



press release

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Hera Group: new 500 million euro green bond

Strong interest shown by international investors for the fourth “green” bond, maturing in 6.5 years, that will fund the Group’s strategic capex plan focused on sustainable and resilient management of the integrated water cycle, in the circular economy for regenerating resources and in the energy transition for developing renewables and energy efficiency. Subscriptions amounting to 5.5 times the amount offered were received.

The Hera Group has started the year with a new milestone in sustainable finance. The first Italian company to issue a green bond in 2014, today Hera successfully launched its fourth green bond, covered by its “Euro Medium Term Note Programme” (EMTN) bond issue plan, recently updated and increased in its maximum amount. This bond respects the Group’s Green Financing Framework (GFF), prepared on the basis of ICMA principles, aligned with the criteria of the European Taxonomy and certified by an independent firm.

The issue attracted significant interest from international investors, receiving orders for approximately 2.75 billion euro, almost 5.5 times the amount offered.

With this issue, Hera has once again given the market an opportunity to finance the Group’s strategic projects aimed at the green transition and aligned with the Taxonomy, once again confirming itself internationally as a reference company for sustainable finance.

“We are more than satisfied with the result of the placement, far exceeding expectations, of this fourth green bond: it makes our financial structure even greener and further strengthens the capital structure, making it even more resilient, as well as the credit profile of the multi-utility, in line with our Business Plan, which also calls for 2.5 billion euro in investments aligned with the European taxonomy, 98% of those eligible,” states **Orazio Iacono, CEO of the Hera Group**. “More specifically, this new issue provides additional stimulus for activities that create shared value, reducing the carbon footprint and regenerating resources, guaranteeing resilience in the services managed and thus making our businesses ever more sustainable. These commitments are already defined by the Group’s Green Financing Framework and the Climate Transition Plan with a Net Zero by 2050 target. This new green bond therefore confirms our goal of creating long-term value for our shareholders and our role as a multi-utility supporting the green transition for citizens, institutions and businesses.”

The characteristics of the Group’s fourth green bond and the areas financed

The fourth green bond of Hera Group (rated Baa2 with a stable outlook by Moody’s and BBB+/A-2 with a stable outlook by Standard & Poor’s), amounts to a total of 500 million euro, repayable in 6.5 years with a 3.250 % coupon and a 3.396% yield. The settlement date of the new issue has been scheduled for 15 January 2025. This green bond consists of senior, non-convertible, unsecured notes, intended for circulation among qualified investors. The new green bond is also expected to be assigned a rating in line with Hera’s. The transaction saw significant participation coming from international investors (in particular, Great Britain, France and Germany), mainly green and sustainable, confirming the interest towards the Group coming from abroad.

The bond is expected to be listed, as of the issue date, on the regulated market of Euronext Dublin and, at the same time or at a later date, on the regulated market of the Luxembourg Stock Exchange and on the ExtraMOT PRO multilateral trading system managed by Borsa Italiana.

The funds raised will be used to finance or refinance numerous projects, already ongoing or included in the Group's Business Plan, selected on the basis of the Green Financing Framework (GFF), which work towards one or more of the goals on the UN's 2030 Agenda for Sustainable Development (SDGs), subdivided into 3 areas:

- 1. *integrated water cycle*** (aligned to SDGs 6, 13 and 14): construction and extension of infrastructures for water collection, treatment and supply, with projects for wastewater collection and treatment;
- 2. *circular economy, pollution prevention and control*** (meeting SDGs 11, 12 and 13): advanced projects in plastics regeneration, anaerobic digestion of organic waste for the production of compost and biomethane, and waste collection and transport systems;
- 3. *energy efficiency and infrastructures*** (consistent with SDGs 7, 11 and 13): production of renewable electricity through photovoltaics and geothermal energy, development of district heating networks, installation, maintenance and repair of energy efficiency equipment and renewable energy technologies, including electricity transmission and distribution grids.

To ensure that the funds are correctly and transparently allocated, Hera has set up a monitoring and reporting process, which also ensures that the amount actually dedicated to each intervention, along with evidence of the environmental performance achieved, will be published in the Group's 2024 Sustainability Report.

The partners in the transaction

Hera's green bond issue was coordinated by BNP Paribas, Credit Agricole CIB, Mediobanca, UniCredit, BBVA, Intesa Sanpaolo, Banco Santander, Banca AKROS, Deutsche Bank, BPER Banca, Montepaschi di Siena, Barclays and Caixabank as Joint Bookrunners. The law firm Legance assisted Hera, while the firm Linklaters provided support to the Joint Bookrunners.