

press release

Bologna – Mirandola (MO), 22 January 2025

Industrial partnership between AIMAG and Hera strengthened

The framework agreement, signed today by the parties, will reinforce AIMAG industrially and financially, with the aim of creating value through both synergies with the Hera Group and an investment plan with positive repercussions on the areas served. The agreement calls for a capital increase in kind in the coming months through the conferral to AIMAG by Hera of an approximately 45% stake in a Newco managing the integrated water service in the province of Modena, currently managed by Hera. Following the capital increase in kind, Hera's stake in AIMAG will rise from the current 25% to roughly 41% and will acquire the industrial governance guaranteeing the achievement of the expected synergies, while the Public Shareholders will retain 51% of the AIMAG share capital.

Today, the Boards of Directors of AIMAG S.p.A. and Hera S.p.A. agreed to sign a framework agreement that will introduce a new phase in the project for an industrial partnership between the two parties.

The AIMAG Group, owned by 21 municipalities located in the provinces of Modena and Mantua, operates in the waste management, water cycle and energy sectors; in 2023, its consolidated turnover amounted to 400 million, with Ebitda at over 60 million and a net financial position at 210 million euro. AIMAG can rely on a customer base in the energy supply business coming to over 230,000, along with 121,000 POD in gas distribution, 72,000 citizens served and 2,000 km of networks in the integrated water cycle, and a waste collection and treatment business serving over 176,000 citizens in 12 municipalities. Their geographical proximity and a perfect match of the portfolio mix strengthens the synergic prospects of the industrial partnership between AIMAG and the Hera Group.

The transaction will be subject to the usual conditions foreseen for this type of operation and to all communications and approvals by the competent authorities and bodies. The parties expect to complete the transaction within June 2025.

The path includes, among other things, a capital increase in kind consisting of a conferral by Hera to AIMAG of an approximately 45% stake in a Newco to which the activities pertaining to the integrated water service in the province of Modena, currently owned by Hera S.p.A., will be transferred, concerning the management of 7,300 km of networks serving approximately 470,000 thousand citizens. As of now, a single hub for Modena's water cycle will thus be formed, making possible synergies and integrated developments of the current systems and enabling greater investments and significant improvements in the resilience of the water network. The capital increase was defined by valuing AIMAG at roughly 7x its 2024 Ebitda and the newco at approximately 1.2x the RAB, and as a result Hera's stake in AIMAG is expected to rise from 25% to approximately 41%, while the Public Shareholders will retain a majority with 51%.

This reinforcement of AIMAG's capital structure, along with the industrial and financial synergies obtained through Hera's industrial governance, implying its consolidation line by line in the accounts, will enable an investment plan in the 2025-2028 period amounting to a total of over 250 million euro, for AIMAG and the



Newco, to enhance the infrastructures of all portfolio activities, with consequent positive effects for all stakeholders.

For the transaction, Hera was assisted by the Lazard team for the financial part and by the Grimaldi law firm for the legal part, while AIMAG made use of PwC as strategic and financial advisor for the operation, of Professor Marco Maria Mattei as advisor for the valuation and, for the legal part, of Professor Lawyer Tommaso Bonetti of the Bonetti law firm and of the BLF firm.

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