



press release

Bologna, 29 April 2020

Hera Shareholders Meeting: top executive management confirmed and 10 cent dividend approved

The Group continues along its path of growth, creating value for shareholders and local areas. Continuity in governance, with the new Board of Directors confirming Tomaso Tommasi di Vignano as Executive Chairman and Stefano Venier as CEO

The ordinary and extraordinary sessions of the Hera Shareholders Meeting were held in Bologna this morning. Following the resolutions approved, the Meeting appointed the members of the Board of Directors and the Board of Statutory Auditors for the next three years.

Furthermore, the 2019 financial statements were approved, as was the ensuing payment of a dividend coming to 10 cents per share.

Financial statements approved, with strong growth in results

In the ordinary session, the Meeting approved the 2019 financial statements, whose results showed further improvement over the previous year, more than offsetting the significant impact of another partial reduction in incentives for waste to energy plants and lower margins from safeguarded customers. The partnership with Ascopiave, which was finalised in December 2019 and led to the creation of the main energy operator in North-Eastern Italy, will contribute to results as of the beginning of the current year.

In particular, 2019 closed with revenues reaching 7,443.6 million euro (+12.3%), Ebitda at 1,085.1 million (+5.2%) and net profits for Shareholders coming to 385.7 million (+36.8%).

The Group's path of growth, 17 years after its establishment, continues to balance regulated and free market activities and internal and external growth, achieving significant economies of scale and increasing synergies, thanks to a multi-business approach which over time has proven to be a winning strategy for Hera, now Italy's leading multi-utility by capitalisation.

Go-ahead given to a 10 cent/share dividend payment

The Meeting thus approved the Board of Directors' proposal to pay a 10 cent/share dividend, reflecting the intention previously announced in the Business plan. The coupon date has been set at 6 July 2020, with payment as of 8 July 2020.

The overall 2019 return for Shareholders thus came to 50%, owing to the annual dividend approved and the increase in the value of Hera stock during 2019, sustained by results exceeding expectations and its inclusion in the FTSE MIB index.

Further confirmation was thus given to the Group's commitment towards creating value for all stakeholders, with the Business plan calling for a transparent dividend policy, increasing to 12 cents in 2023.

The sustainability report: shared value Ebitda at 422.5 million



The 2019 sustainability report was also presented during the Meeting. This document shows that the Group's improvement in operating-financial results is accompanied by an increased creation of shared value and positive effects for the areas served, in the interests of local communities and, more generally, all stakeholders, in line with the United Nations' Global Goals. In particular, in 2019 the Hera Group's shared value Ebitda came to 422.5 million euro, accounting for 39% of overall Ebitda (+13% over the 375.2 million seen the previous year). This result perfectly reflects the projections included in the Business plan, which expects this figure to reach 42% in 2023.

Appointment of the Board of Directors

Furthermore, the members of the Board of Directors were chosen for the next three years (until the Shareholders Meeting called to approve the 2022 financial statements). The results of the vote led the following to be appointed:

- Majority list (representing Hera's public shareholders agreement): Tomaso Tommasi di Vignano, Stefano Venier, and the independent directors Gabriele Giacobazzi, Monica Mondardini, Fabio Bacchilega, Danilo Manfredi, Lorenzo Minganti, Manuela Cecilia Rescazzi, Marina Vignola, Alessandro Melcarne and Federica Seganti.
- Minority list: the independent directors Erwin Paul Walter Rauhe, Paola Gina Maria Schwizer, Alice Vatta, Bruno Tani.

The CVs of the new directors are available on the webpage:

http://www.gruppohera.it/gruppo/corporate_governance/assemblee/

Appointment of the Board of Statutory Auditors

As regards the Board of Statutory Auditors, the following were appointed:

- Majority list (representing Hera's public shareholders agreement): Marianna Girolomini, Antonio Gaiani (standing auditors), Valeria Bortolotti (alternate auditor).
- Minority list: Myriam Amato (Chairman), Stefano Gnocchi (alternate auditor).

The CVs of the new auditors are available on the webpage:

http://www.gruppohera.it/gruppo/corporate_governance/assemblee/

Presence of women in the BoD and the Board of Statutory Auditors

The composition of the corporate governance bodies fully respects the content of Law no. 160, 27 December 2019, effective as of 1 January 2020. Replacing the previous Law no. 120 (2011), this law raised the percentage of members from at least one third to two fifths as regards both administration and control bodies, and increased the period in which the new criterion for subdivision is valid to six consecutive mandates. The number of women in the Board of Directors comes to 6 members out of 15, and in the Board of Statutory Auditors comes to 1 standing auditor out of 3. As regards the Board of Statutory Auditors, Communication Consob no. 1 of 30 January 2020 clarified, in fact, that in appointing control bodies made up of three standing auditors, the amount required is to be rounded down to the nearest whole number.



The other resolutions approved

The Meeting also renewed authorisation for the Board of Directors to purchase treasury shares (along with the ways in which they may be used), coming to a maximum amount of 270 million euro over 18 months, while at the same time revoking the previous year's resolution as regards the non-enacted part. This renewed authorisation for the use of treasury shares was requested to pursue the aims permitted by law and market practices, in order to increase the creation of value, within transactions for which new investment opportunities arise, as was the case last year with the merger of Cosea Ambiente and CMV, financed with the treasury shares held.

Lastly, the Meeting approved the Report on remuneration and compensation paid, in line with international best practices.

Chairman and CEO confirmed

The inaugural meeting of Hera's new Board of Directors, appointed during the morning by the Shareholders Meeting, was held in the afternoon in Bologna. This body proceeded to appoint its Chairman, Vice Chairman and CEO.

Tomaso Tommasi di Vignano was confirmed as Hera's Chairman, acting as executive administrator. Born in Brescia, he has been at the head of the Hera Group since its creation in 2002, after gaining considerable experience in the telecommunications and utilities sectors.

Gabriele Giacobazzi was appointed as Hera's (non-executive) Vice Chairman. Born in Modena, he is the President of Italy's Association of Engineers and adjunct professor at the University of Modena and Reggio Emilia's Faculty of Engineering. The offices he has previously held include President of the Politecnica cooperative, in the planning sector, and he has also chaired the Oice, the National association of planning organisations, affiliated with Confindustria.

Stefano Venier was confirmed as CEO. Born in Udine and at Hera since 2004, in the past he held the office of General Director for Development and Market. Previously, Venier covered positions involving increasing responsibility in the Eni Group and within a leading international consulting firm, for which he acted as Vice Chairman for Energy & Utilities from 2002 to 2004.

The confirmation of the Executive Chairman and the CEO bears witness to the continuity seen in the Group's governance, which is one of the Hera Group's main strong points.

<https://eng.gruppohera.it/group/>

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