Consolidate quarterly report as at 31 March 2025

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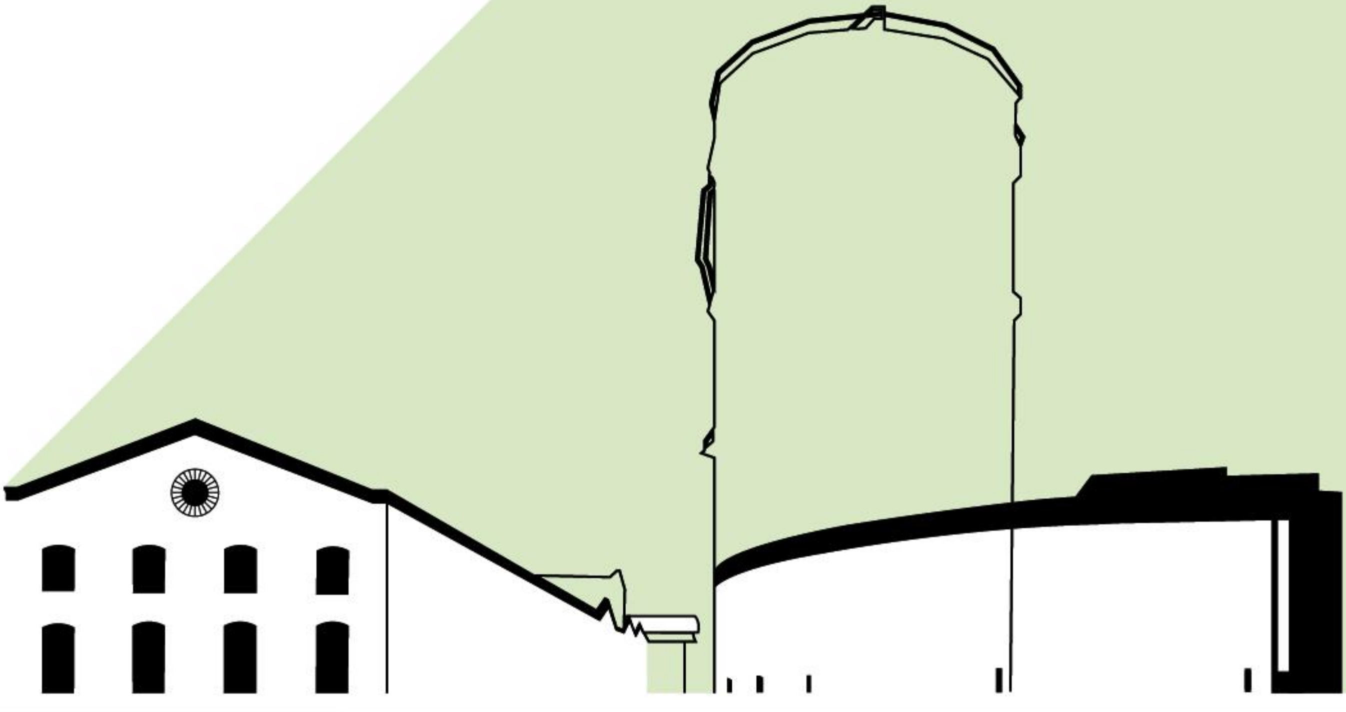

GRUPPO HERA

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DIRECTORS' REPORT

1.01 - TRENDS AND CONTEXTS

MACRO-ECONOMIC CONTEXT

In early 2025, the global economy showed signs of a slowdown, mainly due to a highly uncertain environment, with global GDP growth forecasts potentially revised downwards. Among other countries, growth weakened in the US and struggled to gain momentum in China. Subsequently, on 2 April, the US administration announced a drastic increase in tariffs on almost all other countries. This announcement rapidly caused a sharp correction in international financial markets, which recorded significant declines, especially in the sectors most exposed to world trade. On 9 April, the US administration announced a partial suspension of tariffs for a period of three months, during which a reduced rate of 10% will be applied to all trading partners except China. The financial markets recovered some of their losses, but a high degree of uncertainty remains, since this was a radical change of course with respect to the policies adopted so far, which could have even more serious repercussions on the global economy.

The euro area's GDP continued to grow moderately in the first few months of the year, supported by positive trends in consumption, expansion in services and a recovery in manufacturing, despite ongoing weakness in investment in capital assets. Inflation fell to just above 2%. The projections formulated in March by ECB experts, which did not take into account the tariffs imposed on the European Union by the US administration, put euro area growth at 0.9% in 2025 and slightly higher over the next two years; inflation was expected to decline and stabilise at around 2% at the beginning of 2026.

In Italy, economic activity was positively affected by some degree of vitality in consumption, stable employment and modest wage increases, while it suffered from the ongoing weakness of investment in capital assets, caused among other things by low production capacity utilisation and still financing conditions that remain restrictive. Manufacturing showed a slight improvement, but may suffer the worst repercussions from the new tariffs and, more generally, from the instability of the international environment. In construction, the stimulus provided by the gradual implementation of the NRRP offset the loss of generous incentives for renovating residential properties.
The Bank of Italy's projections indicate that national GDP will grow by 0.6% in the current year, 0.8% in 2026 and 0.7% in 2027. This scenario includes an initial and necessarily partial assessment of the effects of the tariffs announced on 2 April by the United States, but does not take into account the impact of any retaliatory measures, the possible consequences on international markets and the temporary and partial suspension announced on 9 April. As regards inflation, in the first few months of 2025, higher energy prices pushed up the consumer price index slightly, reaching 2.1% in March. Inflation is expected to remain at around 1.5% in both 2025 and 2026, rising to 2% in 2027.

FINANCIAL MARKETS

Geopolitical tensions and the trade war, which began with the Trump administration's tariff policy, influenced the negative escalation on financial markets in the first few months of the year, fuelling global uncertainty. Nevertheless, the first quarter ended with limited losses for the US stock market index and European stock markets holding up well. However, immediately after 2 April, the markets entered a period of severe turbulence, with a general decline of more than 10% in all stock indices, accompanied by a surge in the volatility index of more than 50%, a level seen during the pandemic crisis. Faced with such a critical environment, the major central banks reacted in various ways: while the Fed kept interest rates unchanged, concerned about the upside risks to inflation linked to the possible escalation of trade tensions, the ECB continued on its path of rate cuts, with two 25-basis-point cuts in January and March. Despite the possibility of a pause in rate cuts announced at its March meeting, it cut rates again in April, bringing the main refinancing rate to 2.4% and the deposit rate to 2.25%. At the end of March 2025, the interest rate curve showed a reduction of approximately 40 basis points on average on short-term levels and an increase of approximately 30 basis points on average on long-term levels compared to the end of December 2024, marking the beginning of a return of the yield curve to a "normal" shape. The ten-year BTP-Bund spread closed at around 113 basis points, broadly in line with the December 2024 close, thanks to the resilience of Italy's sovereign risk, which, among other things, saw an improvement in its S&P rating to BBB+ with a stable outlook.

ENERGY SECTOR

Within the unstable context described above, crude oil and fuel prices fell sharply in the first quarter of 2025 compared to the previous year's prices. The day-ahead energy market (MGP), although down on a monthly basis, showed a 49.6% increase in prices compared to the same quarter of 2024. According to data processed by the national grid transmission company (Terna), electricity consumption for the quarter showed a slight decrease, down 0.6% compared to the same period of the previous year, from 77.9 TWh to 77.4 TWh. During the period under review, 84.2% of demand was met by domestic production, which increased by 6.1% compared to the same period in 2024, from 61.4 TWh to 65.2 TWh, while the balance with foreign countries stood at approximately 12.2 TWh.

In the first quarter of 2025, net domestic production from renewable sources accounted for 35.2% of total net production, reaching a volume of 22.9 TWh, lower than the 25.3 TWh produced in the first quarter of 2024. The portion of consumption met by renewables came to 29.6%, down from the portion of consumption met in 2024 due to the observed decline in hydroelectric production at 16.8%, wind at 19.1% and geothermal at 3.2%. On the other hand, an increase occurred in photovoltaic production, at 13.7%. Renewables suffered a modest overall decline of 2.4 TWh. Lastly, a significant increase occurred in thermoelectric production compared to the same quarter in the previous year, equivalent to 6.1 TWh (16.9%), and in photovoltaic production, equivalent to 0.8 TWh (14.1%).

The price index for natural gas at the Dutch hub (TTF), taken as a benchmark for short-term spot market prices in Europe, showed a sharp increase in the first quarter of 2025, up 56.4% compared to the first quarter of 2024. The information provided by Italy's national gas transmission network operator (Snam Rete Gas) for the same quarter also shows an 11.1% increase in natural gas consumption compared to the same quarter of the previous year, going from 19.9 billion cubic metres to 22.1 billion cubic metres. The most significant increase in consumption was due to demand for electricity generation, which stood at 6.4 billion cubic metres, up 28% on the same quarter of the previous year, and, to a lesser extent, to demand for household use, which stood at 11.7 billion cubic metres, up 3.4%. Exports also increased, with volumes of 1 billion cubic metres. Industrial consumption stood at 3 billion cubic metres, remaining virtually unchanged compared to 2024, with a 0.3% increase. During the quarter, 64.7% of the demand for gas fed into the network was met by imports and 31.2% by storage, while domestic production accounted for the remainder.

REGULATED BUSINESS

Turning to regulatory aspects, the most significant measures for the Group issued during the first quarter of 2025 include:

- Decree-Law no. 19 of 28 February 2025 containing measures for incentivised tariffs for the supply of electricity and natural gas in favour of households and businesses, as well as transparency of retail offers and strengthened sanctions by the supervisory Authorities;
- the conversion into law, with amendments, of Decree-Law no. 202 of 27 December 2024, which stipulates that the obligation to increase thermal energy from renewable energy sources (RES) in energy supplies in excess of 500 TOE per year will come into effect on 1 January 2025;
- Ministerial Decree FER X, aimed at promoting renewable electricity production, in particular through the development of photovoltaics;
- the conversion into law, with amendments, of Decree-Law no. 208 of 31 December 2024, setting forth measures to deal with situations of particular emergency, as well as for the implementation of the National Recovery and Resilience Plan (so-called Emergencies and NRP), which contains regulations aimed at the development of long-term contracts for the purchase of electricity from renewable sources.

With reference to new regulations, the measures having the most significance for the Group, adopted in the first quarter of 2025 by the Regulatory Authority for Energy, Networks and the Environment (ARERA), are as follows:

- the definition of modalities with which vulnerable household customers can request access to the gradual protection service (Resolution 48/2025/R/eel);
- the definition of the timeframe under which vulnerable household customers can remain in the gradual protection service (Resolution 110/2025/R/eel);
- supplements to the "energy end customers bill" and some specific provisions for bills of multi-site customers (Resolution 64/2025/R/com);
- initial functional provisions for the recognition of the extraordinary contribution for customers with electricity supply pursuant to Decree-Law No. 19 of 28 February 2025 (Resolution 132/2025/R/eel);
- the first urgent measures regarding transparency and comparability of offers in the retail electricity and natural gas markets for the purposes of implementing article 5 paragraph 1 of Decree-Law No. 19/2025 (Resolution 156/2025/R/com);
- regulatory updates aimed at reconciling the development of electric mobility with the need for a rational and efficient development of electricity grids (Resolution 22/2025/R/eel):
- provisions aimed at the initial implementation under the Integrated information system of the new Electricity settlement regulations (Resolution 40/2025/R/eel):
- the integration of certain provisions regarding the accountability mechanism in the management of the delta in-out (Resolutions 28 and 111/2025/R/gas):
- the definition of guidelines for the valuation of benefit categories for cost-benefit analyses of electricity distribution grid development interventions (Resolution 112/2025/R/eel);
- the definition of the calculation methods and other parameters relating to the benefit categories for cost-benefit analyses of electricity distribution grid development interventions (Resolution 112/2025/R/eel);
- the revision of the criteria for the revaluation of capital costs for infrastructure services in the electricity and gas sectors starting from the 2024 tariff year (130/2025/R/com);
- the closure of the proceedings to comply with the rulings of the State Council that annulled Resolution 570/19 on the 2020-2025 tariff system for gas distribution with regard to recognised operating costs (Resolution 87/2025/R/gas) and the consequent redetermination of the reference tariffs for gas distribution and metering services for the years 2020-2023 (Resolution 98/2025/R/gas);
- confirmation of the extension to 2025 of the transitional tariff method for the district heating service (Resolution 54/2025/R/tlr):
- the start of proceedings to amend and update the rules on transparency in billing documentation for the Integrated water service (Resolution 122/2025/R/idr):

- the start of proceedings to update the regulation of technical quality in the municipal waste sector (Resolution 25/2025/R/rif):
- the start of proceedings to define the waste tariff method for the third regulatory period (Mtr-3) (Resolution 57/2025/R/rif);
- the start of proceedings for the implementation of the recognition of the "waste social bonus" for economically and socially disadvantaged household users of the integrated municipal waste management service (Resolution 133/2025/R/rif).

1.02 - OVERVIEW OF OPERATING AND FINANCIAL TRENDS

The Hera Group uses alternative performance measures (APMs) to convey information concerning trends in the profitability of the businesses in which it operates, as well as its equity and financial situation.
The criteria used for determining and calculating the APMs in this financial report at 31 March 2025 are the same as those previously used in the consolidated financial statements at 31 December 2024.

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

OPERATING APMS AND INVESTMENTS (MN€)	MAR 25	MAR 24	ABS. CHANGE	% CHANGE
Revenues	**4,321.3**	**3,368.6**	**952.7**	**+28.3%**
Ebitda	**418.0**	**417.1**	**0.9**	**+0.2%**
Ebitda/revenues	9.7%	12.4%	(2.7) pp	+0.0%
Ebit	**247.2**	**245.9**	**1.3**	**+0.5%**
Ebit/revenues	5.7%	7.3%	(1.6) pp	+0.0%
Net result	**163.8**	**153.3**	**10.5**	**+6.8%**
Net result/revenues	3.8%	4.6%	(0.8) pp	+0.0%
Net investments	**187.4**	**149.5**	**37.9**	**+25.4%**

FINANCIAL APMS (MN€)	MAR 25	DEC 24	ABS. CHANGE	% CHANGE
Net non-current assets	8,564.2	8,496.4	67.8	+0.8%
Net working capital	301.5	227.2	74.3	+32.7%
Provisions	(769.3)	(773.0)	3.7	(0.5)%
Net invested capital	8,096.4	7,950.6	145.8	+1.8%
Net financial debt	3,896.9	3,963.7	(66.8)	(1.7)%
Sources of financing	8,096.4	7,950.6	+145.8	+1.8%

1.02.01 - Operating results and investments

GROWTH IN OPERATING RESULTS AND INVESTMENTS

The first quarter of 2025 closed for the Hera Group with improved operating results compared to the previous year. Ebitda amounted to 418.0 million euro, with a slight increase coming to 0.2% compared to March 2024, while Ebit grew by 0.5% and net profit was up by 6.8%.
Investments also increased by 25.6% compared to March 2024, reflecting the Group's ongoing focus on growth and strengthening the resilience of assets under management.

The results for the first quarter of 2025 must be seen within an external scenario that showed lower volatility in energy commodity prices, allowing the Hera Group to operate once again in a more stable market context, even if not yet similar to the levels seen prior to the crisis.

The Group's performance was once again 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 through both internal growth and the opportunities offered by the market thanks to external development.

In particular, note that compared to the first quarter of 2024 the Hera Group continued to expand its scope of operations, especially in the waste management area, through the acquisition of 70% of TRS Ecology Srl, a company that manages a multi-purpose platform for special waste treatment in Caorso (PC). This is a substantial company focused on industrial waste treatment and recovery with a total of approximately 2,700 customers. More detailed information on this matter is provided in paragraph 1.03.04.

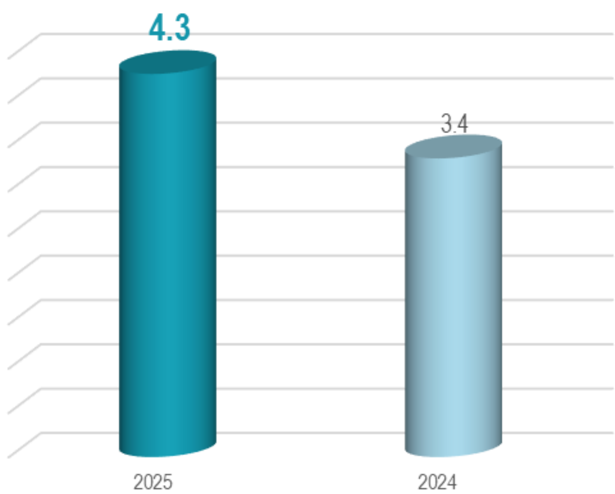
Note that Hera Comm Spa was awarded seven lots in the national tender called by the Single Purchaser for the Gradual protection service for non-vulnerable household customers, leading over 1 million new electricity customers to be included in the Group's portfolio as of 1 July 2024. More detailed information on this matter is provided in paragraph 1.03.02.

Lastly, note the award to Hera Comm Spa of seven of the nine lots of the safeguarded service for the years 2025 and 2026, five more lots awarded than in the previous two-year period. More detailed information on this issue is provided in paragraph 1.03.02.

The following table shows operating results at 31 March 2025 and 2024:

INCOME STATEMENT (MN€)	MAR 25	% INC.	MAR 24	% INC.	ABS. CHANGE	% CHANGE
Revenues	4,321.3	0.0%	3,368.6	0.0%	952.7	28.3%
Other income	37.4	0.9%	30.4	0.9%	7.0	23.0%
Raw and other materials	(2,714.5)	(62.8)%	(1,841.1)	(54.7)%	873.4	47.4%
Service costs	(1,049.0)	(24.3)%	(965.9)	(28.7)%	83.1	8.6%
Other operating expenses	(20.2)	(0.5)%	(18.0)	(0.5)%	2.2	12.2%
Personnel costs	(179.6)	(4.2)%	(169.1)	(5.0)%	10.5	6.2%
Capitalised costs	22.6	0.5%	12.2	0.4%	10.4	85.6%
Ebitda	**418.0**	**9.7%**	**417.1**	**12.4%**	**0.9**	**0.2%**
Amortization. depreciation and provisions	(170.8)	(4.0)%	(171.2)	(5.1)%	(0.4)	(0.2)%
Ebit	**247.2**	**5.7%**	**245.9**	**7.3%**	**1.3**	**0.5%**
Financial operations	(17.5)	(0.4)%	(35.9)	(1.1)%	(18.4)	(51.3)%
Share of profits (losses) pertaining to joint ventures and associated companies	4.3	0.1%	2.9	0.1%	1.4	48.3%
Pre-tax result	**234.0**	**5.4%**	**212.9**	**6.3%**	**21.1**	**9.9%**
Taxes	(70.2)	(1.6)%	(59.6)	(1.8)%	10.6	17.8%
Net profit for the period	**163.8**	**3.8%**	**153.3**	**4.6%**	**10.5**	**6.8%**
Attributable to:						
Parent company shareholders	153.7	3.6%	143.1	4.2%	10.6	7.4%
Non-controlling interests	10.1	0.2%	10.2	0.3%	(0.1)	(1.0)%

Revenues (bn€)



4.3

BILLION EURO REVENUES

(+28.3%)

Revenues in March 2025 were up by 952.7 million compared to the same period in 2024. The energy segments showed growth coming to 874 million euro, mainly due to higher energy commodity prices, higher trading volumes of gas and electricity sales, and lastly higher revenues from system charges. These positive effects were partially offset by lower volumes of gas sold to end customers due to lower consumption by the customer base as a result of increasingly widespread energy saving measures in line with the objectives of reducing climate-changing emissions.

In addition, revenues in network services increased by a total of 55 million euro, due to both higher tariff revenues as a result of the Authority's resolutions, as described in chapter 1.03, dedicated to the single business areas, which contributed approximately 30 million euro, and higher revenues from work on assets under concession amounting to approximately 27 million euro.

In the public lighting business, higher revenues were linked to the progress of work for the energy upgrading on public lighting systems.

Revenues in the waste management area grew due to significant expansion in the recovery market, development in the industrial market thanks to advances in the reclamation business, and higher revenues from the municipal waste service related both to tariff adjustments and to the increased supplementary services.

Lastly, note the lower revenues due to a reduction in incentivised activities on energy-saving services for residential buildings, following changes in legislation on energy-saving interventions.

For further details, see the analyses of the individual business areas in chapter 1.03.

Other income in March 2025 was up by 7.0 million euro compared to the same period in 2024, mainly due to approximately 5.0 million euro of higher revenues for energy efficiency certificates and approximately 2.0 million euro for higher subcontracted work.

COSTS FOR RAW MATERIALS LINKED TO THE TREND IN REVENUES

Costs for raw and other materials increased by 873.4 million euro compared to March 2024. This increase was mainly related to the trend in energy revenues, linked to the increase in energy raw material prices, and the growth in volumes of electricity sold, as described above under revenues, despite the aforementioned lower volumes of gas sold to end customers.

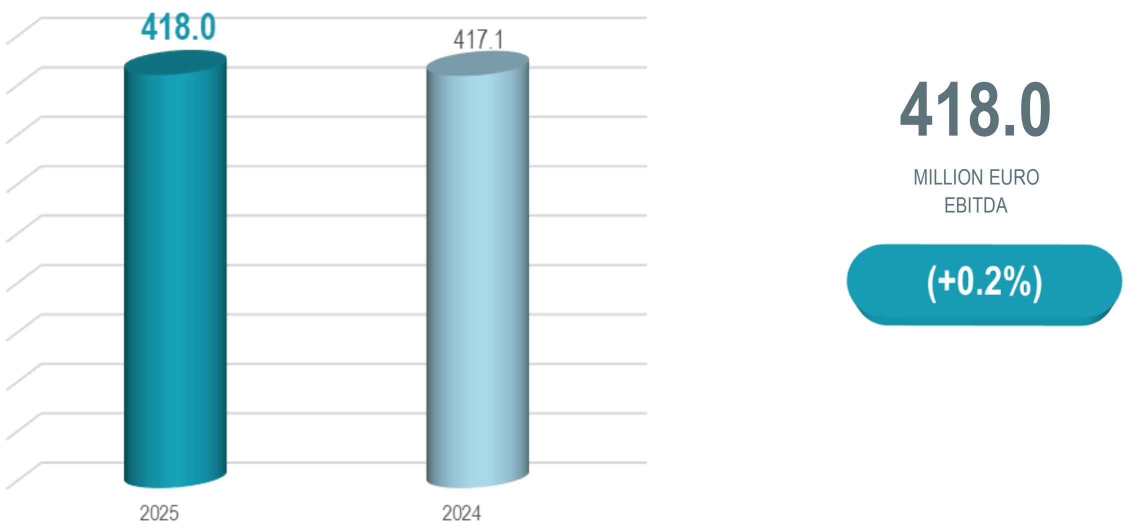
Other operating costs increased by 85 million euro (83 million euro in higher service costs and 2 million euro in higher operating expenses). A total of approximately 60 million euro of higher costs were seen in the energy sector, mainly related to system charges for the gas and electricity businesses. Energy services for energy efficiency recorded lower costs for works coming to approximately 23 million euro, linked to the trend in revenues. Overall, higher costs involved works on assets under concession and subcontracted works totalling approximately 41 million euro. Lastly, higher costs occurred in the waste management area for the development of separate waste collection projects, higher costs in the industry market, and higher costs in the waste recovery market linked to the factors mentioned under revenues.

+6.2% INCREASE IN PERSONNEL COSTS

Personnel costs increased by 6.2% compared to March 2024, amounting to 10.5 million euro. This increase was mainly due to salary increases pursuant to the national collective labour agreement and a higher average presence.

Capitalised costs amounted to 22.6 million euro in March 2025, up from the previous year due to increased investment works on Group-owned assets.

Ebitda (mn€)

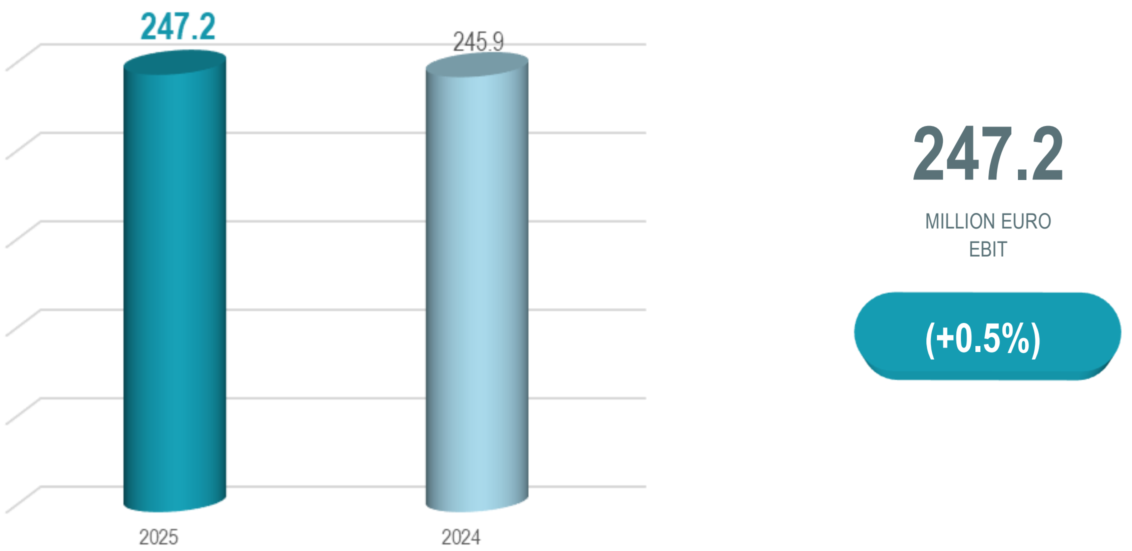


Ebitda was essentially in line with the previous year, up slightly by 0.2% or 0.9 million euro compared to March 2024. This performance was due to the positive contribution coming from the water cycle, at 5.8 million euro, and the good performance of the waste management area, up by 2.0 million euro. These trends fully offset the decrease in the energy areas totalling 7.1 million euro.

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

Depreciation, amortisation and provisions at 31 March 2025 dropped by 0.4 million euro year-on-year, down 0.2%. Higher amortisation and depreciation were seen mainly due to new operating investments, particularly in regulated sectors and in waste treatment, along with increased activities for the acquisition of new customers in the energy markets. Provisions for risks decreased overall, particularly in the water business managed by Hera Spa, partially offset by higher specific provisions in waste treatment. Provisions for bad debts also decreased, mainly due to the drop in volumes of energy commodities, particularly in last resort gas markets.

Ebit (mn€)



Ebitda amounted to 247.2 million euro, up 0.5% compared to March 2024. The growth in Ebitda was accompanied by lower depreciation, amortisation and provisions, as described above.

Financial operations decreased by 18.4 million euro compared to the same period one year earlier, due to a more efficient financial structure. Income from the non-recurring payment of the Calenia dividend, amounting to 2.9 million euro, also had a lower impact.

FINANCIAL OPERATIONS IMPROVE

The share of profits and losses of joint ventures and associated companies include the effects caused by valuation using the equity method of the companies included in the scope of consolidation. At March 2025, these figures amounted to 4.3 million euro, up 1.4 million euro year-on-year.

RESULT OF EQUITY METHOD VALUATION

The pre-tax result showed a 9.9% increase compared to March 2024, since the growth resulting from Ebit was accompanied by the performance in financial operations, as described above.

Taxes for the period amounted to 70.2 million euro, compared to 59.6 million euro in the previous period, and reflected the increase in profit generated. The tax rate for the first quarter of 2025, at 30%, increased compared to the period under comparison mainly due to lower non-recurring tax benefits and the dilution of the effects of certain benefits which the Group was able to request in the past.

TAX RATE AT 30.0%

As a result of all the events described above, net profit increased by 10.5 million euro compared to the figure seen in March 2024.

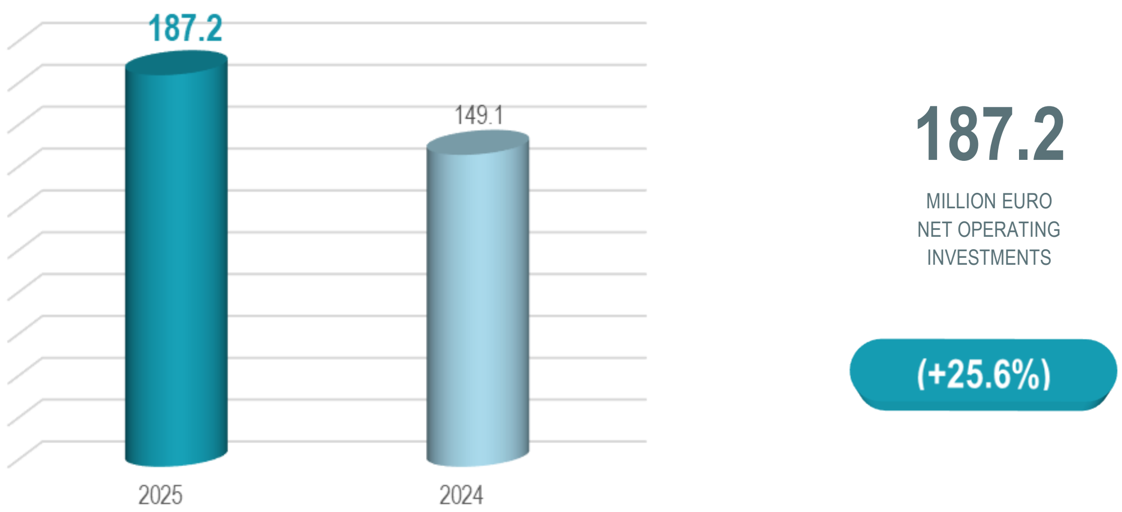
+6.8% NET PROFIT

In the first quarter of 2025, the Group's net investments amounted to 187.4 million euro, up 37.9 million euro year-on-year. This increase mainly concerned operating investments in the water cycle and waste management areas.
Capital grants amounted to 4.4 million euro, of which 2.0 million euro from FoNI investments, as provided for by the tariff method for the integrated water service, and were down by 3.3 million euro overall compared to the previous year.

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

TOTAL INVESTMENTS (MN€)	MAR 25	MAR 24	Abs. change	% change
Gas area	38.4	37.4	1.0	+2.7%
Electricity area	26.4	29.8	(3.4)	(11.4)%
Integrated water cycle area	75.8	48.3	27.5	+56.9%
Waste management area	31.7	22.6	9.1	+40.3%
Other services area	2.4	2.1	0.3	+14.3%
Headquarters	16.9	16.7	0.2	+1.2%
Total gross operating investments	**191.6**	**156.8**	**34.8**	**+22.2%**
Capital grants	4.4	7.7	(3.3)	(42.9)%
of which FoNi (New Investments Fund)	2.0	4.7	(2.7)	(57.4)%
Total net operating investments	**187.2**	**149.1**	**38.1**	**+25.6%**
Financial investments	0.3	0.4	(0.1)	(25.0)%
Total net investments	**187.4**	**149.5**	**37.9**	**+25.4%**

Total net operating investments (mn€)



Including capital grants, the Group's operating investments amounted to 191.6 million euro, up 34.8 million euro over the previous year, and were mainly related to works on plants, networks and infrastructures. In addition, regulatory upgrading was carried out, especially in the gas distribution sector for the large-scale metre replacement, and in the purification and sewage sector.

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, structural investments amounted to 16.9 million euro, essentially in line with the previous year.

1.02.02 - Financial structure and adjusted net debt

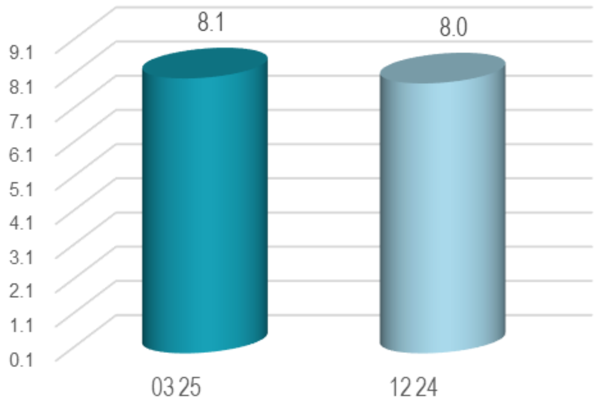
What follows is an analysis of trends in the Group's net invested capital and sources of financing at 31 March 2025.

INVESTED CAPITAL AND SOURCES OF FINANCING (MN€)	31 MAR 25	% INC.	31 DEC 24	% INC.	ABS. CHANGE	% CHANGE
Net non-current assets	8,564.2	+105.8%	8,496.4	+106.9%	67.8	+0.8%
Net working capital	301.5	+3.7%	227.2	+2.9%	74.3	+32.7%
(Provisions)	(769.3)	(9.5)%	(773.0)	(9.7)%	3.7	(0.5)%
Net invested capital	**8,096.4**	**+100.0%**	**7,950.6**	**+100.0%**	**145.8**	**+1.8%**
Equity	4,199.5	+51.9%	3,986.9	+50.1%	212.6	+5.3%
Long-term borrowings	4,559.0	+56.3%	4,051.3	+51.0%	507.7	+12.5%
Net current financial debt	(662.1)	(8.2)%	(87.6)	(1.1)%	(574.5)	+655.8%
Net financial debt	3,896.9	+48.1%	3,963.7	+49.9%	(66.8)	(1.7)%
Total sources of financing	**8,096.4**	**+100.0%**	**7,950.6**	**+100.0%**	**145.8**	**+1.8%**

Net invested capital (NIC), at 8,096.4 million euro, increased compared to 31 December 2024. This change was mainly caused by an increase in working capital and net fixed assets as a result of the investments made during the period.

GROUP SOLIDITY CONFIRMED

Net invested capital



8.1

BILLION EURO

NET INVESTED CAPITAL

In March 2025, provisions amounted to 769.3 million euro, in line with the previous year-end (773.0 million euro). This result is mainly due to provisions for the period and adjustments to the post-mortem provisions for landfills and restoration of third-party assets, which offset the outflows for utilisations.

769.3 MILLION EURO PROVISIONS

Equity increased from 3,986.9 million in 2024 to 4,199.5 million euro in 2025, strengthening the Group's solidity, thanks to the net operating result coming to 163.8 million euro in the first three months of 2025 and the effect of the sale of 11.4 million treasury shares held in the portfolio.

4.2 BILLION EURO EQUITY

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

MN€		31 MAR 25	31 DEC 24
A	Cash holdings	1,855.4	1,315.6
B	Cash equivalents	-	-
C	Other current financial assets	72.0	23.1
D	**Liquidity (A+B+C)**	**1,927.4**	**1,338.7**
E	Current financial debt	(533.2)	(525.8)
F	Current portion of non-current financial debt	(478.4)	(474.1)
G	**Current financial indebtedness (E+F)**	**(1,011.6)**	**(999.9)**
H	**Net current financial indebtedness (G+D)**	**915.8**	**338.8**
I	Non-current financial debt	(722.9)	(712.6)
J	Debt instruments	(3,901.2)	(3,401.3)
K	Non-current trade and other payables	-	-
L	**Non-current financial indebtedness (I+J+K)**	**(4,624.1)**	**(4,113.9)**
M	**Total financial indebtedness (H+L)**	**(3,708.3)**	**(3,775.1)**
	Non-current financial receivables	161.5	158.0
	Net financial debt (excluding put option)	**(3,546.8)**	**(3,617.1)**
	Nominal amount - fair value put option	(321.5)	(318.4)
	Net financial debt with adjusted put option	**(3,868.3)**	**(3,935.5)**
	Portion of future dividends - fair value put option	(28.6)	(28.2)
	Net financial debt (Net debt)	**(3,896.9)**	**(3,963.7)**

Total net financial debt amounted to 3,896.9 million euro, down by 66.8 million euro compared to December 2024.

Current financial assets increased by approximately 48.9 million euro, mainly due to the 30 million euro loan to Aimag Spa, disbursed in March 2025.

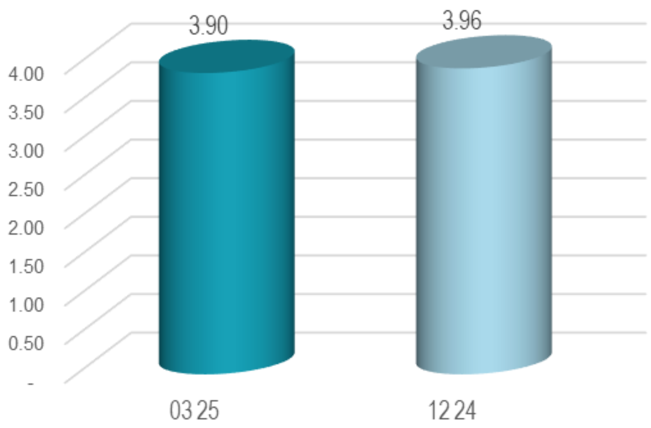
The financial structure shows total current indebtedness at 1,011.6 million euro, in line with the figures seen in December 2024.
The portion amounting to 533.2 million euro refers to bank borrowings, such as bank utilisations, accruals for interest on financial debt and other payables.
The current portion of non-current financial debt amounted to 478.4 million euro and included 375 million euro of bank lines maturing in early August 2025. It furthermore included 15 million euro in a residual bond loan named "Private Placement 32" maturing in May 2025 and 23.8 million euro of current payables for leasing contracts.

Non-current financial indebtedness amounted to 4,624.1 million euro, up from the previous period by approximately 510.2 million euro due to the new 500 million euro bond issued in January 2025.

Cash holdings amounted to 1,855.4 million euro, showing an increase of approximately 539.8 million euro due to the cash from the aforementioned recent bond issue.

At 31 March 2025, 76.6% of medium/long-term debt consisted of bonds with repayment at maturity. Total medium/long-term debt, 97% of which is fixed-rate, had an average residual maturity of approximately five years and one month, with 49% of debt maturing after more than five years.

Net financial debt (Net debt) (bn€)



3.90

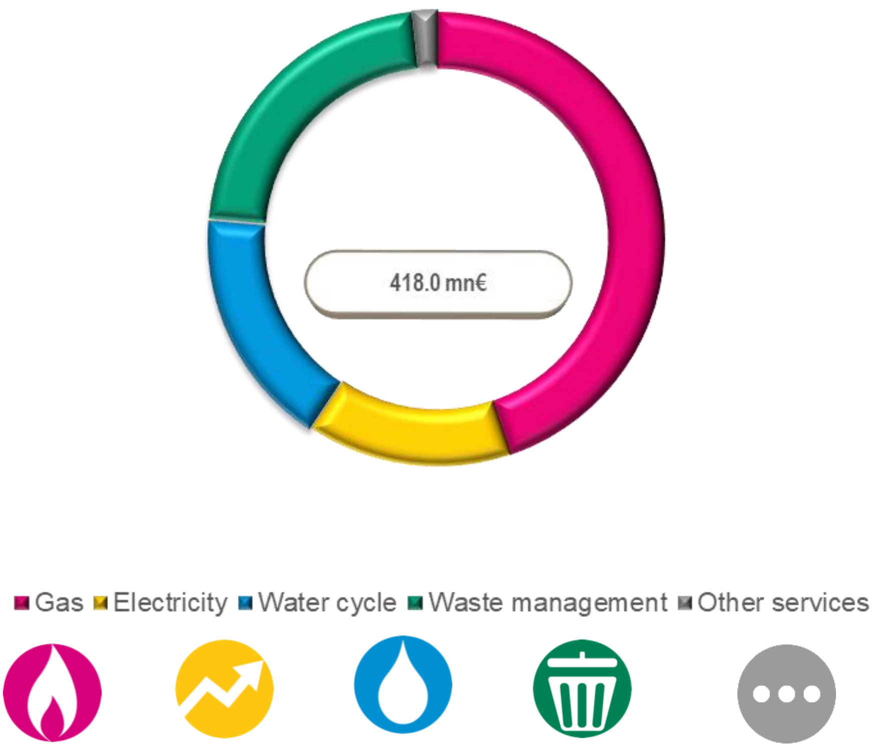
BILLION EURO
NET FINANCIAL DEBT

1.03 - 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 generation, distribution and sales services and public lighting services; 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 telecommunications and other minor services.

Ebitda March 2025



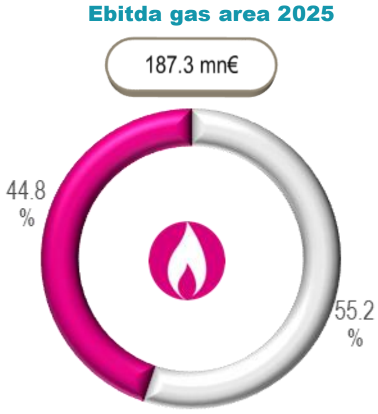
The Group’s income statements include corporate headquarter costs and account for intercompany transactions at arm’s length.

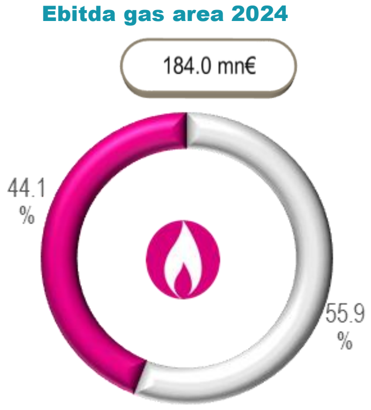
The following analyses of each single business area take into account all increased revenues and costs, having no impact on Ebitda, related to the application of IFRIC 12. The business areas affected by this accounting standard are: natural gas distribution services, electricity distribution services,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

1.06.01 - Gas

The results for the first quarter of 2025 show an upward trend compared to the previous year, due to higher average prices of energy raw materials, higher regulated revenues from gas distribution, despite a decline in trading, and energy efficiency activities, following changes in energy saving regulations.
The Group maintained its leading presence in last resort markets, given that Hera Comm Spa has been awarded tenders for the following lots across Italy:

- eight of the nine lots of the last resort gas supply service (for customers involved in public services or without a supplier) for the period from 1 October 2023 - 30 September 2025 in: Valle d’Aosta, Piedmont, Liguria, Trentino A.A., Veneto, Friuli-Venezia Giulia, Emilia-Romagna, Tuscany, Umbria, Marche, Abruzzo, Molise, Basilicata, Puglia, Lazio and Campania. In the previous tender, Hera Comm was awarded six out of nine lots;
- all nine lots of the default gas distribution service (for customers in arrears), for the period from 1 October 2023 - 30 September 2025 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 as well, Hera Comm was awarded nine out of nine lots;

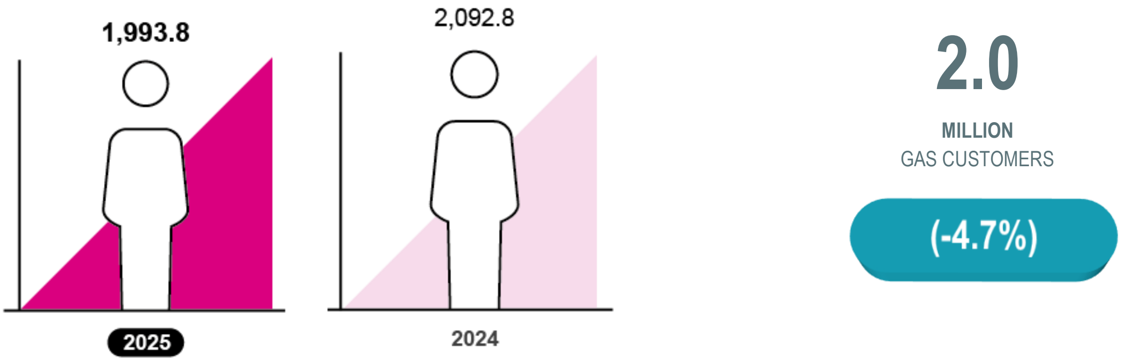




The following table shows the changes occurred in terms of Ebitda:

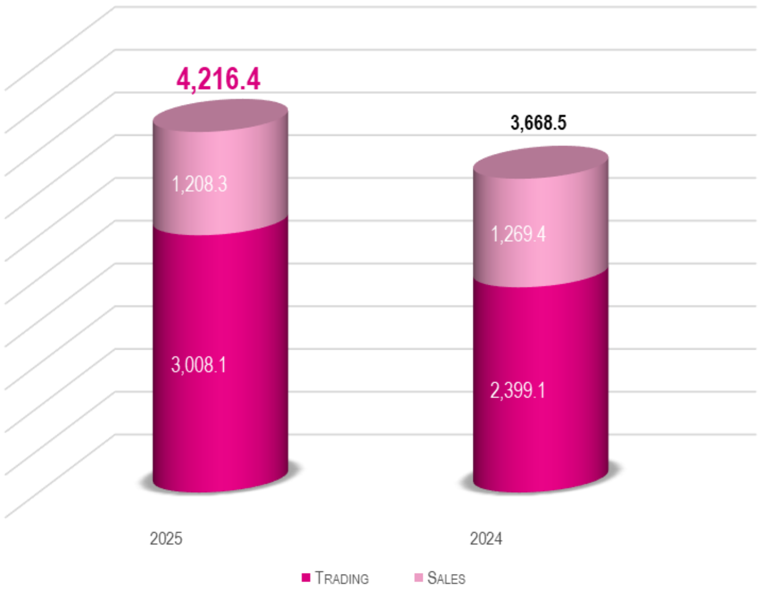
(MN€)	MAR 24	MAR 23	ABS. CHANGE	% CHANGE
Area Ebitda	**187.3**	**184.0**	**3.3**	**+1.8%**
Group Ebitda	418.0	417.1	0.9	+0.2%
Percentage weight	44.8%	44.1%	+0.7 p.p.	

Customers (k)



The number of total gas customers was lower than in the same period of the previous year, down 99.0 thousand, mainly in traditional markets, which accounted for 92.8 thousand, and to a lesser extent in last resort markets, down 6.2 thousand.

Volumes sold (mn m³)



4.2

BILLION M3
SOLD

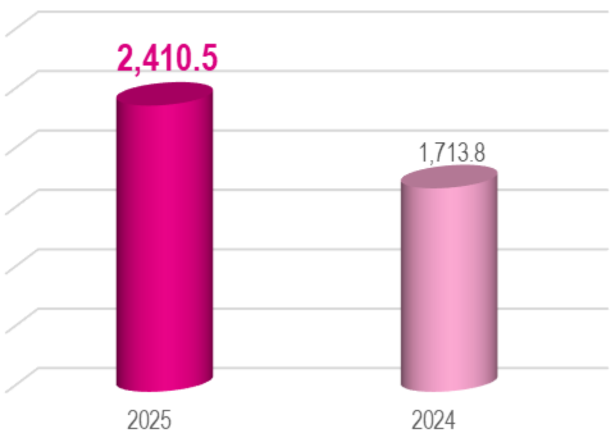
(+14.9%)

Total volumes of gas sold increased by 547.9 million cubic metres (+14.9%) due to increased trading activities amounting to 609.0 million cubic metres. Volumes sold to end customers fell by 61.1 million cubic metres (-4.8%), due to both last resort markets, coming to 32.2 million cubic metres (-20.8%), and traditional markets, coming to 28.9 million cubic metres (-2.6%). This trend was mainly influenced by the decreased customer base and the energy-saving behaviour shown by customers.

The following table summarises operating results for the gas area:

INCOME STATEMENT (mn€)	MAR 25	% INC.	MAR 24	% INC.	ABS. CHANGE	% CHANGE
Revenues	2,410.5		1,713.8		696.7	+40.7%
Operating costs	(2,193.8)	(91.0)%	(1,498.6)	(87.4)%	695.2	+46.4%
Personnel costs	(34.9)	(1.4)%	(33.8)	(2.0)%	1.1	+3.3%
Capitalised costs	5.4	+0.2%	2.5	0.1%	2.9	+115.1%
Ebitda	**187.3**	**7.8%**	**184.0**	**10.7%**	**3.3**	**+1.8%**

Revenues (mn€)



2.4

BILLION EURO
REVENUES

(+40.7%)

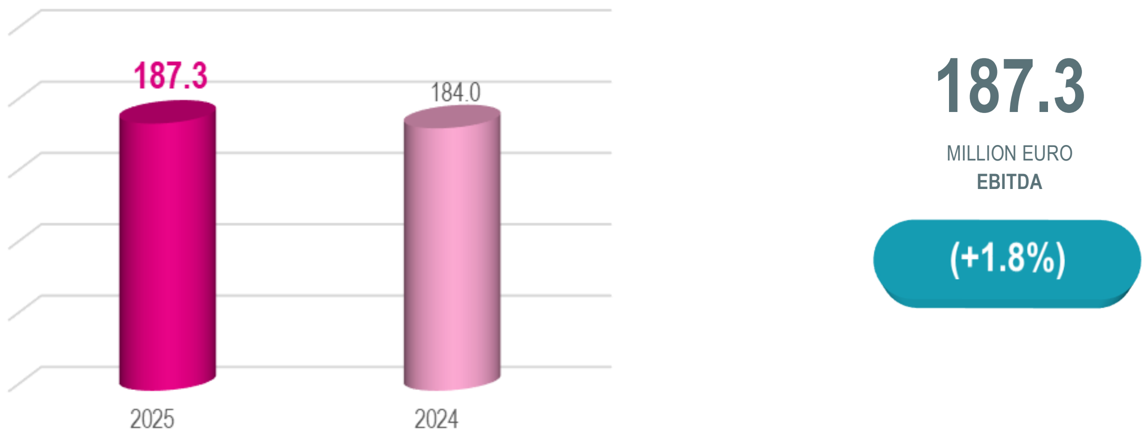
In 2025, 92% of revenues came from sales and trading activities (vs. 89% in 2024), 6% came from distribution and district heating (vs. 7% in 2024) and 2% from energy efficiency activities (vs. 4% in 2024).
Compared to the previous year, a 696.7 million euro increase occurred. Overall, sales and trading activities contributed with 692 million euro; the main factors determining this performance were higher raw material prices, increased system charges and higher brokerage volumes, despite lower consumption by the customer base.

A 24 million euro decrease was seen in energy efficiency activities, following the aforementioned regulatory changes on renovations and the ecobonus, which reduced the deduction percentage from 50-65% in 2024 to 36-50% in 2025.

An increase also occurred in district heating revenues, which resulted from higher amount of energy sold and energy prices. Further contributions come from work on assets under concession, activities in Bulgaria and white certificates, due to the higher quantities. As a whole, these factors resulted in an increase of approximately 21 million euro.
Regulated revenues were up by 8 million euro, mainly due to the redetermination of tariffs for distribution and metering services, in accordance with Resolutions 87/2025/R/gas e 98/2025/R/gas, the growth of the Regulatory asset base (RAB) of the Group's owned assets, and the inclusion of the inflationary increase, despite the decrease in the rate of return on invested capital (WACC) for gas distribution, which went from 6.5% in 2024 to 5.9% in 2025, following Resolution 513/2024/R/com, published in late 2024.

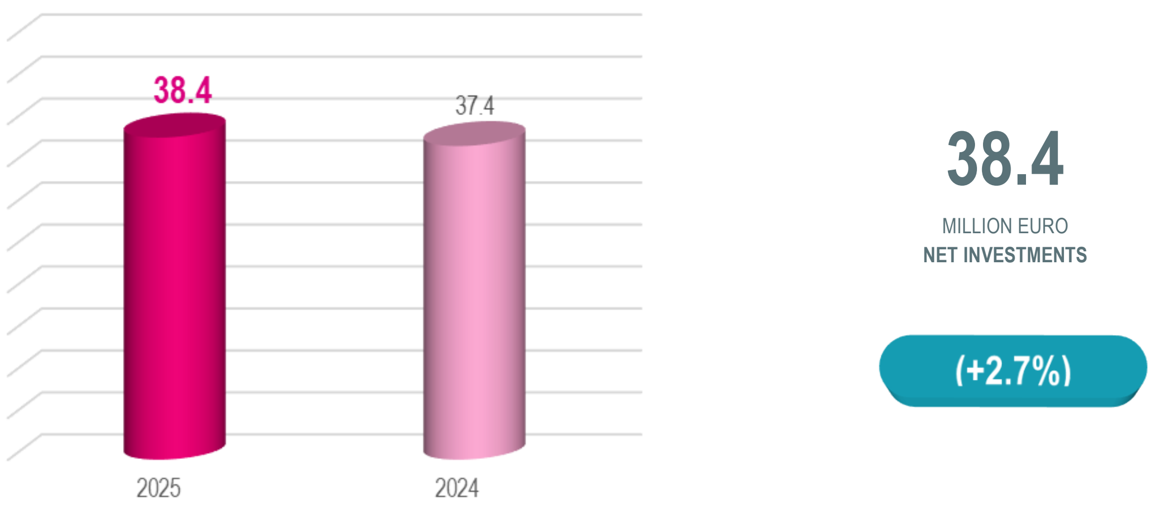
The increase in revenues was proportionally reflected in operating expenses, which showed an overall growth of 695.2 million euro. This trend was mainly related to the increase in raw material prices and system charges, despite the reduction in gas transport and storage and energy efficiency activities.

Ebitda (mn€)



Ebitda increased by 3.3 million euro, up 1.8%, thanks to the positive performance on traditional sales markets and regulated distribution revenues. This increase was offset by lower margins in last resort markets, trading and energy efficiency activities.

Net investments gas (mn€)



In the first quarter of 2025, net investments in the gas area amounted to 38.4 million euro, up 1.0 million euro year-on-year. The increase in gas distribution came to 2.0 million euro and mainly involved the investment in the hydrogen production plant in Trieste, while non-recurring maintenance work on networks and plants was largely unchanged compared to the previous year.

In gas sales, investments decreased by 2.1 million euro for activities related to the acquisition of new customers.

In district heating and energy services, investments increased by a total of 1.2 million euro compared to the previous year, up due to interventions on district heating networks and plants, which offset the reduction seen in the activities of the company Hera Servizi Energia Spa. Requests for new connections in the gas area were down compared to the same period of the previous year.

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

GAS (MN€)	MAR 25	MAR 24	ABS. CHANGE	% CHANGE
Networks and plants	27.6	25.6	2.0	+7.8%
Acquisition gas customers	4.9	7.0	(2.1)	(30.0)%
DH/Energy services	5.9	4.7	1.2	+25.5%
Total gas gross	**38.4**	**37.4**	**1.0**	**+2.7%**
Capital grants	-	-	-	+0.0%
Total gas net	**38.4**	**37.4**	**1.0**	**+2.7%**

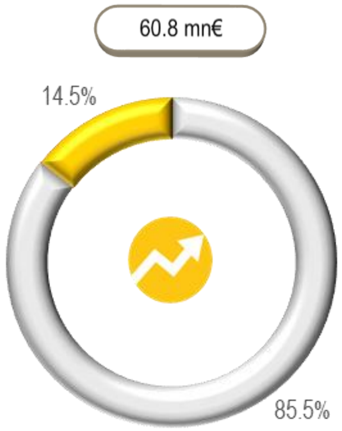
1.06.02 - Electricity

The results for the first quarter of 2025 show a decrease compared to the previous year, due to reduced sales margins as a result of new tenders, despite an increase in volumes sold to end customers, thanks to commercial development, especially in the free market, the increased Pun prices and higher regulated revenues from electricity distribution.

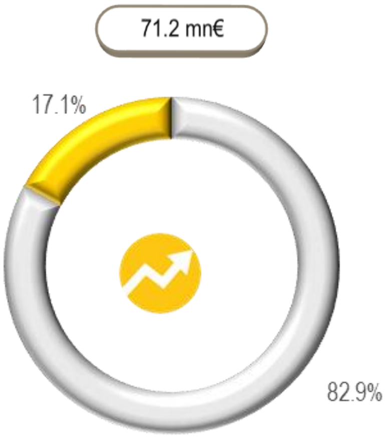
This was also made possible by Hera Comm being awarded:

- seven of the nine lots in the safeguarded service for the years 2025 and 2026 in: Lombardy, Trentino Alto Adige, Veneto, Emilia Romagna, Friuli-Venezia-Giulia, Marche, Tuscany, Sardinia, Lazio, Umbria, Campania, Abruzzo, Calabria and Sicily, five more lots than in the previous two-year period;
- seven lots (the maximum allowed out of a total of 26) in the tender for the gradual protection service for household customers for the period from 1 July 2024 to 31 March 2027 in 37 Italian provinces, strengthening the Group's presence in several Italian regions (Emilia-Romagna, Veneto, Friuli-Venezia Giulia, Marche, Tuscany, Abruzzo, Lazio, Umbria, Liguria, Piedmont, Lombardy and Campania);
- one of the 12 lots of the gradual protection service for the supply of electricity to micro-businesses for the period from 1 April 2023 to 31 March 2027 in: Friuli-Venezia Giulia, Trentino-Alto Adige and in the provinces of Belluno, Venice and Verona;
- one of the 17 lots of the Consip EE22 tender for the supply of electricity to public administrations in Calabria in 2025, compared to the four lots awarded in the previous tender.

Ebitda electricity area 2025



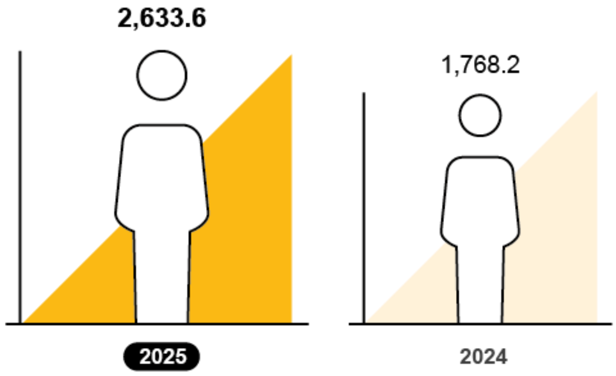
Ebitda electricity area 2024



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

(MN€)	MAR 24	MAR 23	ABS. CHANGE	% CHANGE
Area Ebitda	**60.8**	**71.2**	**(10.4)**	**(14.6)%**
Group Ebitda	418.0	417.1	0.9	0.2%
Percentage weight	14.5%	17.1%	(2.6) pp	

Customers (k)



2.6

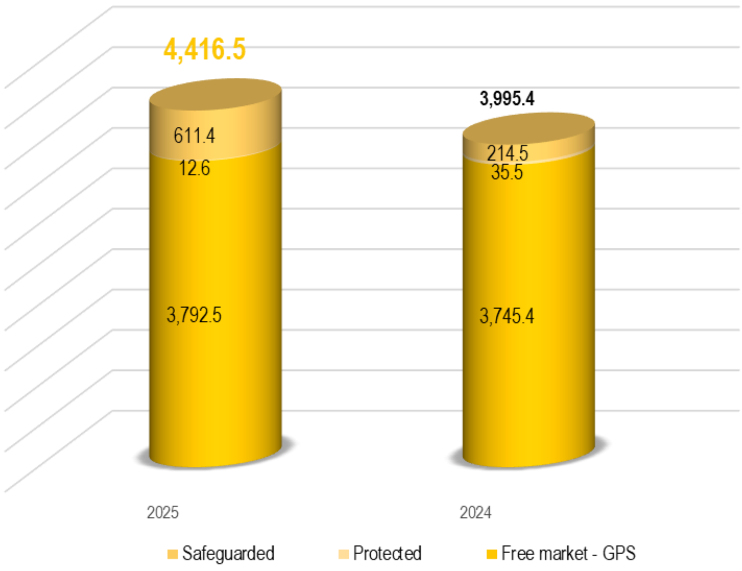
MILLION ELECTRICITY CUSOTMERS

(+48.9%)

In the first quarter of 2025, the Group's electricity sales customers increased by 865.4 thousand (+48.9%) compared to the same period in 2024. Growth in the free market, coming to approximately 865.0 thousand customers (+51.5%), was particularly significant due to the contribution of the positive outcome of the previously mentioned gradual protection service tender, which contributed with approximately 840.3 thousand customers. The remaining increase confirms the positive contribution deriving from the strengthening of the commercial action implemented. Customers in the safeguarded market also increased by about 38.3 thousand, as a result of the new 2025-2026 tender. These effects largely offset the decrease in the protected market, down by about 37.8 thousand customers (60.0%), mainly due to the transition of non-vulnerable customers to the gradual protection service in July 2024 and the subsequent option granted to vulnerable customers to access the gradual protection service following Resolution 10/2025/R/eel as of January 2025 (confirmed by Resolution 48/2025/R/eel).

Customer appreciation and loyalty for the value-added services offered by the Group was confirmed, with approximately 25,000 customers requesting these services at March 2025, up 5.9% compared to the first quarter of 2024.

Volumes sold (GWh)



4.4
TWH
SOLD

(+10.5%)

Volumes of electricity sold increased by 421.1 GWh, up 10.5% compared to the same period of the previous year. This trend was caused by the increased volumes in the safeguarded market amounting to 396.9 GWh (+185.0%), and to a lesser extent on the free market, up 47 GWh (+1.3%), mainly driven by the positive effects of the gradual protection service for households (which started in July 2024), partially offset by a decrease in Consip tenders as a result of the change in the lots awarded with the new tender, as mentioned above. These effects were partially offset by a drop in protected volumes, which fell by 22.8 GWh, or 64.4%, for the reasons mentioned above.

The main indicators concerning public lighting are as follows:

QUANTITY	MAR 25	MAR 24	ABS. CHANGE	% CHANGE
Public lighting				
Lighting points (k)	654.0	640.0	+14.0	+2.2%
of which LED	55.6%	45.4%	+10.2 p.p.	
Municipalities served	227	212	15	+7.1%

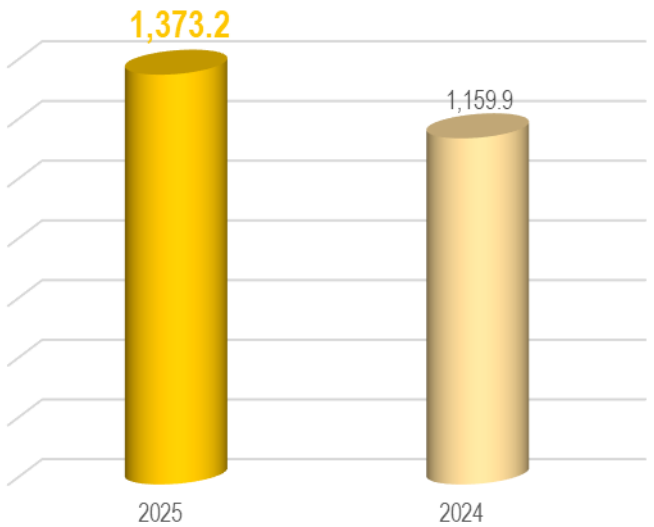
In the first quarter of 2025, the Hera Group acquired approximately 42.3 thousand lighting points in 19 new municipalities. In geographical terms, the most significant acquisitions were made in Emilia-Romagna with approximately 14.3 thousand lighting points, in Tuscany with approximately 9.5 thousand lighting points, in Lombardy with approximately 4.5 thousand lighting points, in Umbria with approximately 4 thousand lighting points, in Sardinia with approximately 2 thousand lighting points and in Liguria with approximately 1.7 thousand lighting points. Lastly, note the acquisitions made in the other regions, mainly in central Italy, amounting to about 6.3 thousand lighting points. The increases in the period fully offset the exit of about 28.3 thousand lighting points and 4 municipalities, mainly in Friuli-Venezia Giulia and Emilia-Romagna.

The percentage of lighting points managed using LED lamps increased to 55.6%, up 10.2 percentage points. This trend highlights the Group's constant focus on an increasingly efficient and sustainable management of public lighting.

The following table summarises operating results for the electricity area:

INCOME STATEMENT (mn€)	MAR 25	% INC.	MAR 24	% INC.	ABS. CHANGE	% CHANGE
Revenues	1,373.2		1,159.9		213.3	18.4%
Operating costs	(1,301.2)	(94.8)%	(1,076.4)	(92.8)%	224.8	20.9%
Personnel costs	(19.2)	(1.4)%	(17.2)	(1.5)%	2.0	11.6%
Capitalised costs	8.0	0.6%	4.8	0.4%	3.2	66.2%
Ebitda	**60.8**	**4.4%**	**71.2**	**6.1%**	**(10.4)**	**(14.6)%**

Revenues (mn€)



1.4

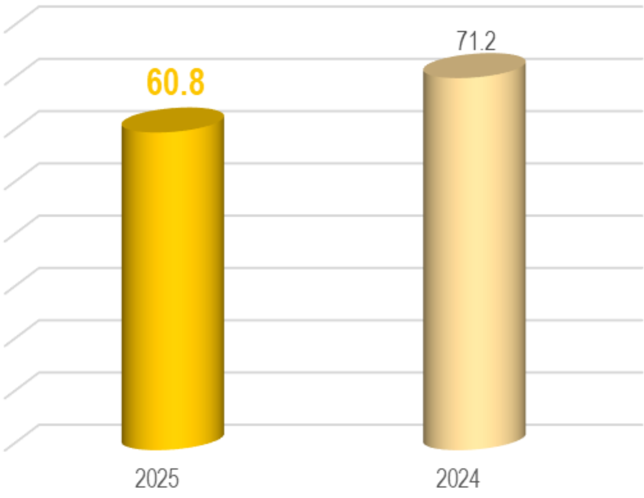
BILLION EURO
REVENUES

(+18.4%)

In 2025, 94% of revenues involved sales and trading activities (vs. 93% in 2024), 2% came from distribution (2% also in 2024), 3% from public lighting and value-added services (3% also in 2024) and 1% from generation (vs. 2% in 2024). Revenues increased by 213.3 million euro compared to the same period of the previous year.
Overall, sales, trading and generation activities contributed with 201 million euro, and the main factors underlying this performance were higher raw material prices, increased volumes sold for business development and the new tenders awarded, along with higher revenues from system charges, only partly offset by trading and generation.
The growth in revenues coming to 3 million euro in the public lighting business was mainly related to progress in energy upgrading works.
Regulated revenues increased by 9 million euro, partially as a result of Resolution 497/2023/R/com, which introduced regulation by expenditure and service objectives (ROSS), in order to incentivise efficiency and transparency in investments and recognised costs, despite the decrease in the rate of return on invested capital (WACC) for electricity distribution activities, which went from 6.0% in 2024 to 5.6% in 2025, following Resolution 513/2024/R/com, published in late 2024.

The increased revenues were proportionally reflected in operating expenses, which were up by 224.8 million euro. This trend was mainly due to the rise in raw material prices, higher sales volumes, system charges, and services related to the increased upgrading of public lighting systems, despite the positive effect of trading, similarly to revenues.

Ebitda (mn€)



60.8
MILLION EURO
EBITDA
(-14.6%)

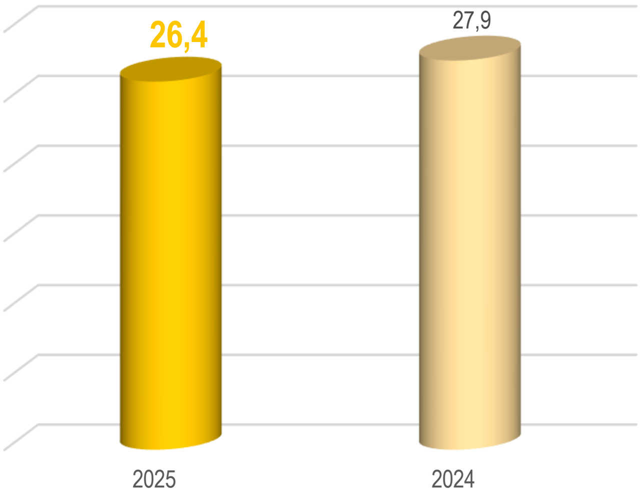
Ebitda dropped by 10.4 million euro compared to 2024. This decrease was due to the fall in margins for sales activities as a result of new tenders, despite the development of the customer base in the free market and higher revenues from electricity distribution, thanks to the application of the ROSS regulatory criterion.
In the electricity area, net investments in the first quarter of 2025 amounted to 26.4 million euro and were down by 1.5 million euro year-on-year.

In the electricity distribution sector, 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 replacement of old-generation meters and work to improve network resilience. Investments in electricity distribution increased by 1.0 million euro compared to the previous year.

In electricity sales, investments in activities related to the acquisition of new customers decreased by 4.1 million euro and in public lighting by 0.2 million euro.

Requests for new connections in the electricity area were slightly down compared to the previous year.

Net investments electricity (mn€)



26.4
MILLION EURO
NET INVESTMENTS
(-5.4%)

Operating investments in the electricity area were as follows:

ELECTRICITY (MN€)	MAR 25	MAR 24	ABS. CHANGE	% CHANGE
Networks and plants	17.9	16.9	1.0	+5.9%
Acquisition electricity customers / other sales	8.2	12.3	(4.1)	(33.3)%
Public lighting and traffic lights	0.3	0.5	(0.2)	(40.0)%
Total electricity gross	**26.4**	**29.8**	**(3.4)**	**(11.4)%**
Capital grants	-	1.8	(1.8)	(100.0)%
Total electricity net	**26.4**	**27.9**	**(1.5)**	**(5.4)%**

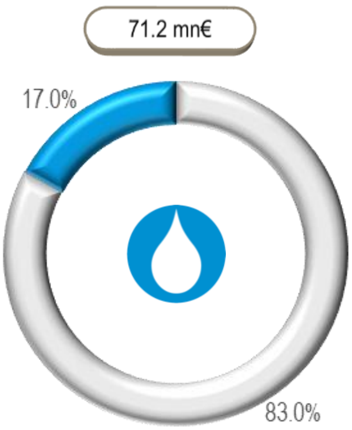
1.03.03 - Integrated water cycle

RESULTS SHOW GROWTH IN 2025

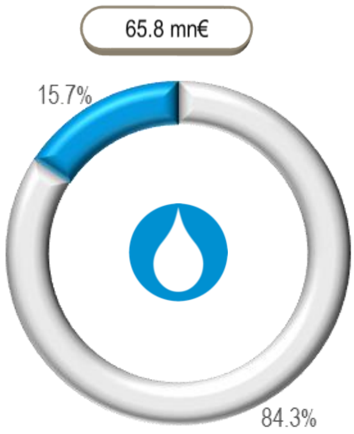
In the first quarter of 2025, the integrated water cycle area showed increased results compared to the same period of the previous year, with Ebitda amounting to 71.2 million euro.

From a regulatory point of view, note that 2025 is the second year in which the tariff method defined by the Authority for the fourth regulatory period (MTI-4), 2024-2029 (Resolution 639/2023/R/idr) was applied. MTI-4 will have a duration of six years and, among its new elements, it provides for an update of the component covering the cost of electricity, which has been subject to noticeable fluctuations in recent years. Each operator is recognised a revenue (VRG) determined on the basis of operating and capital costs, according to the investments made, with a view to increasing cost efficiency, in addition to measures to promote and valorise sustainability and resilience.

Ebitda water cycle area 2025



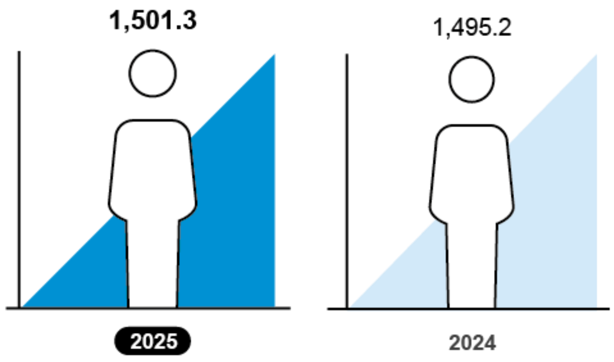
Ebitda water cycle area 2024

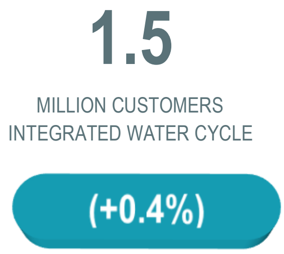


The following table shows the changes occurred in terms of Ebitda:

(mn€)	MAR 25	MAR 24	ABS. CHANGE	% CHANGE
Area Ebitda	**71.2**	**65.4**	**5.8**	**+8.9%**
Group Ebitda	418.0	417.1	0.9	+0.2%
Percentage weight	17.0%	15.7%	+1.3 p.p.	

Customers (k)

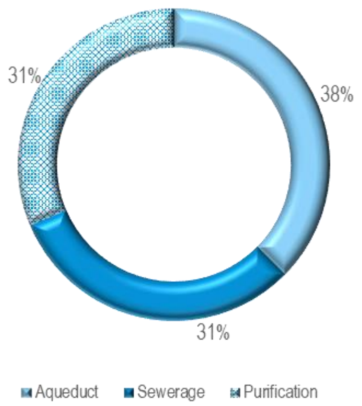




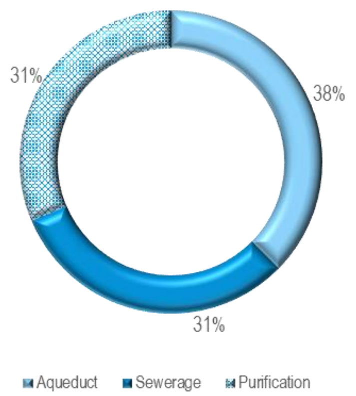
The number of water customers increased compared to March 2024 by 6.1 thousand, up +0.4%, confirming the moderate trend of internal growth in the Group's core territories. This growth refers mainly to the Emilia-Romagna area managed by Hera Spa.

The main quantitative indicators for the area are as follows:

Quantity managed 2025 (mn m^3)



Quantity managed 2024 (mn m^3)



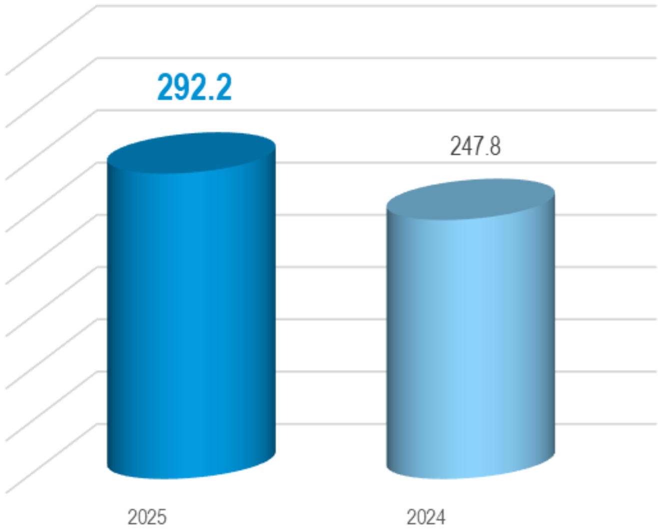
65.8 MILLION M3: QUANTITY MANAGED IN THE AQUEDUCT

The volumes supplied through the aqueduct, which amounted to 65.8 million cubic metres, were down by -2.0% compared to March 2024, equivalent to -1.3 million cubic metres.
As of March 2025, the quantities managed related to sewerage totalled 54.9 million cubic metres, down -0.6% compared to the previous year, while those related to purification stood at 55.1 million cubic metres, in line with March 2024. The volumes distributed, following the Authority's Resolution 639/2023, are an indicator of the activity of the geographical areas in which the Group operates and are subject to equalisation as a result of regulations that provide for the recognition of a regulated revenue independent of the volumes distributed.

The following table summarises operating results for this area:

INCOME STATEMENT (mn€)	MAR 25	% INC.	MAR 24	% INC.	ABS. CHANGE	% CHANGE
Revenues	292.2		247.8		44.4	+17.9%
Operating costs	(170.2)	(58.2)%	(133.8)	(54.0)%	36.4	+27.2%
Personnel costs	(51.9)	(17.7)%	(49.4)	(19.9)%	2.5	+5.1%
Capitalised costs	1.0	0.3%	0.8	0.3%	0.2	+25.3%
Ebitda	**71.2**	**24.4%**	**65.4**	**26.4%**	**5.8**	**+8.9%**

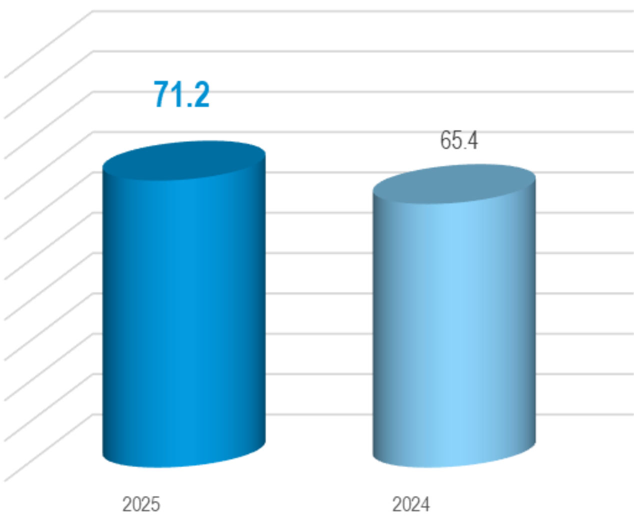
Revenues (mn€)



Revenues from the water cycle increased by 17.9% compared to the previous year, going from 247.8 million euro in March 2024 to 292.2 million euro in March 2025.
Higher revenues came from the equalisation of energy components and higher regulated revenues due to adjustments resulting from the application of the Mti-4 tariff method introduced by Arera Resolution 639/2023/R/idr. amounting to approximately 15 million euro. Lastly, higher revenues totalling approximately 29 million euro were mainly due to works on assets under concession.

The increase in operating expenses as at March 2025 was mainly due to the higher works carried out on assets under concession, as mentioned above, and the increase in the prices of all major supplies of materials and services. Also note the higher costs of energy components as a result of an energy scenario with rising raw material prices compared to the same period in 2024.

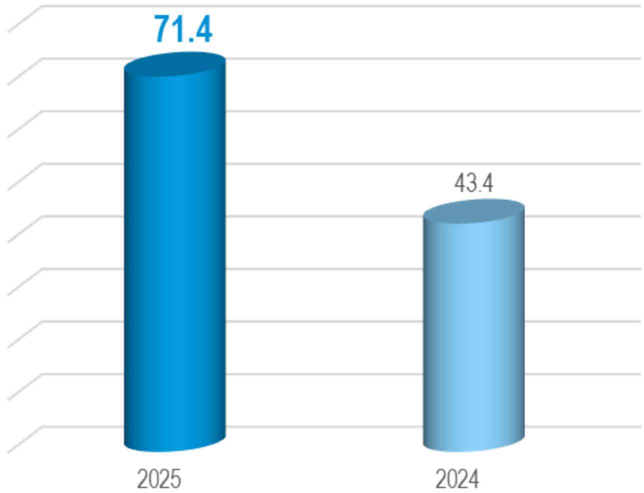
Ebitda (mn€)



Ebitda increased by 5.8 million euro, or 8.9%, going from 65.4 million euro in the first quarter of 2024 to 71.2 million euro in the same period of 2025.
The higher revenues from the application of the Mti-4 tariff method were partially offset by higher operating costs resulting from the increase in the costs of energy components and the rise in the price lists of all main supplies.
In the first quarter of 2025, net investments in the integrated water cycle area amounted to 71.4 million euro, up 28.0 million euro compared to the previous year. Including the capital grants received, the operations carried out amounted to 75.8 million euro.

These investments mainly involved extensions, reclamation, and upgrades on networks and plants, as well as regulatory adjustments mainly in the water and sewerage area, and amounted to 46.9 million euro in the aqueduct, 20.7 million euro in sewerage, and 8.2 million euro in purification.

Net investments water cycle (mn€)



The main interventions included: 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; interventions to solve the interference of the water network with the works for the construction of the fourth lane of the Imola section of the A14 motorway; and the installation of smart meter meters with a view to reducing network losses.
In the sewerage sector, note the beginning of construction for the southern tanks as part of the continuation of the Rimini seawater protection plan (PSBO), as well as maintenance works to upgrade the sewerage network in other localities served, works to adapt discharges to Dgr 201/2016 and the construction of a first rainwater tank in the municipality of Cattolica.
In the purification sector, note the adaptation and upgrading on the Lugo and Ravenna purification plants, with the latter work accessing NRRP contributions.
Requests for new water and sewerage connections were also up compared to the previous year. Capital grants amounted to 4.4 million euro, down by 0.5 million euro compared to the previous year, and included contributions 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€)	MAR 25	MAR 24	ABS. CHANGE	% CHANGE
Aqueduct	46.9	30.9	16.0	+51.8%
Purification	8.2	5.6	2.6	+46.4%
Sewerage	20.7	11.8	8.9	+75.4%
Total integrated water cycle gross	**75.8**	**48.3**	**27.5**	**+56.9%**
Capital grants	4.4	4.9	(0.5)	(10.2)%
of which FoNi (New Investments Fund)	2.0	4.7	(2.7)	(57.4)%
Total integrated water cycle net	**71.4**	**43.4**	**28.0**	**+64.5%**

1.03.04 - Waste management

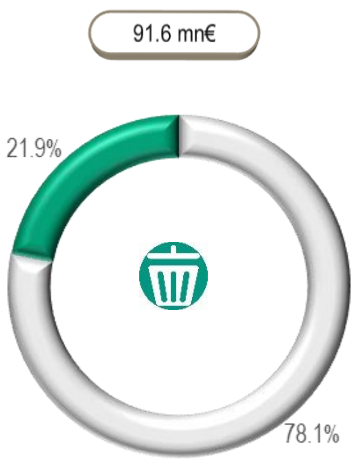
EBITDA RISES

In the first quarter of 2025, the waste management area accounted for 21.9% of the Hera Group's overall Ebitda, with this area's Ebitda increasing by 13.6 million euro compared to the same period of the previous year. The Group therefore continues to achieve good performances in this business area, thanks to the diversification of its offer, the breadth of its customer portfolio and its responsiveness in providing the services it offers despite a complex macroeconomic context with repercussions in the markets in which it operates.

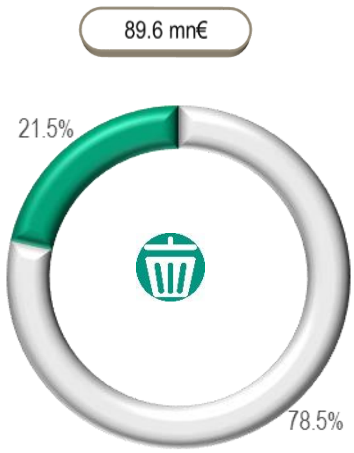
In the first quarter of 2025 as well, the Hera Group continued to make significant and tangible progress towards the circular economy of the future by inaugurating in Imola (BO) the first plant of its kind in Europe, capable of regenerating carbon fibre on an industrial scale. The plant in question is called FIB3R, a name that includes the three Rs at the basis of the project: recover, reduce, reuse, i.e. recover carbon fibre and reuse it, reducing the use of virgin fibre and thus the environmental impact that would be required to produce it.
The Hera Group's commitment to working towards the ecological transition, as well as the expected increase in demand for carbon fibre over the next few years, have led it to anticipate this megatrend, accepting the challenge of applying to this material as well, on an industrial scale, the virtuous path of the circular economy that has been the basis of its strategy for years, combining economic growth with environmental sustainability.

Protecting environmental resources was a priority objective in the first quarter of 2025 as well, along with the maximisation of their reuse, as is demonstrated by the special attention devoted to the development of sorted waste collection, which, thanks to the strong commitment shown by the Group in all regions served, increased by more than one percentage point compared to 2023.

Ebitda waste management area 2025



Ebitda waste management area 2024



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

(MN€)	MAR 25	MAR 24	ABS. CHANGE	% CHANGE
Area Ebitda	**91.6**	**89.6**	**2.0**	**+2.2%**
Group Ebitda	418.0	417.1	0.9	+0.2%
Percentage weight	21.9%	21.5%	+0.4 p.p.	

The volumes marketed and treated by the Group in the first quarter of 2025 are as follows:

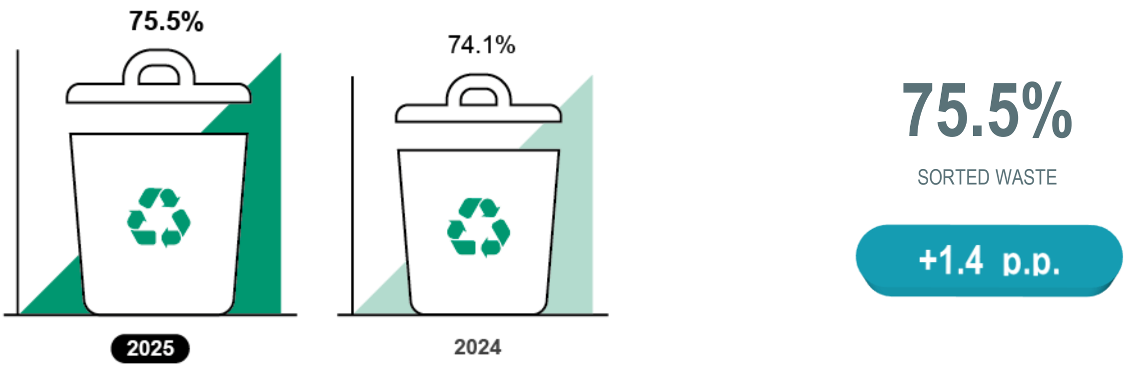
QUANTITY (K TONS)	MAR 25	MAR 24	ABS. CHANGE	% CHANGE
Municipal waste	514.0	534.7	(20.7)	(3.9%)
Market waste	826.1	840.6	(14.5)	(1.7%)
Waste commercialised	**1,340.0**	**1,375.3**	**(35.3)**	**(2.6%)**
Plant by-products	922.4	661.4	261.0	+39.5%
Waste treated by type	**2,262.4**	**2,036.7**	**225.7**	**+11.1%**

An analysis of the quantitative data shows an increase in waste commercialised. As regards municipal waste, the decrease seen in 2025 compared to the previous year was mainly due to increased deliveries by the collection service operator to external facilities not managed by the Group, in accordance with the terms of the Urban waste disposal service concessions awarded by tender.

Market volumes dropped slightly compared to 2024 as a result of a decrease in liquid waste, while volumes in the recovery market increased, as did those in the industrial market due to the consolidation of existing business relations and the development of the customer portfolio.

Lastly, increased volumes of plant by-products were seen compared to the previous year, mainly due to the higher rainfall recorded.

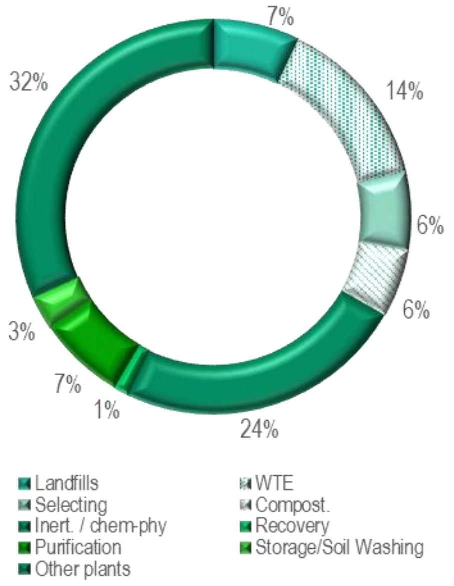
Sorted waste (%)



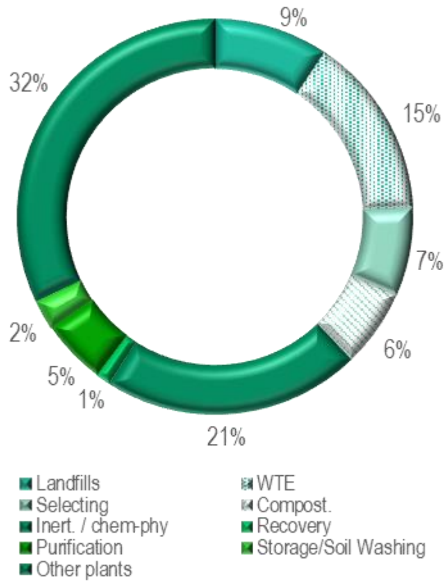
As mentioned previously, sorted collection of municipal waste stood at 75.5%, up 1.4 percentage points over the previous year, thanks to the development of numerous projects in the local areas managed by the Group.

The Hera Group operates in the entire waste cycle, with almost one hundred plants for treating municipal and special waste and regenerating plastic materials. The main plants include: ten waste-to-energy plants, 12 composting/digestion plants and 17 selecting plants.
The close attention paid to the set of plants has always been a distinctive element of the Group's propensity for excellence, and operations are ongoing to provide plants with the best available technologies.

Waste disposed of by type of plant 2025



Waste disposed of by type of plant 2024



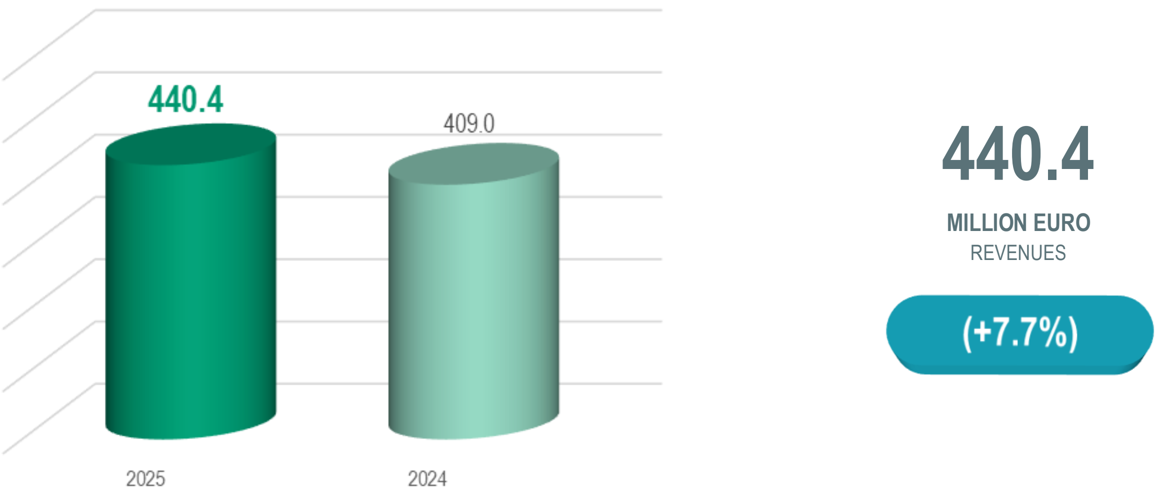
QUANTITY (K TONS)	MAR-25	MAR-24	VAR. ASS.	VAR. %
Landfills	160.5	190.5	-30.0	-15.7%
WTE	322.2	302.5	19.7	+6.5%
Selecting plants and other	144.7	148.5	-3.8	-2.6%
Composting and stabilisation plants	125.7	129.1	-3.4	-2.6%
Inertisation and chemical-physical plants	539.7	431.1	108.6	+25.2%
Recovery plants	29.7	25.0	4.7	+18.8%
Purification plants	159.4	108.0	51.4	+47.6%
Storage/Soil Washing	64.0	49.5	14.5	+29.3%
Other plants	716.6	652.5	64.1	+9.8%
Waste treated by plant	**2,262.4**	**2,036.7**	**225.7**	**+11.1%**
Plastic recycled by Aliplast	**22.2**	**18.9**	**3.3**	**+17.5%**

Waste treatment showed an overall increase coming to +11.1% compared to the same period in 2024. Analysing the individual sectors, quantities decreased in landfills mainly due to the conclusion of conferrals at the Tre Monti (Bo) and Il Pago (FI) plants at the end of 2024, while, as regards waste-to-energy plants, the upward trend was mainly due to the greater volumes treated in the Rimini and Modena plants, both of which were shut down in the first quarter of 2024. Also note that Group subsidiary Herambiente was awarded the tender for managing the Montale waste-to-energy plant as of rom January 2025, putting its know-how at the service of this plant.
A slight decrease occurred in quantities in selecting plants and composting and stabilisation plants, mainly due to lower quantities treated in the stabilisation plants at Tre Monti (Bo) and in the digester at Nonantola, while in the inertisation and chemical-physical plants sector the increased quantities were mainly due to the volumes of liquid waste treated partially as a result of the higher rainfall seen in the first quarter of 2025.
In recovery plants, incoming volumes increased as a result of higher market demand. An increase in waste treated at purification plants occurred, while in the storage/soil washing sector, the increased volumes were mainly due to the change in scope of operations due to recent acquisitions in the industrial market. Lastly, quantities were up in Other plants due to increased by-products at third-party plants compared to the same period of the previous year.

The following table summarises operating results for the area:

INCOME STATEMENT (MN€)	MAR 25	% INC.	MAR 24	% INC.	ABS. CHANGE	% CHANGE
Revenues	440.4		409.0		31.4	+7.7%
Operating costs	(286.2)	(65.0%)	(257.6)	(63.0%)	28.6	+11.1%
Personnel costs	(70.2)	(15.9%)	(65.1)	(15.9%)	5.1	+7.8%
Capitalised costs	7.6	1.7%	3.4	0.8%	4.2	+124.5%
Ebitda	**91.6**	**20.8%**	**89.6**	**21.9%**	**2.0**	**+2.2%**

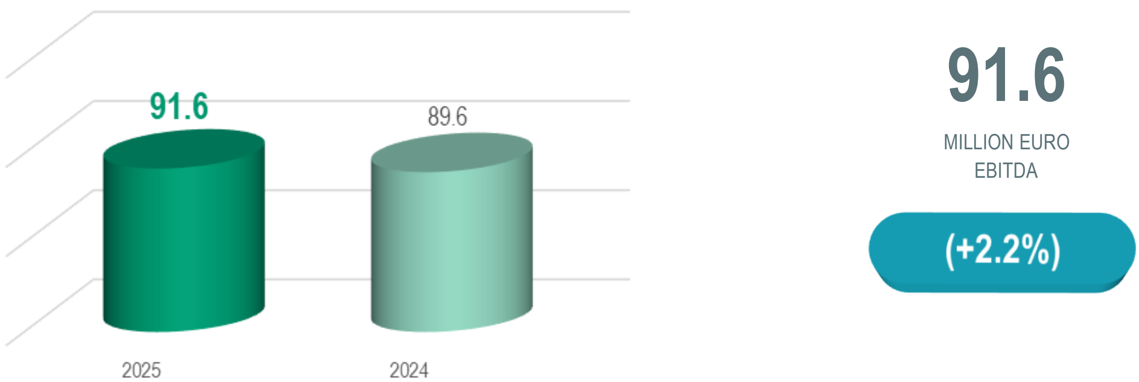
Revenues (mn€)



In the first quarter of 2025, revenues increased by +7.7% compared to the previous year. Note the significant expansion both in the recovery market, mainly due to increased volumes and prices, and in the industry market, due to development in the remediation business with Group subsidiary ACR.
Lastly, in the municipal waste service, the higher revenues reported were caused by the tariff adjustments resulting from the application of the MTR-2 tariff method and supplementary services.
This was partially offset by lower revenues from energy production, mainly due to lower market prices.

Operating costs rose in the first quarter of 2025, up by +11.1%. Note the increase in costs for purchasing raw materials as a result of the increase in commodity prices.
In the recovery market and reclamation-related activities, note the increase in costs incurred related to the previously mentioned trend in revenues.
With regard to municipal waste, increased activities were related to the development of new sorted waste collection projects.

Ebitda (mn€)



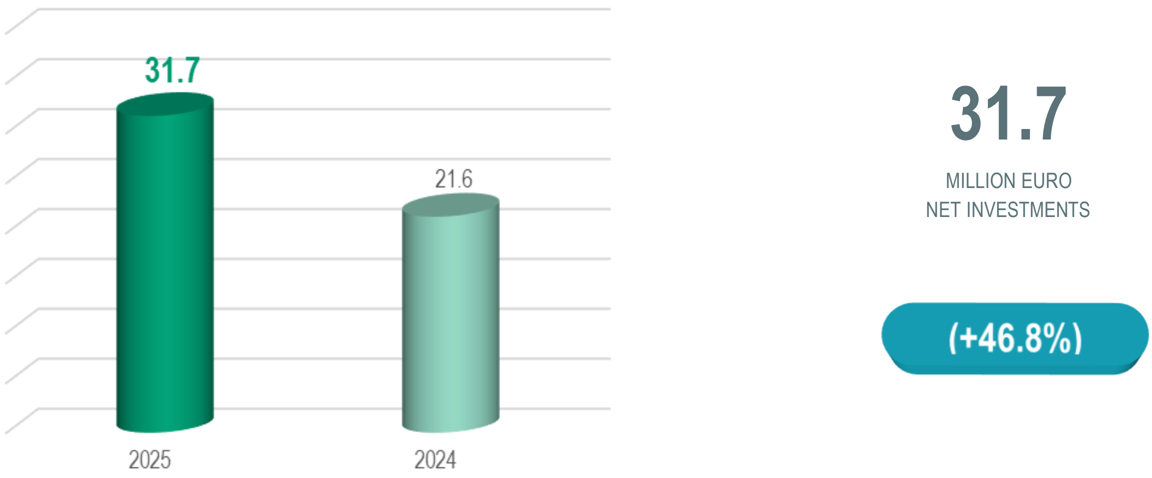
Ebitda increased by 2.0 million euro compared to the same period of the previous year, mainly due to the development of volumes and services and the pricing policies adopted. In terms of operations, the most significant contribution to growth occurred in the industrial market thanks to reclamation and decommissioning activities.
Net investments in the waste management area involved maintenance and upgrading of waste treatment and recovery plants and amounted to 31.7 million euro, up 10.1 million euro over the previous year.

The composting/digester sector showed an increase in investments amounting to 0.4 million euro compared to the previous year, due to the work carried out on the Voltana and Nonantola plants, while landfills showed a 0.9 million euro decrease compared to the previous year, mainly due to the increased work carried out in the first quarter of 2024 by the company Feronia.

The Waste-to-Energy (WTE) sector saw increased investments coming to 6.2 million euro, mainly involving the construction of line 4 in Padua and cyclical maintenance on the Forlì WTE plant, while in the industrial waste plants sector the 0.4 million euro reduction was mainly due to non-recurring maintenance carried out in the first quarter of 2024 on the Ravenna plants.

Investments rose by 0.9 million euro in the collection area and equipment sector and by 2.9 million euro overall in the sorting and recovery plants sector, mainly due to the changed the scope of consolidation related to the integration of TRS Ecology Srl.

Net investments waste management (mn€)



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

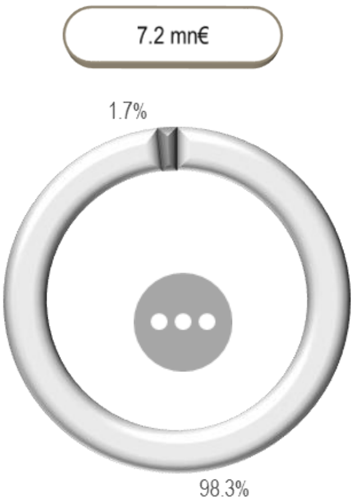
WASTE MANAGEMENT (MN€)	MAR 25	MAR 24	ABS. CHANGE	% CHANGE
Composters/digesters	1.5	1.1	0.4	+36.4%
Landfills	1.8	2.7	(0.9)	(33.3)%
WTE	10.9	4.7	6.2	+131.9%
SW plants	0.5	0.9	(0.4)	(44.4)%
Collection areas and equipment	4.7	3.8	0.9	+23.7%
Transshipment, selecting and other plants	12.3	9.4	2.9	+30.9%
Total waste management gross	**31.7**	**22.6**	**9.1**	**+40.3%**
Capital grants	-	1.0	(1.0)	(100.0)%
Total waste management net	**31.7**	**21.6**	**10.1**	**+46.8%**

1.03.05 - Other services

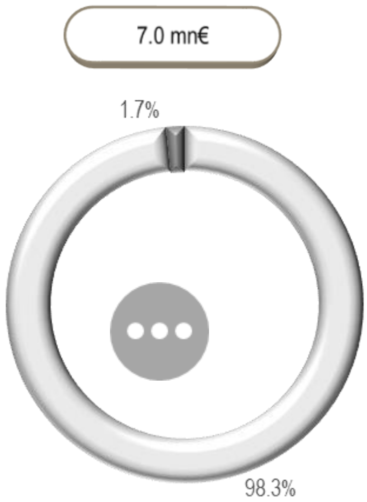
EBITDA STABLE

The other services area covers all minor businesses managed by the Group, including 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, the latter only in the Municipality of Trieste with an overall management of twelve cemeteries. At March 2025, results in this area stood at 7.2 million euro, essentially in line with the same period of the previous year.

Ebitda other services 2025



Ebitda other services 2024



The changes occurred in terms of Ebitda are as follows:

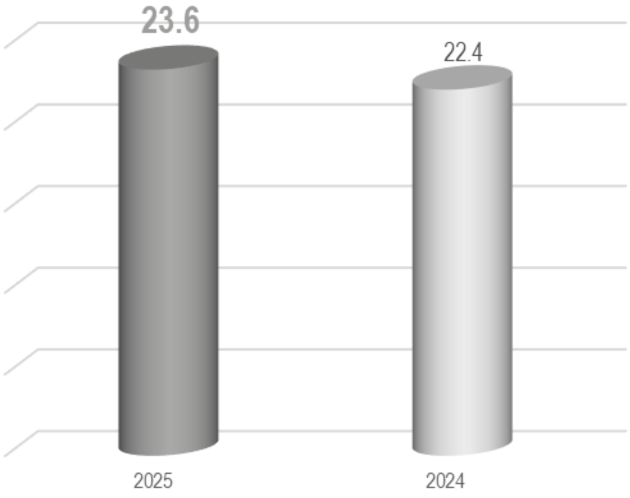
(MN€)	MAR 25	MAR 24	ABS. CHANGE	% CHANGE
Area Ebitda	**7.2**	**7.0**	**0.2**	**+2.9%**
Group Ebitda	418.0	417.1	0.9	+0.2%
Percentage weight	1.7%	1.7%	-	

Quantitative indicators in the other services area also include the approximately 6,800 km of proprietary ultra-wideband fibre optic network that the Hera Group owns through its digital company, Acantho Spa. This network serves the main cities in Emilia-Romagna, Padua and Trieste, and provides companies and individuals a high-performance connectivity, with 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€)	MAR 25	% INC.	MAR 24	% INC.	ABS. CHANGE	% CHANGE
Revenues	23.6		22.4		1.2	+5.4%
Operating costs	(13.6)	(57.6)%	(12.5)	(55.9)%	1.1	+8.8%
Personnel costs	(3.5)	(14.9)%	(3.5)	(15.7)%	-	+0.0%
Capitalised costs	0.7	3.1%	0.6	2.7%	0.1	+16.7%
Ebitda	**7.2**	**30.5%**	**7.0**	**31.0%**	**0.2**	**+2.9%**

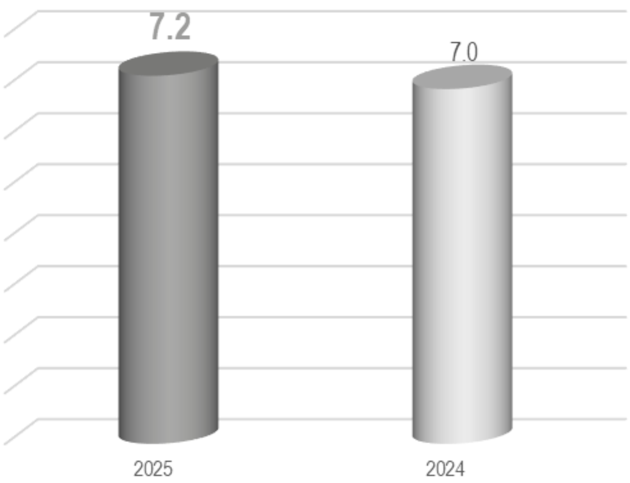
Revenues (mn€)



In March 2025, revenues amounted to 23.6 million euro, up 5.4% or 1.2 million euro, mainly due to the telecommunications business. This result was supported by increased activity in telephone and connectivity services in the markets served by the digital company.

The above-mentioned increase in business volume was accompanied by a proportional increase in operating costs.

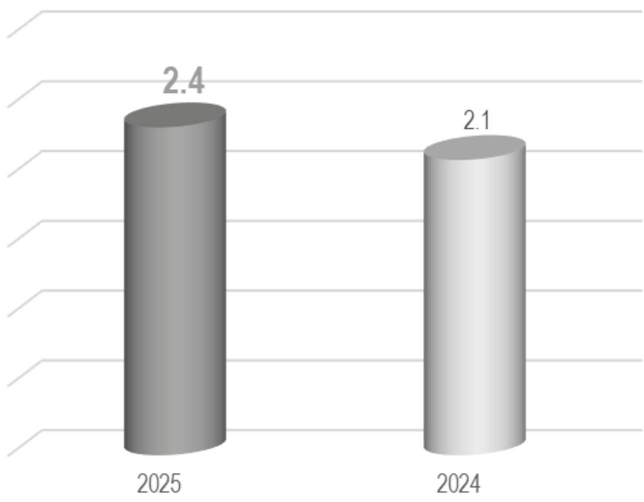
Ebitda (mn€)



Ebitda for the other services area as a whole showed a slight growth coming to 2.9% or 0.2 million euro, going from 7.0 million euro in March 2024 to 7.2 million euro in the same period of 2025, mainly due to the contribution coming from telecommunications thanks to increased activities in telephone and connectivity services.
In the first quarter of 2025, net investments in the other services area amounted to 2.4 million euro, up 0.3 million euro year-on-year.

Investments were made in the telecommunications service area involving network and TLC services, aimed at the construction, development, installation, maintenance, management and supply of public and private telecommunications networks and TLC services as well as Internet Data Centres.

Net investments other services (mn€)



2.4
MILLION EURO
NET INVESTMENTS
(+14.3%)

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

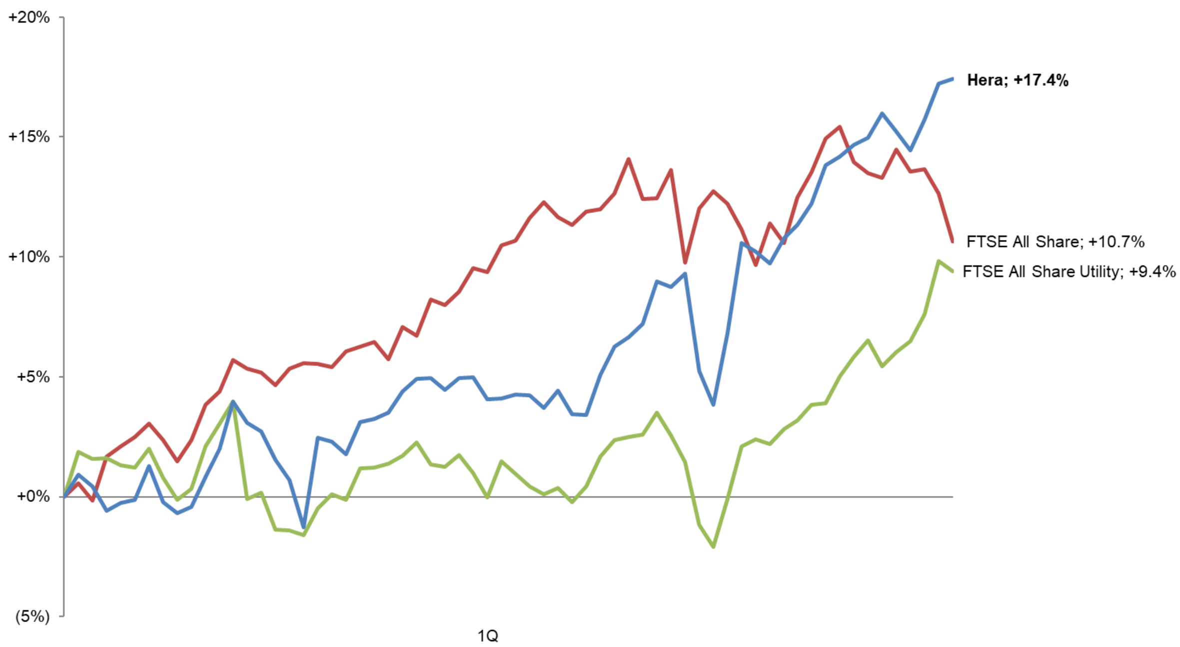
OTHER SERVICES (MN€)	MAR 25	MAR 24	ABS. CHANGE	% CHANGE
TLC	2.4	2.1	0.3	+14.3%
Other	-	-	-	+0.0%
Total other services gross	**2.4**	**2.1**	**0.3**	**+14.3%**
Capital grants	-	-	-	+0.0%
Total other services net	**2.4**	**2.1**	**0.3**	**+14.3%**

1.04 - SHARE PERFORMANCE AND INVESTOR RELATIONS

In the first quarter of 2025, stock markets in Western countries showed contrasting performances. While in Europe stock exchanges continued to rise, following the previous year's trend, on the other side of the Atlantic, Wall Street saw a drop in prices due to fears of the effects of the introduction of trade tariffs, as announced by the US Administration.
The Italian FTSE All Share index rose by +10.7%, while the utility sector was up by +9.4%.
Against this backdrop, Hera achieved a performance of +17.4%, far outperforming the benchmark index, thanks to the market's positive reception of the Business plan to 2028, focused on commitments involving creating value and clear shareholder return, as well as the solid results achieved in 2024. The performance of the stock price was also supported by the road show at the main financial centres in which the Group's top management took part, which provided an opportunity to illustrate the strategies and results achieved in person to the portfolio managers of the world's leading institutional funds.

+17.4%: HERA OUTPERFORMS THE ITALIAN MAKET AND THE UTILITY INDEX

1Q 2024 Hera stock, Italian utilities and Italian market performance comparison



Hera's Board of Directors, which met on 26 March 2025 to approve the year-end results for 2024, decided to propose to the Shareholders Meeting a dividend per share coming to 15 cents, up 7% and consistent with the indications contained in the Business plan. Following the approval of the shareholders, given during the Shareholders Meeting held on 30 April 2025, the ex-dividend date was set at 23 June, with payment on 25 June. Hera thus confirmed its ability to remunerate shareholders thanks to the resilience of its business portfolio, which has enabled it to pay steady and growing dividends since its listing.

DIVIDEND RISES TO 15 CENTS PER SHARE

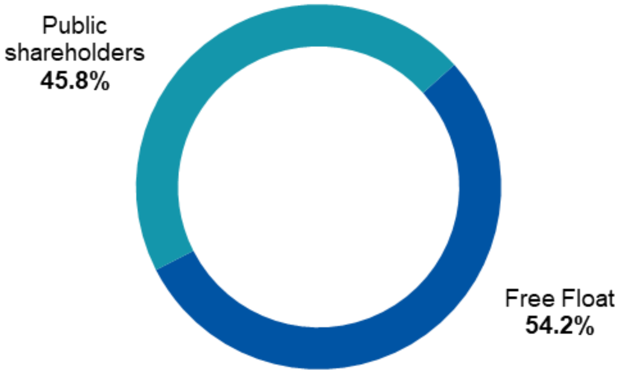
The joint effect of the uninterrupted remuneration of shareholders through the dividends paid and the increase in the share price accumulated over the years has allowed the total shareholders return since listing to remain consistently positive, reaching over +375.4% at the end of the period in question.

+375.4%: TOTAL SHAREHOLDERS RETURN SINCE THE IPO

4.17 EURO: CONSENSUS TARGET PRICE

The majority of the financial analysts covering the stock (Banca Akros, Equita Sim, Intermonte, Intesa Sanpaolo, Kepler Cheuvreux and Mediobanca) expressed positive opinions, with a target price set at 4.17 euro.

Shareholder breakdown at 31 March 2025



45.8%: SHARE CAPITAL FALLING UNDER THE PUBLIC SHAREHOLDERS AGREEMENT

At 31 March 2025, the shareholding breakdown 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, and a 54.2% free float. The shareholding structure includes high number of public shareholders (111 municipalities, the largest of which holds shares amounting to less than 10% of the total) and a large number of private institutional and retail shareholders.

TREASURY SHARE PLAN APPROVED

Since 2006, Hera has adopted a share buyback program, most recently renewed by the Shareholders Meeting held on 30 April 2025 for a further 18 months and with an overall maximum amount of 240 million euro. The purpose of this program is to finance M&A opportunities involving smaller companies and to pursue the creation of value for shareholders. At 31 March 2025, Hera held 36.7 million treasury shares.

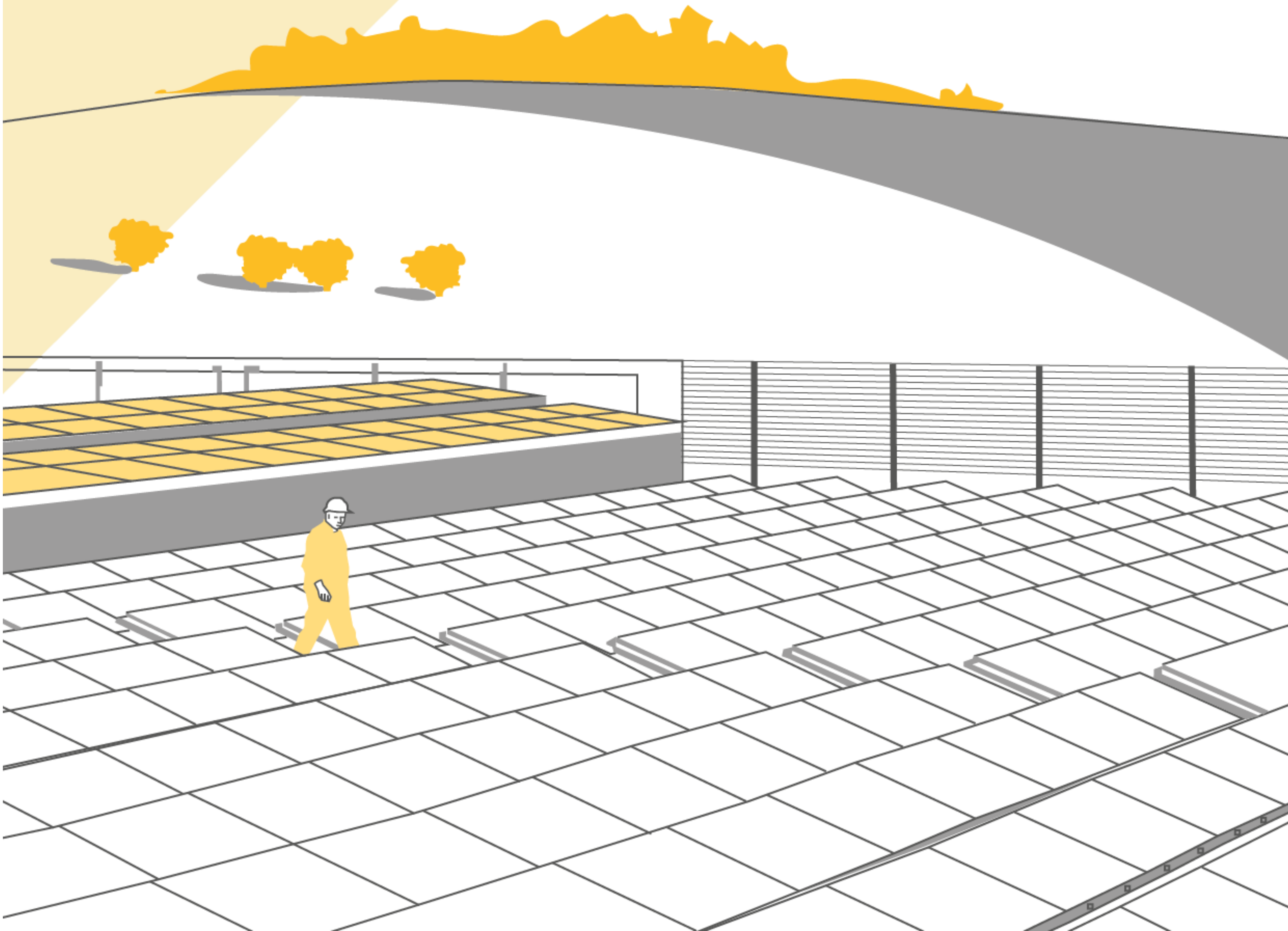
ONGOING COMMUNICATIONS WITH THE MARKET IN 2025 AS WELL

An intensive dialogue with financial market players is also planned for 2025. After the Business plan road show in the first quarter and the JP Morgan conference in London, numerous other conferences organised by brokers both in Italy and abroad have already been planned, in which the top management will update investors on the Group's performance and the progress made on the projects included in the plan. In addition, the usual discussions with financial market participants took place, to answer questions regarding the documents published on Governance and remuneration. This exercise allowed doubts to be clarified and misunderstandings to be resolved through a constructive and open dialogue, which took place through individual meetings. Issues arising from the reports of the proxy advisors were also addressed with the support of the Legal and Corporate Affairs Department, and the Chairman of the Board of Directors was informed of these activities.

The intensity of the Group's commitment to communications with investors contributes to strengthening its reputation on the markets and constitutes an intangible asset benefitting Hera's stock and stakeholders, as was confirmed by the stock's performance in the early months of the current year.

2

CONSOLIDATED FINANCIAL STATEMENTS



2.01 - FINANCIAL STATEMENT FORMATS

2.01.01 - Income statement

MN€	31 MAR 2025 (3 MONTHS)	31 MAR 2024 (3 MONTHS)
Revenues	4,321.3	3,368.6
Other income	37.4	30.4
Raw materials and materials	(2,714.5)	(1,841.1)
Service costs	(1,049.0)	(965.9)
Personnel costs	(179.6)	(169.1)
Other operating expenses	(20.2)	(18.0)
Capitalised costs	22.6	12.2
Amortisation, provisions and depreciation	(170.8)	(171.2)
Operating profit	**247.2**	**245.9**
Financial income	41.6	37.8
Financial expenses	(59.1)	(73.7)
Financial operations	**(17.5)**	**(35.9)**
Share of profits (losses) pertaining to joint ventures and associated companies	4.3	2.9
Earnings before taxes	**234.0**	**212.9**
Taxes	(70.2)	(59.6)
Net profit for the period	**163.8**	**153.3**
Attributable to:		
parent company shareholders	153.7	143.1
minority shareholders	10.1	10.2
Earnings per share		
basic	0.106	0.099
diluted	0.106	0.099

2.01.02 - Statement of financial position

MN€	31 MAR 2025	31 DEC 24
ASSETS		
Non-current assets		
Property, plants and equipment	2,169.8	2,160.7
Rights of use	83.3	84.2
Intangible assets	4,994.7	4,945.8
Goodwill	933.0	933.0
Shareholdings valued using the equity method	131.5	127.3
Other shareholdings	51.1	47.3
Non-current financial assets	161.5	158.0
Deferred tax assets	344.8	342.9
Total non-current assets	**8,869.7**	**8,799.2**
Current assets		
Inventories	79.8	168.1
Trade receivables	3,133.8	3,172.5
Current financial assets	72.0	23.1
Current tax assets	26.8	31.3
Current assetts from contracts with customers	294.0	263.9
Other current assets	988.6	1,104.5
Derivative instruments	93.6	182.4
Cash and cash equivalents	1,855.4	1,315.6
Total current assets	**6,544.0**	**6,261.4**
Assets held for sale	**-**	**-**
TOTAL ASSETS	**15,413.7**	**15,060.6**

MN€	31 MAR 2025	31 DEC 24
NET EQUITY AND LIABILITIES		
Share capital and reserves		
Share capital	1,452.2	1,440.8
Reserves	2,275.1	1,744.8
Profit (loss) for the period	153.7	494.5
Group net equity	**3,881.0**	**3,680.1**
Non-controlling interests	318.5	306.8
Total net equity	**4,199.5**	**3,986.9**
Non-current liabilities		
Non-current financial liabilities	4,667.2	4,154.6
Non-current lease liabilities	53.3	54.7
Employee benefits	77.9	79.9
Provisions	691.4	693.1
Deferred tax liabilities	144.0	144.8
Total non-current liabilities	**5,633.8**	**5,127.1**
Current liabilities		
Current financial liabilities	1,241.5	1,226.7
Current lease liabilities	23.8	24.4
Trade payables	2,168.8	2,723.9
Current tax liabilities	118.0	48.2
Current liabilities from contracts with customers	190.4	203.2
Other current liabilities	1,722.6	1,512.8
Derivative instruments	115.3	207.4
Total current liabilities	**5,580.4**	**5,946.6**
TOTAL LIABILITIES	**11,214.2**	**11,073.7**
TOTAL NET EQUITY AND LIABILITIES	**15,413.7**	**15,060.6**

2.01.03 - Cash flow statement

MN€	31 MAR 2025	31 MAR 2024
Earnings before taxes	**234.0**	**212.9**
Adjustments to reconcile net profit to cash flow from operating activities		
Amortisation and impairment of assets	136.7	131.6
Allocation to provisions	34.1	39.6
Effects from valuation using the equity method	(4.3)	(2.9)
Financial (income) expenses	17.5	35.9
(Capital gains) losses and other non-monetary elements	(9.9)	(15.9)
Change in provisions	(15.4)	(11.7)
Change in employee benefit provisions	(2.8)	(3.1)
Total cash flow before changes in net working capital	**389.9**	**386.4**
(Increase) decrease in inventories	88.3	11.7
(Increase) decrease in trade receivables	(17.8)	(106.3)
Increase (decrease) in trade payables	(555.1)	(332.7)
Increase/decrease in other current assets/liabilities, including contracts with customers	335.7	125.4
Changes in working capital	**(148.9)**	**(301.9)**
Dividends collected	2.9	-
Interest income and other financial income collected	18.7	11.3
Interest expenses, net charges on derivatives and other financial charges paid	(53.4)	(89.8)
Taxes paid	1.3	(2.2)
Cash flow from (for) operating activities (a)	**210.5**	**3.8**
Investments in property, plants and equipment	(53.6)	(43.7)
Investments in intangible assets	(138)	(113.1)
Investments in subsidiary companies and business units net of cash holdings	-	(0.4)
Other equity investments	(0.3)	0.4
Sale price of property, plants, equipment, and intangible assets	0.7	-
(Increase) decrease in other investment activities	(41.4)	37.1
Cash flow from (for) investing activities (b)	**(232.6)**	**(119.7)**
New issue of long-term bonds	517.1	-
Repayments and other net changes in financial liabilities	5.8	22.2
Repayments of lease liabilities	(6.2)	(5.0)
(Investments) divestments in treasury shares	45.2	(6.5)
Cash flow from (for) financing activities (c)	**561.9**	**10.7**
Increase (decrease) in cash holdings (a+b+c)	**539.8**	**(105.2)**
Cash and cash equivalents at the beginning of the period	1,315.6	1,332.8
Cash and cash equivalents at the end of the period	1,855.4	1,227.6

2.01.04 - Statement of changes in net equity

MN€	SHARE CAPITAL	RESERVES	RESERVES DERIVATIVES VALUED AT FAIR VALUE	RESERVES ACTUARIAL INCOME (LOSSES) EMPLOYEE BENEFITS	RESERVES SHARE-HOLDINGS VALUED AT FAIR VALUE	PROFIT FOR THE PERIOD	NET EQUITY	NON-CONTROLLING INTERESTS	TOTAL
Balance at 1 Jan 24	**1,443.0**	**1,549.3**	**44.5**	**(33.1)**	**(6.9)**	**441.4**	**3,438.2**	**313.4**	**3,751.6**
Profit for the period						143.1	143.1	10.2	153.3
Other components of comprehensive income:									
fair value of derivatives, change for the period			(14.9)				(14.9)	(0.6)	(15.5)
actuarial income (losses) employee and post-employment benefits							-		-
fair value of derivatives, change for the period					1.2		1.2		1.2
Overall revenues for the period	**-**	**-**	**(14.9)**	**-**	**1.2**	**143.1**	**129.4**	**9.6**	**139.0**
change in treasury shares	(2.8)	(3.7)					(6.5)		(6.5)
minority share payments							-		-
change in equity investments							-		-
changes in scope of consolidation							-		-
other movements							-		-
Allocation of revenues:									
dividends paid out							-		-
allocation to reserves		441.4				(441.4)	-		-
Balance at 31 March 2024	**1,440.2**	**1,987.0**	**29.6**	**(33.1)**	**(5.7)**	**143.1**	**3,561.1**	**323.0**	**3,884.1**
Balance at 1 Jan 25	**1,440.8**	**1,785.0**	**2.2**	**(31.7)**	**(10.7)**	**494.5**	**3,680.1**	**306.8**	**3,986.9**
Profit for the period						153.7	153.7	10.1	163.8
Other components of comprehensive income:									
fair value of derivatives, change for the period			(1.4)				(1.4)	1.6	0.2
actuarial income (losses) employee and post-employment benefits				-			-	-	-
fair value of derivatives, change for the period					3.5		3.5		3.5
other business components valued at net equity		-					-		-
Overall profit for the period	**-**	**-**	**(1.4)**	**-**	**3.5**	**153.7**	**155.8**	**11.7**	**167.5**
change in treasury shares	11.4	33.8					45.2		45.2
minority share payments							-		-
change in equity investments							-		-
other movements		(0.1)					(0.1)		(0.1)
Allocation of profit:									
dividends paid out							-		-
allocation to reserves		494.5				(494.5)	-		-
Balance at 31 March 2025	**1,452.2**	**2,313.2**	**0.8**	**(31.7)**	**(7.2)**	**153.7**	**3,881.0**	**318.5**	**4,199.5**

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 as of 31 March 2025.

This report was not prepared in accordance with what 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 with reference to the consolidated financial statements at 31 December 2024.

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 future, such estimates and assumptions, which are based on the management's best judgment, should differ from actual events, they will be adjusted accordingly in order to give 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 fully 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 as of 31 March 2025 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, that is, when it achieves the authority to direct the company's significant activities. Joint operations are recognised in proportion to the Group's interest. 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 using 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

There were no extraordinary transactions to report during the period.

Profit 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.

	31 MAR 2025 (3 MONTHS)	31 MAR 2024 (3 MONTHS)
Profit or loss for the period attributable to holders of ordinary shares of the parent company (A)	153.7	143.1
Weighted average number of shares outstanding for the purposes of calculation of earnings (loss) per share		
basic (B)	1,452,846,307	1,440,880,982
diluted (C)	1,452,846,307	1,440,880,982
Profit (loss) per share (in euro)		
basic (A/B)	**0.106**	**0.099**
diluted (A/C)	**0.106**	**0.099**

At the date of preparation of this three-month consolidated financial statement, the share capital of the parent company Hera Spa consisted of 1,441,374,819 ordinary shares, unchanged from 31 December 2024, which were used in calculating basic and diluted earnings per share.

Other information

This three-month consolidated financial statement at 31 March 2025 was drawn up by the Board of Directors and approved by the same at the meeting held on 14 May 2025.

2.03 - LIST OF CONSOLIDATED COMPANIES

Subsidiaries

Registered name	Registered office	Share capital (euro) (*)	Consolidated percentage		Total interest
			direct	indirect	
A.C.R. di Reggiani Albertino Spa	Mirandola (MO)	390,000		60.00%	60.00%
Acantho Spa	Imola (BO)	27,094,468	70.16%		70.16%
AcegasApsAmga Spa	Trieste	284,677,324	100.00%		100.00%
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 SPOO	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%
Biorg Srl	Bologna	1,000,000		75.00%	75.00%
Black Sea Gas Company Eood	Varna (Bulgaria)	5,000 Lev		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%
F.lli Franchini Srl	Rimini	1,100,000		100.00%	100.00%
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 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%
Horowatt Srl	Cesena	550,000	50.00%		50.00%
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	Recycla Spa	90,000		75.00%	75.00%
Tiepolo Srl	Bologna	1,305,000	100.00%		100.00%
Tri-Generazione Scarl	Padua	100,000		71.83%	71.83%
Triveneta Luce Scarl	Vicenza	400,000		100.00%	100.00%
TRS Ecology Srl	Caorso (PC)	1,000,000		75.00%	75.00%
Uniflotte Srl	Bologna	2,254,177	100.00%		100.00%
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 companies

Registered name	Registered office	Share capital (Euro)	Percentage held		Total interest
			direct	indirect	
Enomondo Srl	Faenza (RA)	14,000,000		37.50%	37.50%
Set Spa	Milan	120,000	39.00%		39.00%

Associated companies

Registered name	Registered office	Share capital (euro) (*)	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%
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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