%	46.70%
Herambiente Spa	Bologna	271,648,000	75.00%		75.00%
Herambiente Servizi Industriali Srl	Bologna	5,000,000		75.00%	75.00%
Hera Comm Spa	Imola (BO)	53,595,899	100.00%		100.00%
Hera Comm Marche Srl	Urbino (PU)	1,977,332		100.00%	100.00%
Hera Luce Srl	Cesena	1,000,000		100.00%	100.00%
Hera Servizi Energia Spa	Udine	13,216,899		84.50%	84.50%
Heratech Srl	Bologna	2,000,000	100.00%		100.00%
Hera Trading Srl	Trieste	22,600,000	100.00%		100.00%
HestAmbiente Srl	Trieste	1,010,000		82.50%	82.50%
Inrete Distribuzione Energia Spa	Bologna	10,091,815	100.00%		100.00%
Macero Maceratese Srl	Macerata (MC)	1,032,912		46.70%	46.70%
Marche Multiservizi Spa	Pesaro	16,388,535	46.70%		46.70%
Marche Multiservizi Falconara Srl	Falconara Marittima (AN)	100,000		46.70%	46.70%
Primagas AD	Varna (Bulgaria)	1,149,860 Lev		97.34%	97.34%
Recycla Spa	Maniago (PN)	90,000		75.00%	75.00%
Tri-Generazione Scarl	Padua	100,000		70.00%	70.00%

Uniflotte Srl	Bologna	2,254,177	97.00%		97.00%
Vallortigara Servizi Ambientali Spa	Torrebelvicino (VI)	330,000		75.00%	75.00%
Wolmann Spa	Bologna	400,000		100.00%	100.00%

(*) unless otherwise specified

Jointly controlled entities

Registered name	Registered office	Share capital (€)	Percentage held		Total interest
			direct	indirect	
Enomondo Srl	Faenza (RA)	14,000,000		37.50%	37.50%

Associated companies

Registered name	Registered office	Share capital (€) (*)	Percentage held		Total interest
			direct	indirect	
Aimag Spa*	Mirandola (MO)	78,027,681	25.00%		25.00%
ASM Servizi Energetici e Tecnologici-ASM SET Srl	Rovigo	200,000		49.00%	49.00%
SEA - Servizi Ecologici Ambientali Srl	Camerata Picena (AN)	100,000		31.00%	31.00%
Set Spa	Milan	120,000	39.00%		39.00%
Sgr Servizi Spa	Rimini	5,982,262		29.61%	29.61%
Tamarete Energia Srl	Ortona (CH)	3,600,000	40.00%		40.00%

*The share capital of these companies consists of 67,577,681 euro of ordinary shares and 10,450,000 euro of related shares.

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