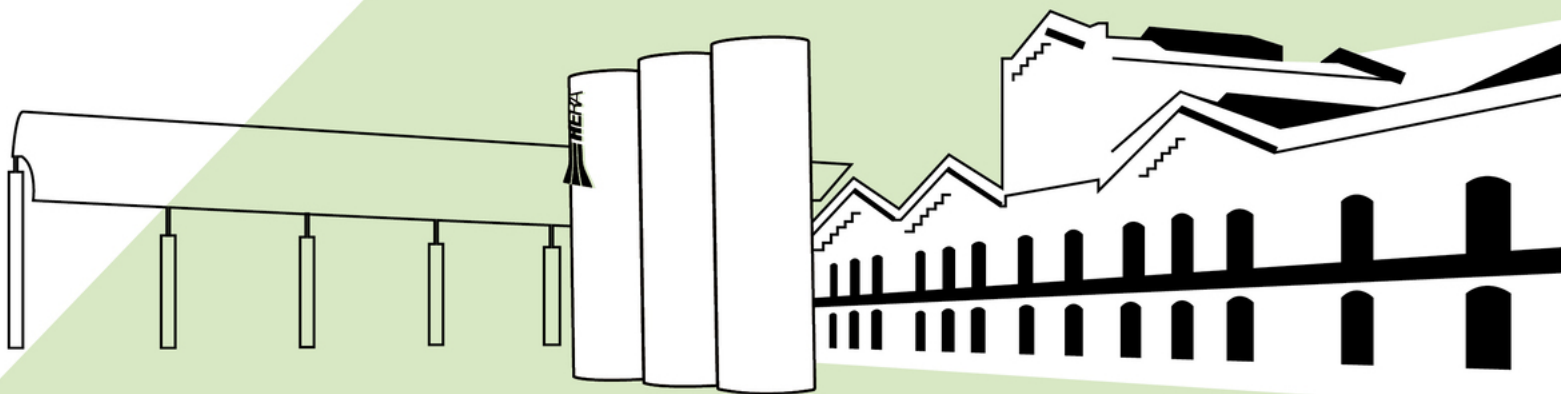


Consolidated
quarterly report
as at 31 March 2026

FR MAR/26



DIRECTORS' REPORT

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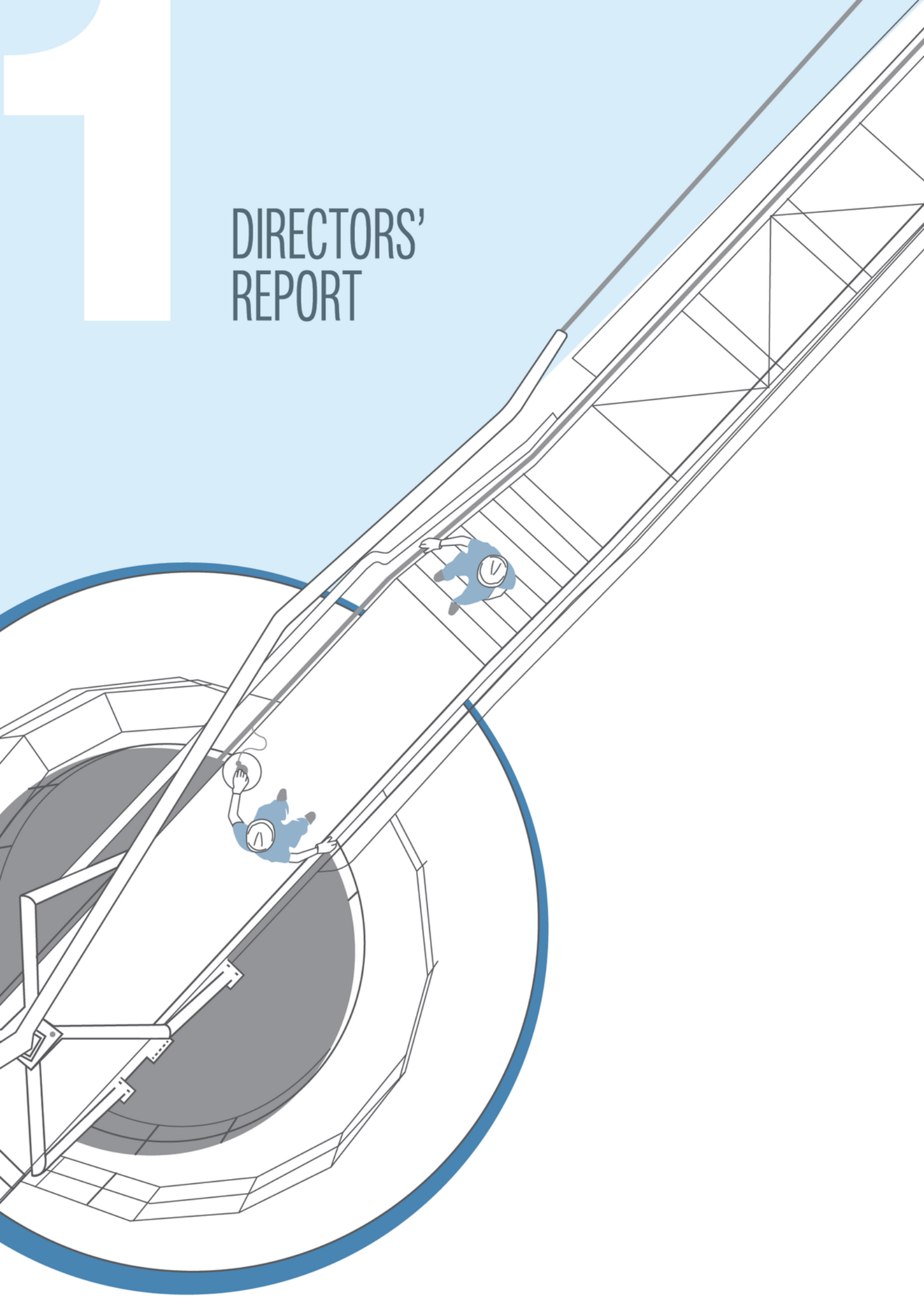
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DIRECTORS' REPORT



1.01 REFERENCE CONTEXT

1.01.01 Trends and contexts

The development of the conflict in the Middle East has further weakened the outlook for the global economy, compounding an environment already fragile due to ongoing geopolitical and trade tensions. In particular, the involvement of the United States, Israel and Iran, and the critical issues along the Strait of Hormuz - a strategic choke point for the transit of oil and natural gas - have led to a significant increase in energy prices, with effects on inflation already evident in the major advanced economies. Temporary signs of easing have not brought about a structural change in the overall picture, which continues to be characterised by high volatility and downside risks linked both to the possible persistence of supply chain tensions and to rising transport and insurance costs.

Against this backdrop, the global growth outlook is weakening. According to estimates by the International Monetary Fund (IMF), global economic growth is expected to slow to 3.1% in 2026, with the risk of dropping to 2% on an annual basis in more adverse scenarios, while international trade, which is already weakening, is expected to slow further.

The European Central Bank's (ECB) most recent macroeconomic projections indicate a temporary intensification of inflationary pressures in the eurozone in the short term, estimated at around 2.6% and above the 2% target, driven by rising energy prices and accompanied by a slowdown in economic growth, estimated at around 0.9% for 2026, which is expected to be followed by a gradual recovery in the medium term. In more adverse scenarios, for example in the event of very weak growth, inflation could exceed 4% in the two-year period 2026-2027.

The Italian economy is showing moderate and, overall, resilient growth, although weaker than the Eurozone average. According to the Bank of Italy's most recent projections, Italian GDP is expected to grow by around 0.5% in 2026, with modest expansion in 2027 as well and only a gradual strengthening in 2028. On the price front, inflation in Italy is expected to rise in 2026, in line with the eurozone, as a result of higher energy prices, with a subsequent return to levels close to the 2% target over the following two years. These broadly positive forecasts remain equally contingent on the easing of geopolitical tensions and the return to more favourable macroeconomic conditions at the international level.

After an optimistic start to the year, characterised by robust growth and renewed confidence, the financial markets were also hit, in early March, by high volatility and widespread losses due to the sudden escalation of the conflict in the Middle East. Both equity and bond markets closed the quarter in negative territory and, contrary to expectations, even a safe-haven asset such as gold suffered from the volatility in March, while the US dollar regained value as it is seen as a safe-haven currency. The dominant asset was oil, which consistently exceeded a hundred dollars per barrel due to the risk of supply disruptions in the Persian Gulf. Given concerns about an inflationary shock due to the rapid rise in energy prices, and in the face of a significantly more uncertain outlook, both the ECB and the Federal Reserve kept interest rates unchanged at their last meetings in March. However, they did not rule out the possibility of potential monetary tightening measures in the coming months. The unstable environment was also reflected in the intraday volatility of interest rates, which experienced wide fluctuations, peaking at 18 basis points within a single day.

At the end of March 2026, the yield curve showed an overall increase of approximately 20 basis points on average compared to December 2025, with different dynamics across the various maturities, i.e., with more pronounced increases in the short and medium term, and more moderate increases in the long term. This differentiated increase led to a flattening of the yield curve at medium- to long-term levels, averaging around 2.9%. The 1-year forward rate scenario shows a larger increase in short-term rates, of approximately 80 basis points, and a more modest increase in medium- to long-term rates, of approximately 10 basis points. As regards creditworthiness, at the end of March, the spreads on Hera bonds did not undergo any significant changes; the change remained fairly contained, at around 2-3 basis points on average compared to the end of December 2025, with a level of 91 basis points on the 8-year bond maturity. The spread of the 10-year BTP against the German Bund increased somewhat more, by approximately 21 basis points compared to the end of December 2025, closing at 90 basis points in March.

Against the backdrop of the volatile environment described above, crude oil and fuel prices rose sharply in the first quarter of 2026 compared to the previous year's price levels. Although the Day-Ahead Energy Market (DAM) fell on a quarterly basis (-5.6% compared to the same quarter of 2025), in March it recorded a marked increase (+19%), driven by the significant rise in gas prices. According to data processed by the national grid transmission company (Terna), electricity consumption for the quarter increased by 3% compared to the same period of the previous year, rising from 77.4 TWh to 80 TWh. During the period under review, 84.6% of demand was met by domestic generation, which increased by 3.4% compared to the same period in 2025, rising from 65.4 TWh to 67.7 TWh, while the balance with foreign suppliers stood at approximately 12.3 TWh.

In the first quarter of 2026, net domestic production from renewable sources of energy accounted for 37.7% of total net production and amounted to a volume of 25.5 TWh, higher than the 23 TWh produced in the first quarter of 2025. The share of consumption met by renewables was 31.9%, an increase compared to the share of consumption met in 2025, driven by the observed increases in wind generation (26.4%) and photovoltaic generation (19.1%), which collectively generated 8 TWh. On the other hand, there was a 5% decrease in hydropower generation and a 1.2%

MACRO-
ECONOMIC
CONTEXT

FINANCIAL
CONTEXT

ENERGY
CONTEXT

decrease in geothermal generation. Finally, it is worth noting the slight increase (+2.4%) in thermoelectric generation compared to the same quarter of the previous year, which totalled 6.4 TWh.

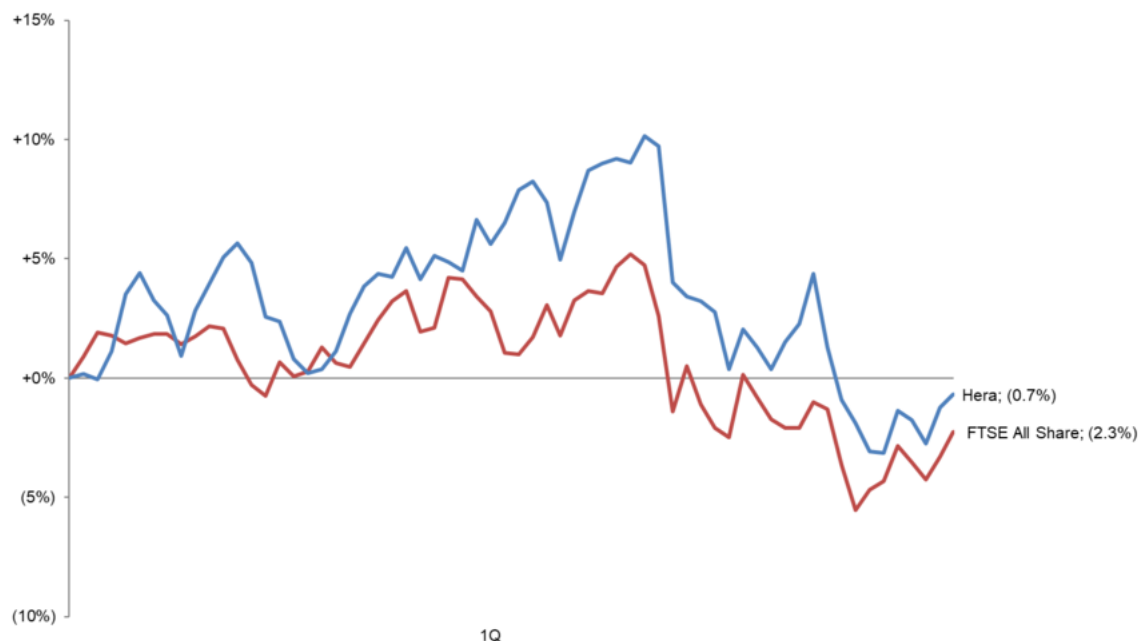
The natural gas price index at the Dutch hub (TTF), which is used as a benchmark for prices on European short-term spot markets, exhibited high volatility in the first quarter of 2026, recording an average decrease of 16% compared to the previous year. In March alone, following the onset of new international tensions resulting from the escalation of the conflict in the Middle East, the European gas reference price increased by 23.5%. The information released by the national gas transmission network operator (Snam Rete Gas) for the same quarter also indicates an extraordinary situation of natural gas consumption compared to the same quarter of the previous year, confirming 22.1 billion cubic metres. Demand for electricity generation, which stabilized at 6.4 billion cubic metres, increased by 2.4% compared to the same quarter of the previous year, while both demand for domestic use, which stood at 11.7 billion cubic metres, down 0.3%, and demand for industrial use, which amounted to 3.1 billion cubic metres, up by just 0.2%, remained virtually unchanged compared to 2025. By contrast, exports fell significantly (by 12.4%), with volumes amounting to 0.9 billion cubic metres. During the quarter, in terms of gas fed into the grid, 70.6% of gas demand was met by gas imports, 26.2% by gas stored in facilities, and the remainder by domestic production.

1.01.02 Share performance and investor relations

The Italian FTSE All-Share index fell by 2% during the period, reversing course in the second half of the quarter following the escalation of geopolitical tensions.

In this context, Hera's stock performed more resiliently than the market index, reaching a performance of over +10% at the end of February, bolstered by dialogue with investors during the business plan road show in the main European and US financial centres.

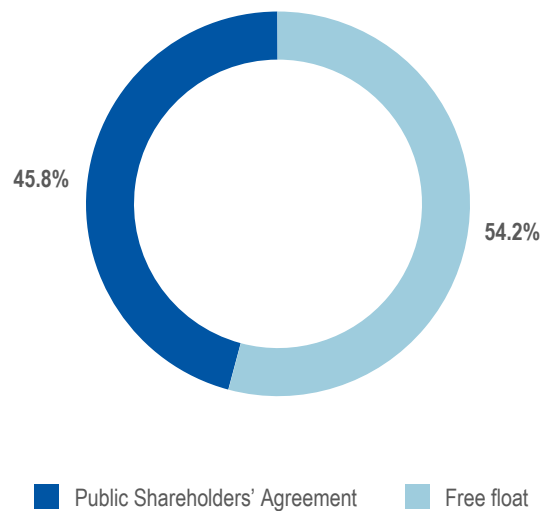
First quarter 2026 Hera stock and Italian market performance comparison



Hera's Board of Directors, which met on 25 March 2026 to approve the year-end results for 2025, decided to propose to the Shareholders' Meeting a dividend per share of 16 cents, up 6.7% and consistent with the indications contained in the Business plan. Following the approval coming from shareholders at the meeting, held on 29 April 2026, the ex-dividend date is envisaged for 22 June, with payment on 24 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.

Thanks to the combined effect of uninterrupted returns to shareholders through dividend payments and the rise in the share price over the years, the total shareholders' return since the IPO has remained positive at all times, reaching approximately +385% at the end of the reporting period.

The majority of the financial analysts covering the stock (Banca Akros, Equita Sim, Intermonte, Intesa Sanpaolo, Kepler Cheuvreux and Mediobanca) expressed positive opinions, with an average target price set at 4.52 euro and a 13.4% upside potential.

Shareholder breakdown at 31 March 2026

At 31 March 2026, the shareholder breakdown showed its usual stability and balance, with 45.8% of shares belonging to 110 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 (110 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.

Since 2006, Hera has adopted a treasury share repurchase program, most recently renewed by the Shareholders Meeting held on 29 April 2026 for a further 18 months, for an overall maximum amount of 270 million euro. This plan is aimed at financing M&A opportunities involving smaller companies, and smoothing out any abnormal market price fluctuations vis-à-vis those of the main comparable Italian companies. At 31 March 2026, Hera held 11.2 million treasury shares.

The Group expects to engage in intense communications with financial market players in 2026 too. Following the business plan road-show in the first quarter, numerous conferences organised by brokers in both Italy and abroad are already scheduled, at which Management will update investors on the Group's performance and the progress of the projects included in the plan. In addition, the usual discussions with financial market participants took place to answer questions regarding the Governance and Remuneration documents published prior to the Shareholders' Meeting. The intensity of the Group's commitment to dialogue with investors helps strengthen its reputation on the markets and constitutes an intangible asset to the benefit of Hera's stock and stakeholders, as also confirmed by the stock performance in the first few months of the current year.

1.02 GROUP PERFORMANCE

1.02.01 Key events during the year

Business and financial events

CONFLICT IN THE MIDDLE EAST

The growing geopolitical instability that culminated in the outbreak of the conflict in Iran at the end of February 2026, following a period of progressively escalating tensions in the Middle East, has had significant economic and financial consequences, with a considerable impact on the Group's key energy markets. Indeed, in the weeks following the start of the conflict, the prices of the main energy commodities experienced further, marked increases, exacerbating the volatility already present in the markets, with tensions affecting the global supply of oil and natural gas further intensified by the disruption of flows through the Strait of Hormuz, a strategic choke point for around one-fifth of the world's hydrocarbon trade. Although the Hera Group is not directly exposed to the risk of unavailability of gas supplies from the affected area, as it has no direct supply lines running through the region, it could nevertheless suffer indirect impacts. These include further increases in commodity prices, inflationary effects with consequent repercussions on consumption, and an increase in net working capital.

These scenarios continue to be monitored and assessed as part of the Group's risk management processes, which include sensitivity analyses and the quantification of potential economic and financial impacts. Also helping to mitigate this risk are the historical strength of the Group's customer base, which has already demonstrated resilience during previous periods of stress (such as the pandemic and the energy crisis linked to the Russia-Ukraine conflict), and the efficiency of the Group's operational processes, in particular in managing the receivables cycle (meter-to-cash). In addition, the Group possesses considerable financial flexibility thanks to committed credit lines totalling over 1 billion euro, as well as other instruments for managing its short-term financing needs.

Significant corporate operations

SOSTELIA

On 19 January 2026, the Hera Group entered into a binding agreement to acquire 100% of STA Spa and the associated stakes in the subsidiaries belonging to the Sostelia Group, a major Italian player in industrial and civil water technologies and treatment, thereby further strengthening its leadership position in waste management. The transaction, with an enterprise value of 138 million euro, was completed on 16 March 2026 following the fulfilment of the standard conditions precedent. When fully operational, this transaction is estimated to contribute approximately 20 million euro to the growth of the Hera Group's consolidated EBITDA, in addition to the value of the synergies expected from the integration.

SEA SRL

On 9 March 2026, the Hera Group acquired control of SEA – Servizi Ecologici Ambientali Srl (SEA Srl), which operates a multifunctional special waste storage and treatment facility located in Camerata Picena (Ancona). The transaction relates to 52% of the share capital of SEA Srl, in addition to the 31% already acquired by the Group in 2021. The sale and purchase transaction forms part of the framework agreement signed between the parties and took place following SEA Srl's receipt of authorisation to revamp the entire Camerata Picena plant complex, creating a centre of environmental excellence for central Italy.

Other corporate operations

HELISA SRL

On 20 February 2026, the special-purpose vehicle Helisa Srl was established, which is 100% owned by Hera Spa. This special-purpose vehicle was established for the award of the concession, under a public private Partnership arrangement, for the design, construction and operation of a plant for the generation of electricity from renewable sources of energy ("Energy Park") to serve the Cineca Data Centre at the Bologna Technopole Area and an adjacent area designated for public green space ("Urban Forest").

1.02.02 Alternative performance measures

ALTERNATIVE PERFORMANCE MEASURES (APMS)

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 statement of financial position. In accordance with the guidelines published on 4 March 2021 by the European securities and markets authority (ESMA) and in keeping with the provisions of Consob communication no. 5/21 of 29 April 2021, the content of and the criteria used in defining the APMs used in this Consolidated quarterly report as at 31 March 2026, are explained below. The determination criteria used to calculate the alternative performance measures are the same as those already used with reference to the Consolidated Financial Report as at 31 December 2025, to which reference should be made for a complete representation of all alternative performance measures used by the Hera Group.

The indicators illustrated below are used as financial targets in internal presentations (business plans) and in external documents (for analysts and investors). They provide useful measures for assessing the Group's operating performance (as a whole and within each business unit), including comparisons between the reporting period in question and previous periods as regards operating profitability.

EBITDA is calculated as the sum of revenue, other income, raw and other materials, service costs, personnel costs, other operating expenses and capitalised costs.

EBIT is calculated by adding depreciation, amortisation, provisions and impairment losses to EBITDA. This indicator corresponds to the operating profit or loss in the statement of profit or loss.

The **pre-tax profit or loss** corresponds to the pre-tax profit shown in the statement of profit or loss.

The **net result for the period** corresponds to the profit (loss) for the period as shown in the statement of profit or loss.

Profit (loss) for the period corresponds to the profit for the period shown in the statement of profit or loss.

EBITDA on revenue, EBIT on revenue and profit (loss) for the period on revenue measure the Group's operating performance as a proportion, expressed as a percentage, of EBITDA, EBIT and profit (loss) for the year divided by the revenue shown in the profit or loss.

Capital expenditure (CapEx) is the sum of investments in property, plant and equipment, intangible assets and equity investments (as per 2.02.03 Statement of financial position), net of the capital grants received (as shown in paragraph 1.02.03 of the Directors' report).

Net non-current assets are calculated as the sum of: property, plant and equipment, right-of-use assets, intangible assets, goodwill, equity-accounted investees, other equity investments, and deferred tax assets and liabilities (as per 2.02.03 Statement of financial position).

Net working capital is made up of the sum of: inventories, trade receivables and payables, current tax assets and liabilities, other current assets and liabilities, the current portion of assets and liabilities for financial derivatives on commodities and contract assets and liabilities (as per 2.02.03 Statement of financial position).

Provisions are defined as the sum of the items employee benefits and provisions in 2.02.03 Statement of financial position.

Invested capital is defined by calculating the sum of net fixed assets, net working capital and provisions, as described above.

The **Net financial debt** (at times referred to below as Net debt) is a measure of the company's financial structure determined in accordance with ESMA guidelines 32-382-1138, adding the value of non-current financial assets.

Sources of financing are obtained by adding net financial debt and equity (as shown in 2.02.03 Statement of financial position).

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

OPERATING APMS AND INVESTMENTS (MLN€)	MAR-26	MAR-25	CHANGE ABS.	CHANGE %
Revenue	3,517.6	4,321.3	(803.7)	(18.6%)
EBITDA	418.9	418.0	0.9	0.2 %
EBITDA/Revenue	11.9 %	9.7 %	2,2 p.p.	- %
EBIT	248.8	247.2	1.6	0.6 %
EBIT/Revenue	7.1 %	5.7 %	1,4 p.p.	- %
Profit (loss) for the period	165.1	163.8	1.3	0.8 %
Profit (loss) for the period/Revenue	4.7 %	3.8 %	+0,9 p.p	- %
CapEx	222.4	187.4	35.0	18.7 %

FINANCIAL APMS (MLN€)	MAR-26	DEC-25	CHANGE ABS.	CHANGE
Net non-current assets	9,233.9	8,980.7	253.2	2.8 %
Net working capital	158.0	143.7	14.3	10.0 %
Provisions	(786.6)	(780.3)	(6.3)	0.8 %
Invested capital	8,605.3	8,344.1	261.2	3.1 %
Net debt	4,028.6	3,944.4	84.2	2.1 %
Sources of financing	8,605.3	8,344.1	261.2	3.1 %

1.02.03 Financial results and investments

The results for the first quarter of 2026 are set against a complex global macroeconomic backdrop, characterised by the ongoing geopolitical tensions that began in February 2026 and the volatility of energy markets.

However, the external environment did not affect the Hera Group's quarterly performance, which closed with an overall slight improvement in gross business margins and financial results compared to the same period of the previous year, confirming the Group's ability to generate value on an ongoing basis. Indeed, EBITDA stood at 418.9 million euro, an increase of 0.2%; EBIT increased by 0.6%, and profit for the year increased by 0.8%. In terms of operating investments, the Hera Group also recorded significant growth this quarter, equal to 24.1% compared to the previous year, reflecting the Group's commitment to strengthening the resilience of the assets under management and enhancing their technological capabilities, including in support of the environmental transition.

The established business strategy, based on a balance between regulated and free-market activities, remains the key asset for addressing the uncertainties and challenges anticipated for the remainder of 2026. Therefore, the diversification of its businesses and its ability to swiftly seize opportunities arising from the external environment enable the Group to pursue the industrial growth and sustainability targets set out in the Business Plan approved in January of this year, despite a complex external environment that is difficult to interpret and constantly evolving.

With regard to growth opportunities through the acquisition of external businesses, it is worth noting in particular that, during 2026, the Hera Group continued to strengthen its activities in waste management by expanding its scope through:

- the acquisition of the Sostelia Group, one of Italy's leading operators specialising in industrial and civil water treatment technologies and services.
- The acquisition of control of Servizi Ecologici Ambientali (SEA) Srl, which operates a multifunctional special waste storage and treatment facility located in Camerata Picena (Ancona).

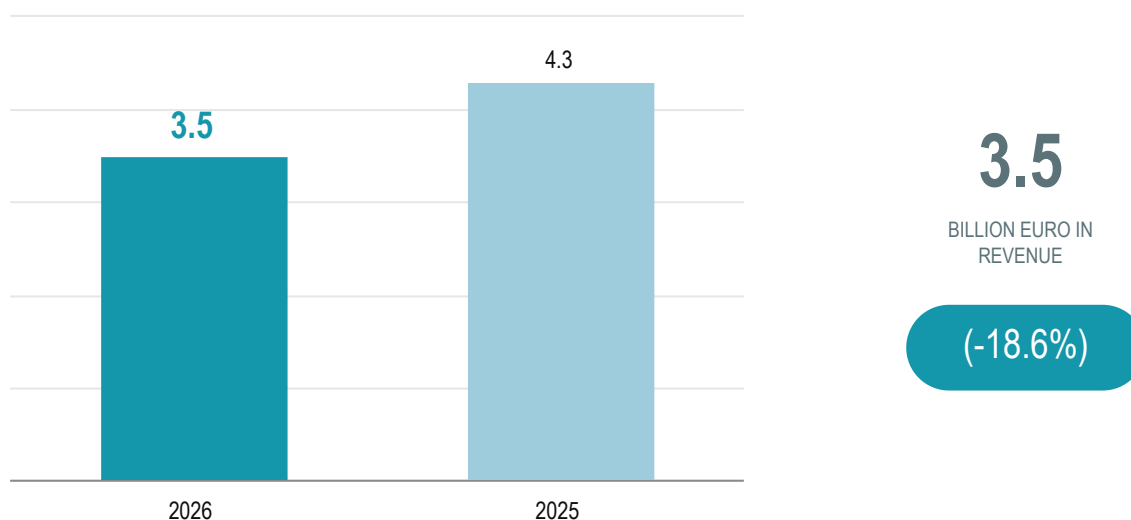
Finally, compared to the first quarter of 2025, it is worth noting the contribution of Ambiente Energia Srl, a major company operating in the treatment of industrial liquid waste through its plant in Schio, which was consolidated after the first half of 2025.

For further details, reference should be made to paragraph 1.03.04.

The following table shows operating profit or loss at 31 March 2026 and 2025:

STATEMENT OF PROFIT OR LOSS (MLN€)	MAR-26	% %	MAR-25	% %	CHANGE ABS.	CHANGE %
Revenue	3,517.6		4,321.3		(803.7)	(18.6%)
Other income	46.6	1.3 %	37.4	0.9 %	9.2	24.6 %
Raw and other materials	(1,982.6)	(56.4%)	(2,714.5)	(62.8%)	(731.9)	(27.0%)
Service costs	(987.5)	(28.1%)	(1,049.0)	(24.3%)	(61.5)	(5.9%)
Other operating expenses	(18.5)	(0.5%)	(20.2)	(0.5%)	(1.7)	(8.4%)
Personnel costs	(188.4)	(5.4%)	(179.6)	(4.2%)	8.8	4.9 %
Capitalised costs	31.7	0.9 %	22.6	0.5 %	9.1	40.2 %
EBITDA	418.9	11.9 %	418.0	9.7 %	0.9	0.2 %
Depreciation, amortisation, provisions and impairment losses	(170.1)	(4.8%)	(170.8)	(4.0%)	(0.7)	(0.4%)
EBIT	248.8	7.1 %	247.2	5.7 %	1.6	0.6 %
Net finance expense	(19.1)	(0.5%)	(17.5)	(0.4%)	1.6	9.1 %
Share of profits (losses) pertaining to joint ventures and associates	4.8	0.1 %	4.3	0.1 %	0.5	11.7 %
Pre-tax profit or loss	234.5	6.7 %	234.0	5.4 %	0.5	0.2 %
Income tax expense	(69.4)	(2.0%)	(70.2)	(1.6%)	(0.8)	(1.1%)
Profit (loss) for the period	165.1	4.7 %	163.8	3.8 %	1.3	0.8 %
Attributable to:						
Owners of the parent	154.6	4.4 %	153.7	3.6 %	0.9	0.6 %
Non-controlling interests	10.5	0.3 %	10.1	0.2 %	0.4	4.0 %

Revenue (bn€)



In the first quarter of 2026, revenue decreased by 18.6%, representing a difference of 803.7 million euro compared to the previous year. The energy sectors recorded a decrease of 855 million euro: the main factors were lower average prices for energy commodities, despite the increase recorded in March, lower consumption of gas and electricity sold to end customers, and lower revenue from trading activities in both the gas and electricity businesses. Finally, there was lower revenue from system charges in the electricity business, despite the increase in gas.

Revenue from network services increased by a total of 36.6 million euro. This trend is mainly attributable to higher revenue from orders on goods under concession and activities on behalf of third parties, despite lower tariff revenue,

particularly in the gas business, which was affected by the discontinuation of the extraordinary items recognised in 2025, following the Authority's resolutions specifically mentioned for the gas business in paragraph 1.03.01. Revenue in the waste management area increased due to the significant expansion in the recovery market and growth in the industrial market, driven by both the development of the remediation business and the company acquisitions mentioned above. Finally, higher revenue was reported in the urban waste service, due to both inflation adjustments across all the areas managed and increased supplementary services required in the tender areas. For further details, please refer to paragraph 1.03.04.

Finally, there was a decrease of approximately 11 million euro, attributable both to lower energy performance activities in buildings and to lower revenue in the public lighting business.

For further details, see the analyses of each individual business area in paragraph 1.03.

Other income in March 2026 was up by 9.2 million euro compared to the same period in 2025. This trend is mainly attributable to higher insurance recoveries, primarily related to the fire at the Imola cogeneration plant in November 2024, despite lower revenue from energy performance certificates due to the decrease in the obligation assigned to the Group's distribution companies, as described in paragraph 1.03.01 of the gas segment.

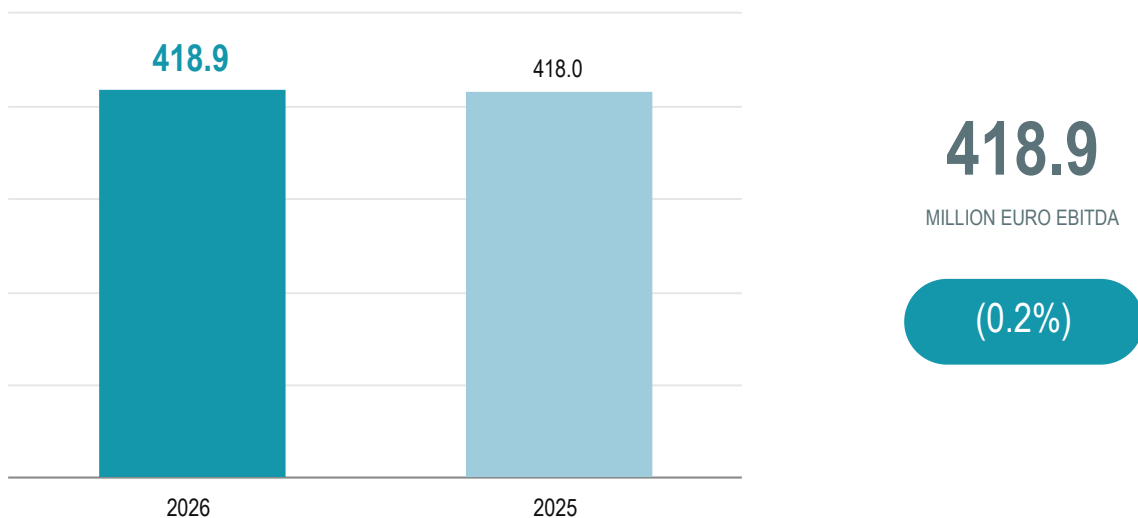
Costs for raw and other materials fell by 731.9 million euro compared to March 2025, in line with the trend in energy revenues described above.

Other operating costs dropped by 63.2 million euro (lower service costs amounting to 61.5 million euro and lower operating expenses coming to 1.7 million euro). Costs related to the transport and storage of gas and the transmission of both gas and electricity decreased, mainly due to the reduction in volumes sold to end customers. System charges also decreased, especially in electricity, despite the increase in gas; for more details, see paragraphs 1.03.01 and 1.03.02. Overall, the above-mentioned effects contribute to a general decrease in costs of approximately 100 million euro. Finally, higher costs were related to orders for goods under concession and activities on behalf of third parties.

Personnel costs increased by 4.9% compared to March 2025 and amounted to 8.8 million euro. This increase is mainly related to salary increases under the national collective labour agreement, the higher average headcount recorded in the first quarter of 2026, and the company acquisitions made in the waste management area.

Capitalised costs totalled 31.7 million euro in March 2026, up compared to the previous year due to higher capitalised works on Group-owned assets.

EBITDA (mln/€)

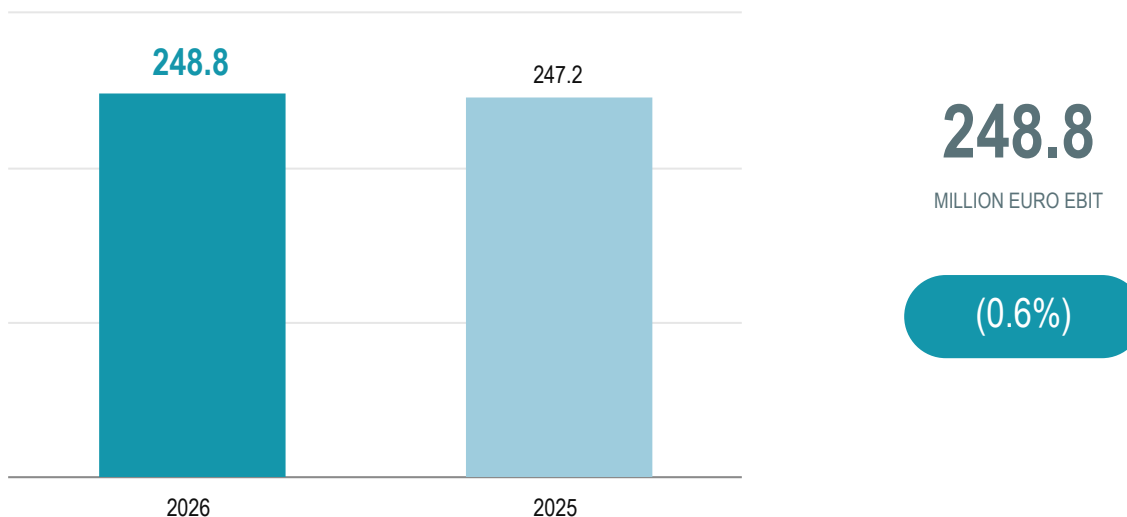


EBITDA stood at 418.9, up 0.2% and amounting to 0.9 million euro compared to March 2025. The positive contribution of the water service, coming to 3.4 million euro, the strong performance of the waste management area, up by 0.5 million euro, and other services, up by 0.2 million euro, fully offset the decrease in the energy areas, amounting to 3.3 million euro in total.

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

Depreciation, amortisation and provisions as at 31 March 2026 decreased overall by 0.7 million euro compared with the previous year, equal to 0.4%. Higher depreciation and amortisation were recorded mainly in relation to new

operating investments, particularly in the regulated segments, to an increase in activities for the acquisition of new customers, and to changes in the scope of consolidation resulting from the consolidation of the Sostelia Group and the companies SEA – Servizi Ecologici Ambientali Srl and Ambiente Energia Srl. Accruals to the loss allowance also decreased, mainly due to the drop in volumes managed in the gas last resort markets.

EBIT (mln€)

The EBIT margin amounted to 248.8 million euro, up by 0.6% compared to March 2025. In addition to the increase in EBITDA, there was a reduction in the depreciation, amortisation and provisions component, as described above.

Net financial result increased by 1.6 million euro compared to the previous year, primarily due to lower dividends from investee companies, amounting to approximately 2.9 million euro, and lower income from the discounting of tax credits related to works eligible for bonus incentives, amounting to approximately 2.7 million euro. These effects were partially offset by lower discounting charges related to the Ascopiave put, which was paid in June 2025 for 3.3 million euro.

The share of profits (losses) pertaining to joint ventures and associates include the effects of the measurement using the equity method for the companies included in the scope of consolidation. At March 2026, these amounted to 4.8 million euro, up 0.5 million euro compared to the previous year.

The pre-tax profit or loss showed an increase of 0.2% compared to March 2025, since the result deriving from EBIT was accompanied by the trend in the net finance result and the companies valued according to the equity method, as mentioned above.

Taxes for the period amounted to 69.4 million euro, slightly down from 70.2 million euro in the previous period.

As a result of all the events described above, profit for the year increased by 1.3 million euro, or 0.8%, compared to March 2025.

During the first quarter of FY 2026, the Group's capital expenditure (CapEx) amounted to 222.4 million euro, up 35.0 million euro compared to the same period of the previous year. This increase, recorded across all operating areas, is mainly attributable to investments in the water service and the waste management area.

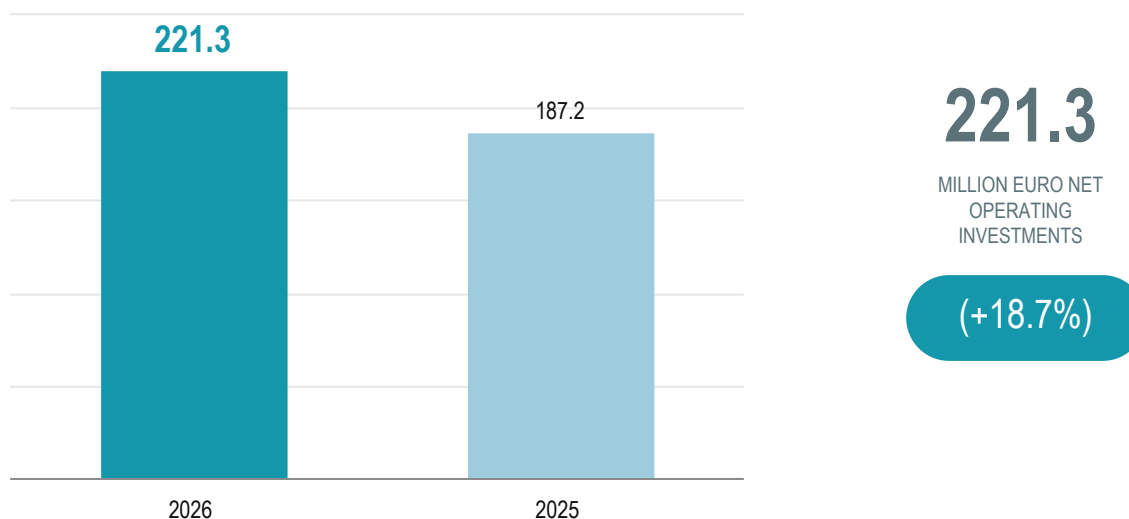
Capital grants amounted to 16.4 million euro, of which 6.9 million euro were related to FoNI investments, as foreseen by the tariff method for the integrated water service, and increased by a total of 12.0 million euro over the previous year.

CAPITAL
EXPENDITURE
(CAPEX) RISES
TO 222.4
MILLION EURO

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

TOTAL INVESTMENTS (MLN€)	MAR-26	MAR-25	CHANGE ABS.	CHANGE %
Gas area	48.0	38.4	9.6	25.0 %
Electricity area	32.1	26.4	5.7	21.6 %
Integrated water service area	92.5	75.8	16.7	22.0 %
Waste management area	46.5	31.7	14.8	46.7 %
Other services area	3.0	2.4	0.6	25.0 %
Headquarters	15.6	16.9	(1.3)	(7.7%)
Total gross operating investments	237.7	191.6	46.1	24.1 %
Capital grants	16.4	4.4	12.0	272.7 %
of which FoNi (New Investments Fund)	6.9	2.0	4.9	245.0 %
Total net operating investments	221.3	187.2	34.1	18.2 %
Financial investments	1.2	0.3	0.9	300.0 %
Total capital expenditure (CapEx)	222.4	187.4	35.0	18.7 %

Total net operating investments (mln/euro)



Including capital grants, the Group's operating investments stood at 237.7 million euro, up 46.1 million euro over the previous year. Operating investments mainly involved work on plants, networks and infrastructure. 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 15.6 million euro, down by 1.3 million euro compared to the previous year.

1.02.04 Financial structure and adjusted net financial debt

What follows is an analysis of trends in the Group's invested capital and sources of financing at 31 March 2026.

INVESTED CAPITAL AND SOURCES OF FINANCING (MLN€)	31-mar-26	% INC.	31-dic-25	% INC.	CHANGE ABS.	% CHANGE
Net non-current assets	9,233.9	107.3 %	8,980.7	107.6 %	253.2	2.8 %
Net working capital	158.0	1.8 %	143.7	1.7 %	14.3	10.0 %
Provisions	(786.6)	(9.1%)	(780.3)	(9.4%)	(6.3)	0.8 %
Invested capital	8,605.3	100.0 %	8,344.1	100.0 %	261.2	3.1 %
Equity	4,576.7	53.2 %	4,399.7	52.7 %	177.0	4.0 %
Non-current net financial debt	4,413.9	51.3 %	4,228.5	50.7 %	185.4	4.4 %
Net current financial debt	(385.3)	(4.5%)	(284.1)	(3.4%)	(101.2)	35.6 %
Net financial debt	4,028.6	46.8 %	3,944.4	47.3 %	84.2	2.1 %
Total sources of financing	8,605.3	100.0 %	8,344.1	100.0 %	261.2	3.1 %

At 8,605.3 million euro, invested capital (NIC) increased by 261.2 million euro compared to 31 December 2025. This change is primarily due to the increase in net fixed assets, driven by significant investment in both development and maintenance, as well as by corporate transactions carried out during the period, including the acquisition of a controlling stake in the Sostelia Group, a major privately owned Italian player in industrial and civil water technologies and treatment, and the acquisition of a further 52% stake in SEA – Servizi Ecologici Ambientali Srl, a company operating in the management and treatment of special waste, thereby bringing the Group's stake to 83% of the share capital.

Net working capital amounted to 158.0 million euro at the end of the first quarter of 2026, essentially in line with the 143.7 million euro posted at the end of 2025.

As regards the amount of trade and other receivables, no critical issues appeared in the performances of collections.

In 2026, provisions amounted to 786.6 million euro, in line with the figure of 780 million euro recorded at the end of the previous year. This result is the consequence of the provisions made during the period, which more than offset the drawdowns, primarily relating to provisions for post-closure landfill liabilities and the restoration of third-party assets.

Equity increased from 4,399.7 million euro in 2025 to 4,576.7 million euro in 2026, strengthening the Group's financial position, driven by the operating profit for 2026, amounting to 165.1 million euro.

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

MLNE	31-MAR-26	31-DEC-25
Cash	1,242.9	845.3
Cash equivalents	-	-
Other current financial assets	90.9	75.1
Liquidity	1,333.8	920.4
Current financial debt	(535.2)	(226.9)
Current portion of non-current financial debt	(411.8)	(408.0)
Current financial indebtedness	(947.0)	(634.9)
Net current financial debt	386.8	285.5
Non-current financial debt	(1,022.9)	(864.2)
Debt instruments	(3,489.8)	(3,485.0)
Non-current trade and other payables	-	-
Non-current financial debt	(4,512.7)	(4,349.2)
Total financial debt	(4,125.9)	(4,063.7)
Non-current financial receivables	152.8	151.8
Net financial position (excluding option to sell)	(3,973.1)	(3,911.9)
Nominal amount - fair value option to sell	(50.3)	(27.4)
Net financial debt with adjusted option to sell (Adj net debt put option)	(4,023.4)	(3,939.3)
Portion of future dividends - fair value option to sell	(5.2)	(5.1)
Net financial debt (Net debt)	(4,028.6)	(3,944.4)

Total net financial debt amounted to 4,028.6 million euro, up by around 84.2 million euro compared to 31 December 2025.

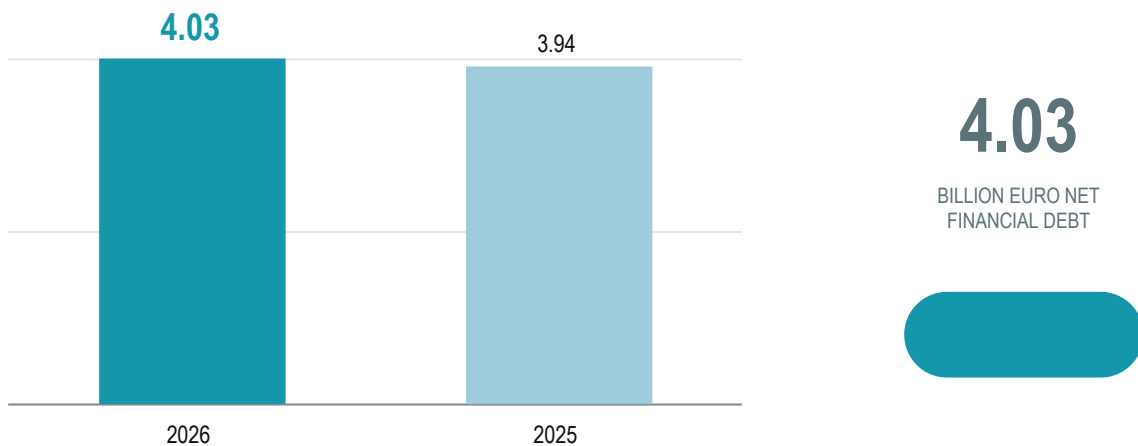
The financial structure shows a total current debt of 947.0 million euro, up 312.1 million euro from the December 2025 figure, and includes bank debt, accrued interest expenses on financial debt, and other payables.

Non-current financial debt amounted to 4,512.7 million euro, an increase of approximately 163.5 million euro compared to the previous period, primarily due to new bank loans taken out by Hera Spa.

Cash increased from 845.3 million euro in 2025 to 1,242.9 million euro at 31 March 2026, an increase of approximately 397.6 million euro.

At 31 March 2026, 77% of non-current debt consisted of bonds with repayment at maturity. Medium-/long-term debt, 90% of which is at a fixed rate, has an average remaining term of approximately four years and six months. 40% of the debt matures in more than five years.

Net financial position (Net debt) (bn€)

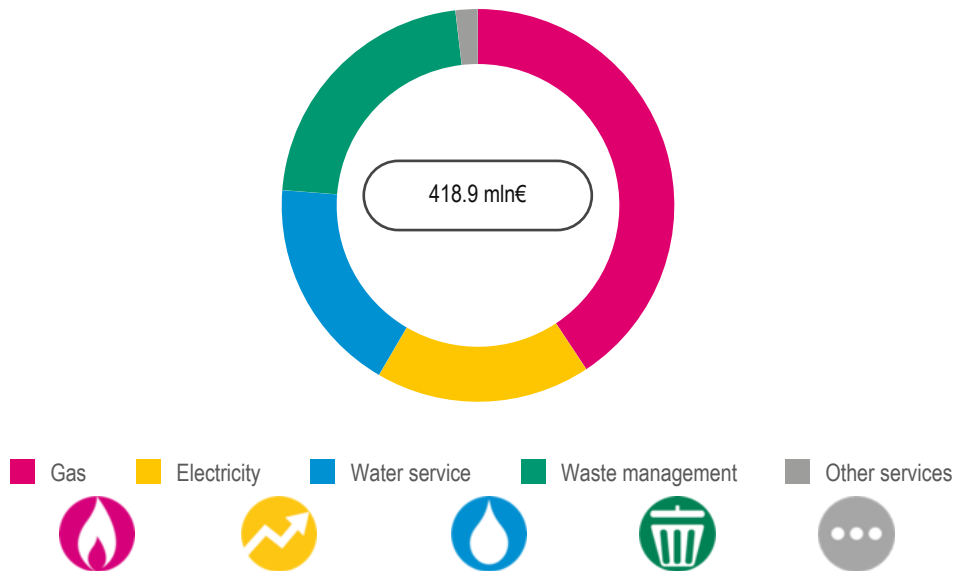


1.03 ANALYSIS BY BUSINESS AREA

An analysis of the operating profit or loss 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 includes electricity generation, distribution and sales services and public lighting services; the integrated water service 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 includes telecommunications and other minor services.

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The Group's statements of profit or loss include corporate headquarters costs and account for intercompany transactions at arm's length.

The following analyses of each single business area take into account all increased revenue 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 service services, waste collection services and public lighting services.

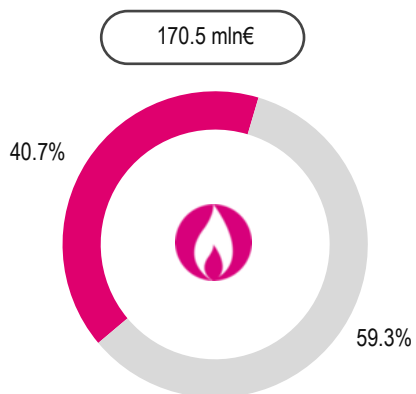
1.03.01 Gas

The results for the first quarter of 2026 show a downward trend compared with the previous year, with the share of the gas business in the Group's EBITDA decreasing from 44.8% in 2025 to 40.77%, due to the reduction in last resort markets following the natural expiry of the tender for the 2023–2025 last resort supply service, and lower regulated revenue from gas distribution, mainly as a result of higher extraordinary revenue in the previous year following the repeal of Resolution 570/2019/R/gas, which led to the redetermination of tariffs for distribution and metering services.

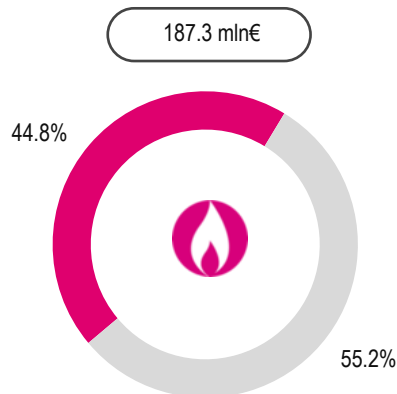
In summary, Hera Comm was awarded:

- all nine lots of the default gas distribution service (for customers in arrears), for the period from 1 October 2025 to 30 September 2027, in: Valle d'Aosta, Piedmont, Liguria, Lombardy, Trentino-Alto Adige, Veneto, Friuli-Venezia Giulia, Emilia-Romagna, Tuscany, Umbria, Marche, Abruzzo, Molise, Basilicata, Apulia, Lazio, Campania, Sicily and Calabria. In the previous tender as well, Hera Comm was awarded nine out of nine lots;
- three of the 12 lots in the Consip GAS17 tender for supplying natural gas to public administrations from October 2025 in Lazio, Campania, Sicily and Calabria, compared to no lots awarded in the previous tender.

EBITDA Gas Division 2026



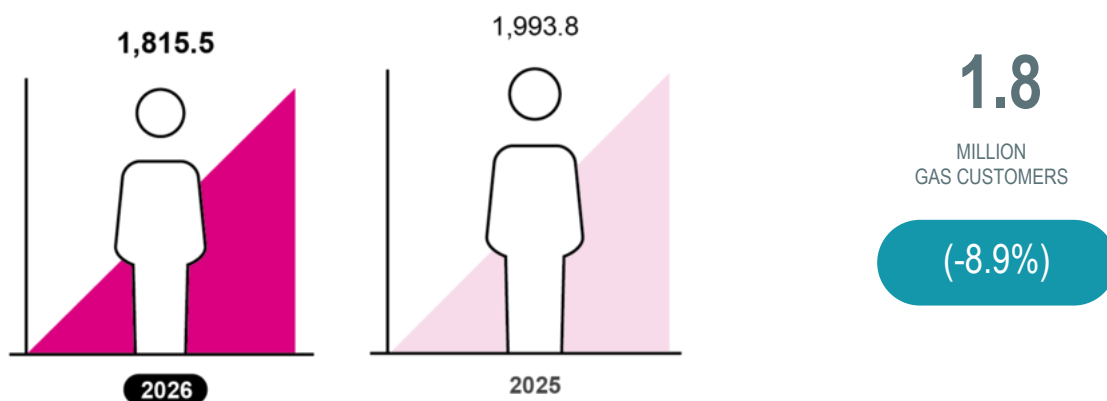
EBITDA, Gas Division 2025



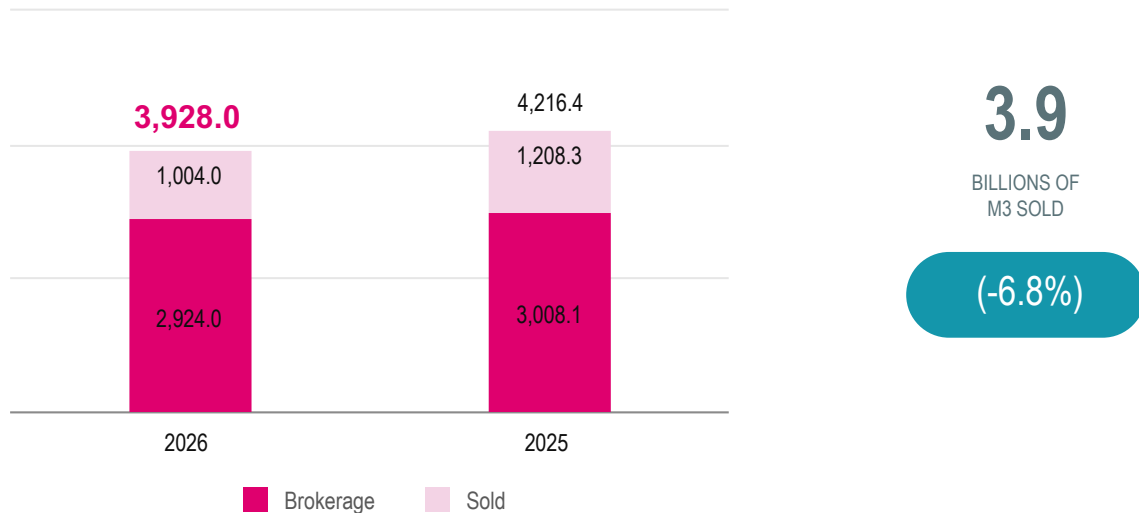
The following table shows the changes occurred in terms of EBITDA:

MLN€	MAR-26	MAR-25	CHANGE ABS.	CHANGE %
Area EBITDA	170.5	187.3	(16.8)	(9.0%)
Group EBITDA	418.9	418.0	0.9	0.2 %
Percentage weight	40.7 %	44.8 %	(4.1) p.p.	

Customers (k)



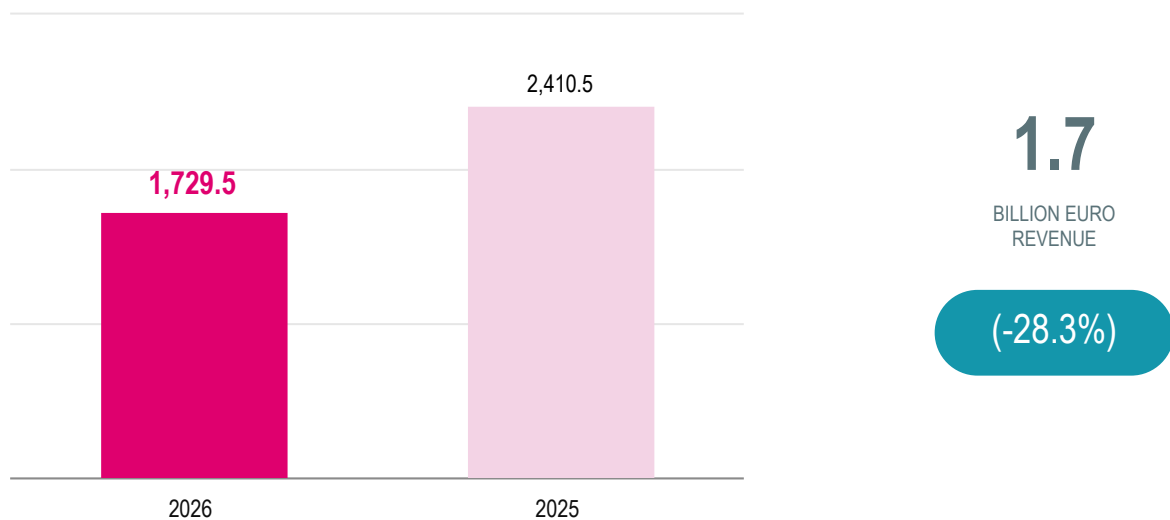
The total number of gas customers is 178.3 thousand lower than in the same period of the previous year, mainly in the traditional markets (down 103.9 thousand customers) due to strong competition from other operators, in the last resort markets (down 62.2 thousand customers), following the natural expiry of the tender for the last resort supply service for the period 1 October 2023 – 30 September 2025, and, finally, in the Consip tenders (down 12.1 thousand customers), as 2025 benefited from customers acquired through the 2024 tender, while 2026 is affected by the time lag between the allocation of the new lots and the actual start of supplies.

Volumes sold (mln/m3)

Total volumes of gas sold fell by 288.4 million m3, equal to 6.8%, due to a decrease in trading amounting to 84.1 million m3 and in sales to end customers amounting to 204.3 million m3, equal to 16.9%. The decrease in sales activity is attributable to the last resort markets (down 89.2 million m3, or -72.8%), due to the aforementioned tender for the last resort supply service; to the Consip tenders (down 65.9 million m3, or -84.4%), due to the aforementioned delay in activating the new lots; and to the traditional markets (down 49.3 million m3, or -4.9%), due to the decline in the customer base and customers' energy-saving behaviour.

The following table summarises operating profit or loss for the gas area:

STATEMENT OF PROFIT OR LOSS (MLN/€)	MAR-26	%	MAR-25	%	CHANGE ABS.	CHANGE %
Revenue	1,729.5		2,410.5		(681.0)	(28.3%)
Operating expenses	(1,532.6)	(88.6%)	(2,193.8)	(91.0%)	(661.2)	(30.1%)
Personnel costs	(34.2)	(2.0%)	(34.9)	(1.4%)	(0.7)	(2.0%)
Capitalised costs	7.9	0.5 %	5.4	0.2 %	2.5	46.5 %
EBITDA	170.5	9.9 %	187.3	7.8 %	(16.8)	(9.0%)

Revenue (mln/€)

Compared to the previous year, there has been a decline of 681.0 million euro. Overall, sales and brokerage activities were affected by a decrease of 659.3 million euro, due to lower natural gas prices, the end of the last-resort supply service, and lower consumption by the customer base.

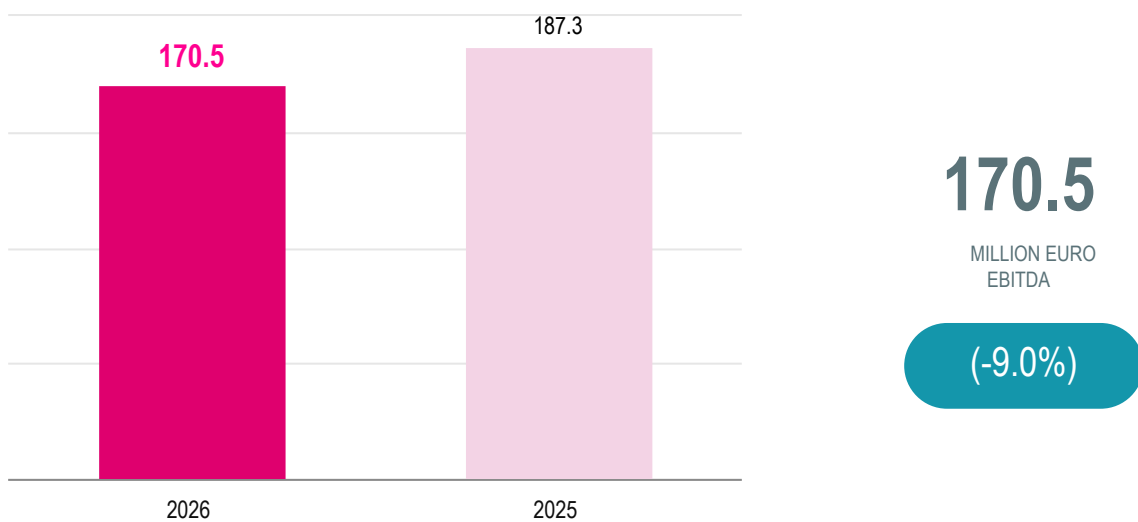
Energy performance activities show a drop in revenue of 5 million euro, due to fewer works in apartment buildings, slowing the decline recorded in 2025 following the regulatory changes to renovation and ecobonuses.

There was also a decrease in district heating revenue, amounting to 2.5 million euro, resulting from the fall in energy prices, despite the rise in the amount of energy sold. Further contributions come from the concession contracts and contracts for third-party assets, from activities in Bulgaria and from white certificates, due to the smaller quantities requested in the 2025 obligation year, which runs from June 2025 to May 2026. Together, these factors resulted in a decrease of approximately 8 million euro.

Regulated revenue is down by 6.4 million euro, mainly due to higher extraordinary revenue in the previous year, following the redetermination of tariffs for distribution and metering services in accordance with Resolutions 87/2025/R/gas and 98/2025/R/gas, despite the growth of the Regulatory Asset Base (RAB) of the Group's owned assets and the incorporation of the inflationary increase.

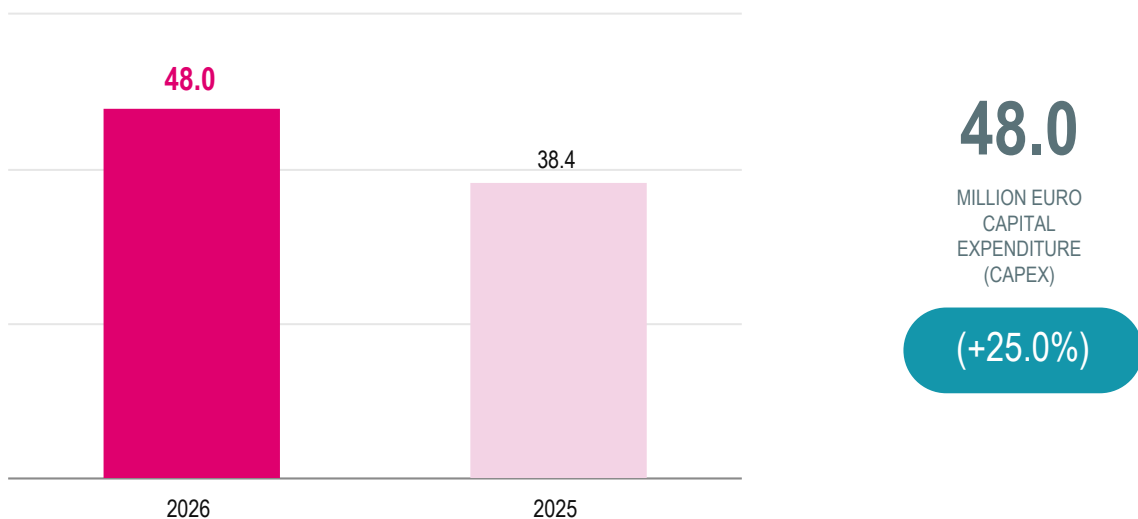
The reduction in revenue is reflected in operating expenses, which show an overall decrease of 661.2 million euro. This trend is attributable to the aforementioned energy markets and to lower consumption by the customer base, which also contributes to a reduction in gas transmission and storage, despite higher system charges.

EBITDA (mln/€)



In 2026, EBITDA declined from a particularly strong 2025 to 16.8 million euro, or -9.0%, due to lower margins in the last resort markets, reflecting the natural conclusion of the tender for the last resort supply service, and in regulated distribution revenue, which in the previous year benefited from extraordinary allocations of regulated revenue. This decrease was offset by the positive performance of traditional sales markets, brokerage activities, district heating and energy performance activities.

Capital expenditure (CAPEX) gas (mln/€)



Capital expenditure (CAPEX) in the gas area amounted to 48.0 million euro, up 9.6 million euro compared to the previous year. The increase in gas distribution amounts to 1.0 million euro and derives from extraordinary maintenance work on networks and plants in the territories served.

In gas sales, CAPEX relates to activities associated with the acquisition of new customers and decreased slightly by 0.2 million euro compared to the previous year.

In district heating and energy services, investments were up by a total of 8.8 million euro compared to the previous year, increasing primarily due to the significant works on district heating networks and plants. Investments in energy services are also up with the activities of the company Hera Servizi Energia Spa.

Requests for new connections in the gas area in 2026 decreased slightly compared to the previous year.

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

GAS (MLN€)	MAR-26	MAR-25	CHANGE ABS.	% CHANGE
Networks and plants	28.6	27.6	1.0	3.6 %
Acquisition gas customers and other sales	4.7	4.9	(0.2)	(4.1%)
DH/Energy services	14.7	5.9	8.8	149.2 %
Total gas gross	48.0	38.4	9.6	25.0 %
Capital grants	0.0	0.0	0.0	0.0 %
Total gas net	48.0	38.4	9.6	25.0 %

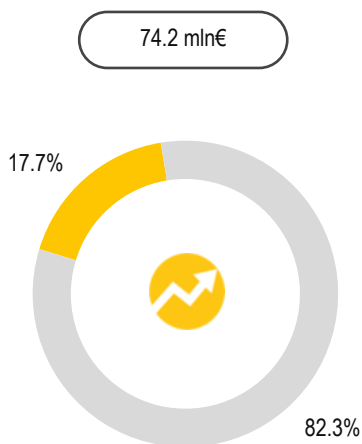
1.03.02 Electricity

The results for the first quarter of 2026 show an upward trend compared to the previous year in almost all relevant areas, with the share of the Electricity area in the Group's EBITDA rising from 14.5% in 2025 to 17.7%.

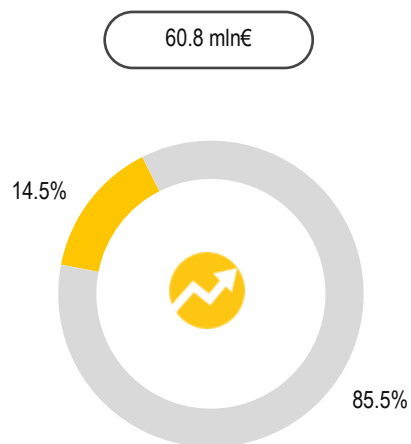
In summary, Hera Comm was awarded:

- seven of the nine lots for the Safeguard service for 2025 and 2026 in: Lombardy, Trentino Alto Adige, Veneto, Emilia-Romagna, Friuli-Venezia-Giulia, Marche, Tuscany, Sardinia, Lazio, Umbria, Campania, Abruzzo, Calabria and Sicily, winning 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 transitional protection scheme for domestic customers for the period from 1 July 2024 to 31 March 2027 in 37 Italian provinces, strengthening its 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 in the transitional protection scheme for supplying electricity to micro-businesses for the period from 1 April 2023 to 31 March 2027 in: Friuli-Venezia Giulia, Trentino-Alto Adige and in the Provinces of Belluno, Venezia and Verona.
- five of the 19 lots in the Consip EE23 tender for supplying electricity to public administrations in 2026 in: the Province of Rome, Lazio, Campania, Sicily and Calabria, with respect to one lot awarded in the previous tender.

EBITDA electricity area 2026



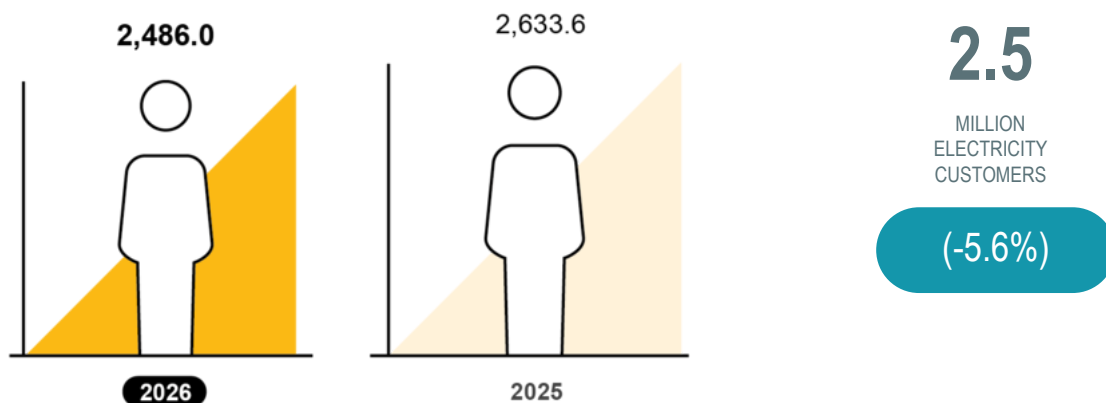
EBITDA electricity area 2025



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

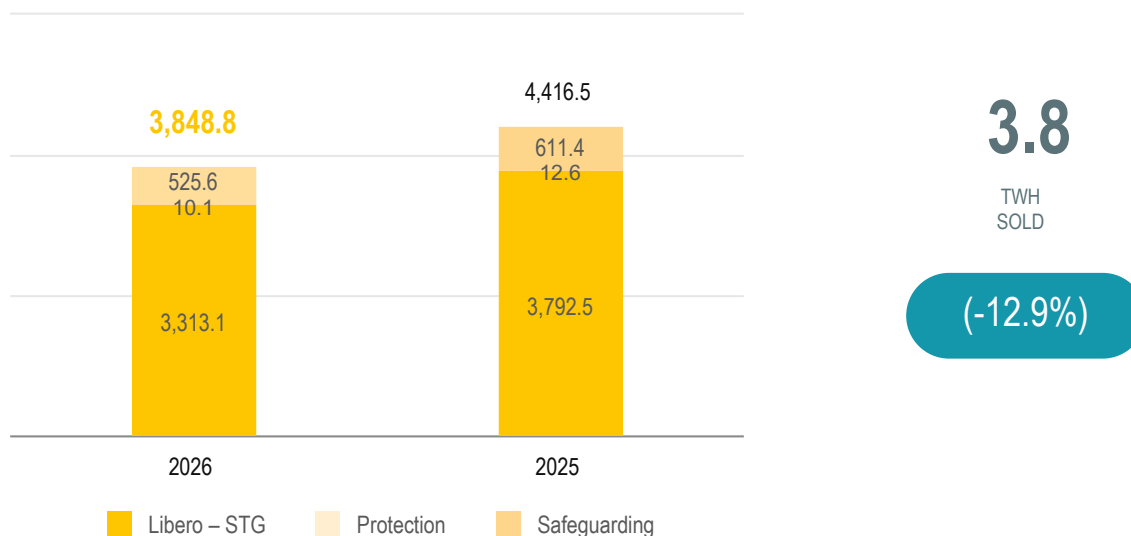
(MLN/€)	MAR-26	MAR-25	CHANGE ABS.	CHANGE %
Area EBITDA	74.2	60.8	13.4	22.1 %
Group EBITDA	418.9	418.0	0.9	0.2 %
Percentage weight	17.7 %	14.5 %	3.2 p.p.	

Customers (k)



In March 2026, the Group's electricity sales customers decreased by 147.6 thousand units (-5.6%) compared to the same period in 2025, due to a drop of 109.8 thousand units in the Transitional Protection Scheme, a decrease of 35.0 thousand units in Consip Tender customers (as 2025 benefited from customers acquired through the 2024 tender, while 2026 is affected by the time lag between the allocation of new lots and the actual start of supplies), and a decrease of 9.0 thousand units in Safeguard customers, despite an increase of 6.1 thousand units in customers in traditional markets.

Customer appreciation and loyalty was confirmed, including the value-added services offered by the Group, which were requested by almost 30 thousand customers during the first quarter of 2026, up 13.7% compared to 2025.

Volumes sold (GWh)

The volumes of electricity sold decreased by 567.7 GWh, equal to a downturn of 12.9%, compared to the same period of the previous year. This trend is driven by the resulting decrease in Consip tenders of 470.3 GWh, due to the aforementioned time lag in the activation of the new lots, in the Safeguarded market of 85.9 GWh, and in the Transitional Protection Scheme (STG) of 31.0 GWh, which was in turn partially mitigated by an increase in the traditional markets of 19.5 GWh.

The main indicators for public lighting are as follows:

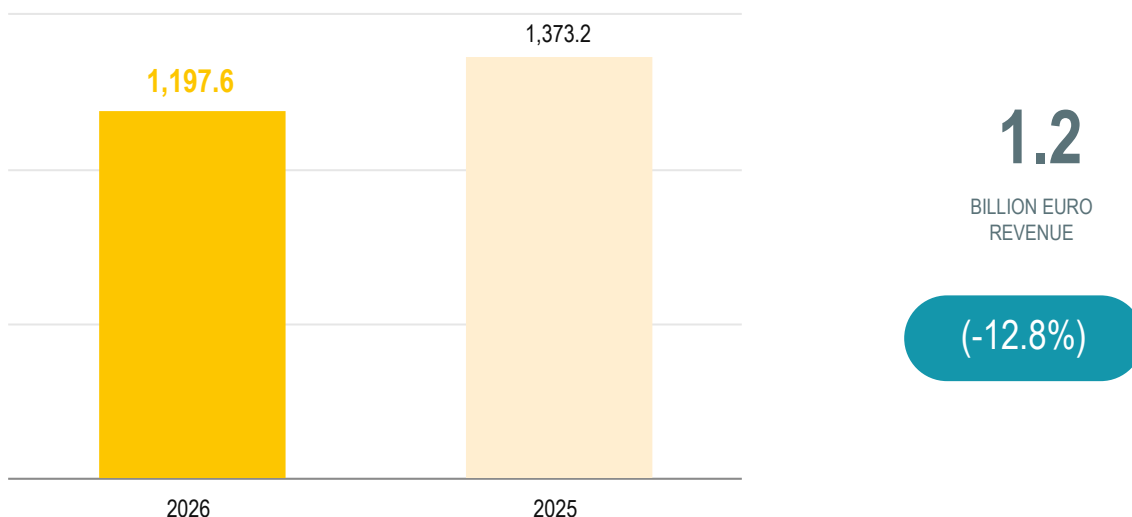
QUANTITY	MAR-26	MAR-25	CHANGE ABS.	% CHANGE
Public lighting	660.925			
Lighting points (k)	661.1	654.0	7.1	1.1 %
of which LED	68.1 %	55.6 %	12.5 p.p.	
Municipalities served	236	227	9	4.0 %

In Q1 2026, the Hera Group acquired approximately 26.0 thousand lighting points in 12 new municipalities. From a geographical point of view, the most significant acquisition included 6.3 thousand lighting points in Liguria, 6.0 thousand lighting points in Marche, 3.5 thousand lighting points in Emilia-Romagna, 3.0 thousand lighting points in Triveneto, 2.9 thousand lighting points in Lombardy and 2.2 thousand lighting points in Abruzzo. Lastly, note the acquisitions made in other regions, mainly in central Italy, amounting to roughly 2.1 thousand lighting points. The increases during the period fully offset the loss of 19.0 thousand lighting points and 3 municipalities managed, mainly in Emilia-Romagna and in Friuli-Venezia Giulia.

The percentage of lighting points managed using LED lamps increased to 68.1%, up 12.5 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 profit or loss for the gas area:

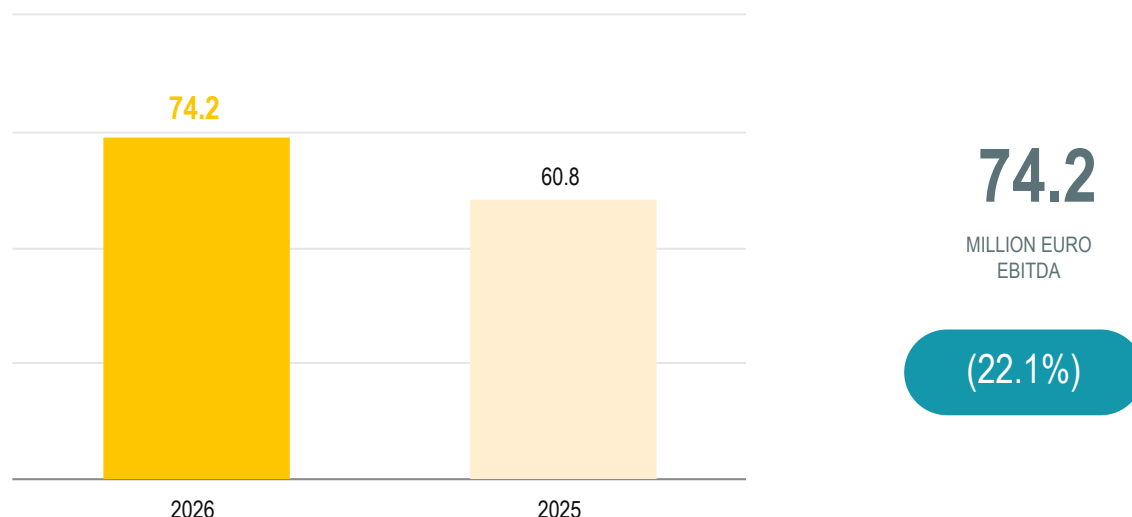
STATEMENT OF PROFIT OR LOSS (MLN/€)	MAR-26	%	MAR-25	%	CHANGE ABS.	CHANGE %
Revenue	1,197.6		1,373.2		(175.6)	(12.8%)
Operating expenses	(1,106.2)	(92.4%)	(1,301.2)	(94.8%)	(195.0)	(15.0%)
Personnel costs	(20.9)	(1.7%)	(19.2)	(1.4%)	1.7	8.9 %
Capitalised costs	3.6	0.3 %	8.0	0.6 %	(4.4)	(55.3%)
EBITDA	74.2	6.2 %	60.8	4.4 %	13.4	22.1 %

Revenue (mln/€)

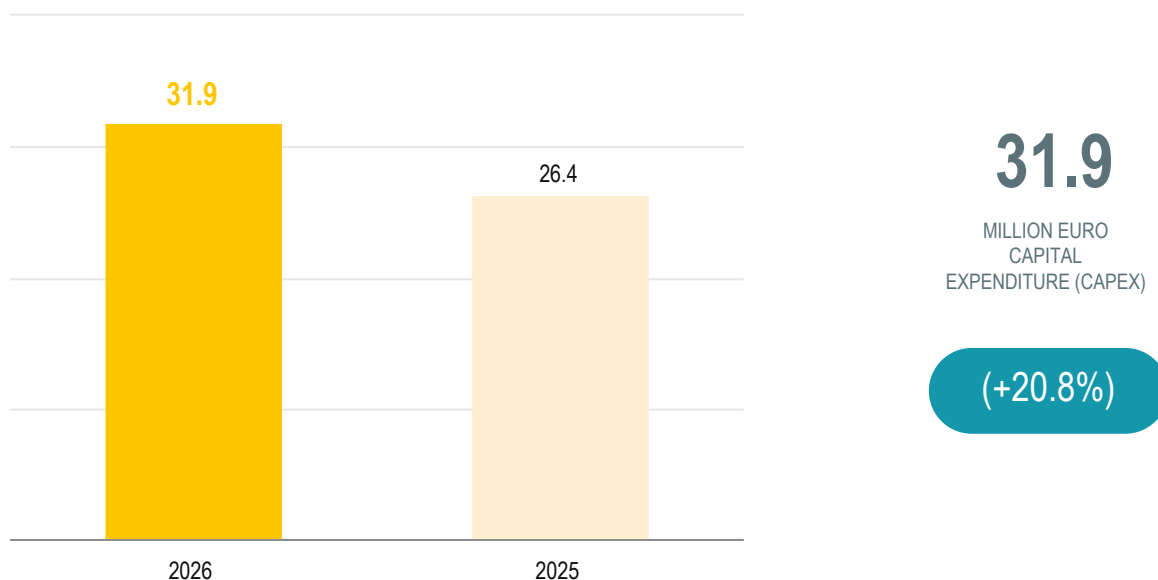
Revenue decreased by 175.6 million euro compared to the same period of the previous year. Overall, the sales, trading and generation businesses contributed a decrease of 176 million euro, with the main drivers of this trend being the reduction in the price of the commodity and volumes sold. These effects are partially offset by the increase in production due to the insurance payout following the fire at the Imola cogeneration plant in November 2024. The street lighting business decreased by 5.6 million euro, due to lower energy prices and slower progress on energy upgrading works compared to 2025.

Further contributions come from the concession contracts, from contracts for third-party assets, and from regulated distribution revenue. Together, these factors resulted in a decrease of approximately 6 million euro.

The drop in revenue is reflected on operating expenses, which fell by 195.0 million euro.

EBITDA (mln/€)

EBITDA increased by 13.4 million euro compared to 2025. This increase is attributable to sales activities, brokerage, value-added services, public lighting, and the insurance payout of 11.4 million euro following the fire at the Imola cogeneration plant in November 2024, despite the slight decrease in electricity distribution, which in 2025 benefited from the recognition of inflation from previous years under Resolution 130/2025/R/com, which revised the criteria for the Regulation by Expenditure and Service Targets (ROSS) introduced by Resolution 497/2023/R/com.

Capital expenditure (CAPEX) electricity (mln/€)

In the electricity segment, capital expenditure (CAPEX) amounted to 31.9 million euro, an increase of 5.5 million euro compared to the previous financial year.

In the area of electricity distribution, the interventions carried out mainly concern the extraordinary maintenance and upgrading of distribution plants and networks in the Modena, Imola, Trieste and Gorizia areas, as well as interventions to improve the resilience of the network, and amount to 23.9 million euro, an increase of 6.0 million euro compared to the previous year.

In energy sales, investments in activities related to the acquisition of new customers were broadly in line with the previous year, while investments in public lighting decreased by 0.2 million euro.

Requests for new connections in the electricity area were down on the previous year.

Operating investments in the electricity area were as follows:

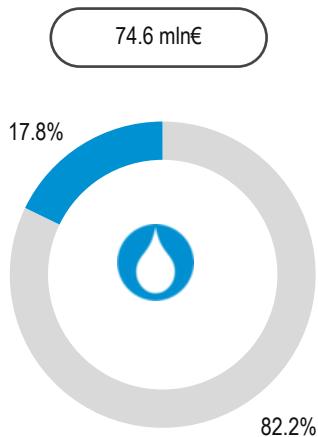
ELECTRICITY (MLN/€)	MAR-26	MAR-25	CHANGE ABS.	CHANGE %
Networks and plants	23.9	17.9	6.0	33.5 %
EE customer acquisition	8.1	8.2	(0.1)	(1.2%)
Public lighting and traffic lights	0.1	0.3	(0.2)	(66.7%)
Total electricity gross	32.1	26.4	5.7	21.6 %
Capital grants	0.1	0.0	0.1	100.0 %
Total electricity net	31.9	26.4	5.5	20.8 %

1.03.03 Integrated water service

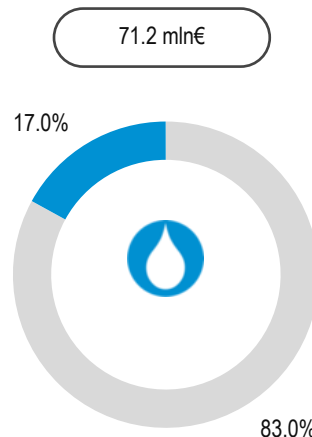
The results of the first quarter of 2026 of the integrated water service area showed increased results compared to the previous year, with EBITDA standing at 74.6 million euro.

From a regulatory point of view, note that 2026 is the third year in which the tariff method defined by the Authority for the fourth regulatory period (MTI-4), 2024-2029 (resolutions 639/2023/R/idr and biennial update 582/2025/R/idr) was applied. MTI-4 will have a duration of six years, and, among other new elements, it calls for the component covering the cost of electricity, which has been subject to sharp fluctuations in recent years, to be updated. Each operator is recognised a revenue (VRG - guaranteed revenue cap) determined on the basis of operating and capital expenses, according to the investments made, with a view to increasing cost efficiency, in addition to measures to promote and enhance the sustainability and resilience of the areas served.

EBITDA water service area 2026



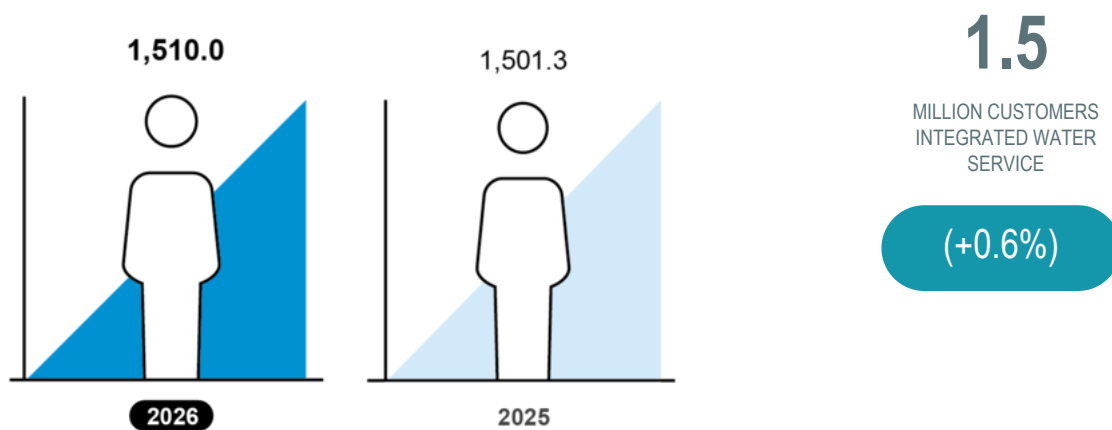
EBITDA water service area 2025



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

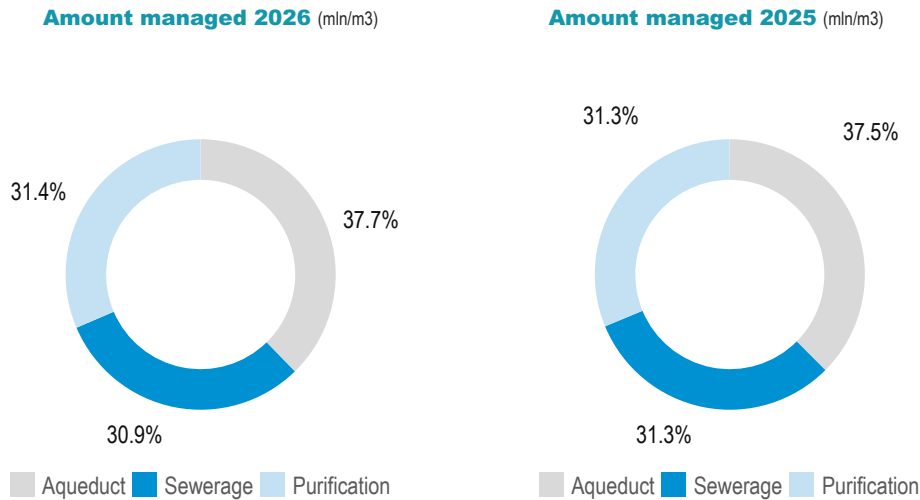
(MLN/€)	MAR-26	MAR-25	CHANGE ABS.	CHANGE %
Area EBITDA	74.6	71.2	3.4	4.9 %
Group EBITDA	418.9	418.0	0.9	0.2 %
Percentage weight	17.8 %	17.0 %	0.8 p.p.	

Customers (k)



The number of water customers increased compared to March 2025 by approximately 9 thousand units, equal to 0.6%, confirming the moderate trend of organic growth seen in the areas served by the Group. This growth mainly occurred in Emilia-Romagna served by Hera Spa.

Below are the main quantitative indicators of the area:



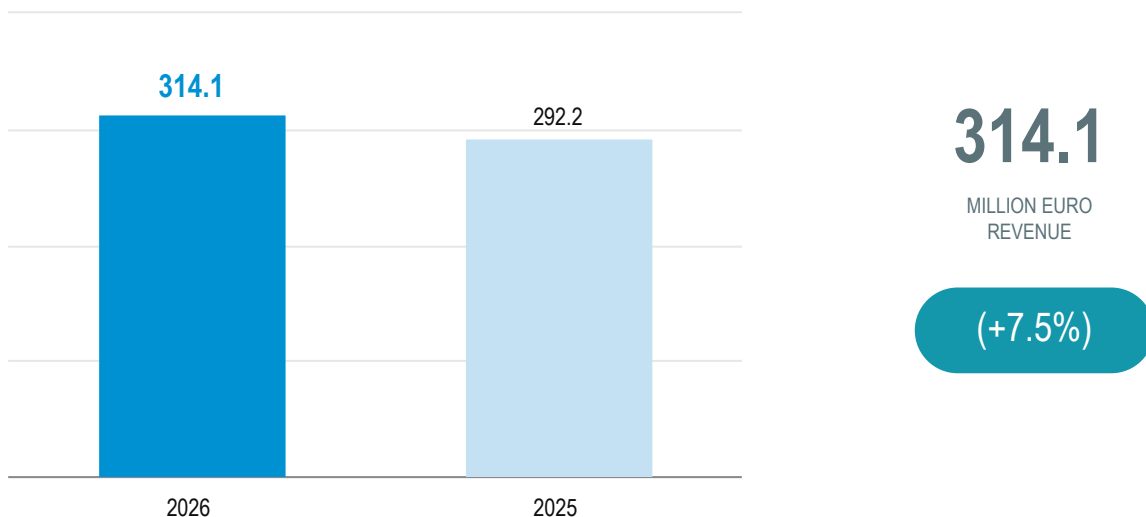
Volumes supplied through aqueducts stood at 65.9 million cubic metres, increasing by 0.1% compared to March 2025, for an amount of 0.1 million cubic metres.

As at March 2026, the volumes managed for sewerage amounted to 54.4 million cubic metres, while the volumes managed for wastewater treatment amounted to 54.5, both down slightly compared to March 2025, by 0.5 million cubic metres and 0.6 million cubic metres respectively. The volumes supplied, following the Authority's resolution 639/2023, are an indicator of the activity of the areas in which the Group operates and are subject to equalisation due to regulations that provide for the recognition of a regulated revenue independently of the volumes distributed.

The following table summarises operating profit or loss for the gas area:

STATEMENT OF PROFIT OR LOSS (MLN/€)	MAR-26	% %	MAR-25	% %	CHANGE ABS.	CHANGE %
Revenue	314.1		292.2		21.9	7.5 %
Operating expenses	(188.2)	(59.9%)	(170.2)	(58.2%)	18.0	10.6 %
Personnel costs	(52.8)	(16.8%)	(51.9)	(17.7%)	0.9	1.7 %
Capitalised costs	1.5	0.5 %	1.0	0.3 %	0.5	50.0 %
EBITDA	74.6	23.8 %	71.2	24.4 %	3.4	4.9 %

Revenue (mln/€)

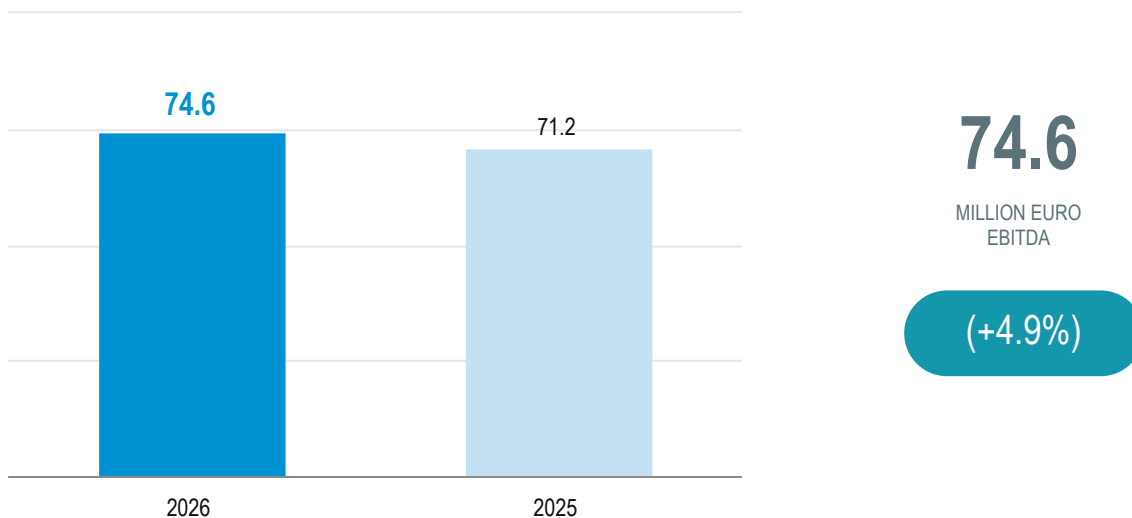


Water service revenue increased by 7.5% year-on-year, going from 292.2 million euro in March 2025 to 314.1 million euro in March 2026.

This trend is attributable to higher regulated revenue, amounting to approximately 3 million euro, due to the adjustments resulting from the application of the MTI-4 tariff method, as per ARERA resolution 639/2023/R/idr and the biennial update 582/2025/R/idr. In addition, there was higher revenue coming to approximately 19 million euro, mainly related to orders on goods under concession.

The increase in operating expenses in March 2026 is attributable to the higher orders realised on goods under concession mentioned above, and to the increase in the prices of all major supplies of materials and services.

EBITDA (mln/€)

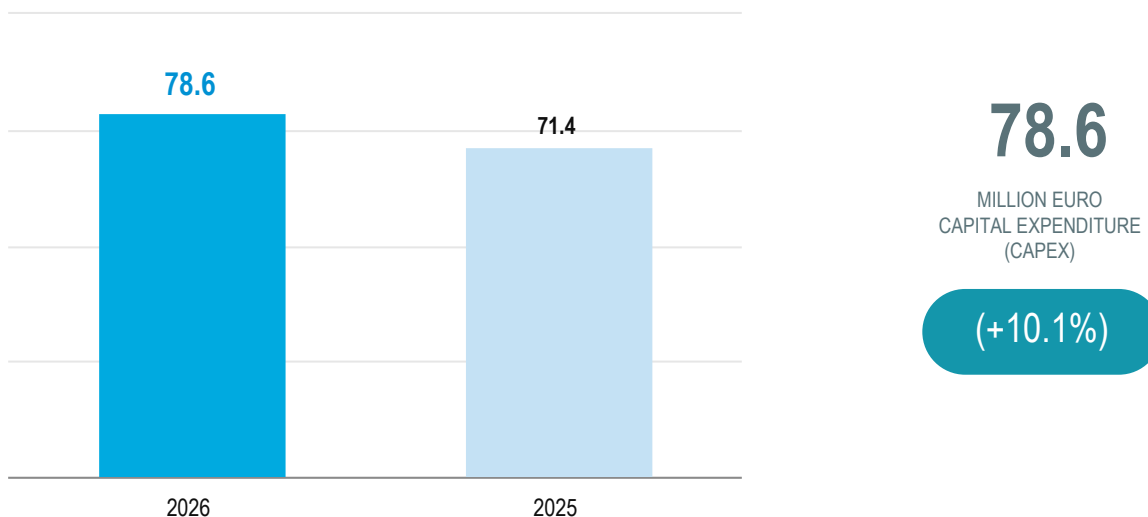


The EBITDA increased from 71.2 million euro in March 2025 to 74.6 million euro in the same period of 2026, recording an increase of 3.4 million euro, equal to 4.9%, primarily attributable to higher regulated revenues as a result of tariff adjustments mainly related to the recognition of RAB and inflation. It should also be noted that the extraordinary recognition recorded in the previous year has ceased, and that in the first few months of 2026, this was fully offset by operating performance.

During the first quarter of FY 2026, capital expenditure (CAPEX) in the integrated water service area amounted to 78.6 million euro, up 7.2 million euro compared to the previous year. Including the capital grants received, the investments made amounted to 92.5 million euro in works performed.

The investments involved extensions, reclamation and upgrading on networks and plants, as well as regulatory adjustments mainly in the purification and sewerage area, and amounted to 56.5 million euro in the aqueduct, 26.7 million euro in the sewerage area, and 9.3 million euro in the purification area.

Capital expenditure (CAPEX) in the water service (mln/€)



The main interventions include: in the aqueduct sector, ongoing remediation activities on networks and connections related to ARERA Resolution 917/2017 on the regulation of the technical quality of the integrated water service, as well as interventions on aqueduct networks financed through NRRP grants. The installation of smart meters also continues, with a view to reducing network losses.

In the sewerage sector, maintenance works to upgrade the sewer network in the areas served and works are ongoing to adapt discharges in accordance with Regional Government Decree No. 201/2016.

In the water purification sector, note the construction of the new Power to gas plant at the IDAR purification plant in Bologna, as well as upgrading and expansion on the Ravenna purification plant with these works financed through NRRP grants.

Requests for new water and sewage connections were down on the previous year. Capital grants, standing at 14.0 million euro, were up by 9.6 million euro over the previous year and included contributions from projects accessing NRRP funds, as well as 6.9 million euro from the tariff component of the tariff method for the New Investment Fund (FoNI).

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

INTEGRATED WATER SERVICE (MLN/€)	MAR-26	MAR-25	CHANGE ABS.	CHANGE %
Aqueduct	56.5	46.9	9.6	20.5 %
Purification	9.3	8.2	1.1	13.4 %
Sewerage	26.7	20.7	6.0	29.0 %
Total integrated water service gross	92.5	75.8	16.7	22.0 %
Capital grants	14.0	4.4	9.6	218.2 %
of which FoNi (New Investments Fund)	6.9	2.0	4.9	245.0 %
Total integrated water service net	78.6	71.4	7.2	10.1 %

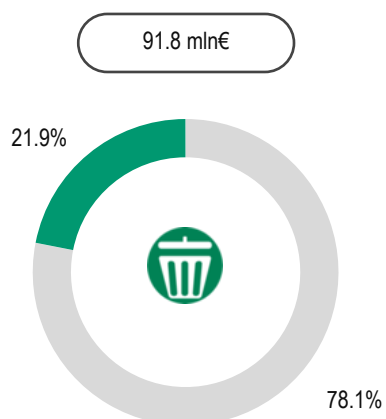
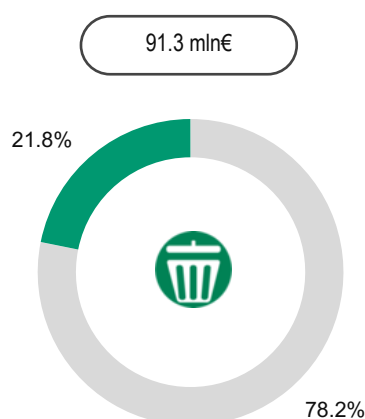
1.03.04 Waste management

The Q1 2025 results for the Waste management area contributed 21.9% to the Hera Group's profit, with EBITDA up by 0.5 million euro compared to the previous year. The Group therefore continues to perform strongly 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 covered.

Ecological transition, environmental sustainability and innovation continue to be the drivers steering the Group's plant and business development. With this in mind, the main initiatives have been aimed at:

- expanding the Group's scope through the acquisition of external businesses that enable the development of its commercial offering, including in areas where the Group has not historically been present. Indeed, in March 2026, the acquisition of 100% of the Sostelia Group was finalised. Sostelia is a Mantua-based company specialising in the construction and operation of liquid waste treatment plants for private industries and local utilities. Also in March 2026, Herambiente Servizi Industriali further consolidated its leading position in the treatment of industrial waste by acquiring control of Servizi Ecologici Ambientali (SEA). Indeed, HASI acquired 52% of the share capital of SEA, held by the company Fermas, in addition to the 31% already owned by HASI since 2021, thereby increasing its overall stake to 83%;
- material recovery, such as the production of composite materials, recycled polymers and biofertilizers for agriculture;
- producing renewable energy, in particular biomethane;
- development, leveraging the market leadership and operational capabilities of the subsidiary ACR Spa, with new technologies for the management of remediation and decommissioning services for industrial plants.

Protecting environmental resources and maximising their reuse continue to be a priority objective; in addition to the initiatives cited above, this is demonstrated by the special attention devoted to the development of separated waste collection, which, thanks to the significant commitment shown by the Group in all regions served, increased by more than one percentage point compared to the same period of 2025.

EBITDA waste management area 2026**EBITDA waste management area 2025**

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

(MLN/€)	MAR-26	MAR-25*	CHANGE ABS.	% CHANGE
Area EBITDA	91.8	91.3	0.5	0.5 %
Group EBITDA	418.9	418.0	0.9	0.2 %
Percentage weight	21.9 %	21.8 %	0.1 p.p.	

* The figures have been restated by reclassifying the circular economy segment from other services to waste.

The table below analyses the volumes commercialised and treated by the Group:

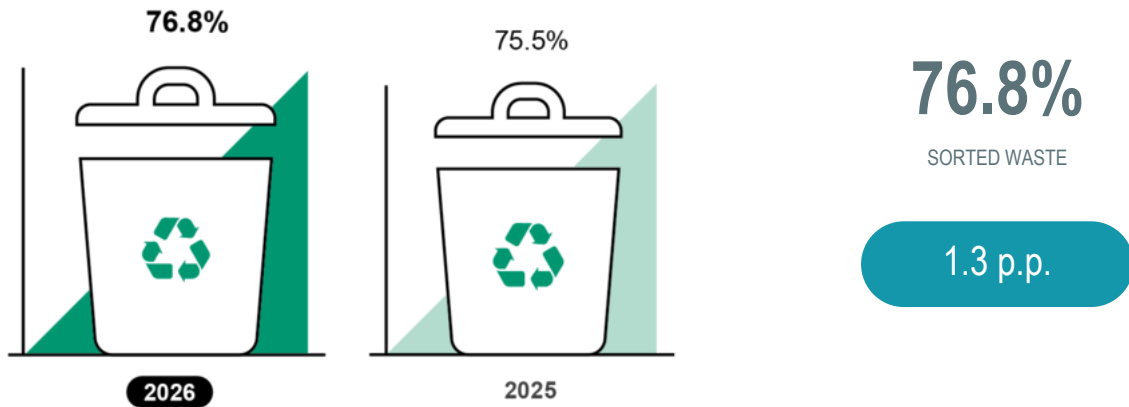
QUANTITY (K TONS)	MAR-26	MAR-25 *	CHANGE ABS.	CHANGE %
Urban waste	508.6	514.0	(5.4)	(1.1%)
Market waste	815.0	826.1	(11.1)	(1.3%)
Waste commercialised	1,323.6	1,340.0	(16.4)	(1.2%)
Plant by-products	524.6	559.8	(35.2)	(6.3%)
Waste treated by type	1,848.2	1,899.8	(51.6)	(2.7%)

* The 2026 figure for by-products has been net of waste. Therefore, in the above table, the 2025 figures have been recalculated to reflect the same view.

The analysis of the quantitative data shows a decrease in waste treated, mainly due to the performance of plant by-products, which experienced a drop in volume as a result of the reduction in leachate and liquid waste following the lower rainfall recorded in 2026. With regard to the other waste types, the following points are noted:

- urban waste recorded a small decrease of 1.1%, related to higher deliveries by the collection service operator to external plants not managed by the Group, in accordance with the guidelines of the Urban Waste public service concessions awarded by tender;
- market waste decreased by 1.3%, primarily due to the availability of landfill facilities, in particular the closure of ASA, changes to the authorisation procedures for Cà Asprete in the Marche region, which effectively reduced annual volumes from 130kton to 90kton, and the temporary shut-down of Feronia in March 2026. This trend is only partially offset by growth in the Recovery and Industry markets, driven by the development of the customer portfolio, both through existing customers and new business policies, as well as the development of intermediation and the consolidation of SEA and Ambiente Energia, the latter having been consolidated since the second half of 2025.

Sorted waste (%)

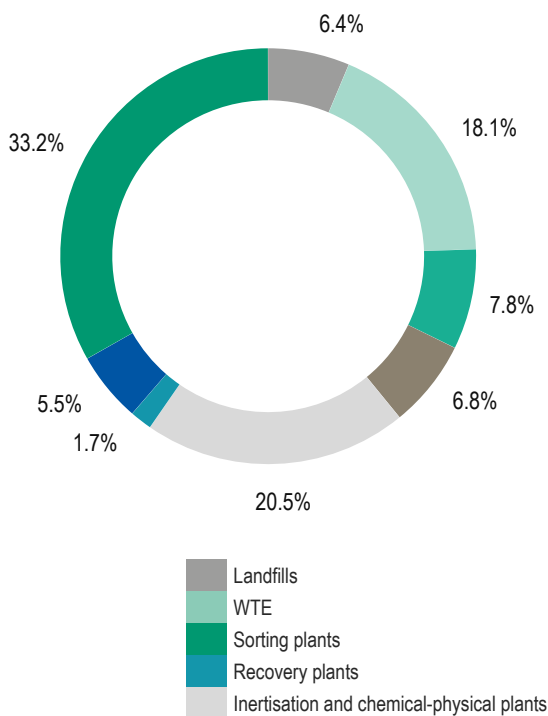


As already mentioned in the introduction, separated collection of urban waste stood at 76.8%, up 1.3 percentage points over the previous year, thanks to the development of numerous projects in the local areas managed by the Group.

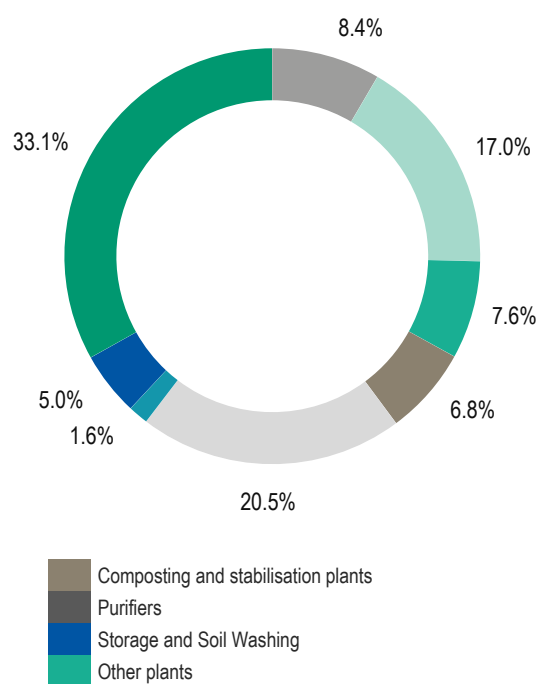
The Hera Group operates in the entire waste cycle, with 91 plants for treating urban and special waste and regenerating plastic materials. Thanks to the cutting-edge technologies available, the know-how of their staff and their network of international partners, the Group is able to respond fully to the needs of the reference territory and companies, through innovative and sustainable services and solutions for the complete management and treatment of any type of waste.

The main plants include: 17 sorting plants, whose main objective is to recover materials to be sent to chain consortia for recycling; 10 waste-to-energy plants, confirming Italy's leading position in this sector in terms of both numbers and plant technology; 11 composting and digester plants, which transform wet waste from separated waste collection into compost or produce electricity from renewable sources of energy and biomethane, a green fuel, with significant benefits for air and environmental quality; 5 material recovery plants, including the FIB3R plant in Imola.

Waste disposed of by type of plant 2026



Waste disposed of by type of plant 2025



- Landfills
- WTE
- Sorting plants
- Recovery plants
- Inertisation and chemical-physical plants
- Composting and stabilisation plants
- Purifiers
- Storage and Soil Washing
- Other plants

QUANTITY (K TONS)	MAR-26	MAR-25 *	CHANGE ABS.	CHANGE %
Landfills	117.4	160.5	(43.1)	(26.9%)
WTE	335.1	322.2	12.9	4.0 %
Sorting plants and other	144.0	144.7	(0.7)	(0.5%)
Composting and stabilisation plants	126.5	129.7	(3.2)	(2.5%)
Inertisation and chemical-physical plants	379.1	390.0	(10.9)	(2.8%)
Recovery plants	31.9	29.7	2.2	7.4 %
Purifiers	0.1	0.0	0.1	- %
Storage/Soil Washing	100.7	94.2	6.5	6.9 %
Other plants	613.5	628.9	(15.4)	(2.4%)
Waste treated by plant	1,848.2	1,899.8	(51.6)	(2.7%)
Plastic recycled by Aliplast	25.3	22.2	3.1	14.0 %

* The quantity of waste treated in 2026 has been net of effluent. Therefore, in the above table, the 2025 figures have been recalculated to reflect the same view.

The total volume of waste treated in the first quarter of 2026 shows a slight decrease of 2.7%, compared to the same period in 2025. Analysing the individual supply chains, decreasing quantities are reported in landfills due to the exhaustion of the volumes authorised for ASA, the change in the authorization procedures for Cà Asprete, and the temporary shut-down of Feronia in March 2026, as mentioned above.

As regards waste-to-energy plants, the upward trend is primarily due to the different scheduling of shut-downs in March 2026 compared to the same period of the previous year.

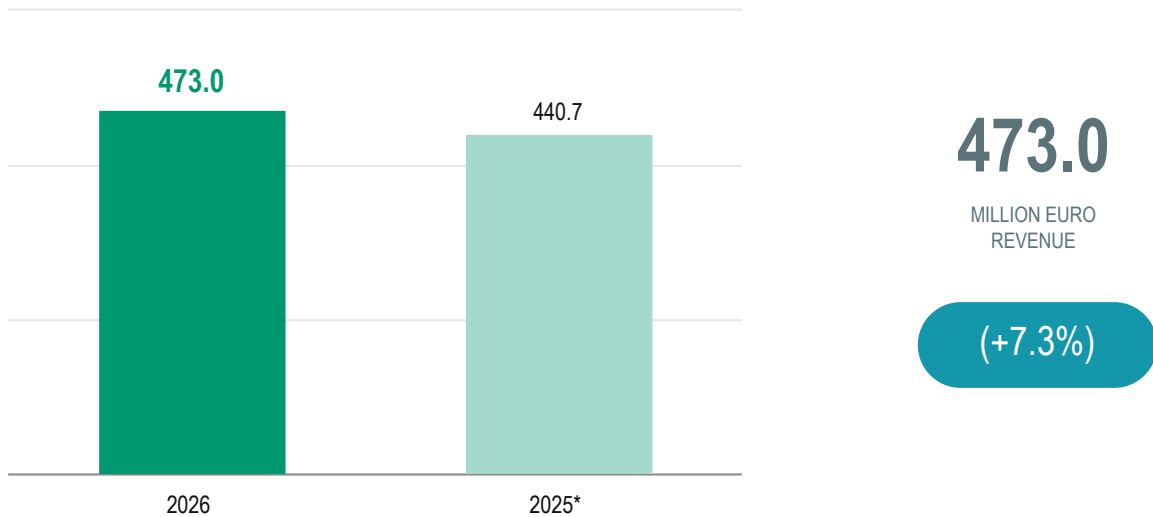
There was a slight decrease in the quantities in sorting plants and in composting and stabilisation plants, while in the inertisation and chemical-physical plant chain, the decrease in quantities was mainly due to the volumes of liquid waste treated, partly as a result of the lower rainfall recorded in the first quarter of 2026.

Lastly, in other plants, the quantities decreased due to fewer by-products sent to third-party plants compared to the same period of the previous year.

The following table summarises operating profit or loss for the waste management area:

STATEMENT OF PROFIT OR LOSS (MLN/€)	MAR-26	% %	MAR-25*	% %	CHANGE ABS.	CHANGE %
Revenue	473.0		440.7		32.3	7.3 %
Operating expenses	(321.2)	(67.9%)	(286.7)	(65.1%)	34.5	12.0 %
Personnel costs	(76.9)	(16.3%)	(70.2)	(15.9%)	6.7	9.5 %
Capitalised costs	16.9	3.6 %	7.6	1.7 %	9.3	122.8 %
EBITDA	91.8	19.4 %	91.3	20.7 %	0.5	0.5 %

* The figures have been restated by reclassifying the circular economy segment from other services to waste.

Revenue (mln/€)

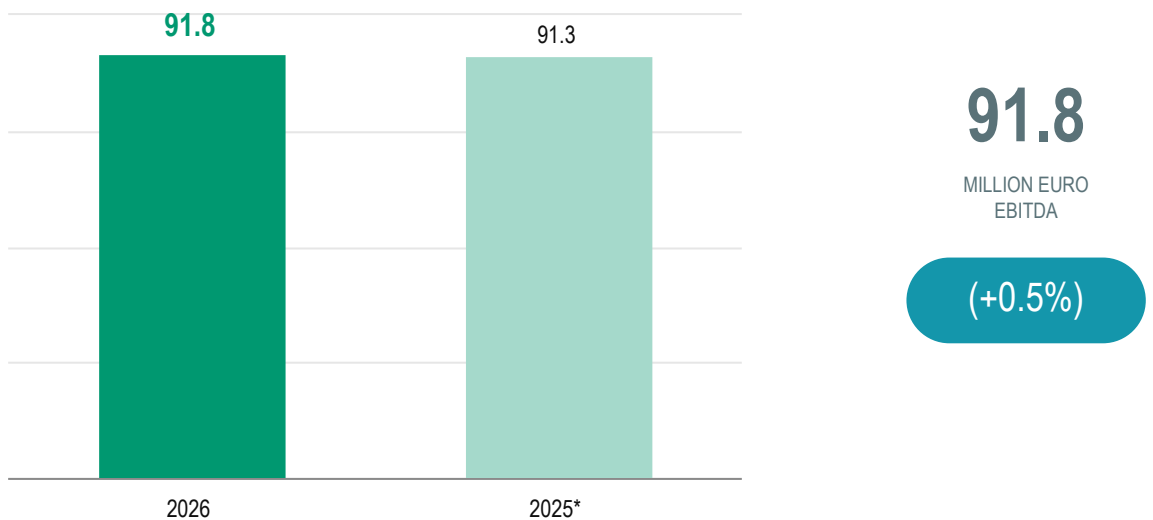
* The figures have been restated by reclassifying the circular economy segment from other services to waste

In the first quarter of 2026, revenue increased by 7.3% compared to the same period of the previous year. Note should be taken of the significant expansion in both the Recovery market, owing to the higher volumes sold by Aliplast, and the Industry market, owing to the development of ACR Spa's business and the recent acquisitions of the Sostelia Group and SEA.

Partially offsetting this, there was a decrease in energy revenue due to lower average commodity prices compared to the same period of the previous year.

In the urban waste service, higher regulated revenue was reported, mainly related to inflation adjustments on all territories managed and higher supplementary services required in the tender areas.

Operating expenses in March 2026 increased, mainly due to the higher volume of remediation activities and the changes in the scope of consolidation mentioned above. Also as regards urban waste collection, note the higher costs for activities related to the development of new sorted waste collection projects and higher supplementary services requested.

EBITDA (mln/€)

* The figures have been restated by reclassifying the circular economy segment from other services to waste

EBITDA for March 2026 increased by 0.5 million euro compared to the same period of the previous year due to the positive contribution of treatment and recovery activities, driven by the higher volumes sold by Aliplast Spa, and the strong performance of ACR Spa, as well as the benefit of changes in the scope of consolidation of the Sostelia Group and SEA. These factors more than offset the decline in energy management, linked to the fall in commodity prices, and the lower volumes of waste delivered to the Feronia, Asa and Cà Asprete landfill sites, due to the effects mentioned above.

Environmental hygiene activities also grew, in particular due to the recognition of inflation and the increased demand for supplementary services in the managed areas that were the subject of tenders in previous years.

Capital expenditure (CAPEX) in the waste management area involved the maintenance and upgrading of waste treatment and recovery plants, and amounted to 44.2 million euro, up 12.5 million euro compared to the previous year.

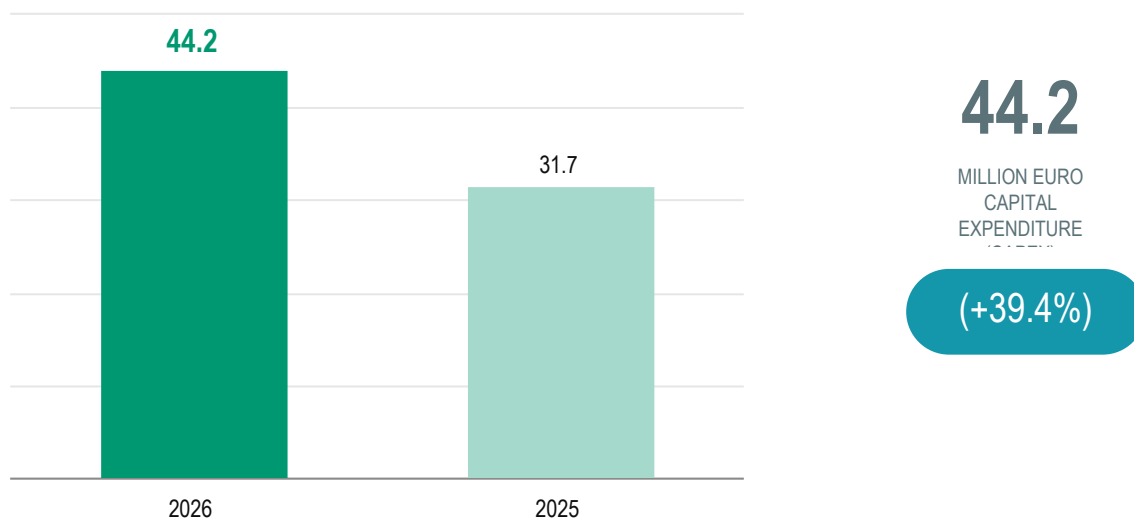
Investments in the composting/digester business decreased by 0.7 million euro compared to the previous year, mainly due to the more extensive work carried out at the Sant'Agata plant in the previous year, while investments in landfill facilities decreased by 0.2 million euro compared to the previous year.

In the Waste-to-Energy (WtE) segment, capex increased by 7.5 million euro, attributable in full to work carried out by HestAmbiente Srl on line 4 of the Padua plant, while in the industrial waste plant segment, capex was broadly in line with the previous year.

Investments in the recycling point and collection equipment segment increased by 5 million euro, with a number of projects at collection centres receiving NRRP grants, while in the sorting and recovery plant segment there was an overall increase of 3.2 million euro, including investments in the rigid plastics and PE reprocessing plant of the company Aliplast SpA.

Capital grants totalled 2.3 million euro and related to the NRRP.

Capital expenditure (CAPEX) - waste management (mln/€)



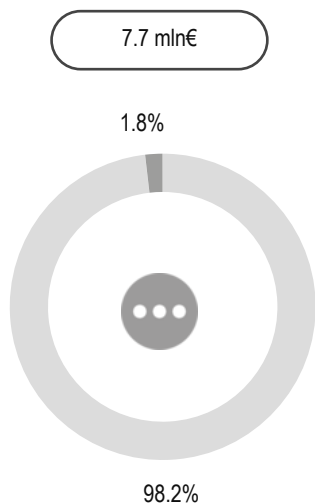
Details of operating investments in the waste management area are as follows:

WASTE (MLN/€)	MAR-26	MAR-25	CHANGE ABS.	CHANGE %
Composters/digesters	0.8	1.5	(0.7)	(46.7%)
Landfills	1.6	1.8	(0.2)	(11.1%)
WTE	18.4	10.9	7.5	68.8 %
RI installations	0.7	0.5	0.2	40.0 %
Collection areas and equipment	9.5	4.7	4.8	102.1 %
Transshipment, sorting and other plants	15.5	12.3	3.2	26.0 %
Total waste management gross	46.5	31.7	14.8	46.7 %
Capital grants	2.3	0.0	2.3	100.0 %
Total waste management net	44.2	31.7	12.5	39.4 %

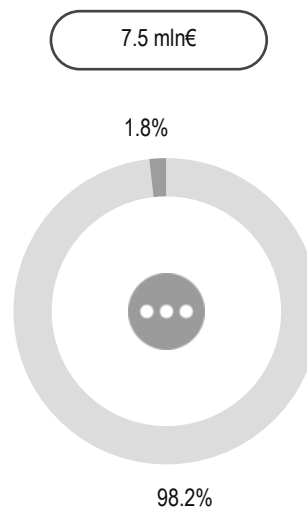
1.03.05 Other services

The other services area covers the minor businesses managed by the Group, including telecommunications, in which the Group offers, through its own digital company, connectivity for private customers and companies, telephone and data centre services, and cemetery services, the latter only found in the municipality of Trieste, with twelve cemeteries managed in total. In March 2026, results from the other services area stood at 7.7 million euro, up by 0.2 million euro compared to the same period of the previous year.

EBITDA other services 2026



EBITDA other services 2025



The changes occurred in terms of EBITDA are as follows:

(MLN/€)	MAR-26	MAR-25 *	CHANGE ABS.	CHANGE %
Area EBITDA	7.7	7.5	0.2	2.7 %
Group EBITDA	418.9	418.0	0.9	0.2 %
Percentage weight	1.8 %	1.8 %	0,0 p.p.	

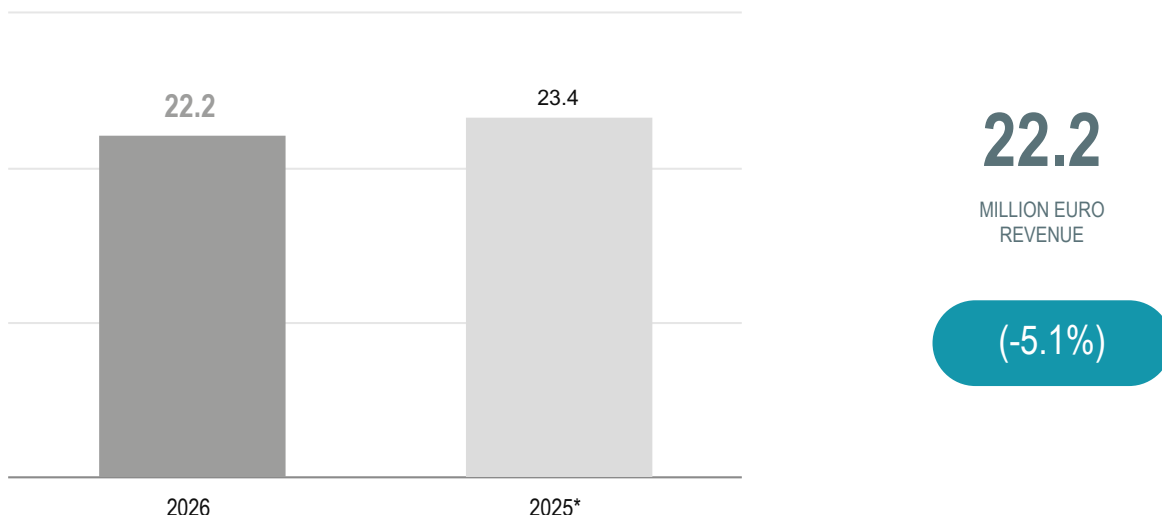
* The figures have been restated by reclassifying the circular economy segment from other services to waste.

Quantitative indicators in the other services area also include the more than 6,800 km of proprietary ultra-wideband fibre optic network that the Hera Group owns through its digital company, Herabit Spa. This network serves the main cities in Emilia-Romagna, as well as Padua and Trieste, and provides companies and individuals with high-performance connectivity, high reliability and maximum security for systems, data and service continuity.

The area's operating profit or loss are provided in the table below:

STATEMENT OF PROFIT OR LOSS (MLN/€)	MAR-26	% %	MAR-25 *	% %	CHANGE ABS.	CHANGE %
Revenue	22.2		23.4		(1.2)	(5.1%)
Operating expenses	(11.7)	(52.5%)	(13.2)	(56.3%)	1.5	(11.5%)
Personnel costs	(3.6)	(16.0%)	(3.4)	(14.7%)	(0.1)	3.4 %
Capitalised costs	0.7	3.2 %	0.7	3.1 %	-	(3.5%)
EBITDA	7.7	34.7 %	7.5	32.1 %	0.2	2.7 %

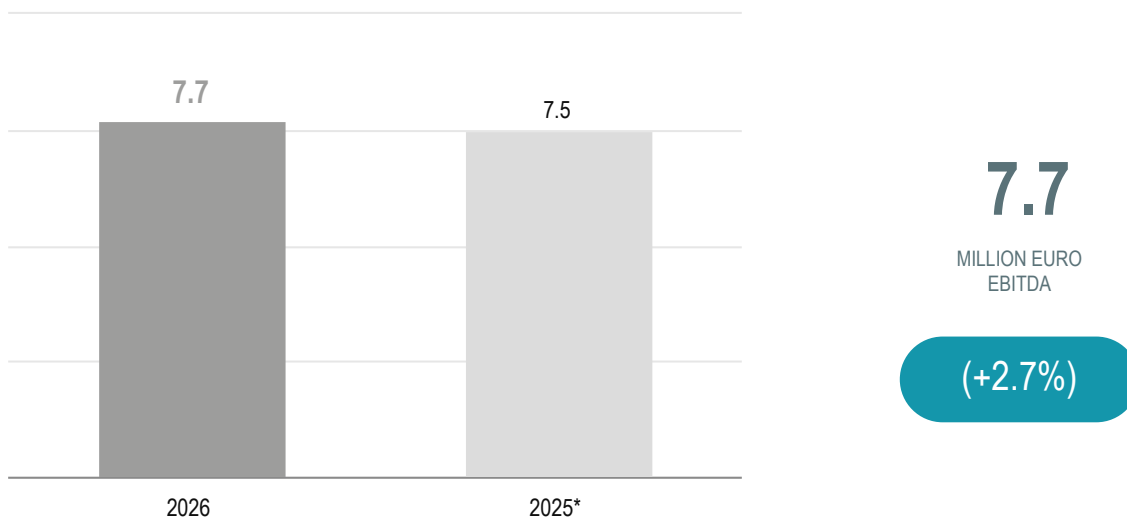
* The figures have been restated by reclassifying the circular economy segment from other services to waste.

Revenue (mln/€)

* The figures have been restated by reclassifying the circular economy segment from other services to waste.

At the end of the first quarter of 2026, revenue amounted to 22.2 million euro, a slight decrease of 5.1 %, compared to March 2025, amounting to 23.4 million euro. 96% of turnover comes from the Telecommunications business, which comprises telephony and connectivity services, the design and development of security systems, the marketing of Data Centre services, and other technology services offered to the market. Excluding a one-off sale of software licences in the first quarter of 2025, the 2026 revenue figure would remain broadly in line with the previous period.

On the cost side, there was a decrease of 1.5 million euro, mainly related to the telecommunications sector, as a result of the one-off transaction already mentioned under revenue and due to efficiencies achieved on operating expenses, in particular for consultancy and services purchased from other market operators.

EBITDA (mln/€)

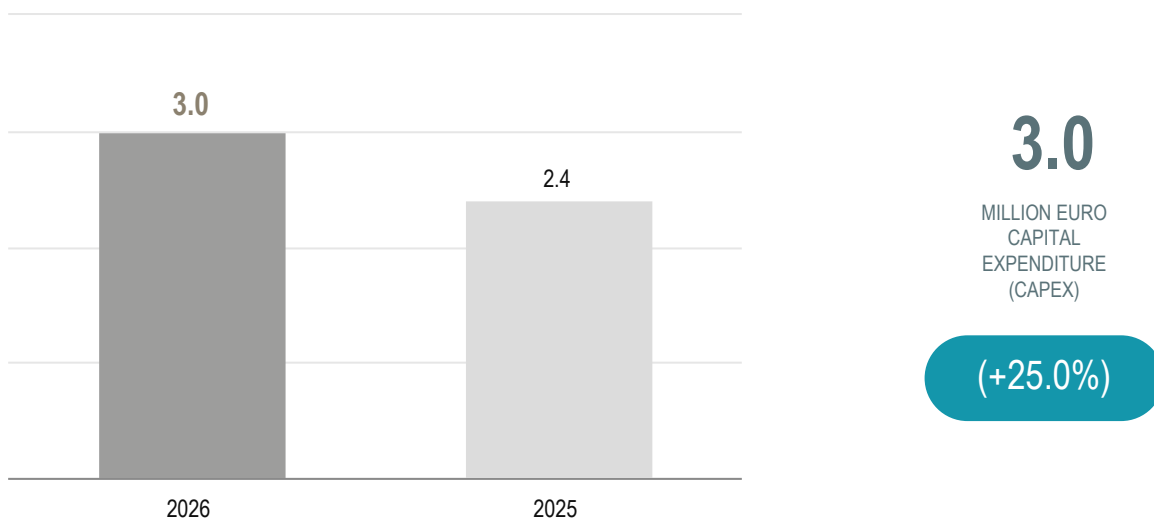
* The figures have been restated by reclassifying the circular economy segment from other services to waste.

Overall, EBITDA of the Other Services business grew by 2.7%, amounting to 0.2 million euro, rising from 7.5 million euro in March 2025 to 7.7 million euro in 2026, driven primarily by the contribution of the Telecommunications business, mainly as a result of the efficiencies achieved, which made it possible to contain operating expenses and increase overall margins.

Capital expenditure (CAPEX) in the other services area amounted to 3.0 million euro, up 0.6 million euro compared to the previous year.

Investments were made in the telecommunications service for 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.

Capital expenditure (CAPEX) other services (mln/€)



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

OTHER SERVICES (MLN/€)	MAR-26	MAR-25	CHANGE ABS.	CHANGE %
TLC	3.0	2.4	0.6	25.0 %
Other	0.0	0.0	0.0	+0,0%
Total other services gross	3.0	2.4	0.6	25.0 %
Capital grants	0.0	0.0	0.0	+0,0%
Total other services net	3.0	2.4	0.6	25.0 %

2

CONSOLIDATED FINANCIAL STATEMENTS



2.01 FINANCIAL STATEMENTS

2.01.01 Statement of profit or loss

MLNE	31-MAR-2026 (3 MONTHS)	31-MAR-2025 (3 MONTHS)
Revenue	3,517.6	4,321.3
Other income	46.6	37.4
Raw and other materials	(1,982.6)	(2,714.5)
Service costs	(987.5)	(1,049.0)
Personnel costs	(188.4)	(179.6)
Other operating expenses	(18.5)	(20.2)
Capitalised costs	31.7	22.6
Depreciation, amortisation, provisions and impairment losses	(170.1)	(170.8)
Operating profit	248.8	247.2
Finance income	31.2	41.6
Financial expense	(50.3)	(59.1)
Net finance expense	(19.1)	(17.5)
Share of profits (losses) pertaining to joint ventures and associates	4.8	4.3
Pre-tax profit (loss)	234.5	234.0
Income tax expense	(69.4)	(70.2)
Profit (loss) for the period	165.1	163.8
Attributable to:		
Owners of the parent	154.6	153.7
Non-controlling interests	10.5	10.1
Earnings per share:		
Basic	0.105	0.106
Diluted	0.105	0.106

2.01.02 Statement of comprehensive income

MLNE	2026	2025
Profit (loss) for the period	165.1	163.8
Items that may be reclassified to profit or loss		
Fair value of derivatives, change for the period	13.6	0.1
Related taxes	(4.1)	0.1
Items that will not be reclassified to profit or loss		
Equity investments measured at fair value	1.0	3.5
Total comprehensive income	175.6	167.5
Attributable to:		
Owners of the parent	168.9	155.8
Non-controlling interests	6.7	11.7

2.01.03 Statement of financial position

MLNE	31-MAR-26	31-DEC-25
ASSETS		
Non-current assets		
Property, plant and equipment	2,361.9	2,321.9
Rights-of-use assets	93.5	92.3
Intangible assets	5,312.6	5,240.6
Goodwill	1,098.3	950.0
Equity-accounted investments	130.1	137.2
Other equity investments	56.8	54.0
Non-current financial assets	152.8	151.8
Deferred tax assets	339.7	340.1
Total non-current assets	9,545.7	9,287.9
Current assets		
Inventories	77.9	213.2
Trade receivables	3,008.4	2,605.9
Current financial assets	90.9	75.1
Current tax assets	16.7	56.2
Contract assets	146.9	89.5
Other current assets	695.9	778.5
Derivative instruments	511.6	178.5
Cash and cash equivalents	1,242.9	845.3
Total current assets	5,791.2	4,842.2
TOTAL ASSETS	15,336.9	14,130.1

MLNE	31-MAR-26	31-DEC-25
EQUITY AND LIABILITIES		
Share capital and reserves		
Share capital	1,477.7	1,477.7
Reserves	2,617.9	2,139.4
Profit (loss) for the period	154.6	464.3
Equity attributable to owners of the parent	4,250.2	4,081.4
Non-controlling interests	326.5	318.3
Total equity	4,576.7	4,399.7
Non-current liabilities		
Non-current financial liabilities	4,504.1	4,317.9
Non-current lease liabilities	62.6	62.4
Employee benefits	76.1	74.3
Provisions	710.5	706.0
Deferred tax liabilities	159.0	155.4
Total non-current liabilities	5,512.3	5,316.0
Current liabilities		
Current financial liabilities	922.5	611.9
Current lease liabilities	26.0	24.4
Trade payables	1,845.5	1,839.9
Current tax liabilities	42.3	12.8
Contract liabilities	42.3	26.1
Other current liabilities	1,845.4	1,696.3
Derivative instruments	523.9	203.0
Total current liabilities	5,247.9	4,414.4
TOTAL LIABILITIES	10,760.2	9,730.4
TOTAL EQUITY AND LIABILITIES	15,336.9	14,130.1

2.01.04 Cash flow statement

MLNE	31-MAR-26	31-MAR-25
Pre-tax profit (loss)	234.5	234.0
Adjustments to reconcile profit for the year to the cash flow from operating activities		
Depreciation, amortisation and impairment losses	141.9	136.7
Allocation to provisions	28.2	34.1
Share of profit (loss) of equity-accounted investees	(4.8)	(4.3)
Financial (income) expenses	19.1	17.5
(Capital gains) losses and other non-monetary items	(8.2)	(9.9)
Change in provisions	(13.6)	(15.4)
Change in provision for employee benefits	(2.8)	(2.8)
Total cash flows before change in net working capital	394.3	389.9
(Increase) decrease in inventories	135.4	88.3
(Increase) decrease in trade receivables	(397.4)	(17.8)
Increase (decrease) in trade payables	(37.2)	(555.1)
Increase/decrease in other current assets/liabilities, including contract assets/liabilities	252.2	335.7
Changes in working capital	(47.0)	(148.9)
Dividends received	1.0	2.9
Interest income and other finance income collected	20.8	18.7
Interest expense and net losses on derivatives paid	(48.8)	(53.4)
Taxes paid	-	1.3
Cash flows from (for) operating activities (a)	320.3	210.5
Investments in property, plant and equipment	(77.2)	(53.6)
Investments in intangible assets	(160.7)	(138.0)
Investments in subsidiaries and business units net of cash and cash equivalents	(113.3)	-
Other equity investments	-	(0.3)
Proceeds from disposals of property, plant, equipment and intangible assets	1.6	0.7
(Increase) decrease in other investing activities	(2.9)	(41.4)
Net cash flows from/(used in) investing activities (b)	(352.5)	(232.6)
New issue of long-term financial debt	160.0	517.1
Repayments and other net changes in financial liabilities	275.3	5.8
Repayments of lease liabilities	(5.4)	(6.2)
(Investments) divestments in treasury shares	(0.1)	45.2
Net cash flows from/(used in) financing activities (c)	429.8	561.9
Increase (decrease) in cash and cash equivalents (a+b+c)	397.6	539.8
Cash and cash equivalents at the beginning of the period	845.3	1,315.6
Cash and cash equivalents at the end of the period	1,242.9	1,855.4

2.01.05 Statement of changes in equity

MLN€	SHARE CAPITAL	RESERVES	HEDGING RESERVES	ACTUARIAL RESERVES	FAIR VALUE RESERVES	PROFIT FOR THE PERIOD	EQUITY	NON-CONTROLLING INTERESTS	TOTAL
Balance at 01 Jan 25	-	-	-	-	-	-	-	-	-
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
Fair value of other equity investments, change for the period					3.5		3.5		3.5
Total comprehensive income	-	-	(1.4)	-	3.5	153.7	155.8	11.7	167.5
Change in treasury shares	11.4	33.8					45.2		45.2
Other changes		(0.1)					(0.1)		(0.1)
Allocation of profit for the period:									
Allocation to reserves		494.5				(494.5)			
Balance at 31-Mar-25	1,452.2	2,313.2	0.8	(31.7)	(7.2)	153.7	3,881.0	318.5	4,199.5
Balance at 01-Jan-26	1,477.7	2,175.0	0.3	(31.7)	(4.2)	464.3	4,081.4	318.3	4,399.7
Profit for the period						154.6	154.6	10.5	165.1
Other components of comprehensive income:									
Fair value of derivatives, change for the period			13.3				13.3	(3.8)	9.5
Fair value of other equity investments, change for the period					1.0		1.0		1.0
Total comprehensive income	-	-	13.3	-	1.0	154.6	168.9	6.7	175.6
Change in treasury shares		(0.1)					(0.1)		(0.1)
Change in the scope of consolidation							-	1.5	1.5
Allocation of profit for the period:									
Allocation to reserves		464.3					464.3		464.3
Balance at 31-Mar-2026	1,477.7	2,639.2	13.6	(31.7)	(3.2)	618.9	4,714.5	326.5	4,576.7

2.02 ACCOUNTING POLICIES

Introduction

As set forth in article 82-ter "Additional periodic financial information" of the Issuers' Regulation, the Hera Group has voluntarily decided to publish the consolidated three-month report at 31 March 2026.

This report was not prepared in accordance with what is outlined in the accounting principle regarding the sub-annual financial statement (IAS 34 "Interim Financial Reporting") even though it was prepared in accordance with accounting standards in relation to the consolidated financial statements at 31 December 2025.

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

The figures presented in this Consolidated Quarterly Report are comparable with those for previous periods, taking into account of the information provided in the following section, "Scope of consolidation".

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

Scope of consolidation

The consolidated financial statements at 31 March 2026 include the financial statements of the Parent Company Hera Spa and those of its subsidiaries. Control is obtained when the Parent Company has the power to determine the financial and operational policies of a company, by way of currently valid rights, in such a way as to obtain benefits from the company's activity. Jointly controlled assets (joint operations), in the form of corporate vehicles, are recognised in proportion to the Group's shareholding. Equity investments in joint ventures in which the Hera Group exercises joint control with other companies, as well as the companies over which the Group exercises significant control are consolidated with the equity method. Small-scale subsidiaries and associates 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 and transactions to acquire control

The table below shows changes in the scope of consolidation introduced during the first nine months of the 2026 financial year as compared to the consolidated financial statements at 31 December 2025.

On 9 March 2026, Herambiente Servizi Industriali Srl acquired from its shareholder Fermas Srl a further 52% of its stake in SEA – Servizi Ecologici Ambientali Srl, a company operating in the Marche region in the management and treatment of hazardous and non-hazardous special waste, including liquid, solid and sludge waste. Through this transaction, the Group acquired control of the company, increasing its ownership to 83% of the share capital. Therefore, the company, which was previously valued using the equity method, is fully consolidated as of these quarterly financial statements. The transaction also entailed the acquisition of control of the real estate company AES Srl, which is wholly owned by SEA – Servizi Ecologici Ambientali Srl. AES Srl is excluded from consolidation due to the immateriality of its financial and operating results and is reported among the non-consolidated subsidiaries.

On 16 March 2026, Hera Spa acquired control of the Sostelia Group, a major privately owned Italian player operating in the development and sale of technologies for the treatment of industrial and civil water. The Sostelia Group comprises the following companies: Sostelia Spa (formerly STA – Società Trattamento Acque Spa), Acque della Concordia Srl, Arcobaleno GC Srl, CID Srl, Cid-Čistilne Naprave d.o.o., Coms Srl, NPC Srl, NTW Srl and Trentino Acque Srl. The group also includes the subsidiary Cid Vietnam Italia Co. Ltd, which is included among the non-consolidated subsidiaries due to the immateriality of its financial and equity values, and the associated company Depura Srl.

During the quarter, Hera Spa acquired the Savl business unit from Acquedotto Valle del Lamone Srl, thereby taking over the existing business unit lease agreement between Con.Ami and Savl Srl for the concession of use, in favour of the latter company, of water diversion structures and facilities owned by Con.Ami.

Finally, it should be noted that on 12 March 2026, following the conclusion of the liquidation proceedings, the special purpose company Tri-generazione Scarl in liquidation, which represented the previous operator of the customer Elettra Sincrotrone Trieste Scpa, currently managed by the subsidiary Elettra CHP Srl, was removed from the Companies Register.

Other corporate operations

On 20 February 2026, Hera Spa established the special-purpose vehicle Helisa Srl. This special-purpose vehicle was established for the award of a public-private partnership concession for the design, construction and operation of a plant for the generation of electricity from renewable sources to serve the Cineca data centre at the Tecnopolo Bologna site and an adjacent area designated for public green space. Currently, the company is not operational and is included among the non-consolidated subsidiaries.

Earnings per share

	31-MAR-2026 (3 MONTHS)	31-MAR-2025 (3 MONTHS)
Profit (loss) for the period attributable to holders of ordinary shares of the parent entity (A)	154.6	153.7
Weighted average number of shares outstanding for the purposes of calculating earnings (loss) per share		
basic (B)	1,478,338,024	1,471,293,886
diluted (C)	1,478,338,024	1,471,293,886
Earnings (loss) per share (in euro)		
basic (A/B)	0.105	0.106
diluted (A/C)	0.105	0.106

Basic earnings per share are calculated on the operating profit or loss attributable to holders of ordinary shares of the Parent company. Diluted earnings per share are equal to the basic as there are no classes of shares other than ordinary shares and there are no instruments that can be converted into shares.

At the writing of these consolidated financial statement, the share capital of the parent company Hera Spa consisted of 1,489,538,745 ordinary shares, unchanged from 31 December 2025, which were used in determining basic and diluted earnings per share.

Declaration by the executive in charge of drafting corporate accounting documents

The executive in charge of drafting corporate accounting documents, Massimo Vai, declares, pursuant to Article 154-bis, paragraph 2, of the Consolidated Finance Act, that the information contained in this report corresponds to the documentary evidence, books and accounting records.

2.03 EQUITY INVESTMENTS

Subsidiaries

REGISTERED NAME	REGISTERED OFFICE	SHARE CAPITAL (EURO) (*)	CONSOLIDATED PERCENTAGE		TOTAL INTEREST
			DIRECT	INDIRECT	
A.C.R. di Reggiani Albertino (A.C.R) Spa	Mirandola (Mo)	390,000		44.70 %	44.70 %
AcegasApsAmga Spa	Trieste	284,677,324	100.00 %		100.00 %
Acque della Concordia Srl	Mantua (MN)	10,000.0		51.00 %	51.00 %
Aliplast Spa	Istrana (Tv)	5,000,000		75.00 %	75.00 %
Aliplast France Recyclage Sas	La Wantzenau (France)	1,025,000.0		75.00 %	75.00 %
Aliplast Iberia Slu	Calle Castilla-Leon (Spain)	815,000.0		75.00 %	75.00 %
Aliplast Polska Spzoo	Zgierz (Poland)	1.200.000 PLN		75.00 %	75.00 %
Ambiente Energia Srl	Schio (Vi)	100,000		75.00 %	75.00 %
Arcobaleno GC Srl	Mantua (MN)	50,250.0		99.50 %	99.50 %
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)	1,820,000.0		38.25 %	38.25 %
Biorg Srl	Bologna	1,000,000.0		75.00 %	75.00 %
Black Sea Gas Company Eood	Varna (Bulgaria)	5.000 Lev		100.00 %	100.00 %
Cid Srl	Colloredo di Monte Albano (Ud)	100,000		100.00 %	100.00 %
Cid-Čistilne Naprave doo	Capodistria (Slovenia)	51,990		65.00 %	65.00 %
Coms Srl	Talmassons (Ud)	10,000		100.00 %	100.00 %
ElettraCHP Srl	Udine	100,000		84.50 %	84.50 %
EstEnergy Spa	Trieste	299,925,761.0		100.00 %	100.00 %
Etra Energia Srl	Cittadella (PD)	100,000.0		51.00 %	51.00 %
F.li Franchini Srl	Rimini	1,100,000.0		100.00 %	100.00 %
Feronia Srl	Bologna	100,000.0		75.00 %	75.00 %
Fruzzo Energia Ambiente Srl	Bologna	17,139,100.0		38.25 %	38.25 %
Green Factory Srl	Pesaro	500,000.0		46.70 %	46.70 %
Herabit Spa	Imola (BO)	27,094,468.0	70.16 %		70.16 %
HERAcquaModena Srl	Bologna	10,000,000.0	100.00 %		100.00 %
Herambiente Spa	Bologna	271,648,000.0	75.00 %		75.00 %
Herambiente Servizi Industriali Srl	Bologna	5,000,000.0		75.00 %	75.00 %
Hera Comm Spa	Imola (BO)	53,595,899.0	100.00 %		100.00 %
Hera Luce Srl	Cesena	1,000,000.0		100.00 %	100.00 %
Hera Servizi Energia Spa	Udine	13,216,899.0		84.50 %	84.50 %
Heratech Srl	Bologna	2,000,000.0	100.00 %		100.00 %
Hera Trading Srl	Trieste	22,600,000.0	100.00 %		100.00 %
HestAmbiente Srl	Trieste	1,010,000.0		82.50 %	82.50 %
Horowatt Srl	Cesena	2,600,000.0	50.00 %		50.00 %
Inrete Distribuzione Energia Spa	Bologna	10,091,815.0	100.00 %		100.00 %

Macero Maceratese Srl	Macerata (MC)	1,032,912.0	46.70 %	46.70 %
Marche Multiservizi Spa	Pesaro	16,388,535.0	46.70 %	46.70 %
Marche Multiservizi Falconara Srl	Falconara Marittima (AN)	100,000.0	46.70 %	46.70 %
NPC Srl	Marene (Cn)	20,000.0	100.00 %	100.00 %
NTW Srl	Cornuda (Tv)	100,000.0	100.00 %	100.00 %
Primagas AD	Varna (Bulgaria)	1.149.860 Lev	97.34 %	97.34 %
Recycla Spa	Maniago (Pn)	90,000.0	75.00 %	75.00 %
SEA - Servizi Ecologici Ambientali Srl	Camerata Picena (AN)	100,000.0	75.00 %	75.00 %
Sostelia Spa	Mantua (MN)	2,659,838.0	100.00 %	75.00 %
Tiepolo Srl	Bologna	1,305,000.0	100.00 %	100.00 %
Trentino Acque Srl	Lavis (TN)	80,000.0	75.00 %	75.00 %
Triveneta Luce Scarl	Vicenza	400,000.0	100.00 %	100.00 %
T.R.S. Ecology Srl	Caorso (PC)	1,000,000.0	75.50 %	75.50 %
Uniflotte Srl	Bologna	2,254,177.0	100.00 %	100.00 %
Vallortigara Servizi Ambientali Spa	Torrebelvicino (VI)	330,000.0	75.00 %	75.00 %
Wolmann Spa	Bologna	400,000.0	100.00 %	100.00 %

(*) unless otherwise specified

Jointly controlled entities

REGISTERED NAME	REGISTERED OFFICE	SHARE CAPITAL (EURO) (*)	CONSOLIDATED PERCENTAGE		TOTAL INTEREST
			DIRECT	INDIRECT	
Enomondo Srl	Faenza (RA)	14,000,000		37.50 %	37.50 %
Set Spa	Milan	120,000	39.00 %		39.00 %

Associates

REGISTERED NAME	REGISTERED OFFICE	SHARE CAPITAL (EURO) (*)	CONSOLIDATED PERCENTAGE		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 %
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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