



press release

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Hera Shareholders Meeting: 2021 financial statements and dividend rising to 12 cents approved

On the twentieth anniversary of its foundation, the Group continues along the path of growth that has distinguished it since its establishment, confirming its commitment to sustainable development by creating value for the areas served and all stakeholders

The ordinary and extraordinary Shareholders Meeting of Hera met this morning in Bologna to approve the 2021 financial statements and the payment of a dividend increasing to 12 cents per share (+9% compared to the last dividend paid), as further confirmation of the value created for stakeholders and local areas. Among the various resolutions passed, the Shareholders Meeting also approved an amendment to the Articles of Association, in compliance with the content of the new Corporate Governance Code. At the Shareholders Meeting, the 2021 Sustainability Report (a consolidated non-financial statement prepared pursuant to Legislative Decree 254/2016) was also presented.

Financial statements for 2021 approved, with growth in results

In the ordinary session, the Shareholders Meeting approved the 2021 financial statements, which showed growth in all main operating and financial indicators.

Among the main results: Ebitda rose to 1,223.9 million euro (+9%) and net profit attributable to shareholders reached 333.5 million euro (+10.2%). Operating investments, including capital grants, amounted to 588.7 million euro (+16.3%), while net financial debt stood at 3,261.3 million euro, in line with the 3,227.0 million euro seen at 31 December 2020. The net debt/Ebitda ratio improved to 2.66x, confirming the Group's financial solidity.

These figures testify, once again, to the validity of the multi-business strategy adopted by the Group: a balanced mix of internal and external growth, with significant economies of scale and the extraction of higher synergies than expected, to the benefit of the local areas in which Hera operates.

Despite the complex scenario, due to the ongoing Coronavirus emergency, in addition to the volatility of the energy market during the second half of the year, further progress occurred along the path of uninterrupted growth achieved by the Group, led since its creation in 2002 by Executive Chairman Tomaso Tommasi di Vignano. In twenty years, in fact, Ebitda has increased more than sixfold and net profit has grown more than tenfold. In addition to achieving positive results, Hera has also constantly pursued sustainable development, supporting its stakeholders, first and foremost its customers, with concrete actions such as instalment plans for bills to enable them to meet their payments.

Payment of a 12 cent/share dividend introduced

The Shareholders Meeting also approved the Board of Directors' proposal to pay a dividend coming to 12 cents per share, up 9% compared to the last dividend paid.

The ex-dividend date was set at 20 June 2022, with payment as of 22 June 2022. The dividend will be paid to shares recorded on 21 June 2022. The dividend paid, based on the Hera share price at 31/12/2021, corresponds to a 3.3% annual return.

A strong focus on creating value for shareholders was therefore confirmed. This increase is consistent with the dividend policy set out in the Business Plan, which foresees a steady increase in dividends, reaching 14.5 cents per share by 2025.

The Sustainability Report: Shared value Ebitda rises to 570.6 million

During the Shareholders Meeting, the 2021 Sustainability Report was also presented, showing how improvement in operating and financial indicators goes hand in hand with creating shared value. More specifically, in 2021, shared value Ebitda, referring to business activities that also meet the drivers for sustainable growth, rose to 570.6 million euro, a significant increase compared to 2020 (+25.4%), corresponding to 46.6% of total Ebitda. This result reflects the direction set out in the Business Plan, which projects this figure at 55% of total Ebitda by 2025, rising to 70% in 2030, along a linear path that generates concrete benefits for the local areas and communities served, alongside the company's own development.

Articles of Association adapted to the new Borsa Italiana Corporate Governance Code

The extraordinary agenda items approved by the Shareholders Meeting include an amendment of Article 17 of Hera's Articles of Association, in compliance with the content of the new Corporate Governance Code, following a close analysis of international developments in corporate governance. In particular, the recommendation that administrative bodies should include a number of independent directors coming to at least half of the members of the Board of Directors was implemented. Therefore, with the reformulation of paragraph 17.3 of the Articles of Association, it is clearly stated that, within each list presented, at least half of the candidates must meet independence requirements.

Other resolutions approved

The Shareholders Meeting also approved a renewed authorisation for the Board of Directors to purchase treasury shares (and the procedures for their treatment), for a total value of up to 240 million euro for 18 months, at the same time revoking last year's resolution for the non-executed part. The renewal of authorisation to use treasury shares was requested in order to pursue the purposes permitted by law and accepted market practices, in order to increase value creation in transactions carried out by Group companies as well, for whom investment opportunities arise, and for transactions involving the issue of financial instruments.

Lastly, the Shareholders Meeting approved the Report on remuneration policy and compensation paid, in line with international best practices, and the Corporate governance report was also presented.

"Over the Group's twenty-year history, we have pursued a path marked by constant growth, leveraging our operating-financial solidity, with positive repercussions for all stakeholders, first and foremost our shareholders", states **Tomaso Tommasi di Vignano, Executive Chairman of the Hera Group**. "We will continue to guarantee the highest quality and efficiency in our services, despite the complexities of the external scenario, as done for twenty years working concretely and coherently with the values that have always distinguished us. We are therefore carrying on with our commitment to further developing a highly innovative and original business model, capable of acting as a real driver of change for the local areas and communities we serve, with a strategic approach aimed at creating shared value."

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