CONSOLIDATE QUARTERLY REPORT

as at 30 September 2022

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INTRODUCTION

MISSION

HERA AIMS AT BEING THE BEST MULTI-UTILITY IN ITALY

for its customers, workforce and shareholders. It intends to achieve this by further developing an original corporate model capable of innovating and forging strong links with the areas served, while respecting the local environment.

FOR HERA, BEING THE BEST IS A WAY OF CREATING PRIDE AND TRUST FOR:

OUR CUSTOMERS, who receive quality services that satisfy their expectations, thanks to Hera's constant responsiveness.

OUR EMPLOYEES, because the women and men who work for the company, with their skills, engagement and passion, are the foundation of its success.

OUR SHAREHOLDERS, confident that the economic value of the company will continue to be generated in full respect of the principles of social responsibility.

OUR SUPPLIERS, because they are key elements in the value chain and partners in growth.

THE LOCAL AREAS SERVED, because economic, social and environmental wealth represents the promise of a sustainable future.

PURPOSE AND STRATEGY

Hera pursues a **multi-business** growth strategy concentrated on three core business areas: **waste management, water services and energy**. This allows us to maintain a balanced portfolio that includes both regulated and free-market activities, which even when facing a scenario that shows increasingly frequent systemic crises lays the foundations for a path of steady growth.

The Group is distinguished by its search for excellent and innovative management models which, as appears in the Business Plan to 2025 as well, embody the principles of a **circular economy** and move towards **carbon neutrality**, making the most of emerging technological innovations, ever more decisive in increasing efficiency and resilience in assets and services.
In much the same way, long-term **risk and opportunity** assessment and management is continuously improved within the Group's strategy, as it is required to guarantee the **fundamental services** it provides to all, even in extreme or extraordinary circumstances.

Measuring the shared value generated for the local area provides tangible, quantifiable evidence that Hera has adopted a model suitable to achieve **sustainable growth** and a "just" transition, in which stakeholders are invited to play an increasingly active role.
Overall, the Group's strategy combines business development with the needs of the ecosystem in which it operates, enhancing the reciprocal trust-based relationship it enjoys with its local areas, as is further shown by the formal inclusion of Hera's social and environmental purpose within its Articles of Association.

GOVERNANCE SYSTEM

Hera's corporate governance is aimed at understanding and evaluating the stimuli coming from an increasingly complex context, in order to continue growing and, at the same time, further consolidate the close links with the area served that have distinguished the Group since its establishment. Constant engagement and specific knowledge of the actors involved have led us to develop an open and transparent way of doing business. This distinctive trait has been implemented over the years thanks to the creation of corporate bodies that are integrated with each other and, in line with the Corporate governance code and the Code of ethics, enable the expectations of all those interacting with Hera to be satisfied.

SHAREHOLDERS MEETING

INDEPENDENT AUDITING FIRM

BOARD OF DIRECTORS

BOARD OF STATUTORY AUDITORS

EXECUTIVE COMMITTEE

REMUNERATION COMMITTEE

ETHICS AND SUSTAINABILITY COMMITTEE

CONTROL AND RISKS COMMITTEE

CHAIRMAN

CEO

VICE CHAIRMAN

BOARD OF DIRECTORS

MEMBER	OFFICE	EXECUTIVE COMMITTEE	REMUNERATION COMMITTEE	CONTROL AND RISKS COMMITTEE	ETHICS AND SUSTAINABILITY COMMITTEE
Tomaso Tommasi di Vignano	Executive Chairman	C			
Orazio Iacono	CEO	M			
Gabriele Giacobazzi	Vice Chairman	VC	C	C	
Fabio Bacchilega	Member		M		
Danilo Manfredi	Member				
Alessandro Melcarne	Member	M			
Lorenzo Minganti	Member			M	
Monica Mondardini	Member		M		
Erwin P.W. Rauhe°	Member			M	
Manuela Cecilia Rescazzi	Member				
Paola Gina Maria Schwizer	Member			M	
Federica Seganti	Member				C
Bruno Tani	Member				
Alice Vatta	Member		M		M
Marina Vignola	Member				
					Filippo Maria Bocchi
					Cristiana Rogate

BOARD OF STATUTORY AUDITORS

CHAIRMAN
Myriam Amato
STANDING AUDITORS
Antonio Gaiani
Marianna Girolomini

INDEPENDENT AUDITING FIRM

DELOITTE AND TOUCHE SPA

KEY

C Chairman of the Committee

VC Vice-chairman of the Committee

M Member of the Committee

° Lead Independent Director

1 DIRECTORS' REPORT

1.01 TRENDS AND CONTEXTS

Global economic trends and projections

The first nine months of 2022 were marked by the ongoing energy crisis and the ensuing tension on the financial and commodity markets, and by the restrictive monetary policies adopted to cope with rising inflation. This led the OECD to project a significant deceleration of the world economy for the coming quarters, with world GDP growth expected to slow from 3% this year to 2.25% in 2023.

Economic trends were quite diverse among the world's various geographical areas. In the case of China, which has always been the leading and benchmark country for emerging economies, the PMI indices for the manufacturing and services sectors respectively showed expectations for a moderate expansion and a decline (for the first time in four months) in economic activity, still showing the effects of the anti-Covid closures and the growing problems in the real estate sector.
In the USA, on the other hand, September saw favourable developments in the labour market, with the month-on-month unemployment rate falling to 3.5 per cent from 3.7 per cent, and increased household confidence. In the same month, the Federal Reserve increased the interest rate by 75 basis points for the third consecutive time, bringing it into the indicative range of 3% to 3.25%, the highest rate since 2008. The new direction in monetary policy, aimed at combating inflation in America, still at its highest level in the last forty years, seems to be starting to have the desired effects; in August, consumer prices rose by 8.3% in terms of trends, slightly dropping from 8.5% in the previous period.

Focus on the Eurozone

For the Eurozone, due to its proximity to the conflict and its energy dependence on Russia, growth is expected to come to 3.1% in 2022, 0.9% in 2023 and 1.9% in 2024.
Significant increases in energy and food prices, pressure in demand in some sectors due to the reopening of economic activities and bottlenecks in supply continued to push inflation higher. In September, consumer prices increased in terms of trends by 10%, compared to 9.1% in the previous month, reaching a new high. For this reason, the European Central Bank (ECB) decided to raise the reference interest rates by 75 basis points on 8 September 2022. This was a significant increase and is not expected to be the only one in the short term, since the ECB intends to bring inflation back to the target of around 2% as soon as the current geopolitical tensions have subsided.

The current situation and the nation's economic prospects

The situation in Italy followed the developments outlined above for the Eurozone. In September, inflation continued to accelerate and exporting manufacturing companies reported higher costs and prices as an obstacle to production. For industrial production, there was only a marginal circumstantial increase in the third quarter, supported by a favourable trend in capital goods, while the other groupings declined. In July, the construction sector showed a further slowdown and the production index decreased by 3.0% (-2.3% in June). Activity in the tertiary sector, instead, was stable, thanks to the still positive contribution coming from the tourism and recreation sectors.
As regards demand, household spending was held back by the loss of purchasing power due to high inflation. The latter rose further over the summer, reaching 9.4 % in September, still affected by the increase in energy prices and their effect on other sectors.
Employment continued to increase in the second quarter, even though signs of a slowdown emerged in the summer months.
According to the latest available estimates provided by the Bank of Italy, GDP growth should come to 3.3% year-on-year for 2022, 0.3% in 2023 and 1.4% in 2024. However, these projections remain subject to strong downside risks in the event of an adverse scenario with respect to gas supplies and an escalation in the Russian-Ukrainian conflict.

Trends in prices and financial markets

The uncertain and turbulent context described above was reflected on financial markets by high levels of volatility and falling stock prices. In the third quarter of the year, financial markets recorded a significant increase in interest rates and government bond yields. In Europe, the ECB followed the Fed, intervening with an increasingly restrictive monetary policy, involving two rate hikes in July and September that exceeded expectations, coming to 50 and 75 basis points respectively. These interventions were followed, in October, by an additional 75 basis point increase. At the end of September, interest rates reached well above 3% even on short-term maturities and the yield spread between the BTP and the 10-year Bund reached over 240 basis points.

Energy sector: prices, consumption and demand

As far as energy prices are concerned, in the third quarter of 2022 as well there was a significant year-on-year increase, mainly influenced by high gas prices, due in particular to the unstable geopolitical context, the Russian-Ukrainian conflict and the risks associated with the reduced availability of Russian gas.

In the first nine months of 2022, the Day-Ahead Energy Market (MGP) showed a price increase coming to 275% compared to the same period in 2021. According to the data processed by the national grid transmission company (Terna), electricity consumption in the first nine months of the year showed a slight increase compared to the same period of the previous year (+1.3%), rising from 237.85 TWh to 240.9 TWh. During the same period, 87.3% of demand was met by domestic production, which increased compared to the same period in 2021 by 210.3 TWh, while the foreign balance stood at 30.6 TWh.

In the first nine months of 2022, net domestic production from renewable sources amounted to 31.5% of total net production, equivalent to a volume of 66.3 TWh, lower than the 77.2 TWh produced in the same period of 2021. The amount of consumption met by renewables came to 27.5%, down from the 32.5% seen in 2021, with a sharp drop in hydroelectric production coming to -14 TWh, not offset by the increase in wind and photovoltaic production (+3.2 TWh). Lastly, there was a substantial increase in thermoelectric production, coming to 15.5 TWh.

The price index for natural gas at the Dutch hub (TTF), taken as a reference for European short-term spot market prices, showed a 329% increase in the first nine months of 2022 compared to the same period in 2021. The information made available by the national gas transmission network operator (Snam Rete Gas) for the same period also shows a 3.6% decrease in natural gas consumption compared to the same period of the previous year, from 52.8 billion m^3 to 50.9 billion m^3. The most significant drop in consumption in absolute terms was due to both civil demand, at 21 billion m^3 with a 6% drop compared to the same period of the previous year, and consumption in the industrial sector, with volumes coming to 9.2 billion m^3 and a 12% drop. Lastly, the increase in thermoelectric consumption came to 3.7% over the previous year. In terms of feed-in, 95.3% of demand was met by imports (net of exports and storage requirements) and 4.5% by domestic production.

Changes in the regulatory framework

As regards regulations, the most significant new developments for the Hera Group in the first nine months of 2022 were the following:

- the issuance of various governmental and regulatory measures adopted to counter the effects of the current exceptional instability in electricity and gas prices;
- the definition, by the Regulatory Authority for Energy Networks and the Environment (ARERA), of new regulations for gas metering performance, with reference to smart meters;
- progress in the reactive energy regulation reform process for the electricity sector;
- the publication of the second consultation document on the new tariff regulation method for expenditure and service objectives (Ross) in the energy infrastructure sectors (for the electricity and gas distribution Group);
- the issuance of measures to finance, through a selective procedure, pilot projects intended to optimise management and the innovative use of infrastructures in the natural gas sector;
- approval of the requests for admission to the recognition of Investments in specific 2G metering systems (Rari) of the Group's two distributors;
- a modification of the methods for determining the economic conditions for natural gas supply in the protected market, in order to align the CMEM component more closely to the trend of spot prices in the wholesale market;
- the conclusion, in the water sector, of the preliminary proceedings to determine the system of incentives and penalties for technical quality for the two-year period 2018-2019;
- an extension, once again for the water sector, of certain derogation provisions for the water tariff method regarding the request to the Cassa per i Servizi Energetici e Ambientali (CSEA) for a financial advance for electricity expenses;
- the determination, for the urban waste management service, of the WACC for the four-year period 2022-25, as well as the introduction of contractual and technical quality obligations for waste collection activities;
- the beginning of proceedings for the definition of technical and quality standards for the performance of waste disposal and recovery activities, in light of the mandate given to ARERA by the "Annual Law for the Market and Competition 2021".

As concerns regulatory measures, the most significant changes for the third quarter of 2022 are illustrated below.

New regulations for expenditure and service targets (Ross) for the energy sectors

With Consultation Document 317/2022/R/com, ARERA continued with the procedure aimed at adopting the new tariff regulation method for cost and service targets (Ross) in the energy infrastructure sectors. The requirement to adjust the cost recognition mechanisms lies above all in the need to orient the development of system investments in a transparent way, eliminating the "Rab-based" mechanism currently in force, which, in the Authority's opinion, can induce over-investment or investment choices that are not sufficiently oriented to the benefit of the system. After its initial guidelines, ARERA has more precisely defined the timing for application and the characteristics of the different models, based on total expenditure control and having increasing complexity, which will be progressively implemented. The first infrastructure sectors to be affected by the new method will be, starting in 2024, electricity transmission, gas transport and electricity distribution, in conjunction with the beginning of the sixth regulatory period. In particular, for electricity distribution, the application of the simplified model of the method, i.e. the Ross-base-T model (where T stands for transitory), reserved for operators with over 25 thousand withdrawal points (PODs), is expected as of 2024. Beginning in 2026, the application of the Ross-base-R model (where R stands for full regime), also marked by the use of standard/benchmark costs to control capital expenditure, will be applied. In the electricity sector, for the main operators (managing more than 500,000 PODs, thus excluding the Hera Group's two operators) the introduction of the Ross-integral method is planned, the most advanced and complex model based on an analysis of the operators' business plans. For the gas distribution sector, the Ross-base-R method is expected to be adopted starting from 2026, coinciding with the start of the 6th regulatory period.

Natural gas sector

With Resolution 404/2022/R/gas, ARERA approved the regulation on incentives for pilot projects to optimise the management and innovative use of natural gas infrastructures in relation to prospects for the energy transition and the decarbonisation of the sector. This measure defines three specific areas for pilot projects: methods and tools for an optimised management of networks, innovative uses of existing infrastructure (including the use of hydrogen and P2g from a sector-coupling perspective), and energy efficiency measures. A total of 35 million euro is earmarked for financing the pilot projects, which are managed through a selective procedure that takes into account several evaluation criteria. Those participating in the experimentation (proponents) will have to submit an application to ARERA, presumably by February 2023. The maximum duration of the experiments is set at three years from the start of the project.

Electricity metering

During the third quarter of 2022, ARERA approved, with Resolutions 410 and 411/2022/R/eel, the Requests for Admission to the Recognition of Investments (RARI) specifically regarding the 2G metering systems of Inrete Distribuzione Energia Spa and AcegasApsAmga Spa. The measures approved the 2G Metering commissioning plans and defined the mandatory performance of second-generation smart metering systems, confirming the expenditure forecasts provided by the two distributors.

Protected gas service

In regulating the economic conditions for the supply of natural gas in the protected service, ARERA introduced a new method for determining the component covering procurement costs in the wholesale markets. More specifically, as of 1 October 2022, the new reference to be used in determining the CMEM component is equal to the monthly average of the PSV Day Ahead price recorded by ICIS-Heren; this price will be published on ARERA's website.

Integrated water service

In regulations for the integrated water service in the third quarter of 2022, note in particular Resolution 495/2022/R/Idr, which reopens the window from 1 November to 30 November to request a financial advance from CSEA for electricity procurement in the year 2022 (advance established by Resolution 229/2022/R/idr), in light of the extraordinary context of volatile energy prices. Also note, as regards tariffs, Resolution 459/2022/R/Idr initiating the procedure for the ex officio determination of the 2022-2023 tariffs due to the delay of various Area authorities and Water managers in preparing the 2022 - 2023 tariff updates (the deadline had been set for 30 April 2022). The delay led ARERA to issue an injunction to the Agencies involved, who will be required, within the next 30 days, to send the respective tariff preparations.

Municipal waste management

With regard to the integrated municipal waste management service in the third quarter of 2022, Resolution No. 413/2022/R/rif was issued, which, in light of the mandate given to ARERA by the Annual Market and Competition Law 2021, initiated a procedure to define technical and qualitative standards for waste disposal and recovery activities, proceeding with a verification of minimum quality levels and also acquiring information on management costs, the characteristics of the flows and any other element suitable for monitoring the actual methods of carrying out disposal and recovery activities and their impact on the fees charged to the end user.

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

Alternative performance measures (APMs)

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

The Hera Group determines its operating indicators for the reporting period by classifying as special items any significant components of income that: (i) derive from non-recurring events or transactions, or any transactions or events that are not frequently repeated during the usual course of business; (ii) derive from events or transactions that do not represent normal business activities. At the same time, certain accounting items are adjusted using a management valuation criterion, if and when the latter facilitates the analysis of certain specific business trends. In light of the fact that the operational adjustments referred to above have an impact on the balance sheet, their effects are provided as an adjustment of the financial indicators described below.

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

Operating APMs and investments

Ebitda is calculated as the sum of the operating income shown in the balance sheets and depreciation, amortization and write-downs.

Adjusted Ebitda (hereinafter referred to as Ebitda*) is calculated based on Ebitda, as described above, adding or subtracting operational adjustments which, if present, are described in a separate table at the end of this section.

Ebit is calculated by subtracting operating costs from operating revenues. Among operating costs, special operating items, which if present are described in the detailed table at the end of this paragraph, are deducted from amortisations and provisions.

Adjusted Ebit is calculated based on Ebit, as described above, adding or subtracting operational adjustments which, if present, are described in a separate table at the end of this section.

Adjusted pre-tax results are calculated by subtracting the financial operations shown in the balance sheets from adjusted Ebit, as described above, net of special financial items which, if present, are described in the detailed table at the end of this paragraph.

Adjusted net results are calculated by subtracting from adjusted pre-tax results, as described above, the taxes shown in the balance sheets minus special fiscal items and the fiscal effect of operational adjustments which, if present, are described in the detailed table at the end of this paragraph.

Results from special items (if present in the current report) are aimed at drawing attention to the result of the special item entries which, if present, are described in the detailed table at the end of this paragraph.

Adjusted net profit is calculated by adding the result from special items to the adjusted net result, as described above. This indicator therefore includes any operational adjustments used to bring certain accounting valuation items back into line with management criteria.

Adjusted Ebitda on revenues, adjusted Ebit on revenues and adjusted net profit on revenues measure the Group's operating performance through a proportion, expressed as a percentage, of adjusted Ebitda, adjusted Ebit and adjusted net profit divided by the amount of revenues.

Net investments are calculated as the sum of investments in tangible fixed assets, intangible assets and equity investments net of capital grants.

Financial AMPs

Adjusted net non-current assets are calculated as the sum of: tangible fixed assets; intangible assets and goodwill; equity investments; deferred tax assets and liabilities (including management adjustments).

Adjusted net working capital is made up of the sum of: inventories (adjusted to reflect the different management value of gas storage); trade receivables and payables; current tax receivables and payables; other assets and other current liabilities; the current portion of assets and liabilities for financial derivatives on commodities.

Provisions includes the sum of the items "employee severance indemnities and other benefits" and "provisions for risks and charges".

Adjusted net invested capital is defined by calculating the sum of "adjusted net fixed assets", "adjusted net working capital" and "provisions".

Adjusted net equity is obtained by adding the economic effects of operational adjustments applied to gas storage, net of deferred taxes, to the equity that appears in the balance sheets.

Net financial debt (at times referred to below as **Net debt**) is a measure of the company's financial structure determined in accordance with ESMA guidelines 32-382-1138, adding the value of non-current financial assets. This measure is therefore calculated by adding together the following items: current and non-current financial assets; cash and cash equivalents; current and non-current financial liabilities; current and non-current portions of assets and liabilities for derivative financial instruments on interest and exchange rates.

Sources of financing are obtained by adding "net financial debt" and "adjusted net equity".

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

Operating APMs and investments (mn€)	Sept 22	Sept 21 (redetermined)	Abs. change	% change
Revenues	**14,320.1**	**6,424.3**	**7,895.8**	**+122.9%**
Adjusted Ebitda	**874.8**	**854.4**	**20.4**	**+2.4%**
Adjusted Ebitda/revenues	6.1%	13.3%	(7.2) pp	+0.0%
Adjusted Ebit	**43.,0**	**441.9**	**(4.9)**	**(1.1)%**
Adjusted Ebit/revenues	3.1%	6.9%	(3.8) pp	+0.0%
Adjusted net profit	**248.4**	**319.3**	**(70.9)**	**(22.2)%**
Adjusted net profit/revenues	1.7%	5.0%	(3.3) pp	+0.0%
Net investments	**446.1**	**386.6**	**59.5**	**+15.4%**

Financial APMs (mn€)	Sept 22	Dec 21 (redetermined)	Abs. change	% change
Adjusted net non-current assets	7,485.3	7,308.3	177.0	+2.4%
Adjusted net working capital	910.6	2.4	908.2	+37,841.7%
Provisions	(622.3)	(633.4)	11.1	(1.8)%
Net invested capital	7,773.6	6,677.3	1,096.3	+16.4%
Net debt	**(4,489.2)**	**(3,261.3)**	**(1,227.9)**	**+37.7%**

Special items and operational adjustments / IFRS balance sheet reconciliation

Gas prices increased sharply as of the second half of 2021, sparking a trend that continued with higher volatility in 2022, peaking in July and August. This rise also affected the natural gas storage process, which, compared to the same period of 2021, took place during a period of time (starting in April 2022) characterised by average purchasing prices up to 5 times higher than those seen one year earlier, which produced both operating and financial impacts.
Therefore, to supplement the report at 30 September 2022, drafted based on the same accounting standards used for the financial statements at 31 December 2021, and in order to facilitate the analysis of business trends and ensure that the results are more easily comparable, the Group's management has decided to present the results by valuing gas storage according to a management criterion, in order to provide a representation that reflects the current context, marked by significant and sudden price changes with respect to the past.

More specifically, from an operational point of view, the accounting standard calls for stored gas to be valued considering all gas deliveries made during the injection periods (April - September). This means that the definition of average costs per unit also includes purchases intended for delivery and sale to end customers during the period. The use of this criterion led to the definition of an average cost coming to 107 €c/sm^3 that, also considering the purchases intended for delivery to end customers with costs defined in 2021 (much lower than costs in 2022), is significantly lower than the cost of gas purchased and injected into storage in 2022.

As regards management, the accounting valuation of the inventory was therefore adjusted by taking into consideration only the flows identified under management for injection into storage, the average price of which was 129 €c/sm^3, in line with the average market price over the injection period and, as described above, significantly higher than the average accounting cost. As part of its balanced portfolio management, the Group has already introduced the appropriate hedges to correspond to the scheduled withdrawals during the winter. This means that the value of gas purchases destined for storage, determined under management and in compliance with risk management policies, is fully recoverable during the periods in which withdrawals will be made.

From an accounting point of view, instead, no distinction can be made between the various supply processes, all of which fall under a single commercial portfolio. Therefore, since gas is a fungible commodity, all purchase transactions, regardless of their end purpose, are considered by calculating the average carrying cost. This different valuation criterion, which has always been used, does not produce significant differences when dealing with a price trend that does not change considerably over time.

In order to ensure a uniform comparison of results, the statement on operations for the period under comparison was also redetermined using the same criterion.

The following table provides a reconciliation between the income statement referred to in the remarks on operations and the published consolidated income statement.

mn€	Sept 22			Sept 21 (redetermined)			
	Published statement	Operational adjustments	Operations statement	Published statement	Operational adjustments	Special items	Operations statement
Revenues	14,320.1		14,320.1	6,424.3			6,424.3
Other operating revenues	345.3		345.3	243.6			243.6
Raw and other materials	(11,794.6)	152.1	(11,642.5)	(3,469.3)	(28.9)		(3,498.2)
Service costs	(1,693.9)		(1,693.9)	(1,858.6)			(1,858.6)
Personnel costs	(449.8)		(449.8)	(442.0)			(442.0)
Other operating expenses	(56.6)		(56.6)	(54.4)			(54.4)
Capitalised costs	52.2		52.2	39.7			39.7
Ebitda	**722.7**	**152.1**	**874.8***	**883.3**	**(28.9)**		**854.4***
Amortization, depreciation and provisions	(437.8)		(437.8)	(412.5)			(412.5)
Ebit	**284.9**	**152.1**	**437.0***	**470.8**	**(28.9)**		**441.9***
Financial operations	(89.5)		(89.5)	(113.9)		28,5	(85.4)
Pre-tax result	**195.4**	**152.1**	**347.5***	**356.9**	**(28.9)**	**28,5**	**356.5***
Taxes	(55.7)	(43.4)	(99.1)	(16.3)	7.6	(84,7)	(93.4)
Net result	**139.7**	**108.7**	**248,4***	**340.6**	**(21.3)**	**(56,2)**	**263.1***
Result from special items						56,2	56.2
Net profit	**139.7**	**108.7**	**248.4***	**340.6**	**(21.3)**		**319.3***
Attributable to:							
Parent company shareholders, adjusted	105.4	108.7	214.1*	308.4	(21.3)		287.1*
non-controlling interests	34.3		34.3	32.2			32.2

* Adjusted results, as described above

The table below shows the impact on the balance sheet of the operational adjustments made to gas storage, which, unlike the other special items, have not yet been reflected in cash receipts or disbursements:

mn€	Sept 22			Dec 21 (redetermined)		
	Published values	Operational adjustments	Operational values	Published values	Operational adjustments	Operational values
Net non-current assets	7,528.4	(43.1)	7,485.3*	7,308.0	0.3	7,308.3*
Net working capital	759.6	151.0	910.6*	3.5	(1.1)	2.4*
(Provisions)	(622.3)		(622.3)	(633.4)		(633.4)
Net invested capital	**7,665.7**		**7,773.6***	**6,678.1**		**6,677.3***
Adjusted equity	(3,176.5)	(107.9)	(3,284.4)*	(3,416.8)	0.8	(3,416.0)*
Net debt	(4,489.2)		(4,489.2)	(3,261.3)		(3,261.3)
Total sources of financing	**(7,665.7)**		**(7,773.6)**	**(6,678.1)**		**(6,677.3)**

* Adjusted results, as described above

For the first nine months of 2022, as illustrated above, the value of stored gas has been adjusted. More specifically, the change in storage was adjusted by 152.1 million euro, resulting in a negative tax effect coming to 43.4 million euro. This adjustment, since the period of injection into storage is over, will gradually decrease in the coming months as the storage is progressively depleted due to the start of winter.

Concerning the first nine months of 2021, the values classified as special items and the operational adjustments made are related to the following:

- a tax realignment of certain goodwill values stated at 31 December 2019, pursuant to article 1, paragraph 83 of Law 178/2020. This transaction led to the fiscal recognition of these values, leading a tax benefit coming to 87.0 million euro to be recorded, against the payment of a 3% substitute tax amounting to 9.2 million euro;
- the partial repurchase (nominal amount of 59.5 million euro) of the 700 million euro bond maturing in 2028, which resulted in the recognition of charges coming to 28.5 million euro, since the repurchase price was higher than the book value. In addition, the related tax effect amounting to 6.9 million euro has been stated as an adjustment to the taxes charged for the period;
- a negative adjustment of the change in gas storage amounting to 28.9 million euro, resulting in a positive tax effect coming to 7.6 million euro. Note that this adjustment is negative instead of positive, as in the current period, since the accounting valuation at 30 September 2021 already reflected the price increase seen in the third quarter, unlike the management valuation, for which the reference contracts showed lower prices.

As regards 31 December 2021, the value of stored gas was recalculated for consistency in comparison. More specifically, the change in storage was adjusted by 1.1 million euro, resulting in a positive tax effect coming to 0.3 million euro.

1.02.01 Operating results and investments

Efficiency in the services offered

The results for the first nine months of 2022 must be seen against the backdrop of a complicated international scenario, characterised by ongoing volatility in the energy market and complex international events. The management policies put in place and Hera's solid and resilient business model have proven effective, enabling the Group, even in this difficult situation, to keep the quality and continuity of the services offered high and continue creating value for all stakeholders.

As regards this latter aspect, we must highlight the fact that the Hera Group, in order to support its customers in this particular situation, has developed specific initiatives, from the possibility of requesting monthly billing for consumption and payment by instalments, to tools for monitoring consumption, to advice on saving energy and money. In addition, a specific training plan for operators has been activated to offer qualified support on consumption analysis and efficiency.

The initiatives introduced to support customers, the value created for stakeholders and the Group's ability to positively face the challenges of 2022, more complex than ever seen before, find their foundations in its now consolidated multi-business model, balanced between internal growth and M&As and between regulated and free market activities.

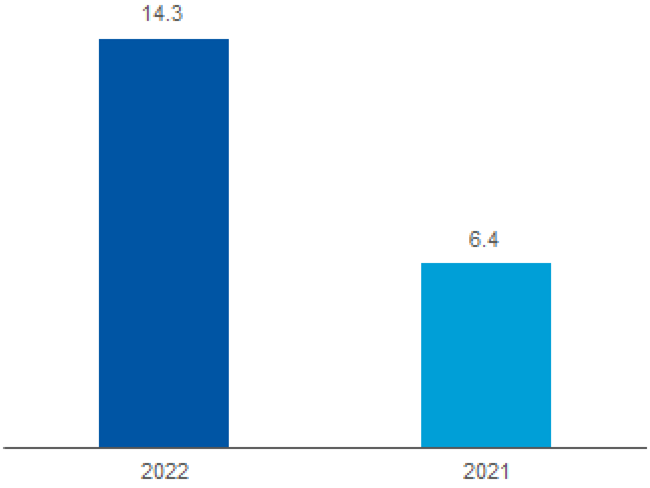
Despite the complicated scenario, the Hera Group continued to seize opportunities to expand its scope of operations by way of acquisitions. In the waste management area in particular, note the acquisition by Marche Multiservizi Spa of the company Macero Maceratese Srl, specialised in waste recovery and treatment and based in the province of Macerata, and the acquisition by Aliplast Spa of the company Alibardi Fiorenzo Srl, specialised in the collection and production of plastic material. The energy areas, instead, benefited from the acquisition of the companies Eco Gas Srl and Con Energia Spa by Hera Comm Spa.

The following table shows operating results at 30 September 2022 and 2021:

Income statement (mn€)	Sept 22	% inc.	Sept 21 (redetermined)	% inc.	Abs. change	% change
Revenues	14,320.1	0.0%	6,424.3	0.0%	7,895.8	122.9%
Other operating revenues	345.3	2.4%	243,6	3.8%	101.7	41.8%
Raw and other materials	(11,642.5)	(81.3)%	(3,498.2)	(54.5)%	8,144.3	232.8%
Service costs	(1,693.9)	(11.8)%	(1,858.6)	(28.9)%	(164.7)	(8.9)%
Other operating expenses	(56.6)	(0.4)%	(54.4)	(0.8)%	2.2	4.0%
Personnel costs	(449.8)	(3.1)%	(442.0)	(6.9)%	7.8	1.8%
Capitalised costs	52.2	0.4%	39.7	0.6%	12.5	31.5%
Ebitda*	**874.8**	**6.1%**	**854.4**	**13.3%**	**20.4**	**2.4%**
Amortization, depreciation and provisions	(437.8)	(3.1)%	(412.5)	(6.4)%	25.3	6.1%
Ebit*	**437.0**	**3.1%**	**441.9**	**6.9%**	**(4.9)**	**(1.1)%**
Financial operations	(89.5)	(0.6)%	(85.4)	(1.3)%	4.1	4.8%
Pre-tax result*	**347.5**	**2.4%**	**356.5**	**5.5%**	**(9.0)**	**(2.5)%**
Taxes	(99.1)	(0.7)%	(93.4)	(1.5)%	5.7	6.1%
Net result*	**248.4**	**1.7%**	**263.1**	**4.1%**	**(14.7)**	**(5.6)%**
Result from special items	-	0.0%	56.2	0.9%	(56.2)	100.0%
Net profit for the period*	**248.4**	**1.7%**	**319.3**	**5.0%**	**(70.9)**	**(22.2)%**

* Adjusted results, as described in paragraph 1.02

REVENUES (bn€)



14.3
billion euro
revenues (+122.9%)

Revenues at September 2022 were up by 7,895.8 million euro compared to the same period in 2021. The energy areas showed significant growth, coming to 7,395 million euro, mainly related to the increase in commodity prices and intermediation activities. In addition, growth in Energy Services was related to energy efficiency in residential buildings (insulation bonus and 110% super-bonus) and an increase in activities for value-added services for customers. These factors jointly contributed with approximately 188.0 million euro.
Lastly, revenues in the waste management sector contributed with 149 million euro, mainly due to energy production, acquisitions in the industry market and price increases in the markets covered.
For further details, see the analyses of the individual business areas in paragraph 1.03.

Other operating revenue in September 2022 increased by 101.7 million euro compared to the equivalent period in 2021. Note the higher revenues from energy efficiency certificates, amounting to 58 million euro, as described in detail under the gas area, paragraph 1.03.01, and higher revenues from contracts on assets under concession, totalling 37 million euro.

Costs for raw materials linked to the trend in revenues

Costs for raw and other materials increased by 8,144.3 million euro compared to September 2021. This increase is related to the higher trading and an increase in the price of commodities, as mentioned among revenues. Finally, note the increase in the purchase price of plastic raw materials in the recovery business and the higher purchase costs of energy efficiency certificates, as already mentioned above.

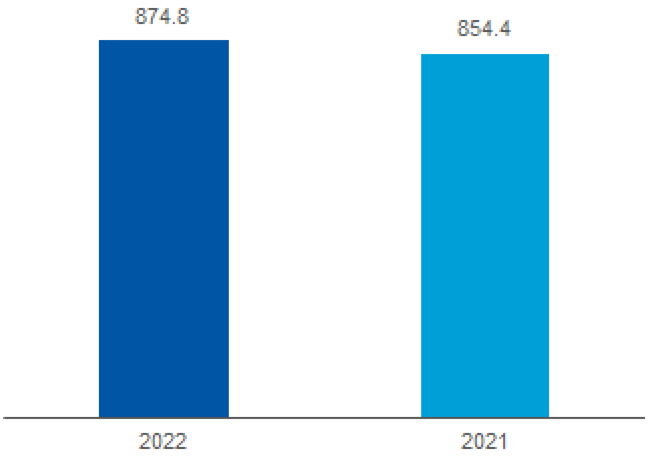
Other operating expenses decreased by a total of 162.5 million euro (lower service costs coming to 164.7 million euro and higher operating expenses amounting to 2.2 million euro). Overall, lower costs coming to roughly 437 million euro were mainly related to system charges as a result of the legislative measures indicated in paragraph 1.03.01 and paragraph 1.03.02. The decrease in costs indicated above was partially offset by higher costs in energy services for energy efficiency and value-added services amounting to about 151 million euro. Higher waste collection and treatment costs totalling approximately 84 million euro were seen, mainly due to higher supplier prices, recent acquisitions and increased activities related to the development of new sorted waste collection projects. Lastly, note the higher costs for orders on assets under concession and for third-party works coming to roughly 35 million euro.

+1.8% increase in the cost of personnel

Personnel costs increased by 7.8 million euro, or 1.8%. This rise was related to salary increases pursuant to the national collective labour agreement and the change in scope of operations due to the corporate acquisitions mentioned above, all partially contained by the lower average presence during the period in question.

Capitalised costs rose by 12.5 million euro, due to higher capital expenditure on assets owned by the Group and between its companies.

EBITDA * (mn€)



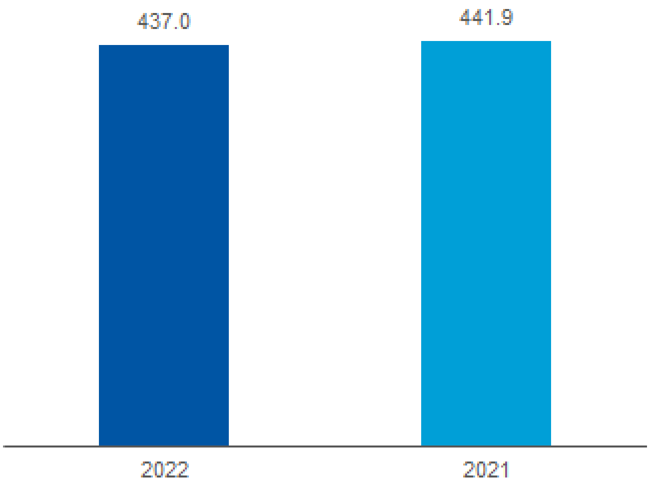
874.8
million euro
Ebitda * (+2.4%)

Adjusted Ebitda increased by 20.4 million euro, or 2.4%. The good performance shown by the waste management area, up 27.8 million euro, and the water cycle area, up 7.3 million euro, fully offset the lower contribution coming from the energy area, for a total of 8.9 million euro, and the other services area, down by 5.6 million euro.

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

Depreciation, amortisation and provisions at 30 September 2022 increased by 25.3 million euro, or 6.1%, compared to 2021. Increased depreciation and amortisation was mainly due to new investments, an increase in commissions in sales companies for marketing campaigns, and changes in the scope of consolidation resulting from the acquisition of companies with gas sales activities. Provisions for bad debts also increased overall, a change that was mainly due to last resort markets and the graduated protection service.

EBIT * (mn€)



437.0
million euro
Ebit * (-1.1%)

Adjusted Ebit dropped by 4.9 million euro, or 1.1%; the increase in adjusted Ebitda did not cover the higher depreciation and amortisation, as described above.

Financial operations increase

The result from financial operations at 30 September 2022 came to 89.5 million euro, with an increase of 4.1 million euro, or 4.8 %, compared to 30 September 2021. This change can mainly be traced to the increase in net financial debt caused by the value of net working capital linked to the trend in energy commodity prices compared to the figures seen in 2021 and, to a lesser degree, to lower profits from associates and joint ventures.

The adjusted pre-tax result decreased by 9.0 million euro, or 2.5%; the drop in Ebit was compounded by the impact of financial operations, as described above.

Tax rate at 28.5%

Taxes for the first nine months of the year went from 93.4 million euro in 2021 to 99.1 million in 2022. The tax rate, which came to 28.5%, increased compared to the same period in 2021 (26.2%) mainly due to the recognition of the non-recurring contribution against high utility bills, provided for by article 37 of Legislative Decree No. 21 of 21 March 2022, converted with amendments into Law no. 51 of 20 May 2022, included in the tax line for an amount coming to 2.3 million euro. In addition, lower benefits pertaining to the period were seen as regards the tax credit on investments related to the technological, digital and environmental transformation.

-5.6% Adjusted net result

The adjusted net result fell by 5.6%, or 14.7 million euro, since the decrease in adjusted pre-tax profit was increased by higher taxes.

In 2021, there was a result from special items with an overall value of 56.2 million euro. Detailed descriptions of its content can be found at the beginning of paragraph 1.02, "Overview of operating and financial trends and definition of alternative performance measures".

-22.2% Adjusted net profit

Adjusted net profit therefore decreased by 22.2%, or 70.9 million euro, due to the combined effect of all the events described above.

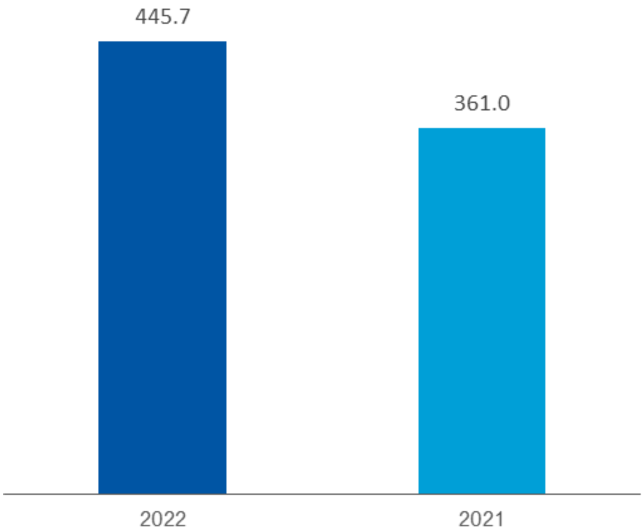
Net investments rise to 446.1 million euro

In the third quarter of 2022, the Group's net investments amounted to 446.1 million euro, up 59.5 million euro compared to the same period during the previous year.
Capital grants amounted to 17.6 million euro, including 12.9 million from FoNI investments, as provided for by the tariff method for the integrated water service, and were up by a total of 1.4 million euro compared to the previous year.

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

Total investments (mn€)	Sept 22	Sept 21	Abs. change	% change
Gas area	105.2	95.7	9.5	+9.9%
Electricity area	53.0	36.7	16.3	+44.4%
Integrated water cycle area	149.4	134.4	15.0	+11.2%
Waste management area	96.9	54.4	42.5	+78.1%
Other services area	7.2	8.0	(0.8)	(10.0)%
Headquarters	51.6	48.0	3.6	+7.5%
Total gross operating investments	**463.3**	**377.2**	**86.1**	**+22.8%**
Capital grants	17.6	16.2	1.4	+8.6%
of which FoNi (New Investments Fund)	12.9	11.9	1.0	+8.4%
Total net operating investments	**445.7**	**361.0**	**84.7**	**+23.5%**
Financial investments	0.5	25.6	(25.1)	(98.0)%
Total net investments	**446.1**	**386.6**	**59.5**	**+15.4%**

TOTAL NET OPERATING INVESTMENTS (mn€)



445.7
million euro
net operating investments (+84.7 mn€)

The Group's operating investments, including capital grants, amounted to 463.3 million euro, up 86.1 million euro compared to the previous year, and mainly involved works on plants, networks and infrastructures. In addition, regulatory adjustments mainly concerned gas distribution and the integrated water cycle, for the large-scale meter replacement, and for specific interventions in the purification and sewerage area.
Comments on investments in each individual area are provided in the analyses by business area.
At Group headquarters, investments concerned work on corporate buildings, IT systems and the vehicle fleet, as well as laboratories and remote control facilities. Overall, structural investments increased by 3.6 million euro compared to the previous year, mainly due to work on buildings at company headquarters and the fleet renewal, partly offset by reduced investments in IT systems during the reporting period.

1.02.02 Financial structure and adjusted net debt

What follows in an analysis of trends in the Group's net invested capital and sources of financing at 30 September 2022.

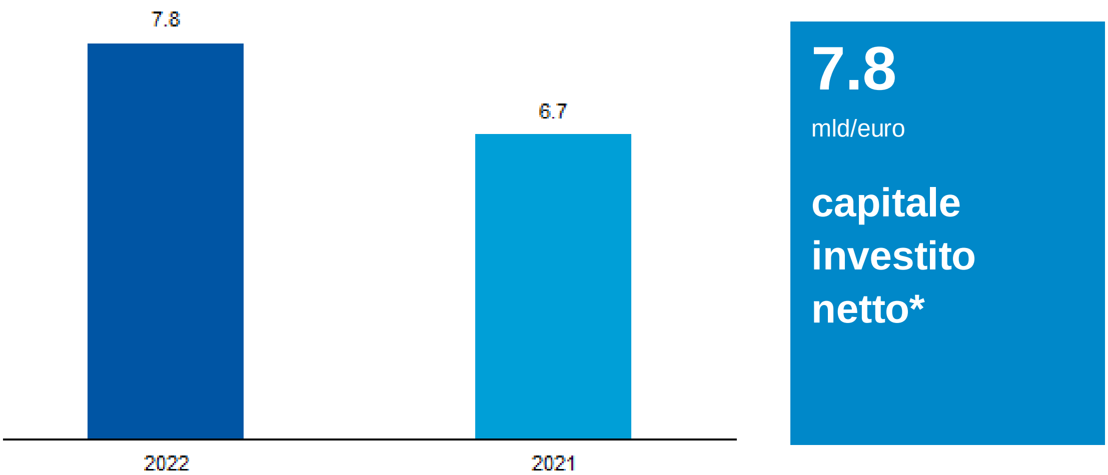
Invested capital and sources of financing (mn€)	Sept 22	% inc.	dic-21 (redetermined)	% inc.	Abs. change	% change
Net non-current assets*	7,485.3	+96.3%	7,308.3	+109.4%	177.0	+2.4%
Net working capital*	910.6	+11.7%	2.4	+0.0%	908.2	+37,841.7%
(Provisions)	(622.3)	(8.0)%	(633.4)	(9.5)%	11.1	+1.8%
Net invested capital*	**7,773.6**	**+100.0%**	**6,677.3**	**+100.0%**	**1,096.3**	**+16.4%**
Equity*	(3,284.4)	+42.3%	(3,416.0)	+51.2%	131.6	+3.9%
Long-term borrowings	(4,680.1)	+60.2%	(3,633.1)	+54.4%	(1,047.0)	(28.8)%
Net current financial debt	190.9	(2.5)%	371.8	(5.6)%	(180.9)	(48.7)%
Net debt	(4,489.2)	+57.7%	(3,261.3)	+48.8%	(1,227.9)	(37.7)%
Total sources of financing*	**(7,773.6)**	**(100.0)%**	**(6,677.3)**	**+100.0%**	**(1,096.3)**	**(16.4)%**

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

Group solidity confirmed

Net invested capital* (NIC), which amounted to 7,773.6 million euro, increased compared to 31 December 2021, due to the increase in net working capital, mainly due to the higher value of gas storage, coming to 819.8 million euro, and the higher value of receivables due to the increase in the energy price scenario. The increase in net fixed assets was due to investments (net of depreciation and amortisation) and corporate transactions carried out during the period, mainly including the inclusion of a customer list linked to the acquisition of 100% of Con Energia Spa, specialised in the sale of gas and electricity to end customers.

NET INVESTED CAPITAL* (bn€)



622.3 million euro: provisions

In September 2022, provisions amounted to 622.3 million euro, in line with the previous year-end figure, 633.4 million euro. This result is mainly due to provisions for the period and adjustments to the post-mortem funds for landfills and restoration of third-party assets, which partially offset outflows for utilisations.

3.3 billion euro: equity

At 30 September 2022, equity amounted to 3,284.4 million euro (3,416.0 million euro at 31 December 2021). This change was due to the positive net result from operations in the first nine months of the year, coming to 248.4 million euro, offset mainly by the payment of dividends amounting to 193.8 million euro, the effect of cash flow hedge reserves amounting to 148.7 million euro, the decrease due to treasury share transactions amounting to 20.7 million euro and a change in equity interest amounting to 10.6 million euro.

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

mn€		30 Sept 22	31 Dec 21
A	Cash	1,224.5	885.6
B	Cash equivalents		-
C	Other current financial assets	81.3	29.3
D	**Liquidity (A+B+C)**	**1,305.8**	**914.9**
E	Current financial debt	(1,013.5)	(443.6)
F	Current portion of non-current financial debt	(101.4)	(99.5)
G	**Current financial indebtedness (E+F)**	**(1,114.9)**	**(543.1)**
H	**Net current financial indebtedness (G-D)**	**190.9**	**371.8**
I	Non-current financial debt	(1,015.9)	(461.0)
J	Debt instruments	(3,191.7)	(2,702.0)
K	Non-current trade and other payables	-	-
L	**Non-current financial indebtedness (I+J+K)**	**(4,207.6)**	**(3,163.0)**
M	**Total financial indebtedness (H+L)**	**(4,016.7)**	**(2,791.2)**
	Non-current financial receivables	132.9	142.7
	Net financial debt (excluding put option)	**(3,883.8)**	**(2,648.5)**
	Nominal amount - fair value put option	(484.2)	(474.2)
	Net financial debt with adjusted put option	**(4,368.0)**	**(3,122.7)**
	Portion of future dividends - fair value put option	(121.2)	(138.6)
	Net financial debt (Net debt)	**(4,489.2)**	**(3,261.3)**

The total amount of net financial debt came to 4,489.2 million euro, up approximately 1,227.9 million euro compared to the previous year. The change occurred over the period was mainly due to the higher value of the gas storage already purchased to manage the needs of the upcoming thermal season.

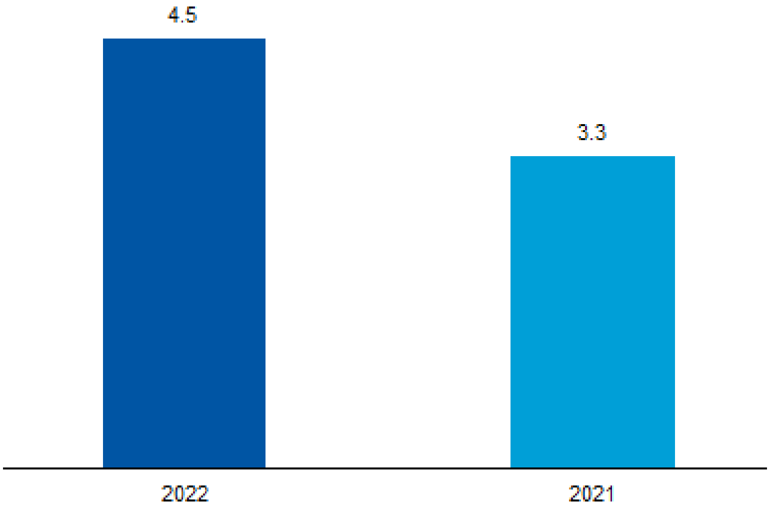
The financial structure shows a current indebtedness amounting to 1,114.9 million euro, of which 653.3 million euro due to banks, referring to utilisation of current account lines totally roughly 613.5 million euro (of which 560 million euro for Hera Spa hot money loans) and to interest payable on loans amounting to 39.7 million euro.
The current portion of debt to other financial institutions amounted to 360.2 million euro, of which 211.7 million euro for the daily fair value adjustment of commodity derivatives.
As regards the current portion of non-current financial debt, 80.7 million euro was related to the amount of medium-term bank loans maturing within the year, of which 22.0 million euro are linked to a private placement with a ten-year term maturing in 2023 and 20.8 million euro to current payables related to leasing contracts.

The amount related to non-current financial debt increased by approximately 1,044.6 million euro compared to the previous year, due to the issuance in May 2022 of a 500 million euro green bond maturing in 7 years and the new term loans totalling 575 million euro issued in August 2022.

Cash increased from 885.6 million euro in 2021 to 1,224.5 million euro at 30 September 2022.

At 30 September 2022, 67.6% of medium-/long-term debt consisted of bonds with repayment at maturity. Total debt had an average residual maturity of approximately six years, and 45.3% showed a maturity of over five years.

NET FINANCIAL DEBT (bn€)



4.5

billion euro

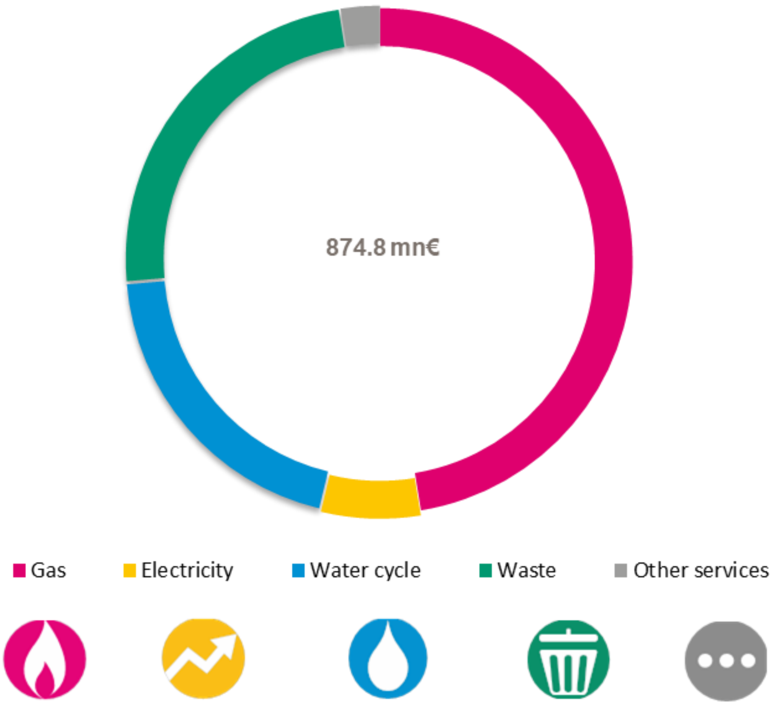
Net financial debt

1.03 ANALYSIS BY BUSINESS AREA

A multi-business strategy

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

EBITDA* SEPTEMBER 2022



The contribution to Ebitda * coming from the Group's various business areas reflects seasonal factors, with the energy areas accounting for over 46%

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

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

The amount of adjusted Ebitda, broken down by business area, reflects the adjustment to the valuation of gas storage illustrated above, at the beginning of paragraph 1.02. In order to more precisely identify the effects of this adjustment, the amounts of Adjusted Ebitda and Ebitda are provided below:

	Sept 22		Sept 21 (redetermined)	
(mn€)	Ebitda *	Ebitda	Ebitda *	Ebitda
Gas area	377.0	224.9	304.5	333.4
Electricity area	22.1	22.1	103.5	103.5
Integrated water cycle area	205.8	205.8	198.5	198.5
Waste management area	246.2	246.2	218.4	218.4
Other services area	23.8	23.8	29.4	29.4
Total	**874.8**	**722.7**	**854.4**	**883.3**

* Adjusted results, as described in paragraph 1.02

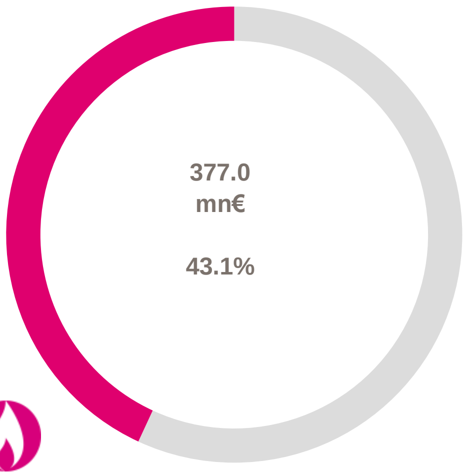
1.03.01 Gas

Ebitda rises

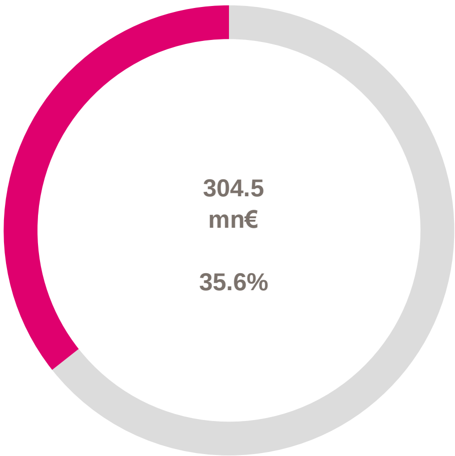
The first nine months of 2022 saw growth compared to the same period of 2021, both in terms of Ebitda and volumes sold to end customers, thanks to the opportunities provided in the Energy Services sector by energy efficiency incentives, 110% super-bonus and insulation bonus, the corporate acquisitions of Con Energia Spa and Ecogas Srl, and tenders awarded in the last resort and Consip areas. More specifically, Hera Comm Spa was awarded the following lots nationwide:

- six of the nine lots of the last resort gas service (for customers involved in public services or without a supplier) for the period from 1 October 2021 - 30 September 2023 in: Valle d'Aosta, Piedmont, Liguria, Trentino A.A., Veneto, Friuli-Venezia Giulia, Emilia-Romagna, Tuscany, Umbria, Marche, Lazio and Campania. In the previous tender, Hera Comm was awarded eight out of nine lots;
- all nine lots of the default gas distribution service (for customers in arrears), for the period 1 October 2021 - 30 September 2023 in: Valle d'Aosta, Piedmont, Liguria, Lombardy, Trentino A.A., Veneto, Friuli-Venezia Giulia, Emilia-Romagna, Tuscany, Umbria, Marche, Abruzzo, Molise, Basilicata, Puglia, Lazio, Campania, Sicily and Calabria. In the previous tender, Hera Comm was awarded five out of nine lots;
- two of the twelve lots of the Consip GAS14 tender for supplying natural gas to public administrations in 2022, both in Lombardy.

EBITDA * GAS AREA 2022



EBITDA * GAS AREA 2021



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

(mn€)	Sept 22	Sept 21 (redetermined)	Abs. change	% change
Area Ebitda*	**377.0**	**304.5**	**72.5**	**+23.8%**
Group Ebitda*	874.8	854.4	20.4	+2.4%
Percentage weight	43.1%	35.6%	+7.5 p.p.	

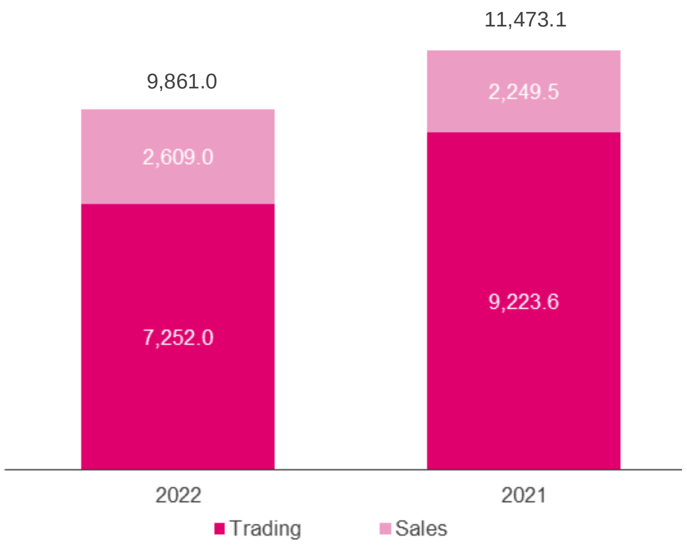
* Adjusted results, as described in paragraph 1.02

CUSTOMERS (k)

2.1 million gas customers (+0.7%)

The number of gas customers increased by 14.7 thousand, or 0.7%, compared to the previous year. This growth occurred mainly on last resort markets, where the customer base, following the tenders for the period 2021-2023, increased by 20.6 thousand units. Traditional markets were stable, thanks to the positive effect of the acquisition of two companies, Con Energia Spa and Ecogas Srl, and the Consip tenders.

VOLUMES SOLD (mn m^3)



9.9 billion m^3 sold (-14.1%)

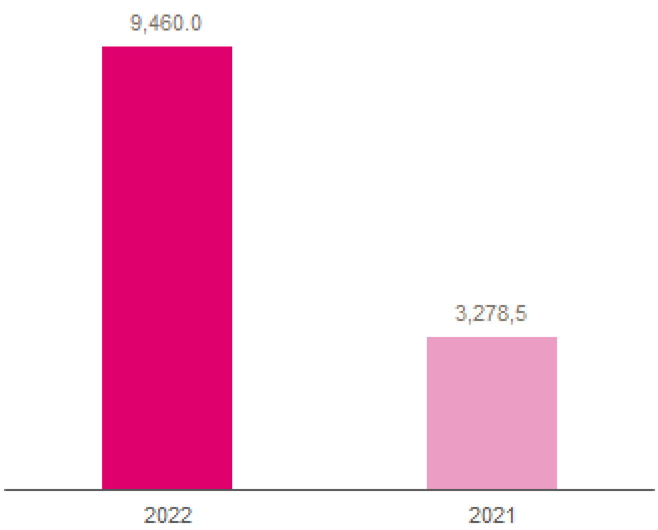
Total volumes of gas sold dropped by 1,612.1 million m^3, or 14.1%, due to reduced intermediation coming to 1,971.6 million m^3, limited by current market conditions. Volumes sold to end customers increased by 359.5 million m^3, or 16% compared to the same period last year. This growth was seen on last resort markets, which accounted for 150.1 million m^3 or +135.4% (6.7% of total volumes sold), thanks to the effect of the new tenders mentioned above, and to traditional markets, which accounted for 209.5 million m^3 or 9.8%, (9.3% of total volumes sold), mainly due to the effect of the higher volumes subject to tenders supplied to Public Administrations and the changes in the scope of consolidation involving Con Energia Spa and Ecogas Srl.

The following table summarises operating results for the gas area:

Income statement (mn€)	Sept 22	% inc.	Sept 21 (redetermined)	% inc.	Abs. change	% change
Revenues	9,460.0		3,278.5		6,181.5	+188.5%
Operating costs	(8,990.1)	(95.0)%	(2,893.6)	(88.3)%	6,096.5	+210.7%
Personnel costs	(102.5)	(1.1)%	(92.9)	(2.8)%	9.6	+10.3%
Capitalised costs	9.6	0.1%	12.5	0.4%	(2.9)	(23.2)%
Ebitda*	**377.0**	**4.0%**	**304.5**	**9.3%**	**72.5**	**+23.8%**

* Adjusted results, as described in paragraph 1.02

REVENUES (mn€)



9,460.0
million euro revenues (+188.5%)

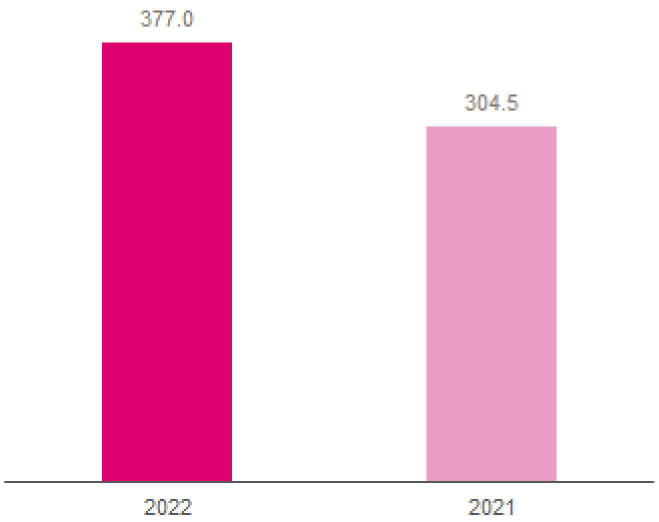
Revenues increased by 6,181.5 million euro, almost tripling those of the previous year. The reasons for this mainly lie in the increase in the price of gas as a raw material, which began in October 2021. This trend generated higher revenues in intermediation activities coming to 3,943 million euro and in sales amounting to 1,760 million euro. The CMEM tariff component, which in the protected market represents the trend in the cost of raw materials, rose on average by over 4x compared to the previous year.
In addition, the last resort markets showed an equalisation on incremental volumes coming to 27 million euro as a compensatory measure for the higher purchasing prices of raw materials.
Higher revenues were related to the increase in volumes sold, amounting to 117 million euro, thanks to the new lots awarded in the tender mentioned above, the changes in the scope of consolidation of Con Energia Spa and Ecogas Srl, accounting for 30 million euro, and the Energy Services business, amounting to 175 million euro, thanks to activities related to energy efficiency initiatives, the insulation bonus and the 110% super-bonus.
In addition, higher revenues came from district heating totalling 53 million euro, higher revenues from activities in Bulgaria amounted to 36 million euro, and higher revenues from long-term contracts and third-party works accounted for 12 million euro.

Also worth mentioning is the higher revenue coming from energy efficiency certificates, 56 million euro compared to the previous year, which was affected by the reduction in the number of certificates under Ministerial Decree 21 May 2021.
This growth was contained by lower revenues mainly related to system charges, with an equal effect on costs, coming to 34 million euro, as a result of Resolutions 635/2021/R/com, 35/2022/R/eel, 141/2022/R/com and 295/2022/R/com.

Regulated revenues decreased slightly compared to the previous year. From a regulatory standpoint, through Resolution 614/2021/R/com, published in late 2021, Arera adjusted the criteria for determining and updating the rate of return on invested capital (WACC), reducing it from 6.3% in 2021 to 5.6% in 2022. This reduction was offset by an increase in investments and their remuneration and by higher revenues from bonuses related to security recoveries (Resolution 383/2022/R/gas).

The increased revenues were proportionally reflected by higher operating costs, which show an overall increase of 6,096.5 million euro, mainly due to the increase in gas raw material prices mentioned above and to the increased activity of Energy Services.

EBITDA * (mn€)

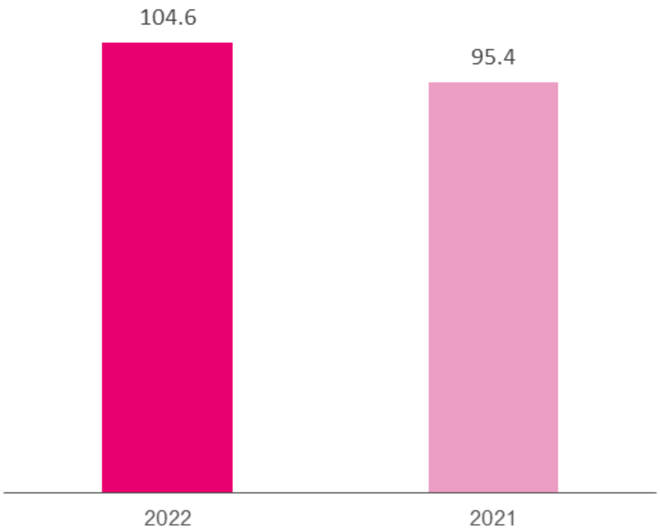


377.0
million euro
Ebitda *
(+23.8%)

* Adjusted results, as described in paragraph 1.02

Adjusted Ebitda rose by 72.5 million euro, or 23,8%, mainly due to increased sales and intermediation, with a contribution coming to roughly 58.5 million euro, due to the expansion of the area served as a result of last resort markets and the new corporate acquisitions mentioned above. The remaining growth was related to incentivised energy efficiency activities and district heating.

NET INVESTMENTS GAS (mn€)



104.6
million euro
net investments gas

In the third quarter of 2022, net investments in the gas area amounted to 104.6 million euro, up 9.2 million euro overall compared to the same period of the previous year. This increase was mainly related to extraordinary maintenance on gas distribution networks and plants, against a lower incidence of the large-scale meter replacement pursuant to Resolution 554/15, relating to the commissioning of smart gas meters. Investments also increased compared to the previous year in gas sales for activities linked to acquiring new customers, and decreased in the district heating service. Energy services were substantially in line with the previous year, with the activities of Hera Servizi Energia Srl and AcegasApsAmga Servizi Energetici Spa. Requests for new connections were up on the previous year.

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

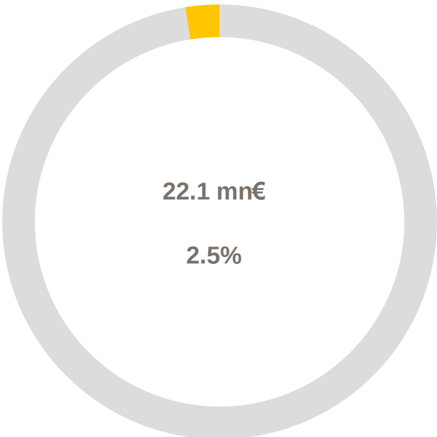
Gas (mn€)	Sept 22	Sept 21	Abs. change	% change
Networks and plants	80.3	69.6	10.7	+15.4%
Acquisition gas customers	9.6	7.4	2.2	+29.7%
DH/Energy Services	15.3	18.7	(3.4)	(18.2)%
Total gas gross	**105.2**	**95.7**	**9.5**	**+9.9%**
Capital grants	0.7	0.3	0.4	+133.3%
Total gas net	**104.6**	**95.4**	**9.2**	**+9.6%**

1.03.02 Electricity

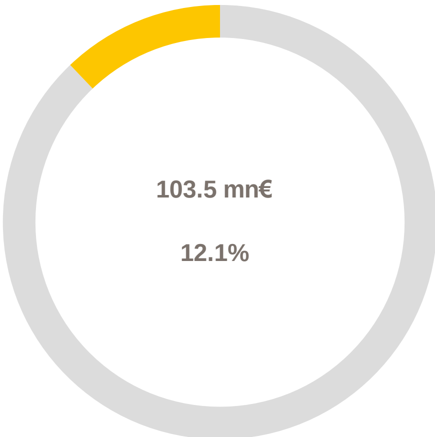
At the end of the first nine months of 2022, a lower result was reached compared to the same period in 2021. The main reasons for this lie in the different conditions seen on energy markets, linked to the exceptional context of rising raw material prices, which affected procurement, and the lower contribution coming from production due to lesser use of the dispatching services market. Nevertheless, the solidity of commercial development should be noted, as confirmed by the rise in customers, mainly in the free market, and by the number of adhesions to innovative offers (relating to electric mobility, photovoltaics, heating and air conditioning) and value-added services. In addition to this, Hera Comm Spa has been awarded the following lots in the national territory through tenders:

- four of the seventeen lots in the Consip EE19 tender for the supply of electricity to public administrations in 2022 in the province of Rome, Campania, Calabria and Sicily. In the previous tender, Hera Comm was not awarded any lots.
- three of the nine lots of the gradual protection service for the supply of electricity to SMEs for the period from 1 July 2021 to 30 June 2024 in: Campania, Marche, Umbria, Abruzzo, Molise, Basilicata, Calabria, Sicily and Sardinia.
- one of the nine lots of the safeguarded service for 2021 and 2022 in Campania, Abruzzo and Umbria, compared to seven lots in the previous two-year period.

EBITDA ELECTRICITY AREA 2022



EBITDA ELECTRICITY AREA 2021

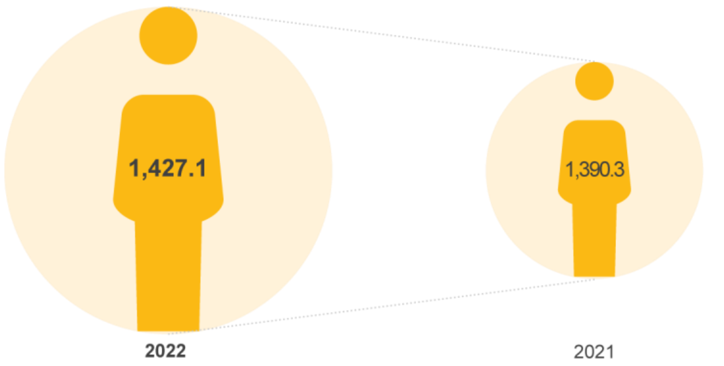


The following table shows the changes occurred in terms of Ebitda:

(mn€)	Sept 22	Sept 21 (redetermined)	Abs. change	% change
Area Ebitda	**22.1**	**103.5**	**(81.4)**	**(78.6)%**
Group Ebitda*	874.8	854.4	20.4	2.4%
Percentage weight	2.5%	12.1%	(9.6) pp	

* Adjusted results, as described in paragraph 1.02

CUSTOMERS (k)

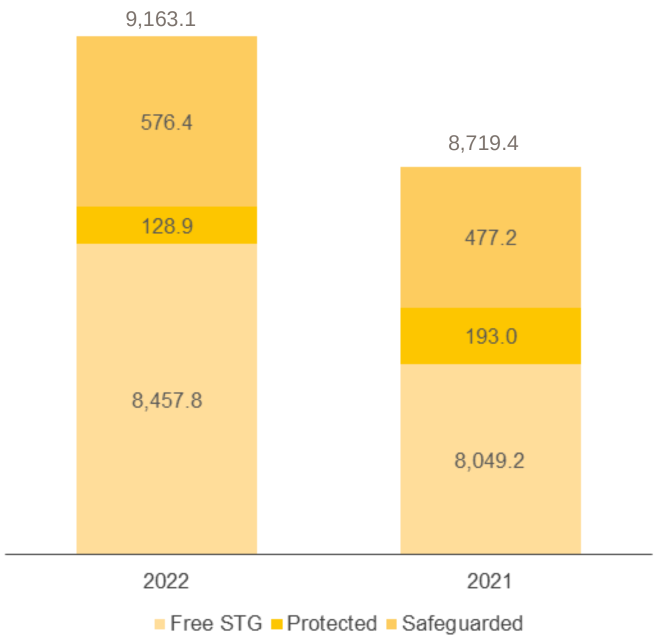


1.4
million
electricity customers
(+2.6%)

The number of electricity customers increased by 2.6% (36.8 thousand) compared to the third quarter of 2021. This growth occurred mainly on the free market (+3.7%, or +3.3% of the total) due to the strengthened commercial actions implemented, amounting to roughly 47.3 thousand customers. The safeguarded market also grew by 3.7 thousand (+25.9%, or +0.3% of the total) compared to the same period of the previous year. These factors largely succeeded in mitigating the drop, coming to roughly 14 thousand customers (-13.0%, or -1.0% of the total) seen in the protected market.

Significant growth was seen in the number of customers subscribing to value-added services, to which about 70.3 thousand customers adhered, a 39% increase compared to the previous year, demonstrating an ever-increasing loyalty of the customer base.

VOLUMES SOLD (GWh)



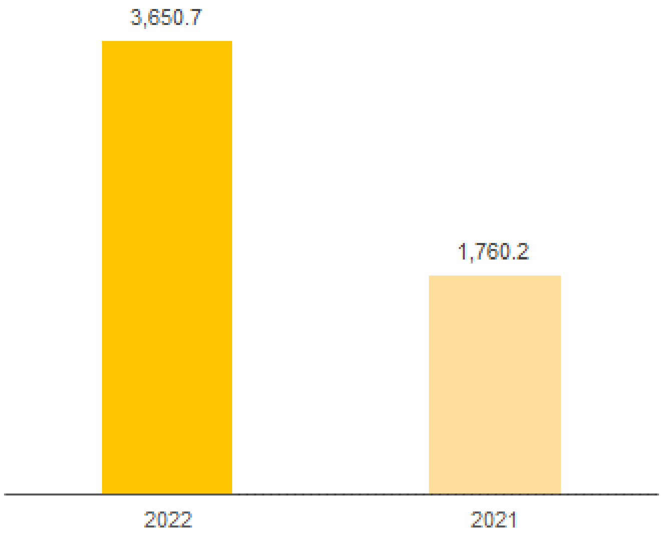
9.2
TWh
sold
(+5.1%)

Volumes of electricity sold increased by 443.7 GWh, or 5.1%, compared to the third quarter of 2021. This trend was generated by an increase in volumes in the traditional markets coming to 344.5 GWh (4.0% of the total), from 8,242.2 GWh in 2021 to 8,586.7 GWh in 2022, mainly driven by the free market, partially offset by a decrease in the protected market. In the safeguarded market, the increase came to 99.2 GWh or 1.1% of the total.

The following table summarises operating results for the electricity area:

Income statement (mn€)	Sept 22	% inc.	Sept 21	% inc.	Abs. change	% change
Revenues	3,650.7		1,760.2		1,890.5	107.4%
Operating costs	(3,613.3)	(99.0)%	(1,630.3)	(92.6)%	1,983.0	121.6%
Personnel costs	(30.1)	(0.8)%	(34.6)	(2.0)%	(4.5)	(13.0)%
Capitalised costs	14.8	0.4%	8.2	0.5%	6.6	80.9%
Ebitda	**22.1**	**0.6%**	**103.5**	**5.9%**	**(81.4)**	**(78.6)%**

REVENUES (mn€)

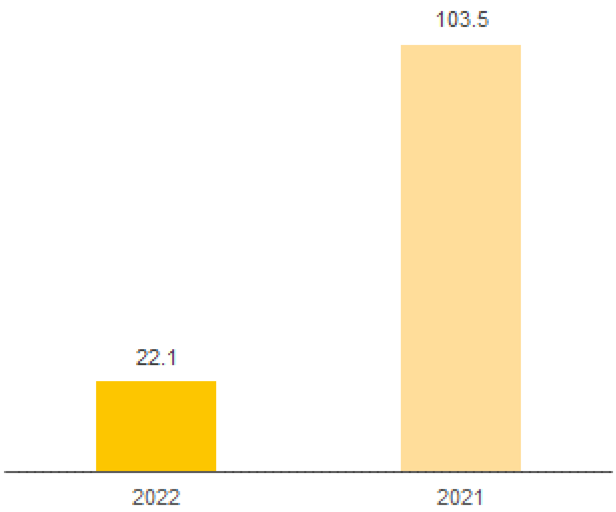


3.7
billion euro
revenues
(+107.4%)

Revenues increased by 1,890.5 million euro, approximately twice the amount seen one year earlier. This trend was mainly due to the higher price of raw materials, amounting to 2,071 million euro, resulting from the increase in the average value of the Pun (single national price), up almost 4x compared to the previous year.
In addition, electricity production revenues rose, coming to 131 million euro, as did revenues for value-added services for customers, amounting to 19 million euro.
Lastly, higher volumes sold and intermediation showed growth coming to 62 million euro.
This growth was contained by lower revenues mainly related to system charges, unchanged in terms of costs, amounting to 403 million euro, as a result of Resolutions 635/2021/R/com, 35/2022/R/eel, 141/2022/R/com and 295/2022/R/com.
Regulated revenues increased by 3 million euro compared to the same period of the previous year, going from 68 million euro in 2021 to 71 million euro in 2022. From a regulatory perspective, through Resolution 614/2021/R/com, published in late 2021, ARERA adjusted the criteria for determining and updating the rate of return on invested capital (WACC), reducing it from 5.9% in 2021 to 5.2% in 2022. This reduction was fully offset by an increase in investments and their remuneration.
Finally, both revenues from new connections, reflecting the aforementioned increase in customers, and contributions for energy efficiency certificates, increased slightly.

The increase in revenues was reflected more than proportionally in operating expenses as well, which showed an increase coming to 1,983 million euro. This trend is mainly due to the increase in raw material prices that impacted sales and production activities, as mentioned above.

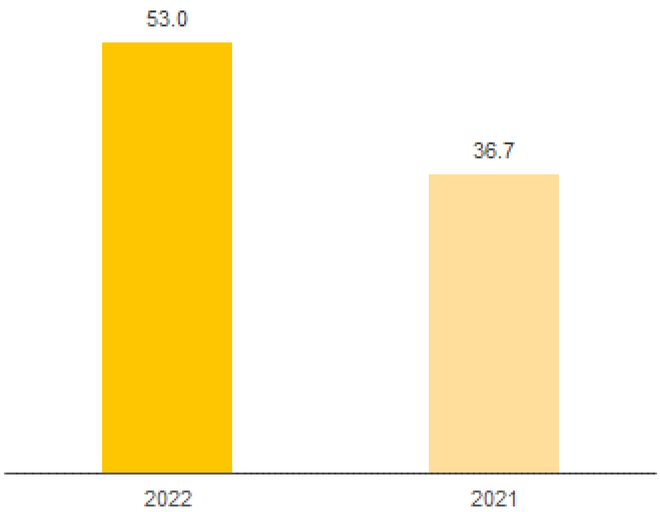
EBITDA (mn€)



22.1
million euro
Ebitda (-78.6%)

Ebitda decreased by 81.4 million euro, or 78.6%, mainly due to lower margins in sales activities, amounting to 77.2 million euro, related to complex modulation activities and a mismatch in timing between purchases and sales, at this particular time of rising and volatile raw material prices. In addition, there was a 10.7 million euro fall in the generation business, mainly due to lower calls on the dispatching services market. The value-added services business grew, recording an increase in Ebitda coming to 5.3 million euro.
In the electricity area, investments in the third quarter of 2022 amounted to 53.0 million euro, up 16.3 million euro year-on-year.
The interventions carried out mainly concerned non-recurring maintenance of plants and distribution networks in the Modena, Imola, Trieste and Gorizia areas.
Compared to the same period of the previous year, a 12.6 million euro increase was seen in electricity distribution, mainly due to higher non-recurring maintenance and upgrading of network and plants, the large-scale meter replacement and interventions aimed at improving the resilience of the network. In energy sales, activities related to the acquisition of new customers increased, while new connection requests were in line with the previous year.

NET INVESTMENTS ELECTRICITY (mn€)



53.0
million euro
net investments electricity

Operating investments in the electricity area are as follows:

Electricity (mn€)	Sept 22	Sept 21	Abs. change	% change
Networks and plants	35.8	23.2	12.6	+54.3%
Acquisition electricity customers	17.1	13.5	3.6	+26.7%
Total electricity gross	**53.0**	**36.7**	**16.3**	**+44.4%**
Capital grants	-	-	-	+0.0%
Total electricity net	**53.0**	**36.7**	**16.3**	**+44.4%**

1.03.03 Integrated water cycle

Results increase in 2022

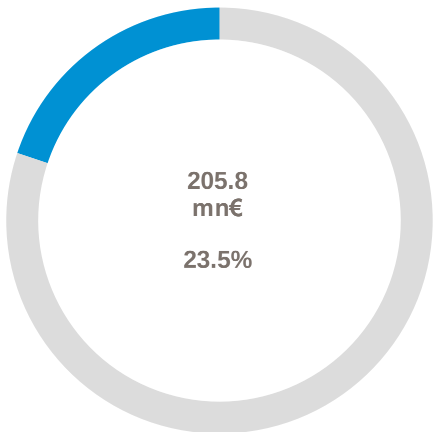
In the first nine months of 2022, the integrated water cycle area showed higher results compared to the equivalent period of 2021, with Ebitda increasing by 3.7%.

Note that during 2022 the regulatory authority ARERA published, with resolution 183/2022/R/idr, the results relating to the incentive mechanism in the regulation of technical quality established by resolution 917/2017, referring to the years 2018 and 2019. Each of the water service operators was analysed and classified with respect to the following 6 macro-indicators: water losses, service interruptions, quality of the water supplied, adequacy of the sewerage system, quality of purified water and sludge disposal. With reference to the level of excellence of technical quality, which identifies and rewards the top three positions nationwide considering all the macro-indicators mentioned above, for 2018 the Hera Group was awarded the second and third positions and for 2019 it was awarded the first, second and third positions in the general ranking of Italian utilities, which is proof of the very high quality standards adopted by the Group in managing the service provided.

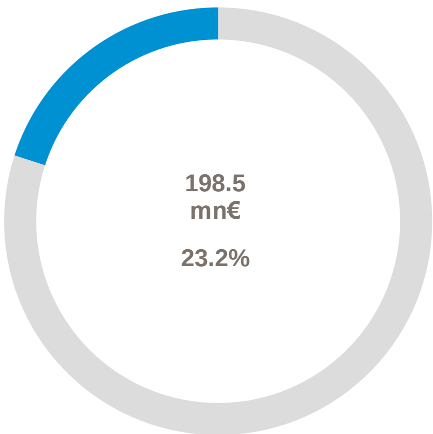
From a regulatory perspective, also note that 2022 is the third year of application of the tariff method defined by the Authority for the third regulatory period (Mti-3), 2020-2023 (resolution 580/2019). Each operator is recognised a revenue (VRG) determined on the basis of operating and capital costs, according to the investments made, with a view to increasing cost efficiency, as well as measures aimed at promoting and enhancing interventions for sustainability and resilience.

Finally, note that with regard to concessions, Atersir definitively awarded the tender for the concession to Hera of the integrated water service for the Province of Rimini, excluding the Municipality of Maiolo, for the years from 2022 to 2039. The Hera Group, also the outgoing manager in these 24 municipalities, will manage this service for the next 18 years, increasingly working towards sustainability and innovation.

EBITDA WATER CYCLE AREA 2022



EBITDA WATER CYCLE AREA 2021



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

(mn€)	Sept 22	Sept 21 (redetermined)	Abs. change	% change
Area Ebitda	**205.8**	**198.5**	**7.3**	**+3.7%**
Group Ebitda*	874.8	854.4	20.4	+2.4%
Percentage weight	23.5%	23.2%	+0.3 p.p.	

* Adjusted results, as described in paragraph 1.02

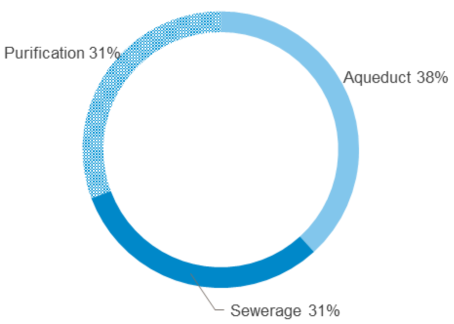
CUSTOMERS (k)

1.5
million
customers integrated water cycle

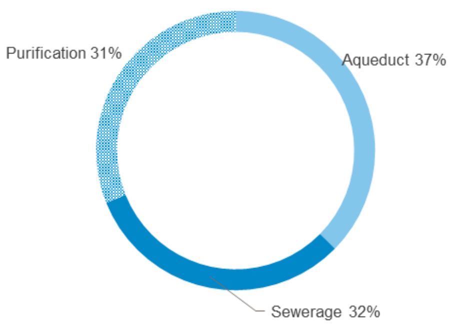
The number of water customers increased by 7.2 thousand, or 0.5%, compared to September 2021, confirming the moderate trend of internal growth seen in the Group's reference areas. The Emilia-Romagna area managed by Hera Spa accounted for 75% of this growth, while 15% occurred in the area served by AcegasApsAmga Spa and the remainder in the area served by the Marche Multiservizi Spa Group.

The main indicators for the area are as follows:

QUANTITY MANAGED 2022 (mn m^3)



QUANTITY MANAGED 2021 (mn m^3)



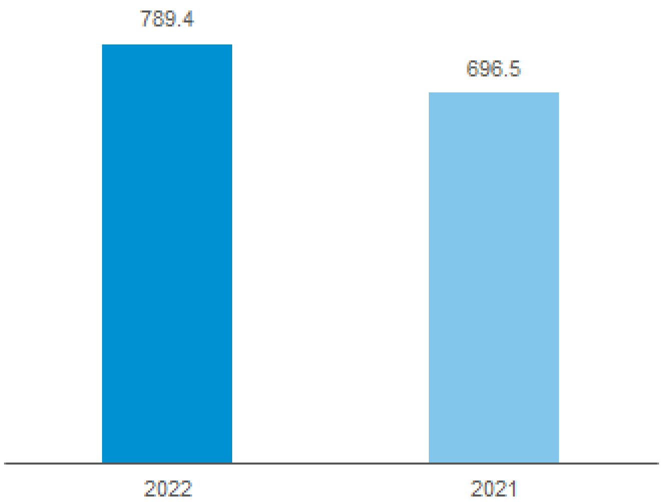
219.5 million m3: quantity managed in the aqueduct

The volumes supplied through the aqueduct settled at 219,5 million m^3, up 0.5% or 1.0 million m^3 compared to June 2021. In September 2022, the quantities administered related to sewerage amounted to 178.4 million m^3, showing a 3.1% decrease compared to the previous year, while purification volumes amounted to 176.4 million m^3, down slightly by 2.9% compared to September 2021. The volumes managed, following the Authority's resolution 580/2019, are an indicator of the activity of the areas in which the Group operates and are subject to equalisation as a result of legislation that provides for the recognition of a regulated revenue independent of the volumes distributed.

An overview of operating results for the water area is provided in the table below:

Income statement (mn€)	Sept 22	% inc.	Sept 21	% inc.	Abs. change	% change
Revenues	789.4		696.5		92.9	+13.3%
Operating costs	(448.2)	(56.8)%	(360.9)	(51.8)%	87.3	+24.2%
Personnel costs	(139.0)	(17.6)%	(140.7)	(20.2)%	(1.7)	(1.2)%
Capitalised costs	3.6	0.5%	3.6	0.5%	-	+0.0%
Ebitda	**205.8**	**26.1%**	**198.5**	**28.5%**	**7.3**	**+3.7%**

REVENUES (mn€)

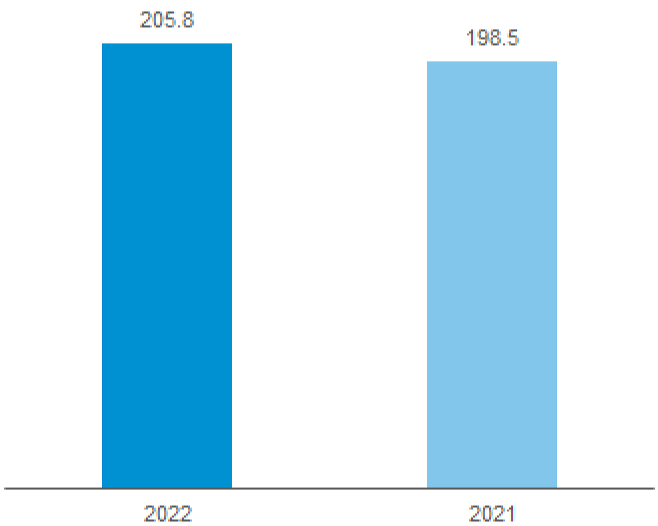


789.4
million euro
revenues
(+13.3%)

The rise in revenues was linked to higher revenues from administration, totalling 66.7 million euro, of which 22.8 million euro was due to the excellent performance achieved by the Group in terms of technical quality in the management of the integrated water service. In particular, as mentioned above, for 2018-2019 the Authority awarded the Hera Group 5 of the 6 best positions nationwide with reference to the excellent level of technical quality. The remainder of the growth in tariff revenues is attributable to equalisation-based tariff components, in particular electricity, and was contained by a reduction in the remuneration of invested capital (WACC) from 5.24% to 4.8%, provided for by ARERA's tariff measures and by the continuous and progressive increase in inflation.
Lastly, higher revenues amounting to roughly 24.8 million euro were related to contracts and works on behalf of third parties carried out in September 2022.

The increase in operating costs at September 2022 was largely affected by the current energy scenario, with energy raw material prices rising sharply compared to the previous year, as well as an increase in the price lists of all the main supplies of materials and services, and finally by higher costs for managing the water emergency caused by a particularly hot year with little precipitation. All of these factors translated into higher costs totalling 62.5 million euro. Lastly, note the higher costs related to the works carried out, as described under revenues, totalling 24.8 million euro.

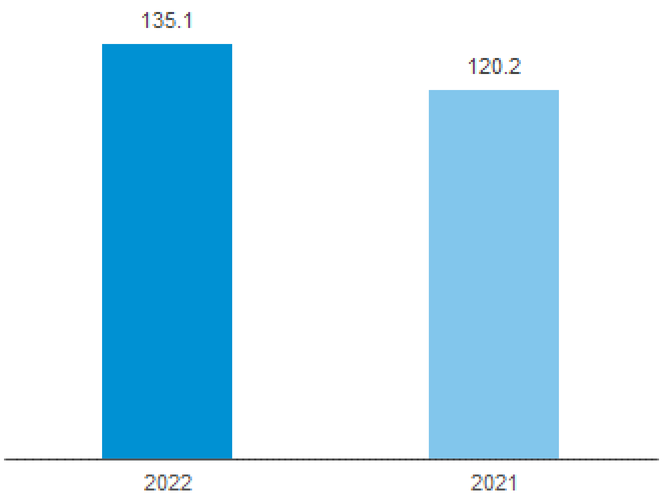
EBITDA (mn€)



205.8
million euro
Ebitda
(+3.7%)

Ebitda increased by 3.7% or 7.3 million euro, thanks to the recognition of the Hera Group's commitment to the highest standards of technical quality, despite higher procurement costs for energy components and an increase in network and plant operating costs partially due to the rise in the prices of materials and service suppliers.
In the third quarter of 2022, net investments in the integrated water cycle area amounted to 135.1 million euro, up 14.9 million euro compared to the previous year. Including the capital grants received, investments amounted to 149.4 million euro, up 15.0 million euro.
These investments mainly involved extensions, reclamations, and upgrading of networks and plants, as well as regulatory adjustments mainly in the purification and sewerage area.
Investments amounted to 90.7 million euro in the aqueduct, 34.4 million euro in sewerage and 24.3 million euro in purification.

NET INVESTMENTS WATER CYCLE (mn€)



135.1
million euro
net investments water cycle

Among the main interventions, note: in the aqueduct, ongoing and increased reclamation activities on networks and connections linked to ARERA's resolution 917/2017 on the regulation of the technical quality of the integrated water service, including the anticipation of specific modernisation and reinforcement interventions aimed at countering the risks of water shortages related to the drought conditions of the current period, such as the construction of hydraulic connections capable of expanding interconnections among water systems. Important maintenance work continued on the intake works on the Setta stream serving the Sasso Marconi drinking water treatment plant, works to reduce the interference of the water network with the suburban line in the municipality of Ferrara, as well as a reinforcement of water networks in other areas served and a large-scale replacement of meters; in the sewerage sector, in addition to ongoing implementation of the Rimini seawater protection plan (PSB), note the maintenance intended to upgrade the sewerage network in other areas served and works to adapt drains to Dgr 201/2016; in the purification sector, note the adjustments to the Lido di Classe purification plant, the revamping of the anaerobic digestion system at the Gramicia purification plant in Ferrara, the installation of centrifuges at the Savignano purification plant, and the work on the San Giovanni in Persiceto purification plant. Requests for new water and sewerage connections remained essentially in line with the previous year. Capital grants totalling 14.3 million euro included 12.9 million euro deriving from the tariff component of the New Investment Fund (FoNI) tariff method and were in line with those seen during the previous year.

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

Integrated water cycle (mn€)	Sept 22	Sept 21	Abs. change	% change
Aqueduct	90.7	80.2	10.5	+13.1%
Purification	24.3	22.7	1.6	+7.0%
Sewerage	34.4	31.6	2.8	+8.9%
Total integrated water cycle gross	**149.4**	**134.4**	**15.0**	**+11.2%**
Capital grants	14.3	14.3	-	+0.0%
of which FoNI (New Investments Fund)	12.9	11.9	1.0	+8.4%
Total integrated water cycle net	**135.1**	**120.2**	**14.9**	**+12.4%**

1.03.04 Waste management

Ebitda rises

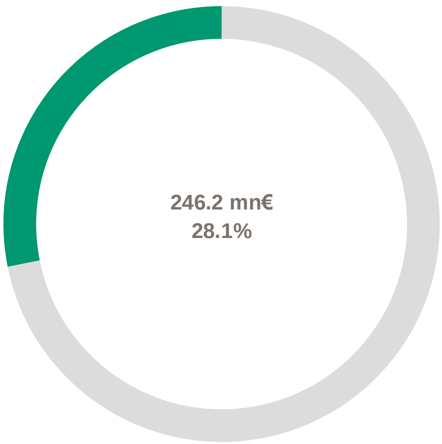
In the first nine months of 2022, the waste management area accounted for 28.1% of the Hera Group's Ebitda, with area Ebitda up by 27.8 million euro compared to the same period in 2021. Favoured by geographical expansion and solid management and commercial policies, the Group continues to guarantee a good level of growth, despite the complexities of the current economic and geopolitical scenario, made even more acute by the ongoing conflict in Ukraine. In Italy, in fact, the progressive and persistent increase in inflation and energy costs, and the difficulties in obtaining raw materials, which began at the end of 2021, led to a slowdown in production in many manufacturing sectors in the first nine months of 2022, with repercussions in waste production as well.

The Group consolidated its leadership in the markets covered, particularly in the industrial and recovery markets.

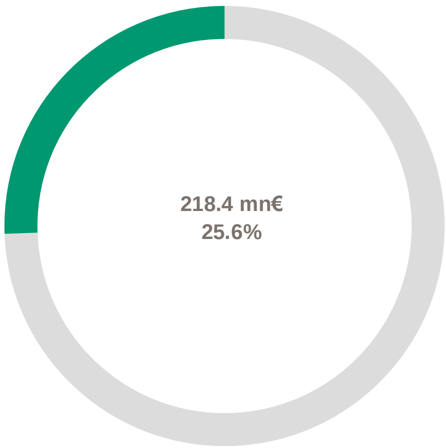
In the first nine months of 2022, all main circular economy initiatives launched in previous years continued, from material recovery to the production of renewable energy.

The protection of environmental resources was confirmed as a priority objective in 2022, along with the maximisation of their reuse, as is proven by the special attention dedicated to increasing sorted waste collection, which was up by two percentage points compared to the amount seen in September 2021.

EBITDA WASTE MANAGEMENT 2022



EBITDA WASTE MANAGEMENT 2021



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

(mn€)	Sept 22	Sept 21 (redetermined)	Abs. change	% change
Area Ebitda	**246.2**	**218.4**	**27.8**	**+12.7%**
Group Ebitda*	874.8	854.4	20.4	+2.4%
Percentage weight	28.1%	25.6%	+2.5 p.p.	

* Adjusted results, as described in paragraph 1.02

The volumes marketed and treated by the Group in the first nine months of 2022 are as follows:

Quantity (k tons)	Sept 22	Sept 21	Abs. change	% change
Municipal waste	1,648.8	1,677.9	(29.1)	(1.7)%
Market waste	1,850.0	1,714.8	135.2	+7.9%
Waste commercialised	**3,498.8**	**3,392.7**	**106.1**	**+3.1%**
Plant by-products	1,571.7	1,608.1	(36.4)	(2.3)%
Waste treated by type	**5,070.6**	**5,000.9**	**69.7**	**+1.4%**

An analysis of the quantitative data shows an increase in waste commercialised, mainly due to the increase in market waste. As far as municipal waste is concerned, in fact, in the first nine months of 2022 a 1.7% decrease was seen compared to the previous year.

Volumes of market waste, instead, increased by 7.9% compared to 2021, due to the consolidation of existing business relations, the increased customer portfolio and new corporate acquisitions.

Lastly, plant by-products showed a 2.3% drop compared to the precious year.

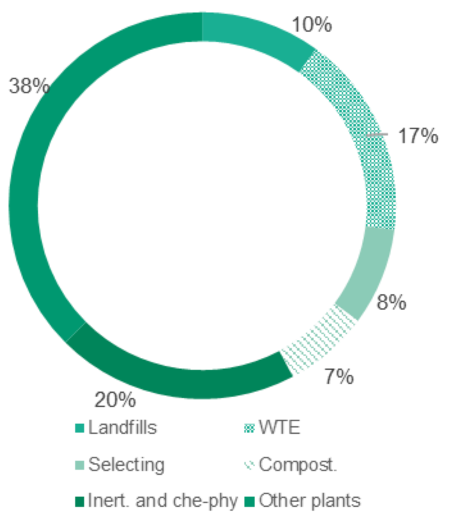
SORTED WASTE (%)

+2.0
percentage points
sorted waste

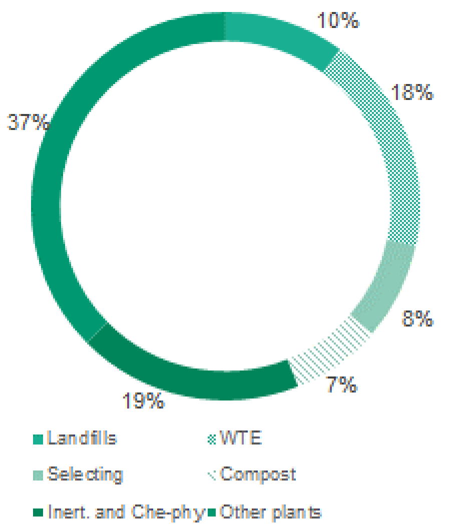
As mentioned above, sorted municipal waste collection stood at 66.8%, up +2.0 percentage points compared to the previous year, thanks to ongoing work on projects in the areas managed by the Group.

The Hera Group operates in the complete waste cycle with 99 municipal and special waste treatment and plastic regeneration plants. The main plants include: 9 waste-to-energy plants, 13 composting/digestion plants and 15 sorting plants.
The close attention paid to the set of plants has always been a distinctive element of the Group's propensity for excellence: operations are indeed ongoing to provide plants with the best available technologies.

WASTE TREATED BY TYPE OF PLANT 2022



WASTE TREATED BY TYPE OF PLANT 2021



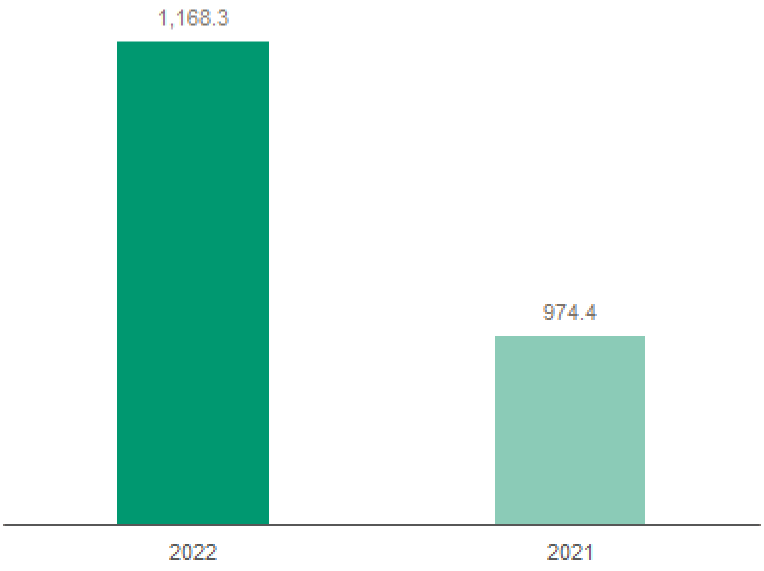
Quantity (k tons)	Sept 22	Sept 21	Abs. change	% change
Landfills	506.5	502.3	4.2	+0.8%
WTE	862.2	912.6	(50.4)	(5.5)%
Selecting plants and other	413.6	407.0	6.6	+1.6%
Composting and stabilisation plants	360.1	373.3	(13.2)	(3.5)%
Inertisation and chemical-physical plants	1,026.0	935.6	90.4	+9.7%
Other plants	1,902.1	1,869.9	32.2	+1.7%
Waste treated by plant	**5,070.6**	**5,000.9**	**69.7**	**+1.4%**
Plastic recycled by Aliplast Spa	**59.0**	**62.3**	**(3.3)**	**(5.3)%**

Waste treatment rose by 1.4% overall compared to September 2021. An analysis of the individual sectors shows a slight increase in quantities in landfills while, as regards waste-to-energy plants, the downward trend was mainly due to the revamping of the Ravenna F3 and Trieste plants. The increase in quantities in selecting plants was caused by the higher quantities treated in all plants owing to the increase in sorted waste collection. In composting and stabilisation plants, volumes decreased mainly due to lower quantities at the Ostellato plant, which was shut down for reconversion to stabilisation, while in inertisation and chemical-physical plants, the increased quantities were mainly due to higher volumes from newly acquired plants. Lastly, note the increase in the other plants sector.

The table below summarises the area's operating results:

Income statement (mn€)	Sept 22	% inc.	Sept 21	% inc.	Abs. change	% change
Revenues	1,168.3		974.4		193.9	+19.9%
Operating costs	(782.0)	(66.9)%	(611.9)	(62.8)%	170.1	+27.8%
Personnel costs	(162.5)	(13.9)%	(158.5)	(16.3)%	4.0	+2.5%
Capitalised costs	22.3	1.9%	14.4	1.5%	7.9	+55.0%
Ebitda	**246.2**	**21.1%**	**218.4**	**22.4%**	**27.8**	**+12.7%**

REVENUES (mn€)

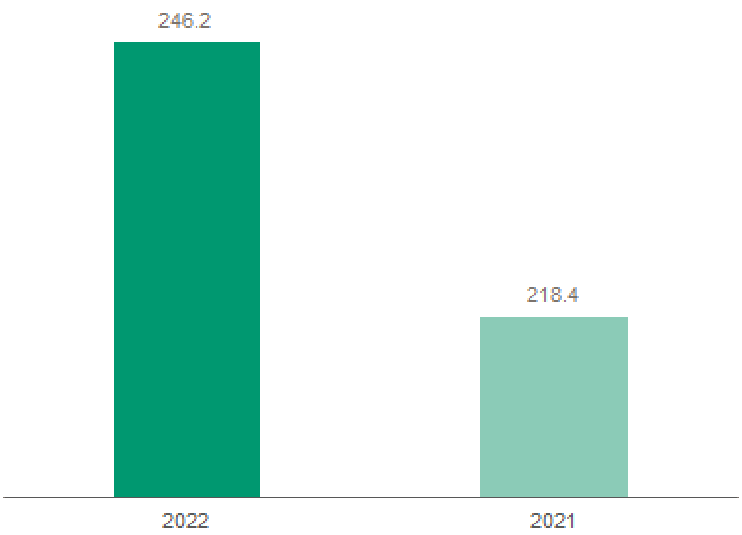


1,168.3
million euro
revenues
(+19.9%)

Revenues increased by 19.9% year-on-year. Revenues from energy production increased by +63.2 million euro, mainly due to higher market prices and the production of thermal energy and biomethane, despite a reduction in volumes in WTE coming to 50.4 thousand tons. Also note Aliplast Spa's higher contribution, +46.8 million euro or +41% compared to 2021, as a result of price increases in all segments due to the high value of virgin polymer and strong market demand. This price increase also had a positive impact on the industry market, up 4.6 million euro, and above all on revenues from material valorisation amounting to roughly 6.7 million euro, particularly for paper and cardboard.
Furthermore, note the 26.0 million euro increase in revenues linked to recent acquisitions in the industry market.

Operating costs as at September 2022 increased by 27.8%. In the treatment market, costs rose for new acquisitions and for the purchase of raw materials and consumables, especially chemicals. Higher costs were also seen for transport and treatment for by-product management, due to higher supplier prices. In the recovery market, note the increase in raw material purchasing costs incurred by Aliplast Spa, linked to the previously mentioned trend in revenues. With regard to municipal waste collection, the increase involved activities related to the development of new sorted waste collection projects.

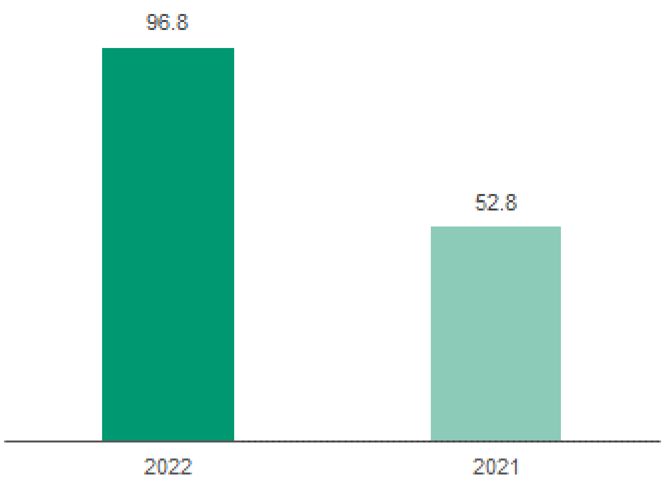
EBITDA (mn€)



246.2
million euro
Ebitda
(+12.7%)

The rise in Ebitda was mainly due to increased income from energy management, coming to roughly 23 million euro, expansion in the industrial waste market with new acquisitions, accounting for approximately 2 million euro, and the increase in the price of waste treated. These factors were partially offset by higher purchasing prices for consumables and higher costs for treatment and transportation.
Net investments in the waste management area involved maintenance and upgrading on waste treatment plants and amounted to 96.8 million euro, up 44.0 million euro over the previous year.
The composting/digestion plants sector showed an increase of 13.4 million euro, mainly due to the beginning of construction work through the company Biorg Srl for a plant producing biomethane.
Investments on landfills increased by 4.6 million euro, due to work carried out on the Ravenna plant and the Cordenons landfills.
The WTE sector showed an increase coming to 6.2 million euro, mainly linked to revamping line two of the Trieste plant and non-recurring scheduled maintenance on the Bologna and Rimini plants, while the 10.2 million euro increase in the industrial waste plants sector concerned revamping the Ravenna F3 plant.
The collection areas and equipment sector showed a rise in investments amounting to 0.3 million euro compared to the previous year and included the work done on the underground collection areas. The 7.8 million euro increase in the sorting and recovery plants sector was due to higher investments for works on the new PET regenerator and the replacement of Aliplast Spa’s PE-LD regenerator, as well as the beginning of works by the company Vallortigara Servizi Ambientali Spa for the new Marano Vicentino plant.

NET INVESTMENTS WASTE MANAGEMENT (mn€)



96.8
million euro
net investments waste management (+44.0 mn)

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

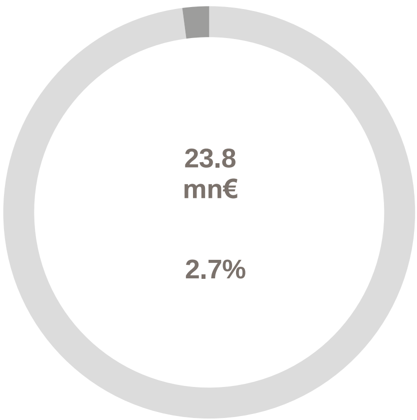
Waste management (mn€)	Sept 22	Sept 21	Abs. change	% change
Composters/digesters	14.8	1.4	13.4	+957.1%
Landfills	9.2	4.6	4.6	+100.0%
WTE	21.4	15.2	6.2	+40.8%
RS plants	20.1	9.9	10.2	+103.0%
Collection areas and equipment	9.7	9.4	0.3	+3.2%
Transshipment, selecting and other plants	21.7	13.9	7.8	+56.1%
Total waste management gross	**96.9**	**54.4**	**42.5**	**+78.1%**
Capital grants	0.0	1.7	(1.7)	(100.0)%
Total waste management net	**96.8**	**52.8**	**44.0**	**+83.3%**

1.03.05 Other services

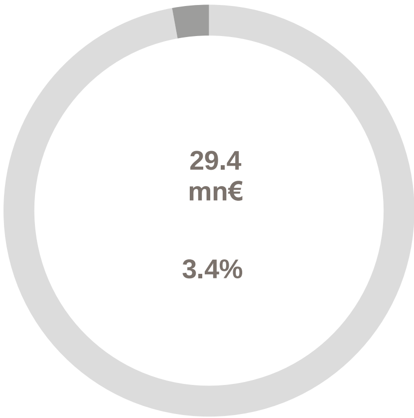
Ebitda drops

The other services area covers all minor businesses managed by the Group, including public lighting, in which the Hera Group's efforts go towards planning, constructing and maintaining lighting structures, contributing to safety across the areas served through avant-garde technologies and constant attention towards the circular economy and sustainability; telecommunications, in which the Group offers connectivity for private customers and companies, telephone and data centre services through its own digital company; and, lastly, cemetery services. At September 2022, results for the other services area settled at 23.8 million euro, down 5.6 million euro compared to the previous year.

EBITDA OTHER SERVICES 2022



EBITDA OTHER SERVICES 2021



The changes occurred in terms of Ebitda are as follows:

(mn€)	Sept 22	Sept 21 (redetermined)	Abs. change	% change
Area Ebitda	**23.8**	**29.4**	**(5.6)**	**(19.0)%**
Group Ebitda*	874.8	854.4	20.4	+2.4%
Percentage weight	2.7%	3.4%	(0.7) pp	

* Adjusted results, as described in paragraph 1.02

The following table shows the area's main indicators as regards public lighting services:

Quantity	Sept 22	Sept 21	Abs. change	% change
Public lighting				
Lighting points (k)	581.4	570.6	+10.8	+1.9%
of which LED	37.9%	34.9%	+3.0	+0.0%
Municipalities served	194.0	185.0	+9.0	+4.9%

In the first nine months of 2022, the Hera Group acquired approximately 53.1 thousand lighting points in 26 new municipalities. The most significant acquisitions were: approximately 6.3 thousand lighting points in Lombardy, approximately 12.4 lighting points in Tuscany, approximately 13.1 thousand lighting points in Umbria and approximately 9.6 thousand lighting points in other regions of central Italy. Also note the acquisitions made in the Triveneto region, coming to roughly 9.7 thousand lighting points, and in Sardinia, coming to roughly 2.0 thousand lighting points. The period's increases fully offset the loss of about 42.3 thousand lighting points and 17 municipalities served, mainly in the Triveneto and Emilia Romagna regions.

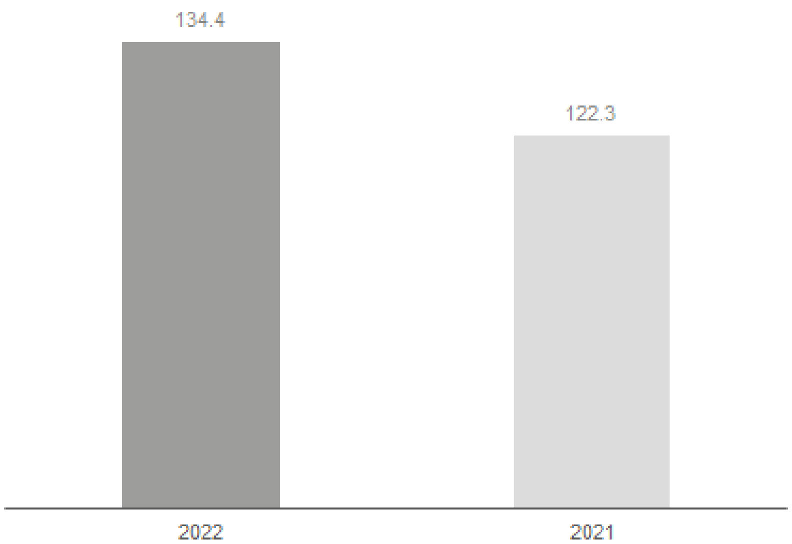
The percentage of lighting points that use LED bulbs also increased, reaching 37.9%, up 3.0 percentage points. This trend provides evidence of the Group's constant focus on an increasingly efficient and sustainable management of public lighting.

Quantitative indicators in the other services area also include the 4,452 km of proprietary ultra-wideband fibre optic network that the Hera Group owns through its digital company, Acantho Spa. This network serves the main cities in Emilia-Romagna, along with Padua and Trieste, and provides companies and individuals with high-performance connectivity, high reliability and maximum security for systems, data and service continuity.

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

Income statement (mn€)	Sept 22	% inc.	Sept 21	% inc.	Abs. change	% change
Revenues	134.4		122.3		12.1	+9.9%
Operating costs	(96.8)	(72.0)%	(78.7)	(64.3)%	18.1	+23.0%
Personnel costs	(15.7)	(11.7)%	(15.3)	(12.5)%	0.4	+2.6%
Capitalised costs	1.9	1.4%	1.1	0.9%	0.8	+72.6%
Ebitda	**23.8**	**17.7%**	**29.4**	**24.1%**	**(5.6)**	**(19.0)%**

REVENUES (mn€)

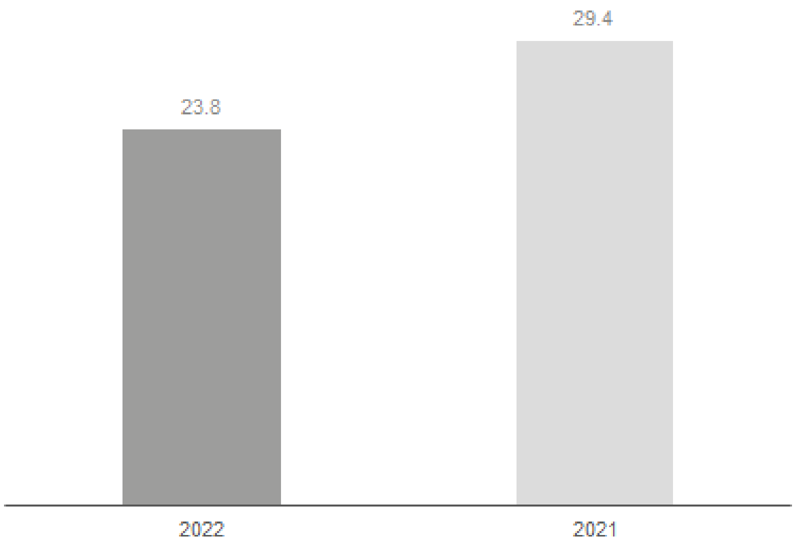


134.4
million euro
revenues
(+9.9%)

The increase in revenues was mainly due to public lighting, which was up by 12.8 million euro. This growth was related to energy adjustments on public lighting fees, only partially reduced by the different state of progress in energy upgrading works compared to 2021. This growth in revenues was contained by a decrease recorded in the other businesses of this area and, in particular, by a drop in revenues in the telecommunications business, which was down by 1.0 million euro overall.

The rise in operating costs was mainly due to the lighting business and was affected by a significant rise in energy costs, despite the slowdown in construction sites caused by a temporary difficulty in sourcing the materials required for energy upgrading.

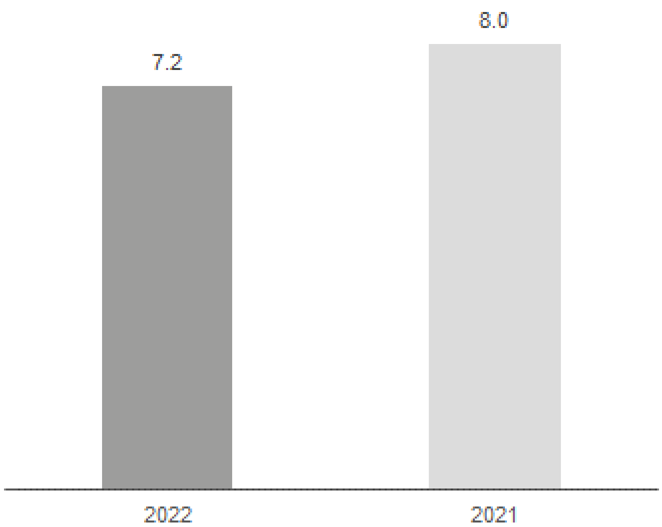
EBITDA (mn€)



23.8
million euro
Ebitda
(-19.0%)

Ebitda for the other services area decreased by 19.0%, down 5.6 million euro. This trend was mainly related to the public lighting business, due to the slowdown in worksites caused by the delay in the supply of materials required for upgrading, and an increase in the price of raw materials.
In the third quarter of 2022, net investments in the other services area amounted to 7.2 million euro, down 0.8 million euro compared to the same period one year earlier.
In telecommunications, investments totalling 6.0 million euro were made in network and TLC services, up compared to the previous year. In the public lighting service, investments were related to maintenance, upgrading and modernisation on the lighting systems in the areas served and did not include public lighting contracts, subject to different accounting under the IFRIC 12 standards.

NET INVESTMENTS OTHER SERVICES (mn€)



7.2
million euro
net investments other services

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

Other services (mn€)	Sept 22	Sept 21	Abs. change	% change
TLC	6.0	5.5	0.5	+9.1%
Public lighting and traffic lights	1.3	2.5	(1.2)	(48.0)%
Total other services gross	**7.2**	**8.0**	**(0.8)**	**(10.0)%**
Capital grants	-	-	-	+0.0%
Total other services net	**7.2**	**8.0**	**(0.8)**	**(10.0)%**

1.04 SHARE PERFORMANCE AND INVESTOR RELATIONS

Geopolitical tensions and inflation trigger stock market selling

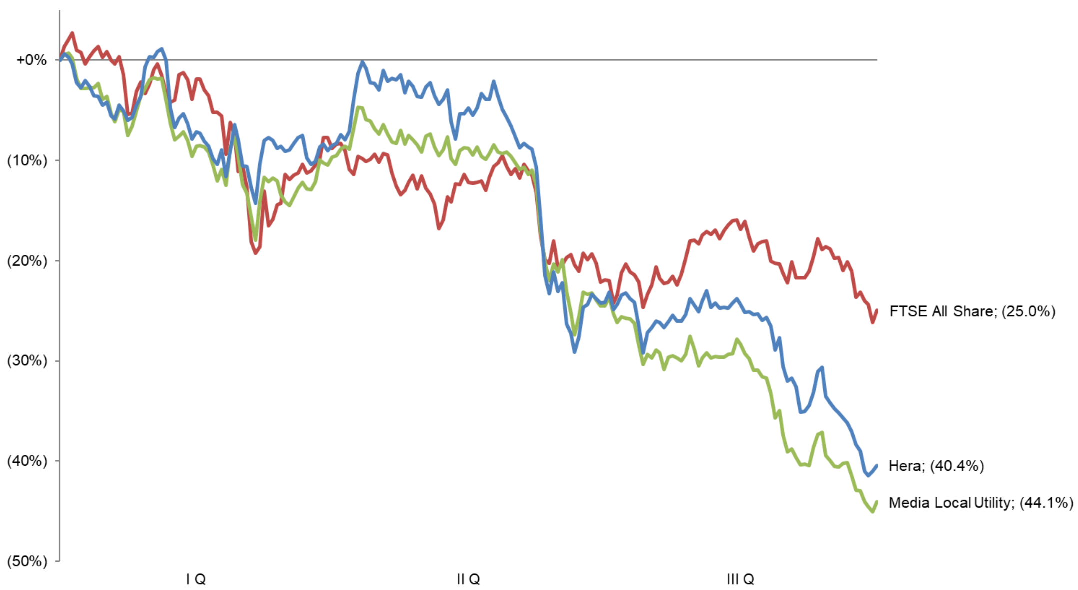
In the first half of 2022, the main stock exchanges in Western countries performed negatively, following the downward revision of prospects for economic growth during the current year and as a consequence of the geopolitical tensions arising from the outbreak of the conflict in Ukraine. As mentioned in previous paragraphs, this conflict has exacerbated tensions on the energy markets, particularly affected by the reduction, in a prospective sense as well, of gas supplies from Russia. In addition, difficulties in procurement of raw materials persist, with supply chains struggling to be rebuilt after the disruptions caused by the pandemic. The combined effect of the conflict and the aftermath of the pandemic thus triggered an inflationary spiral that led central banks to revise their expansive monetary policies, terminating asset purchases on the market (quantitative easing) and raising interest rates.

Against this backdrop, Italy's FTSE All Share index fell by 25.0% over the period in question, showing the worst performance among the major European stock exchanges. The local utilities sector, particularly exposed to the rise in interest rates, was even more affected and fell by -44.1%.

Hera stock performs slightly better than its peers

In spite of the Group's resilient half-year results, Hera shares were not immune to the scenario described above, and closed the quarter with an official price of 2.187 euro and a performance coming to -40.4%, showing slightly more resistance than the reference sector (-44.1%).

3Q 2022 HERA STOCK, LOCAL UTILITY AVERAGE AND ITALIAN MARKET PERFORMANCE COMPARISON



Dividend rises to 12 cents per share

Hera's Board of Directors, which met on 23 March 2022 to approve the 2021 year-end results, decided to submit to the Shareholders Meeting a proposal for a dividend per share coming to 12 cents, up +9% and in line with the indications contained in the Business plan. Following the shareholders' approval, obtained during the meeting of 28 April 2022, the ex-dividend date was set at 20 June, with payment on 22 June. Hera thus confirmed its ability to remunerate shareholders thanks to the resilience of its business portfolio, which has enabled it to distribute steadily growing dividends since its listing.

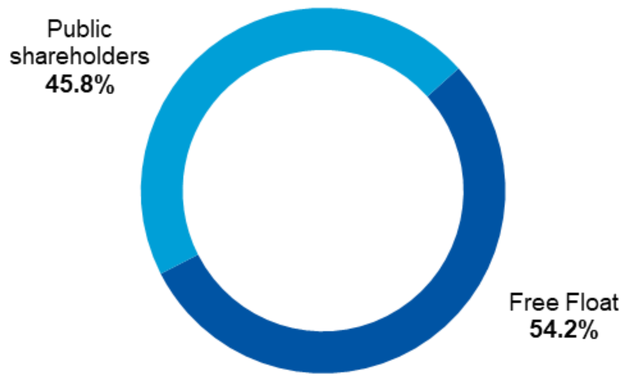
euro	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Dps	0.035	0.053	0.06	0.07	0.08	0.08	0.08	0.08	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.095	0.10	0.10	0.11	0.12

+208% Total shareholders return since the IPO

The joint effect of continuously remunerating shareholders through dividends and a rise in the price of the stock over the years led the total shareholders return accumulated since the IPO to remain consistently positive and to settle, at the end of the period in question, at over +207.6%.

The financial analysts covering the company (Mediobanca, Exane Bnp Paribas, Intesa Sanpaolo, Intermonte, Kepler Cheuvreux, Equita Sim) expressed positive or neutral opinions, with a target price that continues to show significant potential for increase.

SHAREHOLDER BREAKDOWN AT 30 SEPTEMBER 2022



45.8% share capital pertaining to the public stockholders agreement

At 30 September 2022, the shareholder breakdown showed its usual stability and balance, with 45.8% of shares belonging to 111 public shareholders located across the areas served and brought together by a stockholders agreement, which has been renewed for three further years and is effective from 1 July 2021 to 30 June 2024, and a 54.2% free float. The shareholding structure includes a high number of public shareholders (111 municipalities, the largest of which holds shares amounting to less than 10% of the total) and a high number of private institutional and retail shareholders.

Treasury share plan approved

Since 2006, Hera has adopted a share buyback program, most recently renewed by the Shareholders Meeting held on 28 April 2022 for 18 further months, for an overall maximum amount of 240 million euro. This plan is aimed at financing M&A opportunities involving smaller companies and smoothing out any anomalous market price fluctuations vis-à-vis those of the main comparable Italian companies. At 30 September 2022, Hera held 35.9 million treasury shares.

Constant communication with the market in 2022 as well

The Group continued to engage in intense communications with investors in 2022. After Hera's 2021-2025 Business Plan was published, the Executive Chairman and the CEO took part in a road show, meeting investors in the main financial centres to update them on trends in activities and future prospects. Further occasions for contact came about by participating in the sector conferences organised by the brokers covering Hera stock. The intense dedication shown by the Group towards dialoguing with investors contributed to reinforcing its market reputation and represents an intangible asset benefiting Hera stock and stakeholders.

2
CONSOLIDATED FINANCIAL STATEMENTS

2.01 FINANCIAL STATEMENT FORMATS

2.01.01 Income statement

mn/euro	30-Sept-22 (9 months)	30-Sept-21 (9 months)
Revenues	14,320.1	6,424.3
Other operating revenues	345.3	243.6
Raw and other materials	(11,794.6)	(3,469.3)
Service costs	(1,693.9)	(1,858.6)
Personnel costs	(449.8)	(442.0)
Other operating costs	(56.6)	(54.4)
Capitalized costs	52.2	39.7
Amortisation, depreciation and provisions	(437.8)	(412.5)
Operating revenues	**284.9**	**470.8**
Share of profits (losses) pertaining to joint ventures and associated companies	7.5	8.9
Financial income	47.6	56.1
Financial expense	(144.6)	(178.9)
Financial management	**(89.5)**	**(113.9)**
Earnings before taxes	**195.4**	**356.9**
Taxes	(55.7)	(16.3)
Overall revenues for the period	**139.7**	**340.6**
To attribute to:		
Parent company shareholders	105.4	308.4
minority shareholders	34.3	32.2
Earnings per share		
basic	0.096	0.211
diluted	0.096	0.211

2.01.02 Statement of financial position

mn/euro	30-Sept-22	31-Dec-21
ASSETS		
Non-current assets		
Property, plant and equipment	1,938.8	1,941.0
Rights of use	82.2	101.6
Intangible assets	4,334.1	4,126.7
Goodwill	848.8	842.9
Equity investments	182.7	198.5
Non-current financial assets	132.9	142.7
Deferred tax assets	373.7	229.4
Derivative financial instruments	0.5	6.9
Total non-current assets	**7,893.7**	**7,589.7**
Current assets		
Inventories	1,143.2	368.0
Trade receivables	2,975.6	2,918.0
Current financial assets	81.3	29.3
Current tax assets	92.3	21.2
Other current assets	427.3	422.3
Derivative financial instruments	3,684.0	1,797.4
Cash and cash equivalents	1,224.5	885.6
Total current assets	**9,628.2**	**6,441.8**
TOTAL ASSETS	**17,521.9**	**14,031.5**

mn/euro	30-Sept-22	31-Dec-21
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital and reserves		
Share capital	1,452.9	1,459.6
Reserves	1,397.2	1,407.1
Profit (loss) for the period	105.4	333.5
Group net equity	**2,955.5**	**3,200.2**
Non-controlling interests	221.0	216.6
Total net equity	**3,176.5**	**3,416.8**
Non-current liabilities		
Non-current financial liabilities	4,752.6	3,716.0
Non-current lease liabilities	53.1	53.2
Post-employment and other benefits	87.5	105.4
Provisions for risks and charges	534.8	528.0
Deferred tax liabilities	231.9	132.1
Derivative financial instruments	7.8	13.5
Total non-current liabilities	**5,667.7**	**4,548.2**
Current liabilities		
Current financial liabilities	1,094.1	499.7
Current lease liabilities	20.8	43.4
Trade payables	2,039.0	2,356.6
Current tax liabilities	91.1	27.9
Other current liabilities	1,466.5	1,435.6
Derivative financial instruments	3,966.2	1,703.3
Total current liabilities	**8,677.7**	**6,066.5**
TOTAL LIABILITIES	**14,345.4**	**10,614.7**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**17,521.9**	**14,031.5**

2.01.03 Cash flow statement

mn/euro	30-Sept-22	30-Sept-21
Earnings before taxes	**195.4**	**356.9**
Adjustments to reconcile net profit to the cashflow from operating activities		
Amortisation and impairment of assetts	348.5	334.0
Allocation to provisions	89.3	78.5
Effects from valuation using the equity method	(7.5)	(8.9)
Financial (income) expenses	97.0	122.8
Capital (gains) losses and other non-monetary elements	154.4	(35.2)
Change in provision for risks and charges	(23.3)	(25.5)
Change in provision for employee benefits	(9.1)	(10.3)
Total cash flow before changes in net working capital	**844.7**	**812.3**
(Increase) decrease in inventories	(775.7)	(239.4)
(Increase) decrease in trade receivables	(280.3)	110.1
Increase (decrease) in trade payables	(327.0)	(55.6)
Increase/decrease in other current assets/liabilities	201.7	161.5
Changes in working capital	**(1,181.3)**	**(23.4)**
Dividends collected	11.3	10.4
Interest income and other financial income collected	21.5	20.4
Interest expenses, net charges on derivatives and other paid financial charges	(97.5)	(76.3)
Taxes paid	(66.4)	(82.7)
Cash flow from operating activities (a)	**(467.7)**	**660.7**
Investments in property, plant and equipment	(138.4)	(100.5)
Investments in intangible assets	(324.9)	(276.9)
Investments in companies and business units net of cash and cash equivalents	(49.8)	(64.6)
Investments in other shareholdings	(0.5)	(11.1)
Sale price of property, plant and equipment	3.1	1.1
Divestments in consolidated companies and contingent consideration	-	0.2
(Increase) decrease in other investment activities	(16.4)	(39.5)
Cash flow from (for) investing activities (b)	**(526.9)**	**(491.3)**
New issue of long-term bonds	1,076.0	8.0
Repayments of non-current financial liabilities	-	(140.6)
Repayments and other net changes in financial liabilities	539.2	(35.2)
Payments for leasing contracts	(39.9)	(16.9)
Acquisition of Interests in consolidated companies	(10.6)	(21.0)
Dividends paid out to Hera shareholders and non-controlling interests	(210.5)	(170.6)
Changes in treasury share	(20.7)	8.1
Cash flow from (for) financing activities (c)	**1,333.5**	**(368.2)**
Increase (decrease) in cash and cash equivalents (a+b+c)	**338.9**	**(198.8)**
Cash and cash equivalents at the beginning of the period	885.6	987.1
Cash and cash equivalents at the end of the period	1,224.5	788.3

2.01.04 Statement of changes in net equity

mn/euro	Share capital	Reserves	Reserves derivatives valued at fair value	Reserves actuarial income/(losses) post-employment benefits	Reserves shares valued at fair value	Revenues for the period	Net equity	Non-controlling interests	Total
Balance at 31 December 2020	**1,460,0**	**1,230.8**	**5.9**	**(35.1)**	**(3.5)**	**302.7**	**2,960.8**	**194.5**	**3,155.3**
Revenues for the period						308.4	308.4	32.2	340.6
Other components of comprehensive income:									
fair value of derivatives, change for the period			239.5				239.5	(1.3)	238.2
Actuarial income/(losses) post-employment benefits				3.4			3.4	0.5	3.9
fair value of shares, change for the period					(2.1)		(2.1)		(2.1)
Overall revenues for the period	**-**	**-**	**239.5**	**3.4**	**(2.1)**	**308.4**	**549.2**	**31.4**	**580.6**
Changes in treasury shares	2.0	6.1					8.1		8.1
Allocation of revenues:									
Dividends paid out						(161.1)	(161.1)	(17.6)	(178.7)
allocation to reserves		141.6				(141.6)	-		-
Balance at 30 September 2021	**1,462.0**	**1,358.7**	**245.4**	**(31.7)**	**(5.6)**	**308.4**	**3,337.2**	**207.1**	**3,544.3**
Balance at 31 December 2021	**1,459.6**	**1,352.8**	**93.6**	**(33.7)**	**(5.6)**	**333.5**	**3,200.2**	**216.6**	**3,416.8**
Revenues for the period						105.4	105.4	34.3	139.7
Other components of comprehensive income:									
fair value of derivatives, change for the period			(140.8)				(140.8)	(7.9)	(148.7)
Actuarial income/(losses) post-employment benefits				7.9			7.9	0.8	8.7
fair value of shares, change for the period					(15.1)		(15.1)		(15.1)
other business components valued at net equity		0.2					0.2		0.2
Overall revenues for the period	**-**	**0.2**	**(140.8)**	**7.9**	**(15.1)**	**105.4**	**(42.4)**	**27.2**	**(15.2)**
Changes in treasury shares	(6.7)	(14.0)					(20.7)		(20.7)
Changes in equity investments		(8.1)	1.2				(6.9)	(3.7)	(10.6)
other movements							-		-
Allocation of revenues:						-			
Dividends paid out						(174.7)	(174.7)	(19.1)	(193.8)
allocation to reserves		158.8				(158.8)	-		-
Balance at 30 September 2022	**1,452.9**	**1,489.7**	**(46.0)**	**(25.8)**	**(20.7)**	**105.4**	**2,955.5**	**221.0**	**3,176.5**

2.02 ACCOUNTING POLICIES

As set forth in Article 82-ter "Informazioni finanziarie periodiche aggiuntive" (additional periodic financial information) of the Issuers' Regulation, the Hera Group has voluntarily decided to publish the consolidated quarterly report at 30 September 2022.

This quarterly report was not prepared in accordance with what outlined in the accounting principle regarding the sub-annual financial statement (IAS 34 "Interim Financial Reporting"), even though it was prepared in accordance with accounting standards with reference to the consolidated financial statements at 31 December 2021.

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

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

The data contained in this quarterly report are expressed in millions of euro through a decimal, unless otherwise specified.

Scope of consolidation

The consolidated financial statements at 30 September 2022 include the financial statements of the Parent Company Hera Spa and those of its subsidiaries. Control is obtained when the Parent Company has the power to determine the financial and operational policies of a company, by way of currently valid rights, in such a way as to obtain benefits from the company's activity. Equity investments in joint ventures in which the Hera Group exercises joint control with other companies as well as the companies over which the Group exercises significant control are consolidated with the equity method.
Small-scale subsidiaries are excluded from overall consolidation and valued at fair value.

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

Changes in the scope of consolidation

The table below shows changes in the scope of consolidation introduced during the first 9 months of the 2021 financial year as compared to the consolidated financial statement at 31 December 2021:

Acquisition of control	Company/business unit
	"Bfeng" unit
	Con Energia Spa
	Macero Maceratese Srl*
	"Nonantola" unit
	Alibardi Fiorenzo Srl

*The company holds a 100% shareholding in Velluti service Srl, momentarily stated under investments in other shareholdings.

Changes in equity investments

The shareholder's meeting of Feronia Srl held on 16 December 2021 authorized, pursuant to Article 2482-ter of the Italian civil code, to hedge its losses for the year, as well as to restore its share capital in the amount of 100,000 euro by means of cash injections. Following the failure of the minority shareholder to carry out the capital increase option, on 31 January 2022 Herambiente Spa also paid up the latter's share, becoming the sole shareholder of Feronia Srl.

On 12 January 2022, Atlas Utilities EAD purchased from a minority shareholder 500 ordinary shares of Primagas AD, equal to 0.43% of its share capital. The percentage of shareholding held in Primagas AD rose from 96.9% to 97.34%.

On 18 January 2022, the parent company Hera Comm Spa purchased the minority shares of Hera Comm Marche Srl, equal to 16% of its share capital, thus becoming sole shareholder.

The difference between the adjustment of these minority stakes and the fair value of the equivalent amount paid was reported directly in net equity and attributed to the parent company's shareholders.

Other corporate operations

On 7 February 2022 the shareholder TEA Spa sold its shareholding in the company Sinergie Italiane Srl in liquidation to the remaining shareholders on a proportional basis, exiting the shareholding structure. As a result of this operation, EstEnergy Spa changed its shareholding from 31% to 32.56%.

On 6 April 2022, HASI Srl acquired 20% of the share capital of TEAM Srl from Marche Multiservizi spa. The company, which operates in the province of Pesaro and Urbino and provides waste storage, transport and treatment services, continues to be recognised at its previous book value under "Other shareholdings".

On 12 July 2022, the Shareholders' Meeting of Vegri Scarl signed the deed of early dissolution of the company, which will continue to be fully consolidated until the liquidation process is concluded.

On 29 September 2022 Herambiente Servizi Industriali Srl acquired full shareholding of the Croatian company Recycla D.o.o. Given the insignificant economic and equity values in relation to the size of the Group and the fact that an interim report is not yet available, the company was temporarily excluded from the scope of consolidation and the operation was recorded under the investments in other shareholdings.

Earnings per share

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

	30-Sept-22 (9 months)	30-Sept-21 (9 months)
Profit (loss) for the period attributable to holders of ordinary shares of the Parent Entity (A)	139.7	308.4
Weighted average number of shares outstanding for the purposes of calculation of earnings (loss) per share		
basic (B)	1,455,862,250	1,461,547,710
diluted (C)	1,455,862,250	1,461,547,710
Earnings (loss) per share (in euro)		
basic (A/B)	**0.096**	**0.211**
diluted (A/C)	**0.096**	**0.211**

Other information

This consolidated three-month report at 30 September 2022 was drawn up by the Board of Directors and approved by them at the meeting held on 9 November 2022.

2.03 LIST OF CONSOLIDATED COMPANIES

Subsidiaries

Registered name	Registered office	Share capital (euro) (*)	Percentage consolidated		Total interest
			direct	indirect	
Acantho Spa	Imola (BO)	23,573,079	80.64%		80.64%
AcegasApsAmga Spa	Trieste	284,677,324	100.00%		100.00%
AcegasApsAmga Servizi Energetici Spa	Udine	11,168,284		100.00%	100.00%
Alibardi Fiorenzo Srl	Quinto di Treviso (TV)	100,000		75.00%	75.00%
Aliplast Spa	Istrana (TV)	5,000,000		75.00%	75.00%
Aliplast France Recyclage S.A.S	La Wantzenau (France)	1,025,000		75.00%	75.00%
Aliplast Iberia S.L.U	Calle Castilla -Leon (Spain)	815,000		75.00%	75.00%
Aliplast Polska Sp.zo.o	Zgierz (Poland)	1,200,000 PLN		75.00%	75.00%
Amgas Blu Srl	Foggia	10,000		100.00%	100.00%
Aresenergy Eood	Varna (Bulgaria)	50,000 Lev		100.00%	100.00%
AresGas Ead	Sofia (Bulgaria)	22,572,241 Lev		100.00%	100.00%
Ares Trading Eood	Varna (Bulgaria)	50,000 Lev		100.00%	100.00%
Asa Scpa	Castelmaggiore (BO)	1,820,000		38.25%	38.25%
Ascopiave Energie Spa	Pieve di Soligo (TV)	250,000		100.00%	100.00%
Ascotrade Spa	Pieve di Soligo (TV)	1,000,000		100.00%	100.00%
Atlas Utilities EAD	Varna (Bulgaria)	50,000 Lev		100.00%	100.00%
Biorg Srl	Bologna	10,000,000		75.00%	75.00%
Black Sea Gas Company Eood	Varna (Bulgaria)	5,000 Lev		100.00%	100.00%
Blue Meta Spa	Pieve di Soligo (TV)	606,123		100.00%	100.00%
Con Energia Spa	Forlì	500,000		100.00%	100.00%
Eco Gas Srl	Castel di Sangro (AQ)	100,000		100.00%	100.00%
EstEnergy Spa	Trieste	299,925,761		100.00%	100.00%
Etra Energia Srl	Cittadella (PD)	100,000		51.00%	51.00%
Feronia Srl	Bologna	100,000		75.00%	75.00%
Frullo Energia Ambiente Srl	Bologna	17,139,100		38.25%	38.25%
Green Factory Srl	Pesaro	500,000		46.70%	46.70%
Herambiente Spa	Bologna	271,648,000	75.00%		75.00%
Herambiente Servizi Industriali Srl	Bologna	5,000,000		75.00%	75.00%
Hera Comm Spa	Imola (BO)	53,595,899	100.00%		100.00%
Hera Comm Marche Srl	Urbino (PU)	1,977,332		100.00%	100.00%
Hera Luce Srl	Cesena	1,000,000		100.00%	100.00%
Hera Servizi Energia Srl	Forlì	1,110,430		67.61%	67.61%
Heratech Srl	Bologna	2,000,000	100.00%		100.00%
Hera Trading Srl	Trieste	22,600,000	100.00%		100.00%
HestAmbiente Srl	Trieste	1,010,000		82.50%	82.50%
Hydro Mud Srl	Torrebelvicino (VI)	50,000		75.00%	75.00%
Inrete Distribuzione Energia Spa	Bologna	10,091,815	100.00%		100.00%

Macero Maceratese Srl	Macerata	1,032,912		46.70%	46.70%
Marche Multiservizi Spa	Pesaro	16,388,535	46.70%		46.70%
Marche Multiservizi Falconara Srl	Falconara Marittima (AN)	100,000		46.70%	46.70%
Primagas AD	Varna (Bulgaria)	1,149,860 Lev		97.34%	97.34%
Recycla Spa	Maniago (PN)	90,000		75.00%	75.00%
Tri-Generazione Scarl	Padua	100,000		70.00%	70.00%
Uniflotte Srl	Bologna	2,254,177	97.00%		97.00%
Vallortigara Servizi Ambientali Spa	Torrebelvicino (VI)	330,000		75.00%	75.00%
Vallortigara Angelo Srl	Torrebelvicino (VI)	80,000		75.00%	75.00%
Vegri Scarl in liquidation	Torrebelvicino (VI)	20,000		75.00%	75.00%
Wolmann Spa	Bologna	400,000		100.00%	100.00%

(*) unless otherwise specified

Jointly controlled companies

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

Associated companies

Registered name	Registered office	Share capital (euro) (*)	Percentage held		Total interest
			direct	indirect	
Aimag Spa*	Mirandola (MO)	78,027,681	25.00%		25.00%
ASM SET Srl	Rovigo	200,000		49.00%	49.00%
SEA - Servizi Ecologici Ambientali Srl	Camerata Picena (AN)	100,000		31.00%	31.00%
Set Spa	Milan	120,000	39.00%		39.00%
Sgr Servizi Spa	Rimini	5,982,262		29.61%	29.61%
Tamarete Energia Srl	Ortona (CH)	3,600,000	40.00%		40.00%
Tre Monti Srl**	Milan	100,000		23.25%	23.25%

*The share capital of the company consists of 67,577,681 euro of ordinary shares and 10,450,000 of related shares.
**Given the insignificant values in the financial statements, the company is nevertheless reported at cost.

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Share capital Euro 1.489.538.745 fully paid up
Tax code 04245520376 - VAT and Bologna Business Reg. no. 03819031208