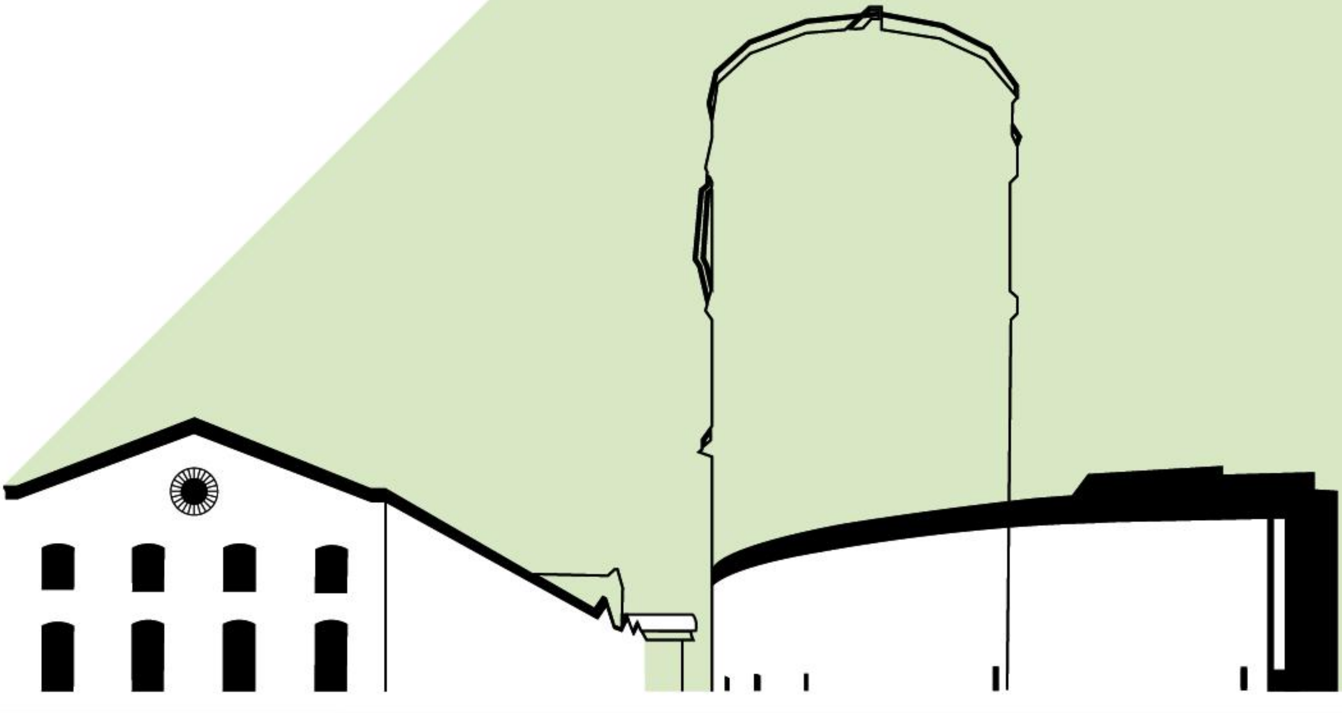
Consolidate half-year financial report as at 30 June 2025

FR JUN/25



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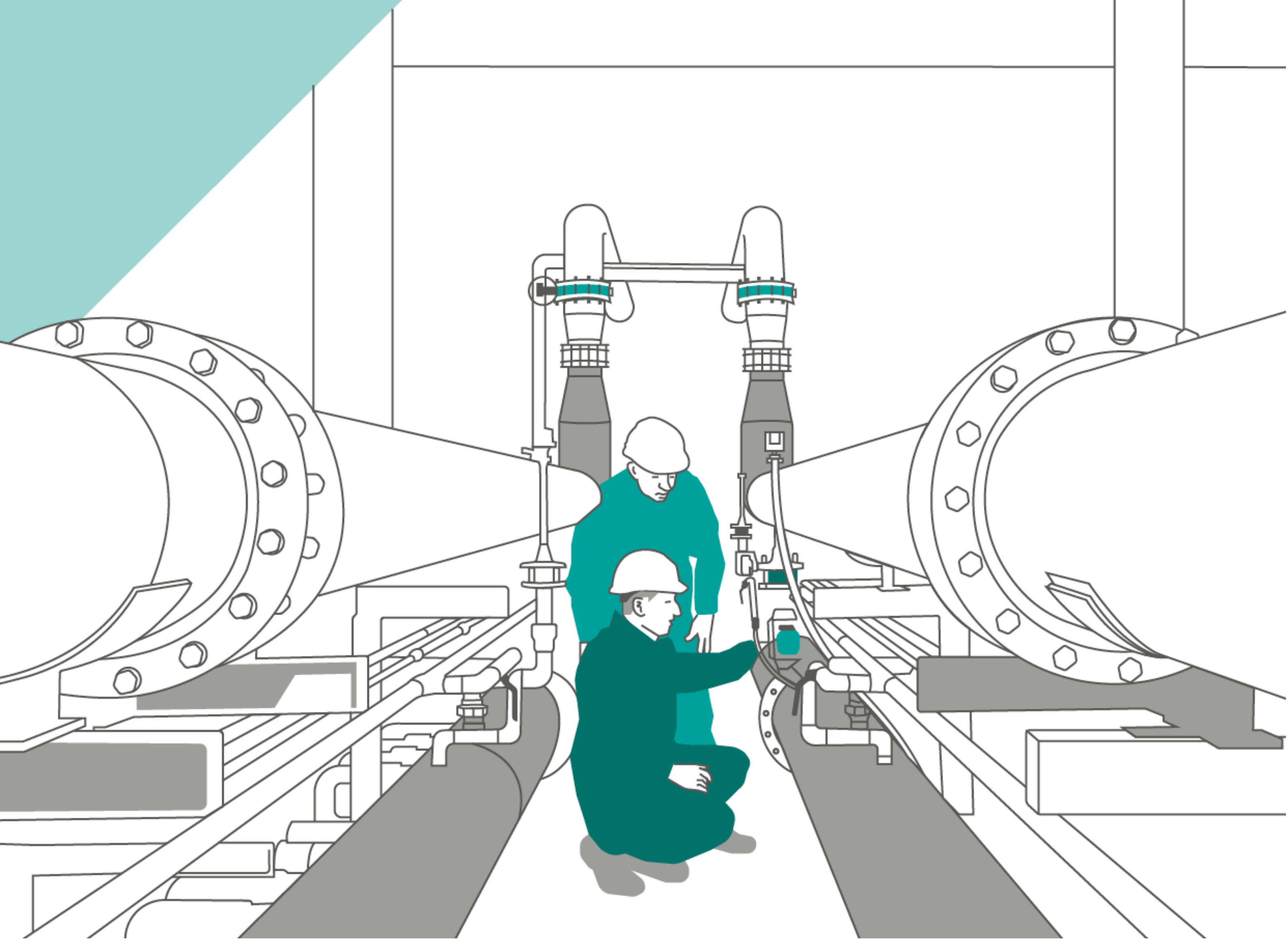
DIRECTORS' REPORT



1.01 - TRENDS AND CONTEXTS

MACRO-ECONOMIC CONTEXT

In the first six months of 2025, the global economy showed signs of a slowdown, caused by the highly uncertain scenario created by ongoing political and trade instability. Current conflicts and a series of announcements, suspensions and disputes between the US and its major trading partners forced analysts to revise global GDP growth estimates downwards. For the first time in three years, US GDP decreased in the first quarter of 2025, where the anticipation of purchases from abroad in view of the introduction of new higher tariffs led to a significant increase in imports. The dollar depreciated due to a lower tendency shown by investors to hold some assets in US currency. Growth also struggled to consolidate in China, where activity continued to be penalised by weak domestic demand and the crisis in the real estate market.

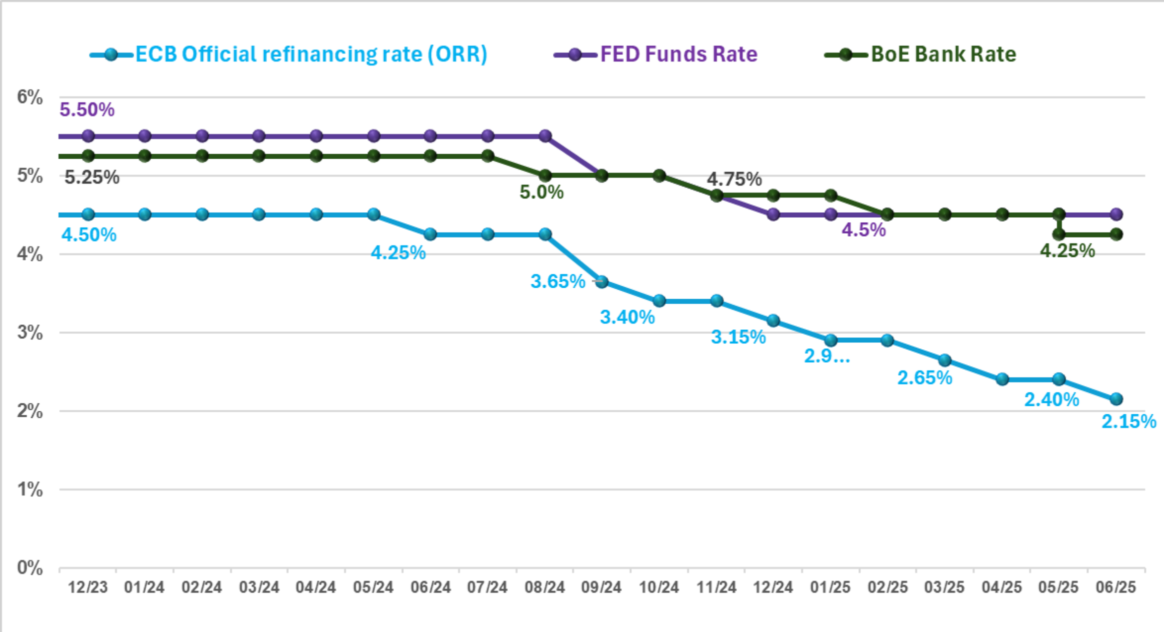
Euro area GDP suffered from the uncertain environment seen in the first six months of the year; its value was upheld in the first quarter by anticipated exports to the United States in preparation for higher tariffs, while it weakened in the following three months due to the disappearance of US demand and an internal demand that remained low. According to the latest available macroeconomic projections, assuming that tariffs remain at the amount temporarily in place until 9 July, euro area GDP is expected to grow by an average of one percentage point in 2025-26, with inflation, at 2% in June, remaining consistent with the medium-term target over the three-year forecast period.

In the first six months of 2025, Italy's GDP also slowed down, due to a limited amount of household consumption and investment spending, influenced by the high level of general economic uncertainty and weakened foreign demand. According to the ECB's most recent projections, GDP will grow by 0.6% in 2025 and approximately 0.8% in the following two years. As regards inflation, it is projected to average 1.5% this year and in 2026, rising to 2% in 2027.

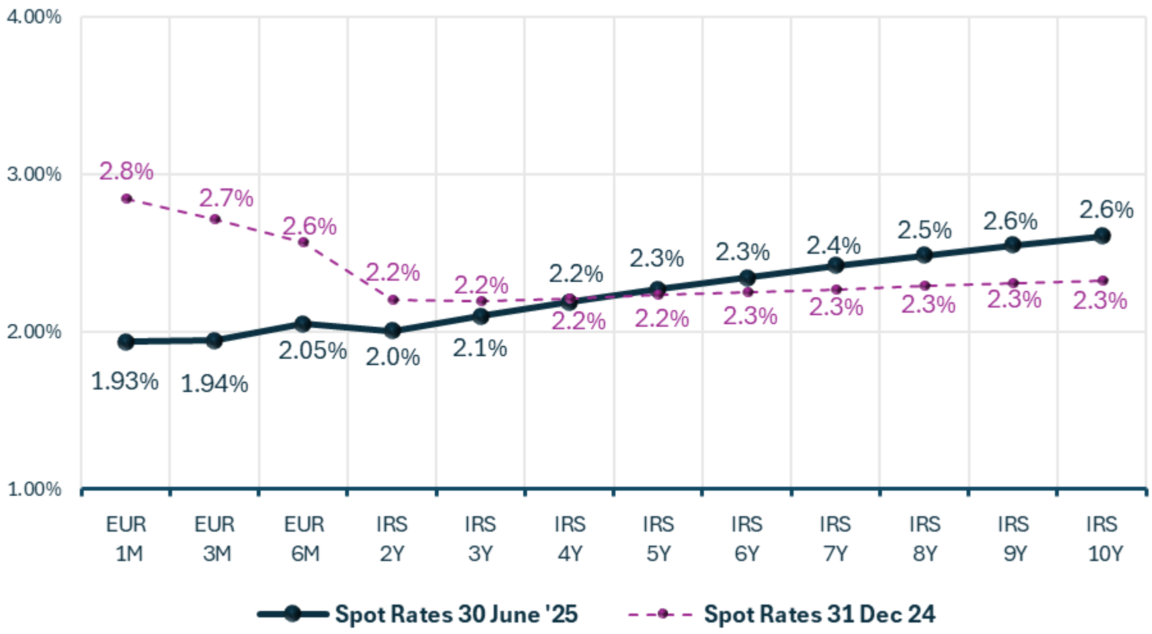
FINANCIAL CONTEXT AND MONETARY POLICIES

Strong geopolitical tensions and the American government's protectionist policy also affected the financial context and the monetary policy adopted by individual states. Immediately after what Trump defined as "Liberation Day", 2 April, the markets entered a phase of severe turbulence with a generalised drop of over 10% in all stock indices, accompanied by a surge in the volatility index of over 50%, as had been observed during the pandemic crisis. Following the temporary suspension of tariffs, the markets partly recovered their losses, but the context nevertheless remained uncertain, penalised by the intensification of clashes in the Middle East and Eastern Europe.

Faced with this scenario, the main Central Banks reacted differently. While the Fed, concerned about the high risk of inflation, kept interest rates unchanged, leaving the benchmark rate in the range from 4.25% to 4.5%, the Bank of England (BoE) decided instead to reduce the benchmark rate at its May meeting, thus setting the Bank Rate at 4.25%, even though it left this rate unchanged immediately afterwards at its June meeting. Economists estimate that the BoE and the Fed will adjust their reference rates starting next September, the month from which a new round of easing in monetary policy could begin. On the other hand, the ECB continued along its path of lowering rates with four cuts of 25 basis points each, bringing the main refinancing rate to 2.15% and the deposit rate to 2%, thanks to the reduction of Eurozone inflation, now close to its target. For this reason, most observers agree that the European Central Bank is approaching the end of its rate cut cycle. Analysts and the market expect a pause from the ECB in July and a cut in September, although geopolitics and trade barriers continue to create risks that are difficult to predict.



The ECB's rate cuts had the overall effect of reducing Euribor rates at the end of June 2025 compared to December 2024. In particular, the larger reduction on short-term rates, coming to roughly 70 basis points on average, was offset by an average increase of about 10 basis points on long-term rates, thus marking the beginning of a return of the rate curve to a "normal" shape, with short-term rates lower than medium- to long-term rates.



The ten-year Btp-Bund spread closed the first half of the year at 87 basis points, down about 29 basis points from its December 2024 figure, thanks to the resilience of Italy's sovereign risk, which saw an improvement of one notch in S&P's rating, going to BBB+ with a stable outlook, and an improved outlook from Moody's, going from stable to positive within the Baa3 rating.

FREE-MARKET BUSINESSES: CONTEXT

In the first half of 2025, crude oil and fuel prices were volatile, especially in June, while remaining lower than in the same period of 2024. In the first half of 2025, electricity prices rose sharply compared to the previous year, in line with the growth in spot prices for natural gas, which put a limit on Italian storage facility filling compared to the closing of the first half of 2024 (approximately -15%). The price increase was contained thanks to the greater availability of renewable sources (in particular solar and wind), which now cover 50% of demand, and the decline in demand for LNG from China. Instability in supply remains, with potential risks to gas demand coverage in the coming winter period. In the first six months of 2025, the price index for natural gas at the Dutch hub (TTF), taken as a reference for short-term European spot market prices, showed a 40% increase compared to the same period in 2024. The information provided by the national gas transmission network operator (Snam Rete Gas Spa) shows an 8.8% increase in natural gas consumption compared to the same period of the previous year, settling at around 33.5 billion cubic metres (as against 30.8 billion cubic metres in the first six months of 2024). The most significant growth in consumption was due to both electricity generation, which stood at 10.2 billion cubic metres, up 17.2% compared to the first half of the previous year, and civil demand, which amounted to 15.5 billion cubic metres (+1.4% compared to the same period in 2024). Industrial demand remained stable (only +0.03 billion cubic metres compared to the same period in 2024). Exports showed significant growth (+108.6% compared to the same period in 2024) with volumes reaching 1.8 billion cubic metres. Gas imports covered 91.5% of the demand in terms of gas fed into the network, while the remainder came from domestic production and storage.

The electricity day-ahead market (MGP) showed a 28% price increase in the first half of 2025 compared to the same period in 2024. The data released by the company operating the national transmission grid (Terna Spa) shows that electricity consumption in the first six months of the year increased slightly, up 0.3% to 152.6 TWh (as against 152.1 TWh in the same period of the previous year). Overall, 85.4% of demand was met by domestic production, which increased compared to the same period in 2024, while the balance with foreign countries stood at 22.3 TWh, partially due to an increase in exports.

In the first six months of 2025, net domestic production from renewable sources accounted for 44.9% of total net production, reaching a volume of 58.4 TWh, down from the 61.3 TWh produced in the same period of 2024. The portion of consumption met by renewables came to 38.3%, down from the volumes seen at 30 June 2024, due to the observed decrease in hydro (-19.4%), wind (-11.9%) and geothermal (-1.2%) production, despite strong growth in photovoltaic production (+23.1%). Consequently, the growth in thermoelectric production was significant, increasing by 10.7% (+6.9 TWh) compared to the same period in the previous year.

REGULATED BUSINESSES: CONTEXT

Turning to legislative factors, the most important interventions concerning the Group, issued in the first half of 2025, include:

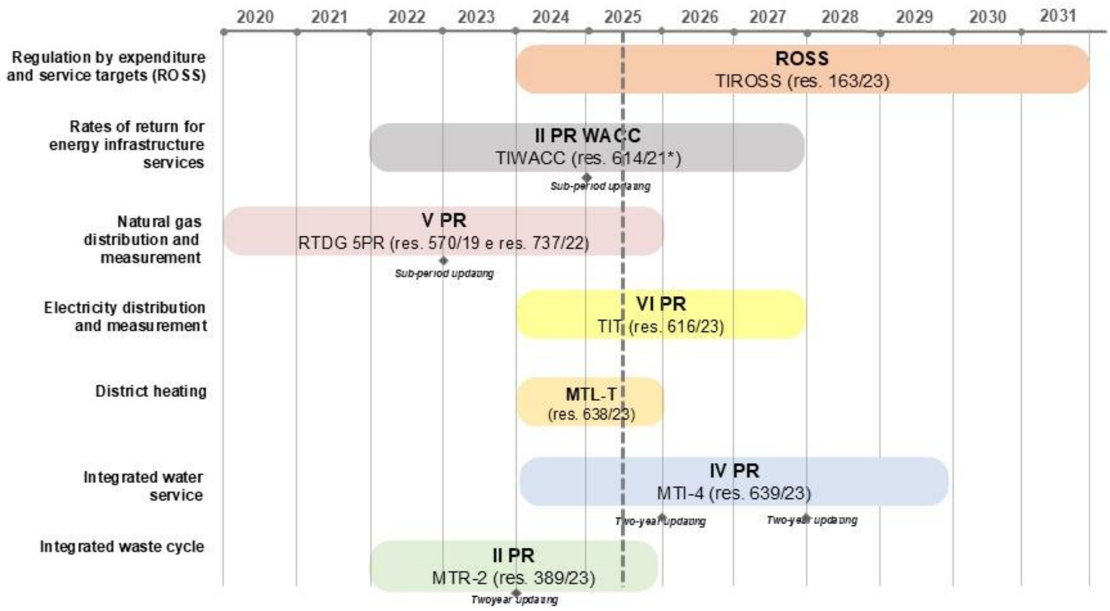
- the conversion into law, with amendments, of Decree-Law no. 19 of 28 February 2025 containing measures to facilitate tariffs for the supply of electricity and natural gas in favour of households and businesses as well as for increased transparency in retail offers and strengthened sanctions by the Supervisory authorities. Among other measures, this law establishes that vulnerable customers who, as of 31 March 2027, are still supplied under the gradual protection service, will automatically enter the safeguarded service upon its expiry;
- the conversion into law, with amendments, of Decree-Law No. 202 of 27 December 2024, which stipulates that the obligation to increase thermal energy from renewable energy sources (RES) in energy supplies exceeding 500 TOE per year will take effect on 1 January 2025;
- ministerial decree FER X, aimed at promoting renewable electricity production, in particular through the development of photovoltaics;
- the conversion into law, with amendments, of Decree-Law no. 208 of 31 December 2024, containing measures to cope with situations of particular emergency, as well as for the implementation of the National Recovery and Resilience Plan (the so-called Emergencies and NRRP), which contains regulations aimed at the development of long-term contracts for the sale of electricity from renewable sources;
- the conversion into law, with amendments, of Decree-Law no. 39 of 31 March 2025, setting out urgent measures on insurance against catastrophe risks (Law no. 78/2025), which postpones the beginning of the obligation for medium-sized enterprises to take out insurance contracts to 1 October 2025 and to 31 December 2025 for small and micro enterprises. For large companies, instead, the deadline remains 31 March 2025, but there is a 90-day transitional period (until 30 June);
- European Delegation Act 2024 (L. 91/2025), which delegates the government to transpose European directives such as the Directive on energy efficiency, on the promotion of energy from renewable sources, common rules for internal markets of renewable gas, natural gas and hydrogen, waste disposal in landfills and air quality.

As regards new regulations, the measures having the most significance for the Group, adopted in the first half of 2025 by the Regulatory authority for energy, networks and the environment (ARERA) are as follows:

- the definition of modalities for vulnerable household customers to request access to the gradual protection service (Resolution 48/2025/R/eel);
- the definition of the amount of time vulnerable household customers are to remain in the gradual protection service (Resolution 110/2025/R/eel);
- additions to the "energy end customer bill", some specific measures for bills of multi-site customers (Resolution 64/2025/R/com) and the extension of Bill 2.0 for customers falling within the safeguarded service (Resolution 223/2025/R/com);
- the first provisions aimed at recognizing the extraordinary contribution for customers with electricity supplies pursuant to Decree-Law No. 19 of 28 February 2025 (Resolution 132/2025/R/eel);
- the first urgent measures regarding the transparency and comparability of offers in the retail electricity and natural gas markets for the purposes of implementing Article 5(1) of Decree Law 19/2025 (Resolution 156/2025/R/com);

- the regulatory updates aimed at reconciling the development of electric mobility with the need for a rational and efficient development of electricity grids (Resolution 22/2025/R/eel);
- the provisions aimed at the first implementations within the Integrated Information System of the new Electricity Settlement regulations (Resolution 40/2025/R/eel);
- the integration of certain provisions regarding the responsibility mechanism in the management of in-out delta (Resolutions 28 and 111/2025/R/gas);
- the definition of the calculation methods and other parameters relating to the benefit categories for the cost-benefit analyses of electricity distribution network development interventions (Resolution 112/2025/R/eel);
- the initiation of proceedings for the adoption of the proposal on extraordinary multi-year investment plans for the purpose of remodelling electricity distribution concessions and the criteria for determining the related charges (Resolution 237/2025/R/eel);
- the initiation of proceedings for the formulation of measures on the tariffs and quality of gas distribution and metering services for the sixth regulatory period, and the extension of the provisions of the Consolidated tariff and quality act (TUDG) for 2026 and 2027 (Resolution 221/2025/R/gas);
- the revision of the regulation of the Standard network code for the natural gas distribution service (CRDG), concerning guarantees and payments (Resolution 222/2025/R/gas), which will take effect on 1 May 2026;
- the revision of the criteria for the revaluation of capital costs for infrastructure services in the electricity and gas sectors starting from the 2024 tariff year (130/2025/R/com);
- the closure of the proceedings to comply with the rulings of the State Council that annulled Resolution no. 570/19 (pertaining to the 2020-25 tariff regulation of gas distribution) concerning recognised operating costs (Resolution 87/2025/R/gas) and the consequent redetermination of the reference tariffs for gas distribution and metering services for 2020-2023 (Resolution 98/2025/R/gas);
- ARERA's acceptance of the requests for admission to the revenue adjustment mechanism admitted for the application of the recognised operating cost reduction rate (customised X-factor) for the company-specific gas distribution service (Resolution 260/2025/R/gas);
- the revision of the measures on procedures for verifying VIR-RAB deviations and tender notices in relation to updates of VIR values when publishing tender documents (Resolution 142/2025/R/gas);
- the initiation of proceedings to update the tariff regulation and the quality of gas distribution and metering services for the sixth regulatory period (Resolution 221/2025/R/gas);
- the confirmation of the extension to 2025 of the transitional tariff method for the district heating service (Resolution 54/2025/R/tlr);
- the initiation of proceedings to update the regulation of metering, connection fees and contract quality in the district heating and cooling sector (Resolution 177/2025/R/tlr);
- the initiation of proceedings to amend and update the regulation on the transparency of billing documents for the integrated water service (Resolution 122/2025/R/tlr);
- the publication of the final results of the application of the incentive mechanism of the regulation of technical quality (RQTI) and contract quality (RQSII) of the Integrated Water Service, for the two-year period 2022-2023 (Resolutions 225/2025/R/Idr and 277/2025/R/Idr);
- the initiation of proceedings to update the regulation of technical quality in the municipal waste sector (Resolution 25/2025/R/rif);
- the initiation of proceedings to define the Waste Tariff Method for the third regulatory period (MTR-3) (Resolution 57/2025/R/rif);
- the initiation of proceedings for the implementation of the recognition of the "social waste bonus" for household users of the integrated municipal waste management service in economically and socially disadvantaged conditions (Resolution 133/2025/R/rif).

A timeline showing the main regulatory periods and related measures introduced by ARERA, pertaining to the Group's sectors of activity, is provided below:



** Resolution 614/21 set out the methodology for determining the rates of return on energy capital and established the WACCs for 2022 only; these rates were confirmed for 2023 as well by Resolution 654/22, while Resolution 556/23 updated the WACCs for 2024; as for 2025, the second sub-period of WACC will begin, defined by resolution 513/24*

Lastly, the table below indicates the main tariff references for each regulated sector, based on the regulatory framework in force in 2025 and expected to remain until the end of the current regulatory periods.

	Natural gas distribution and measurement	Electricity distribution and measurement	Integrated water service	Integrated waste cycle
Regulatory period	2023-2025 Second sub-period of the fifth regulatory period (Resolution 737/22)	2024-2027 Sixth regulatory period (resolution 616/23) (1)	2024-2029 Second sub-period of MTI-4 (resolution 639/23)	2024-2025 Second sub-period of MTR-2 (resolution 389/23) (2)
Regulatory governance	Single level (ARERA)	Single level (ARERA)	Dual level (governmental authority, ARERA)	Dual level (regional authority, ARERA)
Recognised investment capital for regulatory purposes (RAB)	Previous cost revised (distribution) Weighted average between actual cost and standard cost (measurement) Parametric recognition (centralised capital)	As of 2024: Introduction of the ROSS which, for the capital cost of distribution, confirms the revised previous cost method As of 2022: Recognition based on a comparison between planned costs presented to ARERA (RARI motion) and actual expenditure (measurement)	Previous cost revised	Previous cost revised
Regulatory lag investment recognition	1 year	1 year	2 years	2 years
Return on investment (3) (real, pre-tax)	2024 6.5% 2025 5.9%	2024 6.0% 2025 5.6%	2024-2025 6.1% +1% for investments as of 2012, covering the regulatory lag	2024-2025 (4) 6.3% Collection 6.6% Treatment +1% for investments as of 2018, covering the regulatory lag
Recognised operating costs	Average values of actual costs by company grouping (size/density), based on 2018 (for 2020-25 revenues) Sharing for efficiencies achieved against recognised costs Upgrade with price-cap	Actual cost for operator + efficiency incentive for operating costs calculated based on a regulatory menu that calls for sharing, with customers, the delta between the average actual cost for the operator based on 2022 (for revenues until 2027), called baseline, and the	Efficient costs: operator's actual 2011 values inflated Updatable costs: actual values with 2-year lag Additional charges for specific purposes (provisional)	Collection and treatment Actual operator costs with 2-year regulatory lag Additional costs for quality improvement and changes in the operator's scope (provisional) Additional charges for specific purposes (provisional)

		actual cost paid by the operator during the year		
Annual efficiency operating costs	Annual X-factor Distribution: 2.74% large companies (5) 4.77% medium-sized companies Measurement: 0% Marketing: 1.57%.	Distribution + Measurement: 0.5% if the high-potential menu is chosen 0% for the low-potential menu	Efficiency mechanism based on: sharing 2016 operator efficiencies Differentiated sharing level with respect to the distance between actual cost and efficient cost of the operator	
Incentive mechanisms		Z-factor: recognition of extra costs linked to the energy transition Public contribution: recognition of 10% of the value in three quotas	Sharing of electricity costs based on energy savings achieved Recognition of 75% of margins from activities aimed at environmental and energy sustainability	Collection Sharing on revenues from the sale of material and energy (range 0.3-0.6) and from Conai fees Treatment Sharing not explicitly recognised by the method, although it can be traced back to the general principles supporting the development of the circular economy
Annual limit on tariff increases			On an asymmetrical basis and depending on: - investment needs - cost-effectiveness of management - changes in scope of operations Mechanism to guarantee operating and financial balance	Collection On an asymmetrical basis and depending on the presence of: - changes in scope of operations - improved service quality Treatment Limit to growth less tight since the efficiency factor is not provided for, it depending on: - inflationary growth - environmental impact of plants Collection and treatment Mechanism to guarantee operating and financial balance

(1) Resolution 616/23 defines the tariff regulation for electricity distribution and metering services for 2024-2027, implementing, for the determination of the recognised cost, the application criteria of the new ROSS-base (Regulation by expenditure and service targets) regulation, defined by resolution 497/23/R/com.

(2) Resolution 389/23 follows up on 363/2021/R/rif, which updated the previous regulatory period and introduced tariff regulation for treatment in the case of minimum facilities, i.e. those considered essential for closing the municipal waste cycle.

(3) For the energy and waste sectors, reference is made to the WACC methodology, while for the integrated water service the values refer to the coverage rate of financial and fiscal charges.

(4) For 2024-2025, the reference deliberation for WACC in the waste sector is resolution 7/2024/R/rif.

(5) Following ARERA's compliance with the State Council's rulings on Resolution 570/2019, Inrete Distribuzione Energia Spa, the Group's main distributor, obtained the recognition of a customised X-factor, which is lower than the one foreseen for large companies (the cluster to which it belongs).

1.02 - OVERVIEW OF OPERATING AND FINANCIAL TRENDS

ALTERNATIVE PERFORMANCE MEASURES (APM)

The Hera Group uses alternative performance measures (APMs) to convey 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 (ESMA) 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 are explained below. The determination criteria used to calculate the APMs in this financial report at 30 June 2025 are the same as those previously used in the consolidated financial statements as at 31 December 2024, which may be consulted for a complete representation of all APMs used by the Hera Group.

The indicators illustrated below are used as financial targets in internal presentations (business plans) and in external presentations (for analysts and investors), and 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 revenues, other income, raw and other materials, service costs, personnel costs, other operating expenses and capitalised costs.
Ebit is calculated by adding amortisation, depreciation and provisions to Ebitda. This indicator corresponds to the operating result in the income statement.
The **result before taxes** corresponds to the profit before taxes shown in the income statement.
The **net result** corresponds to the profit for the period as shown in the income statement.
Ebitda on revenues, **Ebit on revenues** and **Net results on revenues** measure the Group's operating performance through a proportion, expressed as a percentage, of Ebitda, Ebit and Net results divided by the revenues shown in the income statement.
Net investments are the sum of investments in property, plants and equipment (Note 21 of the Consolidated financial statements), intangible assets (Note 23) and equity investments (Note 25), net of the capital grants received (as shown in paragraph 1.02.01 of the Directors' report).

FINANCIAL APMS

Net non-current assets are calculated as the sum of: property, plants and equipment, rights of use, intangible assets, goodwill, shareholdings valued using the equity method, other shareholdings, and deferred tax assets and liabilities.
Net working capital is made up of the sum of: inventories, trade receivables and payables, current tax assets and liabilities, other current assets and liabilities, the current portion of assets and liabilities for financial derivatives on commodities (note 27) and current assets and liabilities arising from contracts with customers in the statement of financial position.
Provisions are defined as the sum of the items employee benefits and funds in the statement of financial position.
Net invested capital is defined by calculating the sum of net fixed assets, net working capital and provisions, as described above.
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
Sources of financing are obtained by adding net financial debt and net equity.

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

Operating APMs and investments (mn€)	30 JUNE 25	30 JUNE 24	ABS. CHANGE	% CHANGE
Revenues	**6,786.2**	**5,716.5**	**1,069.7**	**+18.7%**
Ebitda	**721.7**	**732.7**	**(11.0)**	**(1.5)%**
Ebitda/revenues	10.6%	12.8%	(2.2) pp	+0.0%
Ebit	**383.2**	**385.1**	**(1.9)**	**(0.5)%**
Ebit/revenues	5.6%	6.7%	(1.1) pp	+0.0%
Net result	**249.4**	**237.3**	**12.1**	**+5.1%**
Net result/revenues	3.7%	4.2%	(0.5) pp	+0.0%
Net investments	**394.5**	**328.0**	**66.5**	**+20.3%**

Financial APMs (mn€)	30 JUNE 25	31 DEC 24	ABS. CHANGE	% CHANGE
Net non-current assets	8,647.1	8,496.4	150.7	+1.8%
Net working capital	142.7	227.2	(84.5)	(37.2)%
Provisions	(768.1)	(773.0)	4.9	(0.6)%
Net invested capital	8,021.7	7,950.6	71.1	+0.9%
Net financial debt	3,927.1	3,963.7	(36.6)	(0.9)%
Sources of financing	8,021.7	7,950.6	+71.1	+0.9%

1.02.01 - Operating results and investments

NET RESULT AND INVESTMENTS RISE

The Hera Group's results for the first half of 2025 show a positive performance, with growth in net profit and investments compared to the same period of the previous year, in line with corporate objectives and strategies. This solid trend, despite the slight drop in Ebitda and the even lesser fall in net operating profit, down 0.5%, was due to solid and efficient financial operations, which contributed to a net profit of 249.4 million euro in the first half of 2025, up 5.1%.

Investments also increased by 20.3% compared to June 2024, reflecting the Group's ongoing focus on growth, valorising and strengthening the resilience of assets under management.

The results for the first half of 2025 must be considered against an external scenario that showed less volatility in energy commodity prices, allowing the Hera Group to operate once again in a more stable market context, even if not yet similar to the levels seen prior to the crisis.

The Group's performance was once again driven by its multi-business strategy, balanced between regulated and free market activities, with an enduring focus on sustainability and the circular economy. The Hera Group pursues this model through both internal growth and the opportunities offered by the market thanks to external development.

In particular, note that compared to the first half of 2024 the Hera Group continued to expand its scope of operations, especially in the waste management area, through the acquisition of 70% of TRS Ecology Srl, a company that manages a multi-purpose platform for special waste treatment in Caorso (PC). This is a substantial company focused on industrial waste treatment and recovery with a total of approximately 2,700 customers. Detailed information on this matter is provided in paragraph 1.03.04.

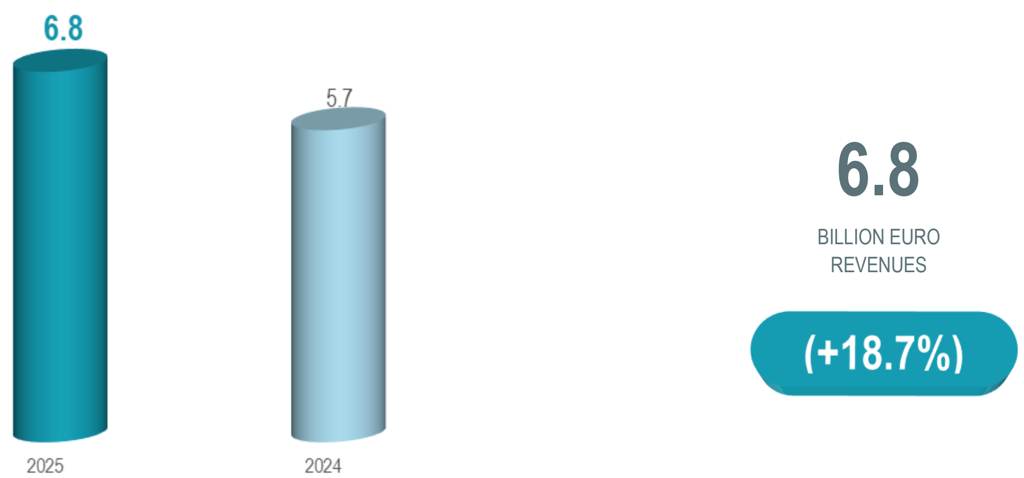
Note that Hera Comm Spa was awarded seven lots in the national tender called by the Single Purchaser for the Gradual protection service for non-vulnerable household customers, leading over 1 million new electricity customers to be included in the Group's portfolio as of 1 July 2024. Detailed information on this matter is provided in paragraph 1.03.02.

Lastly, note that Hera Comm Spa was awarded seven of the nine lots of the Safeguarded service for 2025 and 2026, five more lots than in the previous two-year period; detailed information on this matter is provided in section 1.03.02.

The following table shows operating results at 30 June 2025 and 2024:

INCOME STATEMENT (MN€)	JUNE 25	% INC.	JUNE 24	% INC.	ABS. CHANGE	% CHANGE
Revenues	6,786.2	0.0%	5,716.5	0.0%	1,069.7	18.7%
Other income	78.2	1.2%	68.2	1.2%	10.0	14.7%
Raw and other materials	(3,970.0)	(58.5)%	(2,973.2)	(52.0)%	996.8	33.5%
Service costs	(1,816.4)	(26.8)%	(1,727.6)	(30.2)%	88.8	5.1%
Other operating expenses	(42.9)	(0.6)%	(40.5)	(0.7)%	2.4	5.9%
Personnel costs	(360.8)	(5.3)%	(341.2)	(6.0)%	19.6	5.7%
Capitalised costs	47.4	0.7%	30.5	0.5%	16.9	55.4%
Ebitda	**721.7**	**10.6%**	**732.7**	**12.8%**	**(11.0)**	**(1.5)%**
Amortization, depreciation and provisions	(338.5)	(5.0)%	(347.6)	(6.1)%	(9.1)	(2.6)%
Ebit	**383.2**	**5.6%**	**385.1**	**6.7%**	**(1.9)**	**(0.5)%**
Financial operations	(39.2)	(0.6)%	(61.9)	(1.1)%	(22.7)	(36.7)%
Share of profits (losses) pertaining to joint ventures and associated companies	7.2	0.1%	6.4	0.1%	0.8	12.5%
Result before taxes	**351.2**	**5.2%**	**329.6**	**5.8%**	**21.6**	**6.6%**
Taxes	(101.8)	(1.5)%	(92.3)	(1.6)%	9.5	10.3%
Net result	**249.4**	**3.7%**	**237.3**	**4.2%**	**12.1**	**5.1%**
Attributable to:						
Parent company shareholders	229.3	3.4%	218.4	3.8%	10.9	5.0%
Non-controlling interests	20.1	0.3%	18.9	0.3%	1.2	6.4%

Revenues (bn€)



Revenues were up by 1,069.7 million euro in June 2025 compared to the same period in 2024. The energy sectors showed growth coming to 958 million euro, mainly due to higher energy commodity prices, higher volumes of gas traded and electricity sold, and finally higher revenues from system charges. These positive factors were partly offset by lower volumes of gas sold to end customers, due to the lower consumption of the customer base as a result of increasingly widespread energy saving measures in line with the goal of reducing climate-changing emissions.

In addition, revenues from network services increased by a total of 111 million euro, due to both higher tariff revenues as a result of the Authority's resolutions, as described in paragraph 1.03 of the business areas, which contributed approximately 53 million euro, and higher revenues from work on assets under concession, with approximately 51 million euro.

Revenues in the waste management area increased due to significant expansion in the recovery market, growth in the industrial market due to development in the remediation business, and higher revenues in the municipal waste service due to both tariff adjustments and increased supplementary services.

Lastly, lower revenues were seen due to a reduction in incentivised activities on energy-saving services, in residential buildings, following changes in energy-saving regulations.

For further details, see the analyses of the individual business areas in paragraph 1.03.

Other income was up by 10.0 million euro in June 2025 compared to the same period in 2024. This trend is mainly due to higher expense recoveries and insurance reimbursements, and higher contributions received, despite the lower revenues from energy efficiency certificates as a result of the decrease in the obligation assigned for 2025 to the Group's distribution companies.

COSTS FOR RAW MATERIALS LINKED TO THE TREND IN REVENUES

Costs for raw and other materials rose by 996.8 million euro compared to June 2024. This increase is mainly linked to the trend in energy revenues caused by an increase in energy raw material prices and growth in volumes of electricity sold, as described above under revenues, despite the aforementioned lower volumes of gas sold to end customers.

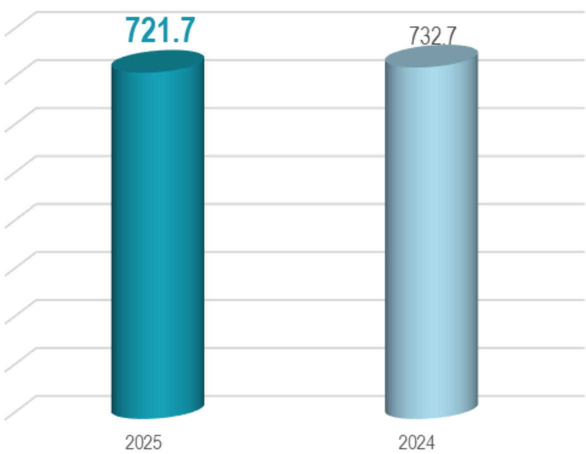
Other operating costs increased by 91.2 million euro (higher service costs coming to 88.8 million euro and higher operating expenses amounting to 2.4 million euro). Note the increase in system charges, especially in gas, and in electricity transmission costs due to the increased customer base and higher volumes sold. A decrease occurred in gas transport, storage and transmission costs, mainly due to the reduction in volumes handled and lower transport tariffs in the first half of 2025. Overall, the aforementioned effects contributed to an overall increase in costs coming to approximately 50 million euro. Energy services for energy efficiency recorded lower costs for works of roughly 42 million euro, linked to the trend in revenues. Higher costs were seen in the waste management area due to the development of sorted waste collection projects, higher costs in the industry market, and higher costs in the waste recovery market linked to the aforementioned trend in revenues. Lastly, higher costs were related to orders on goods under concession coming to roughly 58 million euro, and higher other costs related to price increases in all main services.

+5.7% INCREASE IN PERSONNEL COSTS

Personnel costs increased by 5.7% compared to June 2024, up 19.6 million euro. This increase was mainly related to salary increases under the national collective labour agreement and the higher average presence.

Capitalised costs amounted to 47.4 million euro in June 2025, up from the previous year due to higher investments for works on Group-owned assets.

Ebitda (mn€)



721.7

MILLION EURO EBITDA

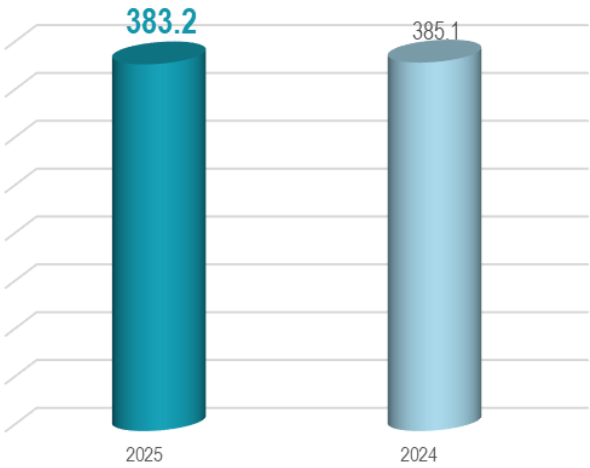
(-1.5%)

Ebitda decreased slightly compared to the previous year, down 1.5% or 11.0 million euro compared to June 2024. This trend was due to a drop in the energy areas totalling 26.3 million euro, partially offset by the positive contribution coming from the water cycle, amounting to 10.3 million euro, and the good performance of the waste management area, up by 3.9 million euro, and other services, up by 1.0 million euro.

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

Amortisation, depreciation and provisions at 30 June 2025 decreased by 9.1 million euro compared to the previous year, down 2.6%. Higher amortisation and depreciation mainly involved new operating investments, particularly in the regulated sectors, and increased activities for the acquisition of new customers in Energy markets. Provisions for risks decreased overall due to specific provisions in June 2024. Allocations to the provision for bad debts decreased, mainly due to the drop in volumes managed in last resort gas markets.

Ebit (mn€)



383.2

MILLION EURO
EBIT

(-0.5%)

Ebit amounted to 383.2 million, down slightly by 0.5% compared to June 2024. The slight decrease in Ebitda was further contained by lower amortisation, depreciation and provisions, as described above.

FINANCIAL OPERATIONS IMPROVE

Financial operations in the first half of the year decreased by 22.7 million euro compared to the same period of the previous year, due to a rationalisation of the financial structure along with the reduction in market interest rates, despite growth in structured debt.

RESULT OF EQUITY METHOD VALUATION

The shares of profits (losses) pertaining to joint ventures and associates include the effects of the equity method valuation for companies included in the scope of consolidation. As of June 2025, this amounted to 7.2 million euro, up 0.8 million euro compared to the previous year.

The result before taxes increased by 6.6% compared to June 2024; the result from Ebit was accompanied by the performance of financial operations and the companies valued with the equity method, as described above.

29.0% TAX RATE

Taxes for the first half of 2025 amounted to 101.8 million euro, as against 92.3 million euro in the first half of 2024. The tax rate came to 29%, up from 28% in the corresponding period of 2024. In the previous period, in particular, the tax rate benefited from the exemption of the higher values arising from the acquisition of certain subsidiaries.

+5.1% NET PROFIT

As a result of all the events described above, net profit increased by 12.1 million euro compared to the figure seen in June 2024.

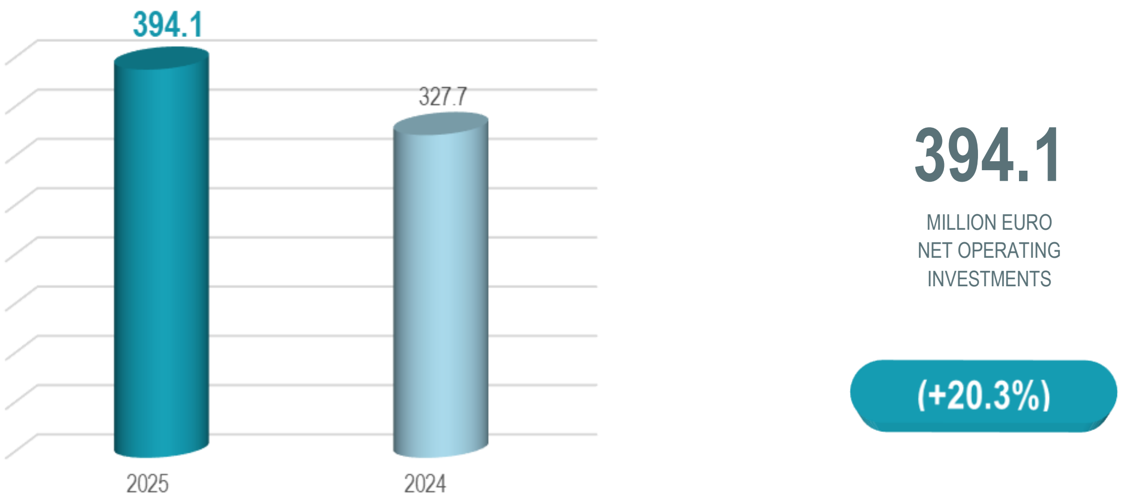
In June 2025, the Group's net investments amounted to 394.5 million euro, up 66.5 million euro compared to the previous year. This increase mainly involved operating investments in the water cycle and waste management areas.

Capital grants amounted to 19.8 million euro, of which 4.2 million euro were related to FoNI investments, as foreseen by the tariff method for the integrated water service, and increased overall by 3.1 million euro over the previous year.

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

Total investments (mn€)	JUNE 25	JUNE 24	ABS. CHANGE	% CHANGE
Gas area	83.8	77.7	6.1	+7.9%
Electricity area	53.6	59.1	(5.5)	(9.3)%
Integrated water cycle area	154.0	107.6	46.4	+43.1%
Waste management area	72.7	54.8	17.9	+32.7%
Other services area	4.6	4.4	0.2	+4.5%
Headquarters	45.3	40.8	4.5	+11.0%
Total gross operating investments	**414.0**	**344.4**	**69.6**	**+20.2%**
Capital grants	19.8	16.7	3.1	+18.6%
of which FoNi (New Investments Fund)	4.2	10.3	(6.1)	(59.2)%
Total net operating investments	**394.1**	**327.7**	**66.4**	**+20.3%**
Financial investments	0.4	0.4	-	+0.0%
Total net investments	**394.5**	**328.0**	**66.5**	**+20.3%**

Total net operating investments (mn€)



Including capital grants, the Group's operating investments amounted to 414.0 million euro, up 69.6 million euro over the previous year, and were mainly related to works on plants, networks and infrastructures. In addition, regulatory upgrading was carried out, especially in the gas distribution sector for the large-scale metre replacement, and in the purification and sewage sector.

Comments on investments in the individual areas are provided in the analysis by business area.

At Group headquarters, investments concerned interventions on corporate buildings, IT systems and the vehicle fleet, as well as laboratories and remote control structures.
Overall, structural investments amounted to 45.3 million euro, up 4.5 million euro compared to the previous year, mainly due to investments in Group information systems.

1.02.02 - Financial structure and adjusted net debt

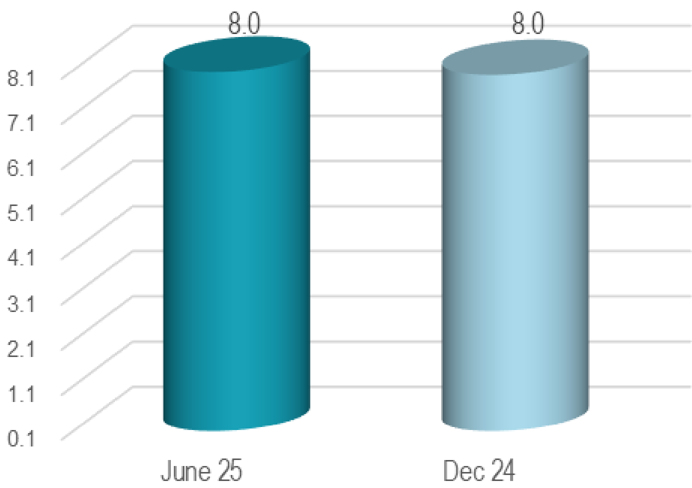
What follows is an analysis of trends in the Group's net invested capital and sources of financing at 30 June 2025.

GROUP SOLIDITY CONFIRMED

Invested capital and sources of financing (mn€)	30 JUNE 25	% INC.	31 DEC 24	% INC.	ABS. CHANGE	% CHANGE
Net non-current assets	8,647.1	+107.8%	8,496.4	+106.9%	150.7	+1.8%
Net working capital	142.7	+1.8%	227.2	+2.9%	(84.5)	(37.2)%
(Provisions)	(768.1)	(9.6)%	(773.0)	(9.7)%	4.9	(0.6)%
Net invested capital	**8,021.7**	**+100.0%**	**7,950.6**	**+100.0%**	**71.1**	**+0.9%**
Equity	4,094.6	+51.0%	3,986.9	+50.1%	107.7	+2.7%
Long-term borrowings	4,543.1	+56.6%	4,051.3	+51.0%	491.8	+12.1%
Net current financial debt	(616.0)	(7.7)%	(87.6)	(1.1)%	(528.4)	+603.2%
Net financial debt	3,927.1	+49.0%	3,963.7	+49.9%	(36.6)	(0.9)%
Total sources of financing	**8,021.7**	**+100.0%**	**7,950.6**	**+100.0%**	**71.1**	**+0.9%**

Net invested capital (NIC) stood at 8,021.7 million euro, up compared to 31 December 2024. This change was mainly impacted by the increase in net non-current assets as a result of investments made during the period.

Net invested capital



8.0

BILLION EURO

NET INVESTED CAPITAL

At 30 June 2025, provisions amounted to 768.1 million euro, in line with the amount seen at the end of the previous year (773 million euro). This result is mainly the consequence of provisions for the period and adjustments to the post-mortem provisions for landfills and restoration of third-party assets, which more than offset releases for utilisation.

768.1
MILLION EURO
PROVISIONS

Equity rose from 3,986.9 million euro at 31 December 2024 to 4,094.6 million euro at 30 June 2025, increasing the Group's solidity thanks to the net result from operations in the first six months of 2025, amounting to 249.4 million euro, offset by the payment of dividends amounting to 251.8 million euro and the sale of 25.6 million treasury shares held in the portfolio.

4.1
BILLION EURO
EQUITY

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

MLN/EURO	30 JUNE 25	31 DEC 24
Cash holdings	1,289.9	1,315.6
Cash equivalents	-	-
Other current financial assets	158.8	23.1
Liquidity	**1,448.7**	**1,338.7**
Current financial debt	(368.5)	(525.8)
Current portion of non-current financial debt	(464.2)	(474.1)
Current financial indebtedness	**(832.7)**	**(999.9)**
Net current financial indebtedness	**616.0**	**338.8**
Non-current financial debt	(705.2)	(712.6)
Debt instruments	(3,904.7)	(3,401.3)
Non-current trade and other payables	-	-
Non-current financial indebtedness	**(4,609.9)**	**(4,113.9)**
Total financial indebtedness (excluding put options)	**(3,993.9)**	**(3,775.1)**
Non-current financial receivables	160.7	158.0
Net financial debt (excluding put options)	**(3,833.2)**	**(3,617.1)**
Nominal amount - fair value put options	(86.9)	(318.4)
Net financial debt with adjusted put options (Net debt put options adj.)	**(3,920.1)**	**(3,935.5)**
Portion of future dividends - fair value put options	(7.0)	(28.2)
Net financial debt (Net debt)*	**(3,927.1)**	**(3,963.7)**

* This value is determined in accordance with Esma Guidelines 32-382-1138, with the addition of the amount of non-current financial assets.

Total net financial debt amounted to 3,927.1 million euro, down 36.6 million euro compared to 31 December 2024.

An increase in current financial assets occurred, amounting to approximately 135.7 million euro, mainly involving 85.2 million euro in tax credits to be paid in July and a shareholder loan of 30 million euro to Aimag Spa, disbursed in March 2025.

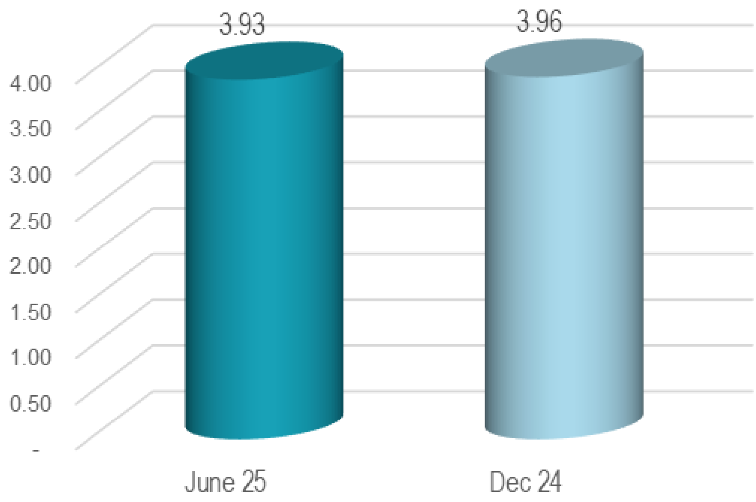
The financial structure showed total current indebtedness coming to 832.7 million euro, down 167.2 million euro compared to December 2024 and including bank borrowings, accrued interest on financial debt and other payables. The current portion of non-current financial debt amounted to 464.2 million euro, in line with the previous period, and included 375 million euro in bank lines maturing in early August 2025. This also includes 24.2 million euro in current liabilities for leasing contracts.

Non-current financial indebtedness amounted to 4,609.9 million euro, up by approximately 496 million euro compared to the previous period due to the 500 million euro green bond issued in January 2025.

Cash holdings amounted to 1,289.9 million euro, in line with the figure seen for the previous year.

At 30 June 2025, 77% of medium/long-term debt consisted of bonds with repayment at maturity. Total medium/long-term debt, 97% of which is fixed-rate, had an average residual maturity coming to approximately five years, with 49% of the debt maturing in more than five years.

Net financial debt (Net debt) (bn€)



3.93

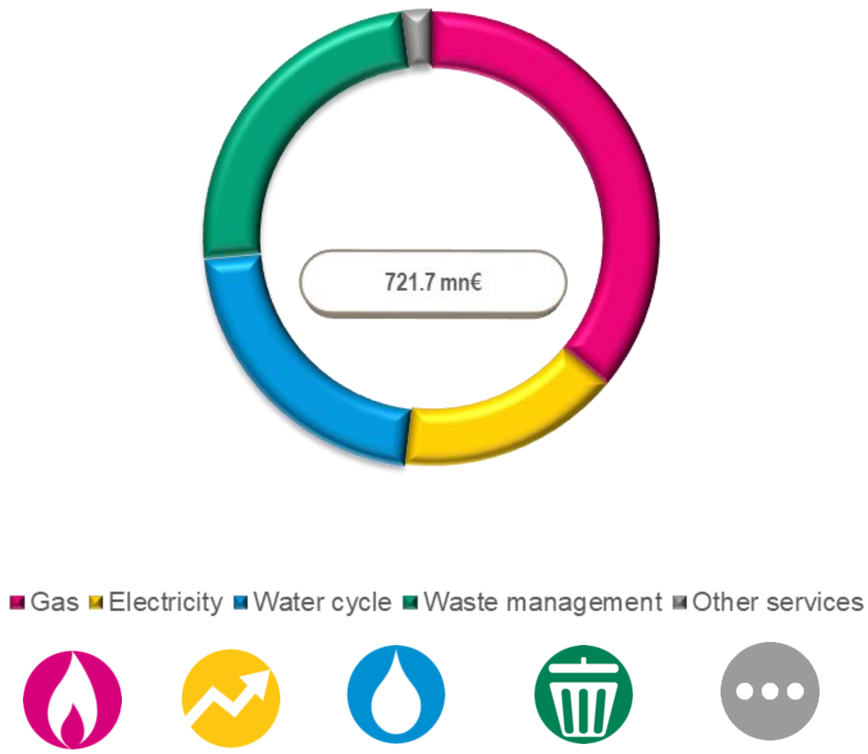
BILLION EURO
NET FINANCIAL DEBT

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 generation, distribution and sales services as well as public lighting services; 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 telecommunications and other minor services.

Ebitda June 2025



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.

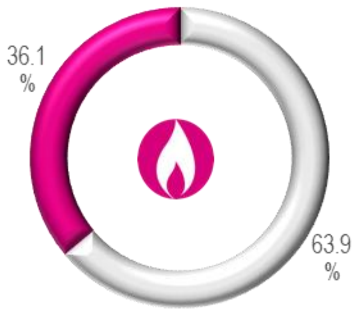
1.03.01 - Gas

The results for the first half of 2025 show growth compared to the previous year due to higher average prices of energy raw materials and higher regulated revenues from gas distribution, despite a decline in margins from trading and energy efficiency activities, following changes in energy saving legislation.
The Group maintained its leading presence in last resort markets, given that Hera Comm Spa was awarded tenders for the following lots across Italy:

- eight 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 2023 - 30 September 2025 in: Valle d'Aosta, Piedmont, Liguria, Trentino A.A., Veneto, Friuli-Venezia Giulia, Emilia-Romagna, Tuscany, Umbria, Marche, Abruzzo, Molise, Basilicata, Puglia, Lazio and Campania. In the previous tender, Hera Comm was awarded six out of nine lots;
- all nine lots of the default gas distribution service (for customers in arrears), for the period from 1 October 2023 - 30 September 2025 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 as well, Hera Comm was awarded nine out of nine lots.

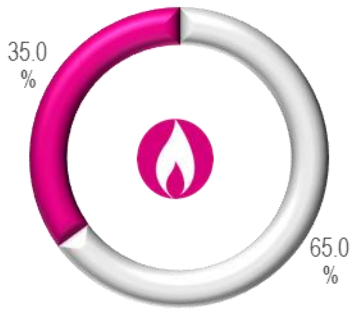
Ebitda gas area 2025

260.3 mln/euro



Ebitda gas area 2024

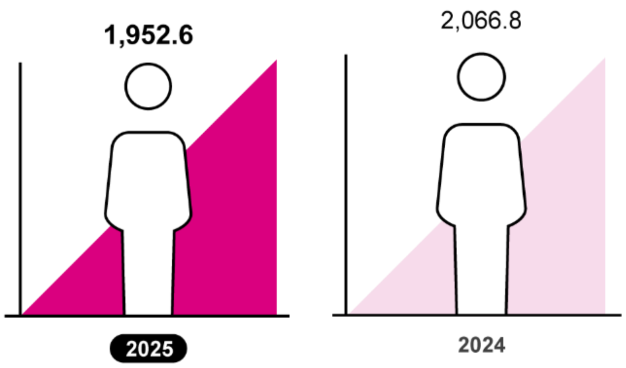
256.5 mln/euro



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

(mn€)	JUNE 25	JUNE 24	ABS. CHANGE	% CHANGE
Area Ebitda	**260.3**	**256.5**	**3.8**	**+1.5%**
Group Ebitda	721.7	732.7	(11.0)	(1.5)%
Percentage weight	36.1%	35.0%	+1.1 p.p.	

Customers (k)



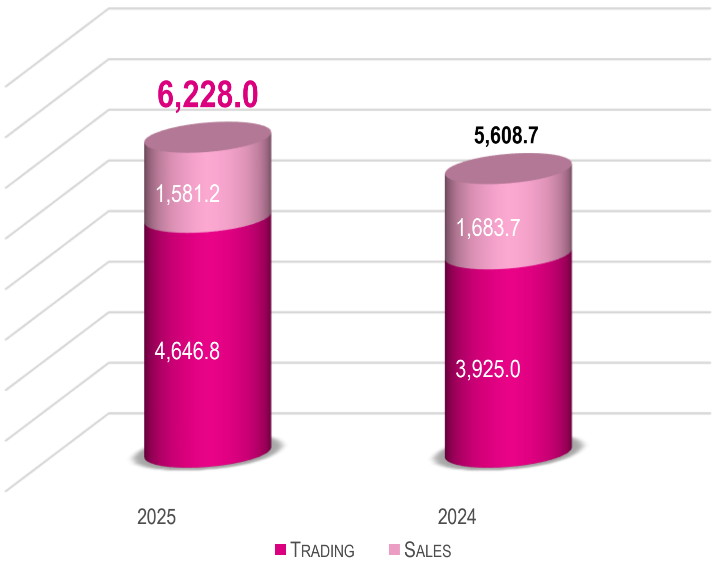
2.0

MILLION
GAS CUSTOMERS

(-5.5%)

The total number of gas customers was lower than in the same period of the previous year, down 114.2 thousand, mainly in traditional markets, which fell by 117.5 thousand, partly offset by growth in last resort markets, up 3.3 thousand.

Volumes sold (mn/m³)



6.2

BILLION M³ SOLD

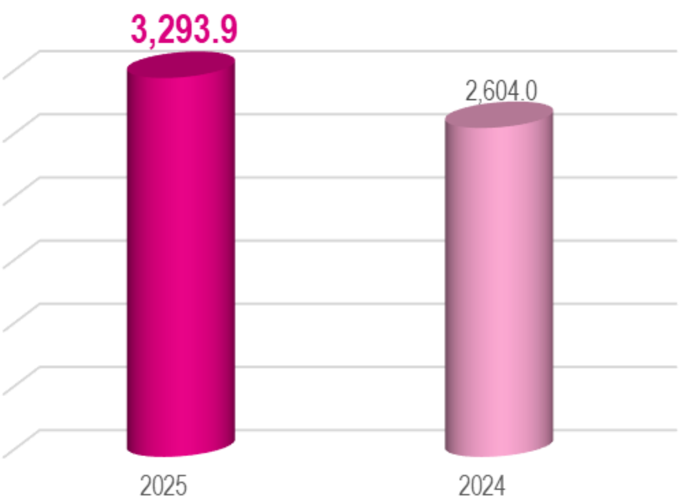
(+11.0%)

Total volumes of gas sold increased by 619.3 million cubic metres (+11.0%) due to increased trading amounting to 721.8 million cubic metres. Volumes sold to end customers fell by 102.5 million cubic metres (-6.1%), due to both last resort markets, down 35.4 million cubic metres (-18.9%), and traditional markets, which dropped by 67.1 million cubic metres (-4.5%). This trend was mainly caused by a decline in the customer base and the energy-saving behaviour shown by customers.

The following table summarises operating results for the gas area:

Income statement (mn€)	JUNE 25	% INC.	JUNE 24	% INC.	ABS. CHANGE	% CHANGE
Revenues	3,293.9		2,604.0		689.9	+26.5%
Operating costs	(2,983.5)	(90.6)%	(2,290.8)	(88.0)%	692.7	+30.2%
Personnel costs	(64.0)	(1.9)%	(64.3)	(2.5)%	(0.3)	(0.5)%
Capitalised costs	13.9	+0.4%	7.5	0.3%	6.4	+85.5%
Ebitda	**260.3**	**7.9%**	**256.5**	**9.8%**	**3.8**	**+1.5%**

Revenues (mn€)



3.3

BILLION EURO REVENUES

(+26.5%)

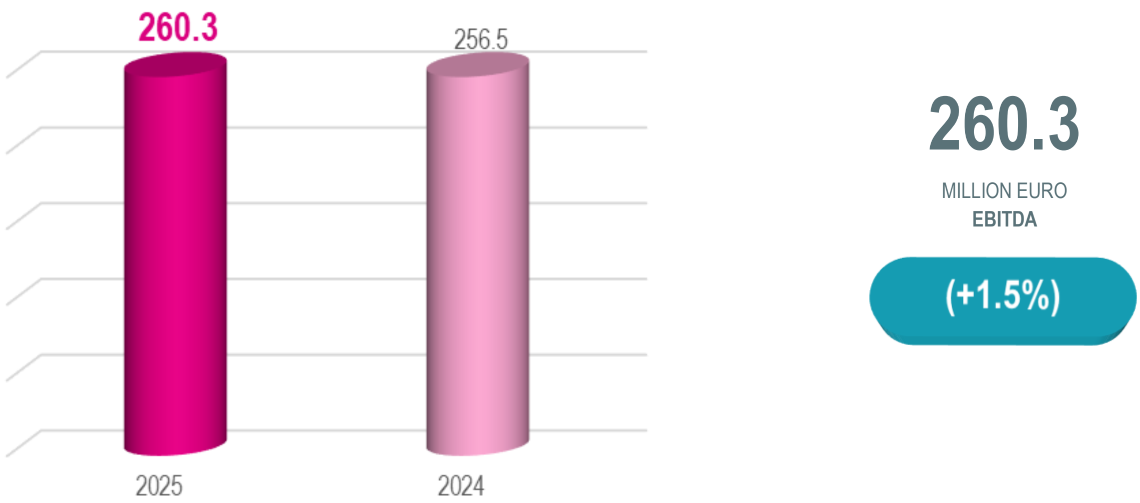
In 2025, 91% of revenues came from sales and trading (87% in 2024), 8% from distribution and district heating (9% in 2024) and 2% from energy efficiency activities (4% in 2024).
Compared to the previous year, a 689.9 million euro increase was seen. Overall, sales and trading contributed with 708 million euro; this performance was mainly caused by higher raw material prices, increased system charges and higher trading volumes, despite lower consumption by the customer base.

Energy efficiency activities showed a 46 million drop in revenues as a result of the aforementioned legislative changes on renovations and the ecobonus, which reduced its tax deduction percentage from 50-65% in 2024 to 36-50% in 2025.

An increase was also seen in district heating revenues, due to the increased quantity of energy sold and energy prices. Further contributions came from orders on assets under concession from activities in Bulgaria, and from white certificates, to a lesser degree. Taken as a whole, these factors resulted in an increase of approximately about 13 million euro.
Regulated revenues increased by 15 million euro, mainly due to the redefinition of tariffs for distribution and metering services pursuant to Resolutions 87/2025/R/gas and 98/2025/R/gas, a larger Regulatory asset base (RAB) of Group-owned assets, and the incorporation of inflationary increases, despite the decrease in the rate of return on invested capital (WACC) for gas distribution activities, which went from 6.5% in 2024 to 5.9% in 2025, following Resolution 513/2024/R/com, published at the end of 2024.

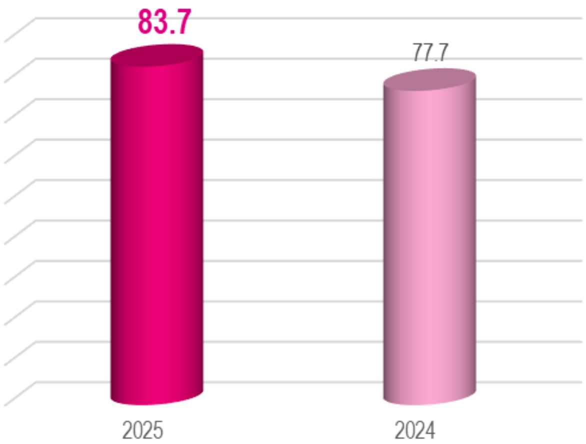
The increase in revenues was more than proportionally reflected by operating expenses, which showed overall growth coming to 692.7 million euro. This trend was mainly related to the increase in raw material prices and system charges, despite a reduction in gas transport and storage, lower consumption by the customer base, and decreased energy efficiency activities.

Ebitda (mn€)



Ebitda increased by 3.8 million euro, up 1.5%, due to the positive performance of traditional sales markets and regulated distribution revenues. This increase was offset by lower margins on last resort markets, trading and energy efficiency activities.

Net investments gas (mn€)



83.7
MILLION EURO
NET INVESTMENTS
(+7.7%)

In the first half of 2025, net investments in the gas area amounted to 83.7 million euro, up 6.0 million euro compared to the previous year. The increase in gas distribution came to 2.7 million euro, mainly involving an investment in the hydrogen production plant in Trieste, while extraordinary maintenance on networks and plants in the local areas served were essentially in line with the previous year.

In gas sales, investments decreased by 3.3 million euro due to activities linked to the acquisition of new customers.

In district heating and energy services, investments increased by 6.7 million euro overall compared to the previous year, up mainly due to works on district heating networks and plants.

Requests for new connections in the gas area were down compared to the same period of the previous year.

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

Gas (mn€)	JUNE 25	JUNE 24	ABS. CHANGE	% CHANGE
Networks and plants	53.6	50.9	2.7	+5.3%
Acquisition gas customers	11.2	14.5	(3.3)	(22.8)%
DH/Energy services	19.0	12.3	6.7	+54.5%
Total gas gross	**83.8**	**77.7**	**6.1**	**+7.9%**
Capital grants	0.1	-	0.1	+100.0%
Total gas net	**83.7**	**77.7**	**6.0**	**+7.7%**

1.03.02 - Electricity

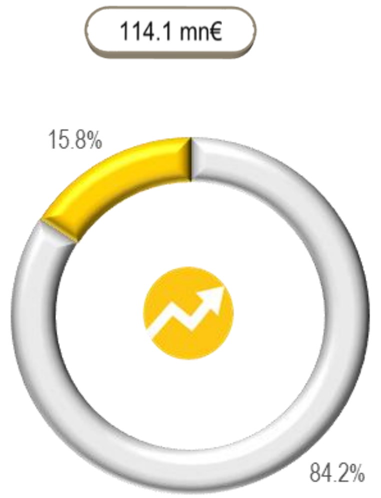
The results for the first half of 2025 show a decrease compared to the previous year, due to a reduction in sales margins attributable in particular to the effects of the new tenders for the electricity Safeguarded service and the Gradual protection service (GPS), despite the increase in volumes sold to end customers, thanks to commercial development in the free market, the increase in Pun prices and the increase in regulated revenues from electricity distribution.

In summary, Hera Comm was awarded:

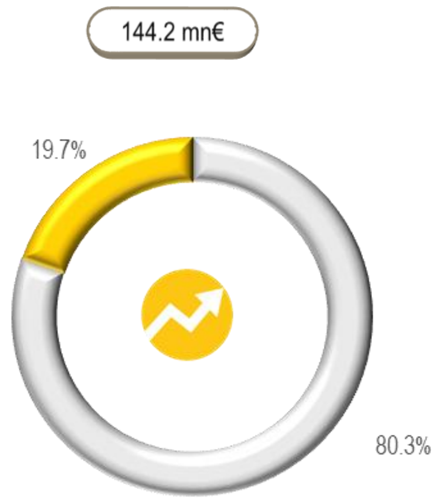
- seven of the nine lots of the safeguarded service for 2025 and 2026 in: Lombardy, Trentino Alto Adige, Veneto, Emilia Romagna, Friuli-Venezia-Giulia, Marche, Tuscany, Sardinia, Lazio, Umbria, Campania, Abruzzo, Calabria and Sicily, with five additional lots compared to the previous two-year period;
- seven lots (the maximum allowed out of a total of 26) in the tender for the gradual protection service for household customers for the period from 1 July 2024 to 31 March 2027 in 37 Italian provinces, strengthening the Group's presence in several Italian regions (Emilia-Romagna, Veneto, Friuli-Venezia Giulia, Marche, Tuscany, Abruzzo, Lazio, Umbria, Liguria, Piedmont, Lombardy and Campania);

- one of the 12 lots in the gradual protection service for supplying electricity to micro-businesses for the period from 1 April 2023 to 31 March 2027 in: Friuli-Venezia Giulia, Trentino-Alto Adige and in the Provinces of Belluno, Venezia and Verona;
- one of the 17 lots of the Consip EE22 tender for supplying electricity to public administrations in Calabria in 2025, compared to the four lots awarded in the previous tender.

Ebitda electricity area 2025



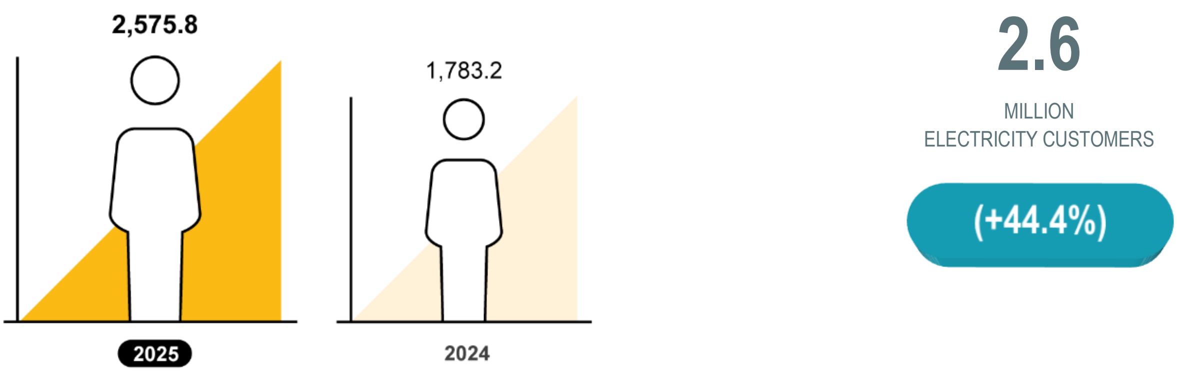
Ebitda electricity area 2024



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

(MN€)	JUNE 25	JUNE 24	ABS. CHANGE	% CHANGE
Area Ebitda	**114.1**	**144.2**	**(30.1)**	**(20.9)%**
Group Ebitda	721.7	732.7	(11.0)	(1.5)%
Percentage weight	15.8%	19.7%	(3.9) pp	

Customers (k)

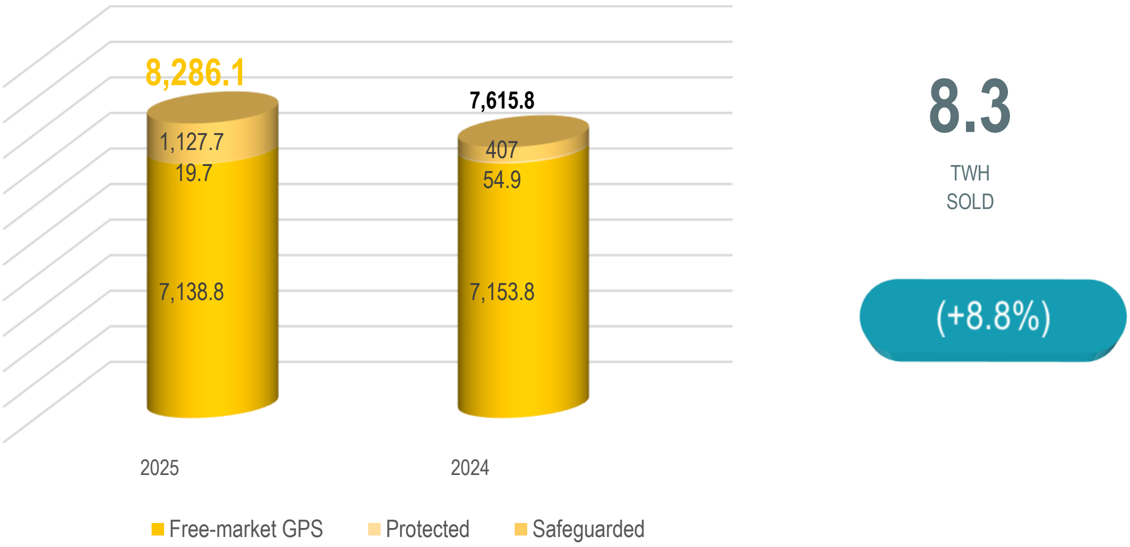


In the first half of 2025, the Group's energy sales customers increased by 792.6 thousand (+44.4%) compared to the same period in 2024. Growth on the free market, coming of approximately 789.0 thousand customers, was particularly significant due to the effect of the GPS market, at 776.2 thousand, mainly due to the lots awarded in July 2024. This rise was partially offset by a 24.4 thousand decrease in Consip tender customers as a consequence of the change in the lots awarded under the new tender, as mentioned above. The remaining increase confirms the positive contribution deriving from activities to strengthen the commercial actions implemented. The number of customers in the safeguarded market also increased, up by roughly 39.0 thousand, as a result of the new 2025-2026 tender.

These effects largely offset the decrease in the protected market, down by about 35.6 thousand customers, mainly due to the transition of non-vulnerable customers to the gradual protection service in July 2024 and the subsequent option granted to vulnerable customers to access the GPS following Resolution 10/2025/R/eel, starting from January 2025 (confirmed by Resolution 267/2025/R/eel).

Customer appreciation and loyalty deriving from the value-added services offered by the Group was confirmed, with approximately 55,000 customers requesting them as of June 2025, up 16.8% compared to the first half of 2024.

Volumes sold (GWh)



Volumes of electricity sold increased by 670.3 GWh, up 8.8%, compared to the same period during the previous year. This trend was caused by the increase in volumes on the safeguarded market, up 720.7 GWh (+177.1%), partially offset by a drop in the free market coming to 15.0 GWh (-0.2%), in which the positive effects of the GPS household basin (which started in July 2024) partially offset the drop resulting from the Consip tenders, for the reasons mentioned above. In addition to these effects, there was a drop in protected volumes, down 35.2 GWh (-64.1%), as described above.

The main indicators concerning public lighting are as follows:

Quantity	JUNE 25	JUNE 24*	ABS. CHANGE	% CHANGE
Public lighting				
Lighting points (k)	667.9	648.3	+19.6	+3.0%
of which LED	56.0%	47.4%	+8.6 p.p.	
Municipalities served	227	216	11	+5.1%

*The 2024 data has been updated to incorporate the consolidation of municipalities and lighting points consistently with the same period in 2025.

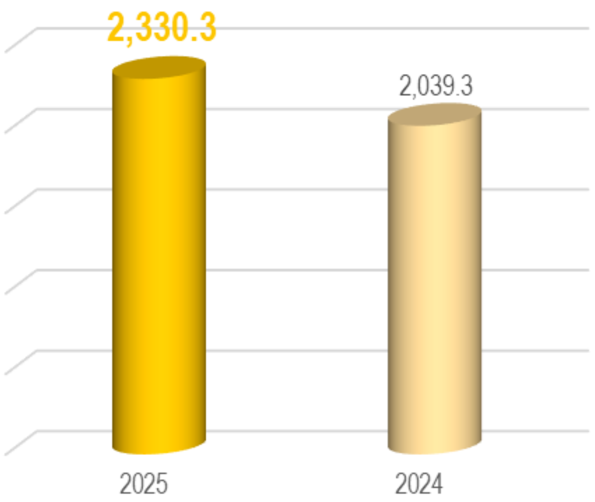
In the first half of 2025, the Hera Group acquired approximately 47.8 thousand lighting points in 15 new municipalities. Geographically, the most significant acquisitions included approximately 14.7 thousand lighting points in Emilia-Romagna, approximately 14 thousand lighting points in Triveneto, approximately 5.7 thousand lighting points in Tuscany, approximately 4.5 thousand lighting points in Lombardy, approximately 2.1 thousand lighting points in Umbria and approximately 1.7 thousand lighting points in Liguria. Lastly, note the acquisitions made in other regions, mainly in central Italy, amounting to approximately 5.1 thousand lighting points. The increases seen during the period fully offset the loss of approximately 28.2 thousand lighting points and 4 municipalities, mainly in Friuli-Venezia Giulia and Emilia-Romagna.

The percentage of lighting points using LED bulbs increased to 56.0%, up 8.6 percentage points. This trend highlights the Group's ongoing focus on an increasingly efficient and sustainable management of public lighting.

The following table summarises operating results for the electricity area:

Income statement (mn€)	JUNE 25	% INC.	JUNE 24	% INC.	ABS. CHANGE	% CHANGE
Revenues	2,330.3		2,039.3		291.0	14.3%
Operating costs	(2,190.8)	(94.0)%	(1,870.2)	(91.7)%	320.6	17.1%
Personnel costs	(39.3)	(1.7)%	(35.7)	(1.8)%	3.6	10.1%
Capitalised costs	13.9	0.6%	10.9	0.5%	3.0	27.6%
Ebitda	**114.1**	**4.9%**	**144.2**	**7.1%**	**(30.1)**	**(20.9)%**

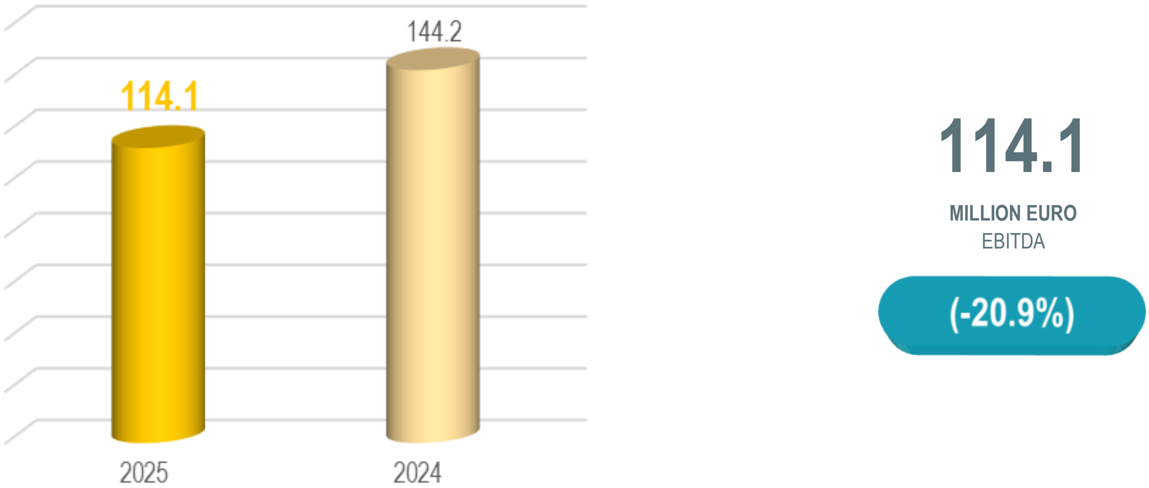
Revenues (mn€)



In 2025, 93% of revenues came from sales and trading activities (92% in 2024), 3% from distribution (3% in 2024), 3% from public lighting and value-added services (3% in 2024 as well) and 1% from generation (1% in 2024 as well).
Revenues grew by 291.0 million euro compared to the same period of the previous year.
Overall, sales, trading and production activities contributed 275 million. The main causes of this performance were higher raw material prices, increased volumes sold due to commercial development, and the new tenders awarded, only partly offset by trading and production.
The increased revenues in the public lighting business, coming to 4 million euro, was mainly related to progress made on energy upgrading worksites compared to the first half of 2024.
Regulated revenues increased by 10 million euro, despite the decreased rate of return on invested capital (WACC) for the electricity distribution business, which went from 6.0% in 2024 to 5.6% in 2025, as a result of Resolution 513/2024/R/com, published in late 2024.

The growth in revenues was proportionally reflected in operating expenses, which were up by 320.6 million euro. This trend was mainly due to the increase in raw material prices, higher sales volumes, and services related to the increased redevelopment of public lighting systems, despite the effect of trading, in line with revenues.

Ebitda (mn€)



Ebitda decreased by 30.1 million euro compared to 2024. This drop was due to decreased margins in sales activities resulting from the new tenders, despite the increased customer base on the free market and growth in electricity distribution.

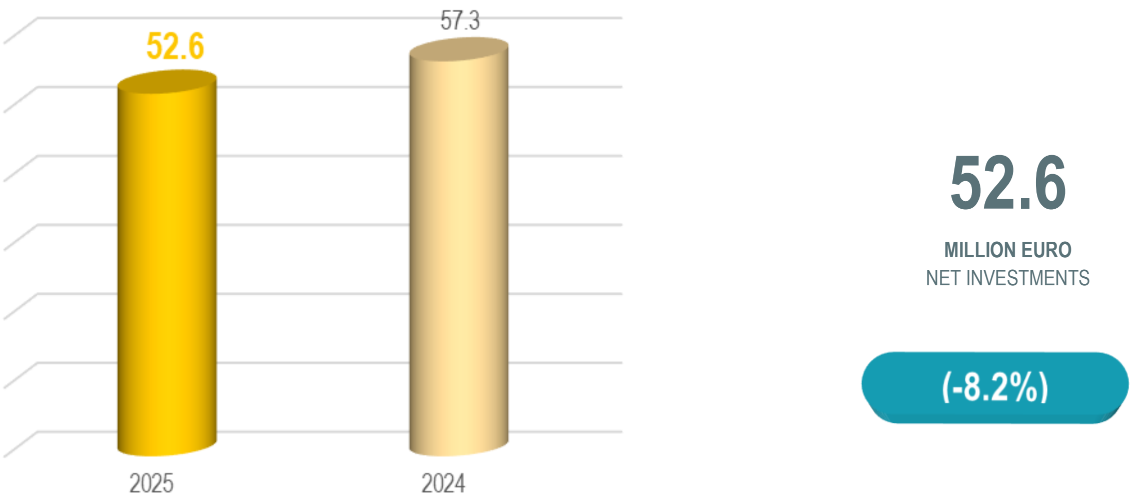
In the electricity area, net investments in the first half of 2025 amounted to 52.6 million euro, down by 4.7 million euro year-on-year.

In the electricity distribution sector, the interventions carried out mainly concerned non-recurring maintenance and upgrading on plants and distribution networks in the Modena, Imola, Trieste and Gorizia areas, as well as interventions to improve network resilience. Investments in electricity distribution increased by 1.1 million euro compared to the previous year.

Investments in activities related to the acquisition of new customers decreased by 5.9 million euro in energy sales and by 0.6 million euro in public lighting.

Requests for new connections in the electricity area were essentially in line with the previous year.

Net investments electricity (mn€)



Operating investments in the electricity area were as follows:

Electricity (mn€)	JUNE 25	JUNE 24	ABS. CHANGE	% CHANGE
Networks and plants	33.8	32.7	1.1	+3.4%
Acquisition electricity customers / other sales	19.3	25.2	(5.9)	(23.4)%
Public lighting and traffic lights	0.6	1.2	(0.6)	(50.0)%
Total electricity gross	**53.6**	**59.1**	**(5.5)**	**(9.3)%**
Capital grants	1.0	1.8	(0.8)	(44.4)%
Total electricity net	**52.6**	**57.3**	**(4.7)**	**(8.2)%**

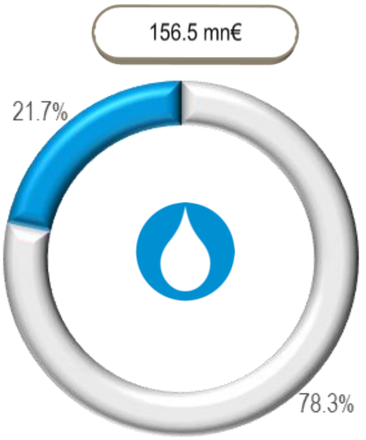
1.03.03 - Integrated water cycle

GROWTH IN RESULTS FOR 2025

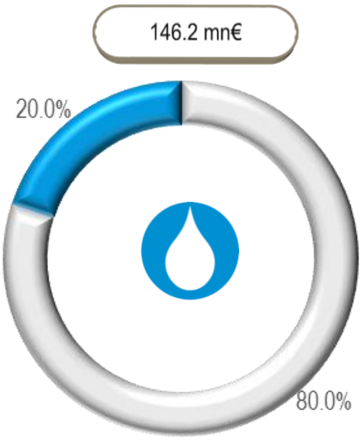
In the first half of 2025, the integrated water cycle area showed increased results compared to the same period in the previous year, with Ebitda standing at 156.5 million euro.

From a regulatory point of view, note that 2025 is the second year in which the tariff method defined by the Authority for the fourth regulatory period (MTI-4), 2024-2029 (Resolution 639/2023/R/idr) was applied. MTI-4 will have a duration of six years and, among other new elements, it calls for updates in the component covering the cost of electricity, which has been subject to sharp fluctuations in recent years. 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, in addition to measures to promote and valorise sustainability and resilience.

Ebitda water cycle area 2025



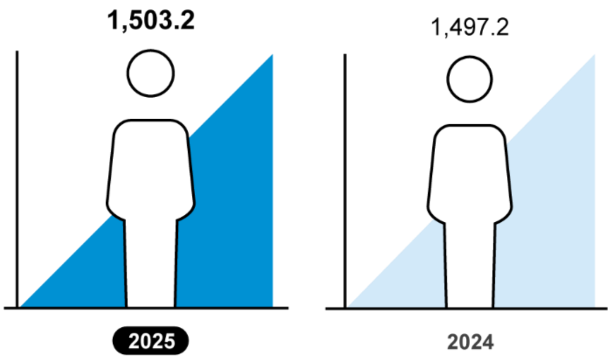
Ebitda water cycle area 2024



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

(mn€)	JUNE 25	JUNE 24	ABS. CHANGE	% CHANGE
Area Ebitda	**156.5**	**146.2**	**10.3**	**+7.1%**
Group Ebitda	721.7	732.7	(11.0)	(1.5)%
Percentage weight	21.7%	20.0%	+1.7 p.p.	

Customers (k)

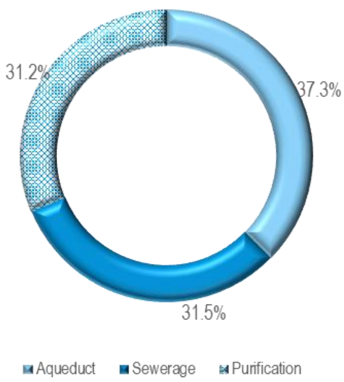


1.5
MILLION **CUSTOMERS**
INTEGRATED WATER CYCLE
(+0.4%)

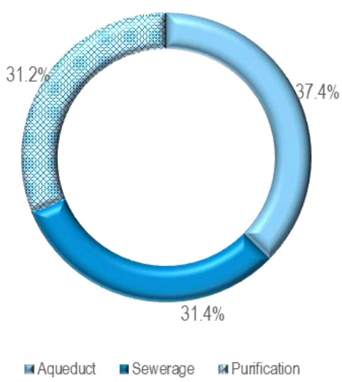
The number of water customers increased compared to June 2024 by 6.0 thousand, up +0.4%, confirming the moderate trend of internal growth in the Group's reference areas. This growth refers mainly to the Emilia-Romagna area, managed by Hera Spa.

The main indicators for the area are as follows:

Amount managed 2025 (mn m³)



Amount managed 2024 (mn m³)



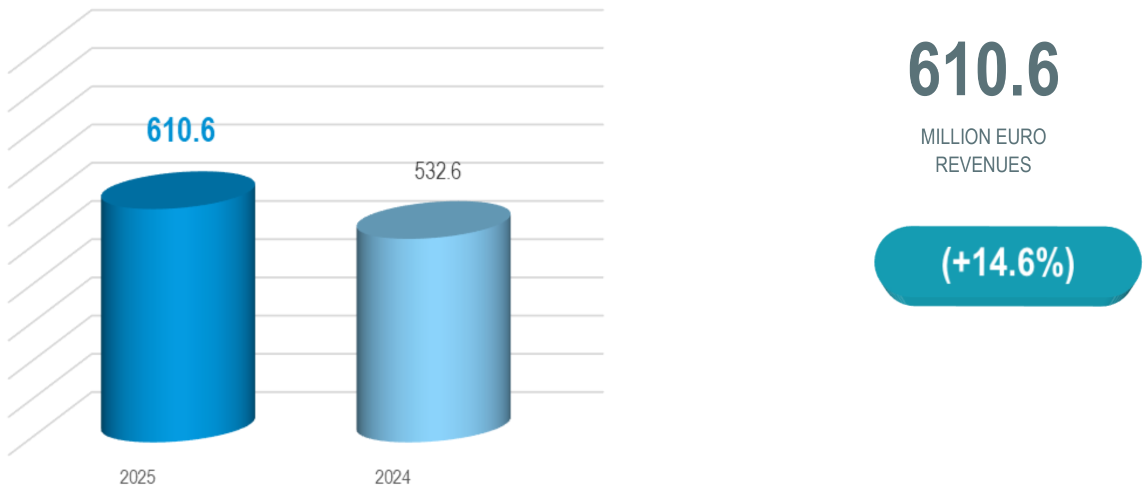
134.5 MILLION M³: QUANTITY MANAGED IN THE AQUEDUCT

Volumes supplied through aqueducts stood at 134.5 million cubic metres, dropping by 4.7% or -6.6 million cubic metres compared to June 2024.
At June 2025, the quantities managed related to sewerage amounted to 113.3 million cubic metres, down 4.5% compared to the previous year, while those related to purification stood at 112.5 million cubic metres, also down 4.5% compared to the previous year. The volumes supplied, following the Authority's resolution 639/2023, are an indicator of the activity of the areas in which the Group operates and are subject to equalisation, owing to legislation that provides for a regulated revenue, recognised independently from volumes distributed.

The following table summarises operating results for this area:

Income statement (mn€)	JUNE 25	% INC.	JUNE 24	% INC.	ABS. CHANGE	% CHANGE
Revenues	610.6		532.6		78.0	+14.6%
Operating costs	(348.0)	(57.0)%	(286.3)	(53.8)%	61.7	+21.5%
Personnel costs	(108.6)	(17.8)%	(102.0)	(19.2)%	6.6	+6.5%
Capitalised costs	2.5	0.4%	1.9	0.4%	0.6	+31.3%
Ebitda	**156.5**	**25.6%**	**146.2**	**27.4%**	**10.3**	**+7.1%**

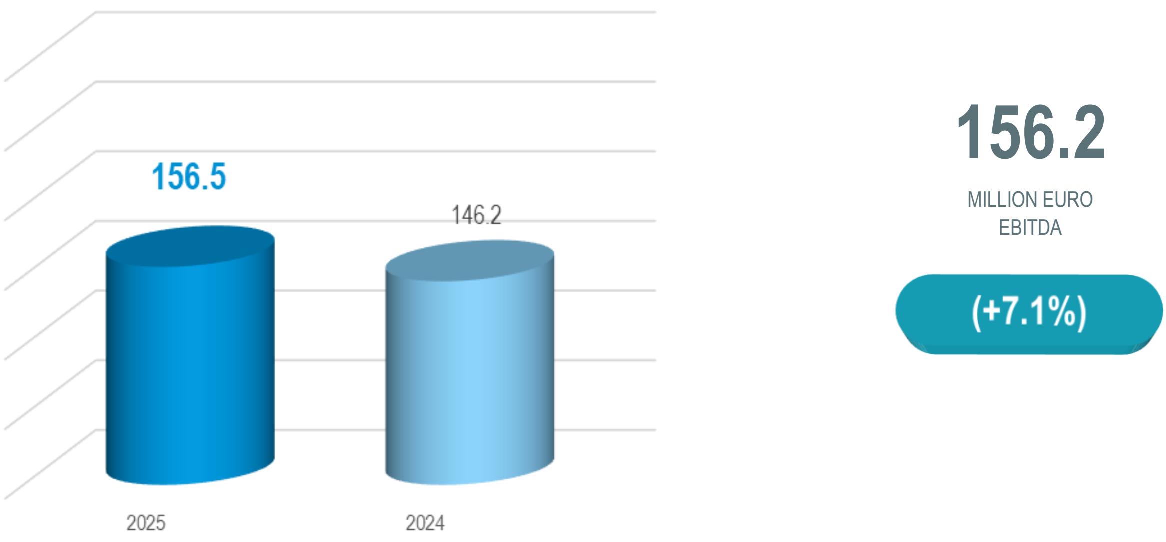
Revenues (mn€)



Water cycle revenues increased by 14.6% year-on-year, going from 532.6 million euro in June 2024 to 610.6 million euro in June 2025.
Note the lower revenues for equalisations of energy components and higher regulated revenues due to the adjustments resulting from the application of the MTI-4 tariff method, introduced by ARERA resolution 639/2023/R/idr, amounting to approximately 28 million euro. Lastly, higher revenues coming to roughly 45 million euro were mainly related to contracts on assets under concession.

The increase in operating expenses at June 2025 was mainly due to the higher works on assets under concession mentioned above and the increase in the prices of all major supplies of materials and services. Also note the higher costs of energy components as a result of an energy scenario with rising raw material prices compared to the same period in 2024.

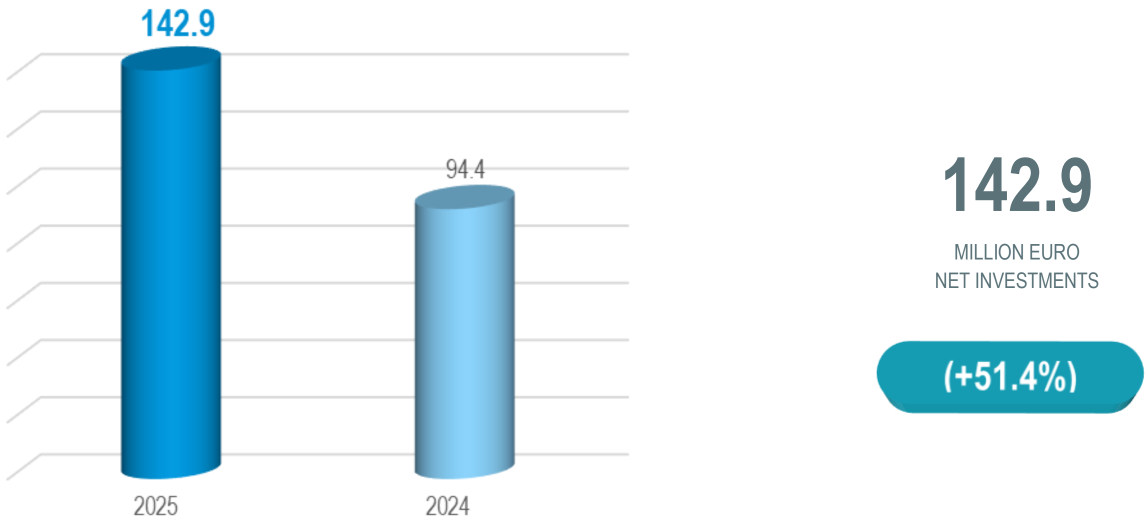
Ebitda (mn€)



Ebitda increased by 10.3 million euro, or 7.1%, going from 146.2 million euro in the first half of 2024 to 165.5 million in the same period of 2025.
The higher regulated revenues were partially offset by higher operating costs as a result of rising energy component costs and rising list prices for all major supplies.

In the first half of 2025, net investments in the integrated water cycle area amounted to 142.9 million euro, up 48.5 million euro year-on-year. Including the capital grants received, the investments made amounted to 154.0 million euro. The investments mainly involved extensions, reclamation and upgrades of networks and plants, as well as regulatory adjustments mainly in the purification and sewerage area, and amounted to 96.1 million euro in the aqueduct, 40.8 million euro in sewerage, and 17.0 million euro in purification.

Net investments water cycle (mn€)



The main interventions include: in the aqueduct, the ongoing reclamation activities on networks and connections related to ARERA Resolution 917/2017 on the regulation of the technical quality of the integrated water service, the interventions to resolve the interference of the water network with the works for the construction of the fourth lane of the A14 highway in the Imola section, as well as the installation of Smart Meters with a view to reducing network losses.
In the sewerage sector, the start-up of the construction of the southern tanks as part of the continuation of the Rimini seawater protection plan (PSBO), in addition to maintenance works to upgrade the sewerage network in other areas served, the works to adapt drains to Dgr 201/2016 and the construction of a first rainwater tank in the municipality of Cattolica.
In purification, note the upgrading and expansion of the Ravenna purification plant, an intervention that received PNRR contributions.
Requests for new water and sewerage connections were also up compared to the previous year. Capital grants, amounting to 11.0 million euro, decreased by 2.2 million euro compared to the previous year and included contributions from the tariff component of the New Investment Fund (FoNI).

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

Integrated water cycle (mn€)	JUNE 25	JUNE 24	ABS. CHANGE	% CHANGE
Aqueduct	96.1	67.1	29.0	+43.2%
Purification	17.0	15.3	1.7	+11.1%
Sewerage	40.8	25.2	15.6	+61.9%
Total integrated water cycle gross	**154.0**	**107.6**	**46.4**	**+43.1%**
Capital grants	11.0	13.2	(2.2)	(16.7)%
of which FoNi (New Investments Fund)	4.2	10.3	(6.1)	(59.2)%
Total integrated water cycle net	**142.9**	**94.4**	**48.5**	**+51.4%**

1.03.04 – Waste management

EBITDA RISES

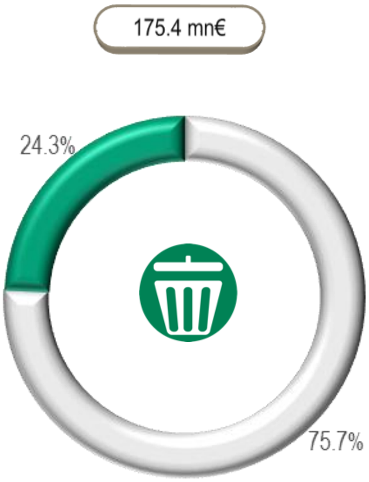
In the first half of 2025, the waste management area accounted for 24.3% of the Hera Group's overall Ebitda, with this area's Ebitda increasing by 3.8 million euro compared to the same period in the previous year. The Group therefore continues to chieve good performances in this business area, thanks to the diversification of its offer, the breadth of its customer portfolio and its responsiveness in providing the services it offers, despite a complex macroeconomic context with repercussions in the markets in which it operates.

The ecological transition, environmental sustainability and innovation continue to be the drivers underlying the Group's plant and business development. In this perspective, the main interventions involved: expanding the scope of operations through the acquisition of private industrial companies (such as platforms for industrial waste treatment and plastic waste regeneration centres), which are integrated into the commercial offer, even in geographical areas where the Group was not previously present; material recovery and renewable energy production, in particular biomethane; development, leveraging the market leadership and operating capacity of Group subsidiary A.C.R. di Reggiani Albertino Spa, new technologies for remediation management and decommissioning services for industrial plants.

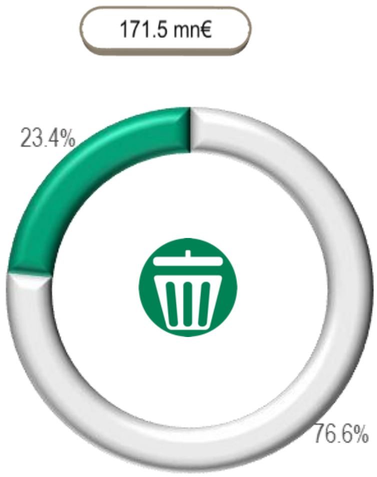
In the first half of 2025, the Hera Group also played a leading role in the field of innovation, continuing to make significant and tangible progress towards the circular economy of the future by inaugurating in Imola the first plant of its kind in Europe, capable of regenerating carbon fibre on an industrial scale. Its name is FIB3R, inspired by the three Rs (recover, reduce and reuse) that are at the root of a unique project, capable of recovering carbon fibre and reusing it, thus reducing the use of virgin fibre and therefore the environmental impact that would be required to produce it. The commitment to promote the ecological transition, as well as the expected increase in demand for carbon fibre in the coming years, have led the Hera Group to anticipate this megatrend, accepting the challenge of applying the virtuous path of the circular economy to this material as well, combining economic growth with environmental sustainability.

Protecting environmental resources was a priority objective in the first half of 2025 as well, as was the maximisation of their reuse, as is demonstrated by the initiatives mentioned above and the special attention devoted to increasing sorted waste collection, which, thanks to the strong commitment shown by the Group in all regions served, increased by one percentage point compared to the first half of 2024.

Ebitda waste management area 2025



Ebitda waste management area 2024



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

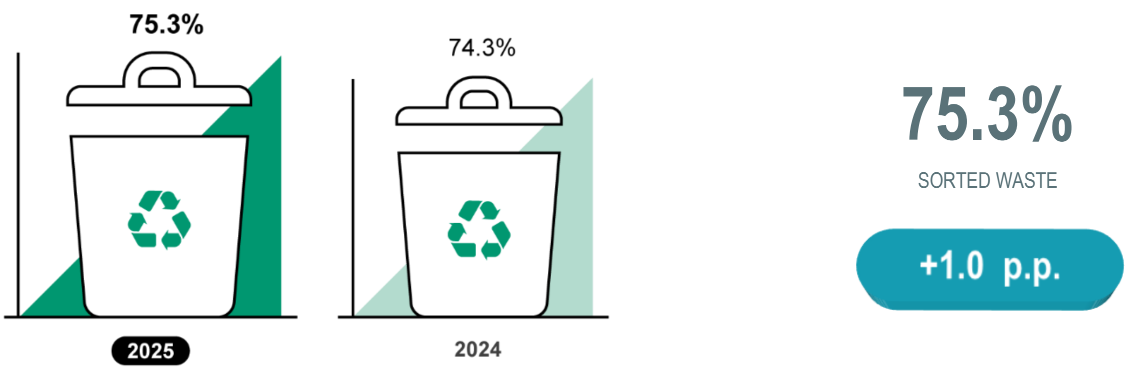
(mn€)	JUNE 25	JUNE 24	ABS. CHANGE	% CHANGE
Area Ebitda	**175.4**	**171.5**	**3.9**	**+2.3%**
Group Ebitda	721.7	732.7	(11.0)	(1.5)%
Percentage weight	24.3%	23.4%	+0.9 p.p.	

Volumes marketed and treated by the Group in the first half of 2025 are as follows:

Quantity (k tons)	JUNE 25	JUNE 24	ABS. CHANGE	% CHANGE
Municipal waste	1,080.8	1,087.8	(7.0)	(0.6)%
Market waste	1,618.6	1,696.9	(78.3)	(4.6)%
Waste commercialised	**2,699.4**	**2,784.7**	**(85.3)**	**(3.1)%**
Plant by-products	1,715.5	1,325.7	389.8	+29.4%
Waste treated by type	**4,414.9**	**4,110.4**	**304.5**	**+7.4%**

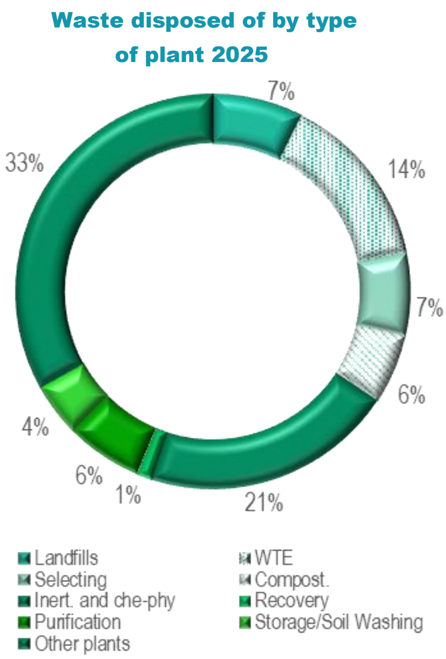
An analysis of the quantitative data shows an increase in waste treated, due to the plants operating at full capacity and an expansion in the set of owned and managed plants.
In the first half of 2025, a slight 0.6% decrease was seen municipal waste, mainly linked to increased quantities delivered by the collection service operator to external facilities not managed by the Group, in compliance with the provisions of the Municipal waste management service concessions awarded through tenders.
Market waste, instead, fell by 4.6%, due to a decrease in both the liquid waste business segment and in trading, while volumes in the recovery and industry market increased, partially thanks to the consolidation of existing business relationships and the development of the customer portfolio.
Lastly, increased plant by-products were seen compared to the previous year, mainly due to higher rainfall.

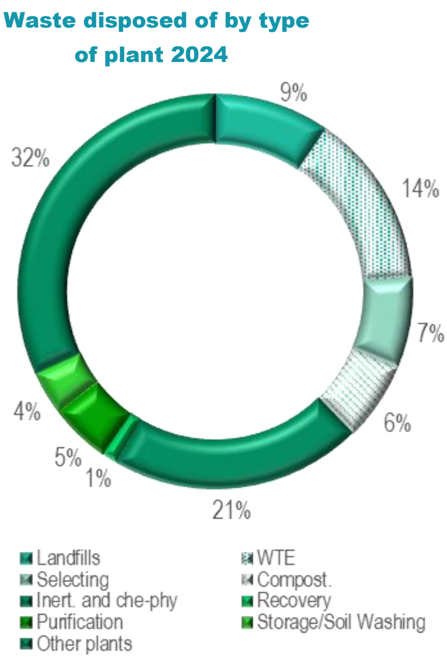
Sorted waste (%)



As mentioned above, sorted collection of municipal waste rose by 1.0 percentage point over the previous year, settling at 75.3%, thanks to the development of numerous projects in the local areas managed by the Group.

The Hera Group operates in the entire waste cycle, with 94 municipal and special waste treatment and plastic regeneration plants. Thanks to the advanced technologies with which they are equipped, their personnel's know-how and a network of international partners, the Group is able to fully respond to the needs of the local areas served and businesses, through innovative and sustainable services and solutions for the complete management and treatment of any type of waste, to be transformed into a resource and value for the community.
The main plants include: 17 selecting plants, whose main purpose is to recover materials to be sent to chain consortia for recycling; 10 waste-to-energy plants, confirming the Group's leading position in Italy in this sector both in terms of numbers and plant technology; 11 composting/digestion plants, which transform humid waste from sorted waste collection into compost or produce electricity from renewable sources and biomethane, a green fuel, with significant benefits for air and environmental quality; and 4 material recovery plants, including the new FIB3R plant in Imola, mentioned above.





Quantity (k tons)	JUNE 25	JUNE 24	ABS. CHANGE	% CHANGE
Landfills	326.5	390.2	(63.7)	(16.3)%
WTE	635.8	588.2	47.6	+8.1%
Selecting plants and other	301.8	307.1	(5.3)	(1.7)%
Composting and stabilisation plants	252.1	264.6	(12.5)	(4.7)%
Inertisation and chemical-physical plants	913.3	849.3	64.0	+7.5%
Recovery plants	56.0	54.2	1.8	+3.3%
Purification plants	273.6	201.4	72.2	+35.8%
Storage/Soil Washing	195.3	147.0	48.3	+32.9%
Other plants	1,460.5	1,308.3	152.2	+11.6%
Waste treated by plant	**4,414.9**	**4,110.4**	**304.5**	**+7.4%**
Plastic recycled by Aliplast	**46.7**	**42.0**	**4.7**	**+11.2%**

Waste treatment increased by +7.4% overall compared to the same period in 2024. Analysing the individual sectors, decreased quantities were seen in landfills, mainly due to the end of conferrals to the Tre Monti (BO) and Il Pago (FI) plants in late 2024. As regards waste-to-energy plants, the upward trend was mainly due to higher volumes treated in the Rimini and Modena plants, both of which were shut down in the first half of 2024. Also note that Group subsidiary Herambiente was awarded a tender for the management of the Montale waste-to-energy plant as of January 2025, putting its know-how at the plant's service.

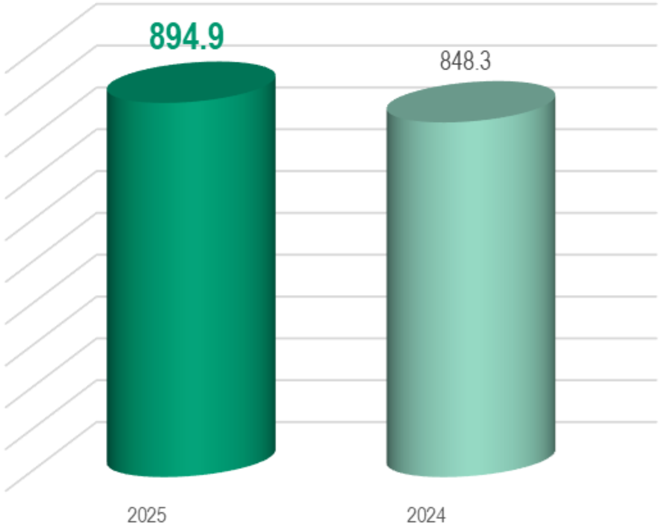
A slight decrease occurred in quantities at selecting plants and composting and stabilisation plants, mainly due to lower quantities treated in the stabilisation plants at Tre Monti (Bo) and in the Sant'Agata and Nonantola digesters, while in inertisation and chemical-physical plants the increased quantities were mainly due to the volumes of liquid waste treated, partially as a result of the higher rainfall seen in the first half of 2025.

In recovery plants, incoming volumes increased due to higher market demand. Note the increased amount of waste treated both at purification plants and in the storage/soil washing chain, partially thanks to the acquisition of TRS Ecology Srl. Finally, in Other plants, quantities rose due to higher by-products to third-party plants compared to the same period during the previous year.

The following table summarises operating results for the area:

Income statement (mn€)	JUNE 25	% INC.	JUNE 24	% INC.	ABS. CHANGE	% CHANGE
Revenues	894.9		848.3		46.6	+5.5%
Operating costs	(593.5)	(66.3)%	(553.5)	(65.3)%	40.0	+7.2%
Personnel costs	(141.8)	(15.8)%	(132.1)	(15.6)%	9.7	+7.3%
Capitalised costs	15.8	1.8%	8.8	1.0%	7.0	+79.5%
Ebitda	**175.4**	**19.6%**	**171.5**	**20.2%**	**3.9**	**+2.3%**

Revenues (mn€)

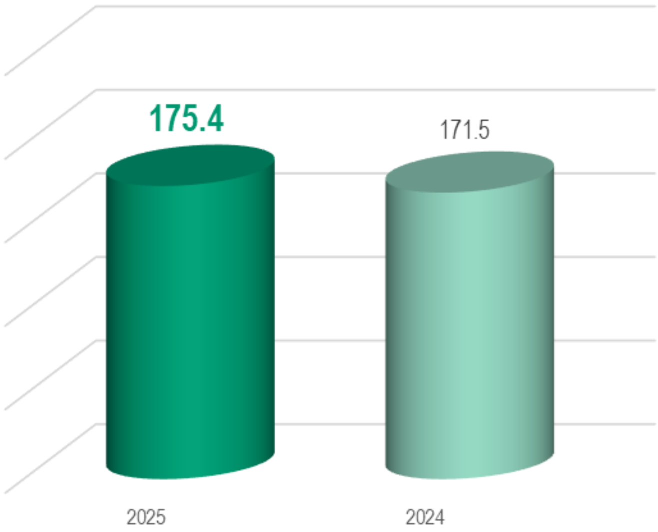


849.9
MILLION EURO
REVENUES
(+5.5%)

In the first half of 2025, revenues increased by +5.5% compared to the previous year. Note the significant expansion in both the Recovery and Industry markets, due to growth in A.C.R. di Reggiani Albertino Spa's business, as well as the acquisition of TRS Ecology Srl. In Recovery, growth was mainly linked to the contribution coming from Aliplast Spa, which recorded higher volumes sold, in addition to the increase in prices per unit, which rose above all in the PET segment, which reflected the increased costs for raw materials.
In the municipal waste service, higher regulated revenues were mainly related to the recognition of inflation and the higher additional services requested in the areas covered by tenders.
This was partially offset by lower energy revenues, mainly due to the drop in commodity prices.

Operating costs in the first half of 2025 were up by +7.2%. Note the increased costs for purchasing raw materials due to the increased commodity prices, as mentioned above.
In the recovery market and in activities related to reclamation, the increased costs incurred were related to the aforementioned trend in revenues.
With regard to urban hygiene as well, note the higher costs for activities related to the development of new sorted waste collection projects and the increased additional services requested.

Ebitda (mn€)



175.4

MILLION EURO
EBITDA

(+2.3%)

Ebitda increased by 3.9 million euro compared to the same period of the previous year due to the positive contribution of the environmental sanitation business, in particular due to the recognition of inflation and the increased supplementary services required in the areas covered by tenders. Treatment and recovery activities also increased, thanks to the higher volumes sold by Aliplast Spa and the good performance of A.C.R. di Reggiani Albertino Spa, which more than compensated for the decrease in energy management linked to the drop in commodity prices.

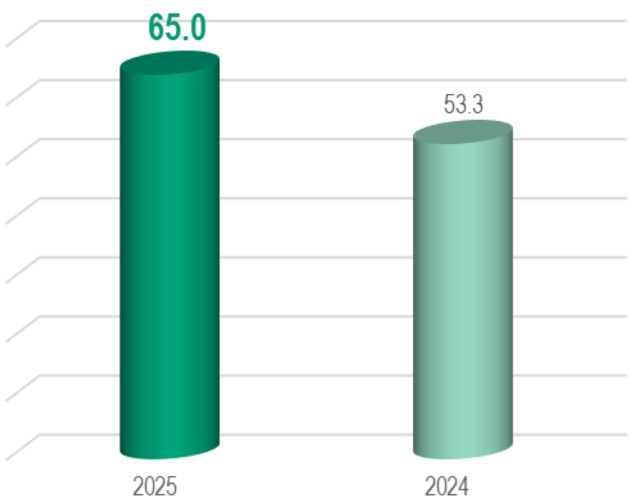
Net investments in the waste management area were related to maintenance and upgrading of waste treatment and recovery plants and amounted to 65.0 million euro, up by 11.7 million euro compared to the previous year.

The composting/digester sector showed increased investments coming to 0.8 million euro compared to the previous year, due to the work carried out on the Voltana plant, while landfills showed a 1.3 million euro decrease compared to the previous year, mainly due to the increased work carried out in the first half of 2024 by the company Feronia.

The waste-to-energy (WTE) sector saw a 5.3 million euro increase in investments, due to the construction of line 4 in Padua, while investments in the industrial waste plant sector were in line with the previous year.

Investments in the collection area and equipment sector increased by 3.2 million euro, while in the selecting and recovery plant sector the overall increase came to 10.1 million euro, mainly due to the changed scope of consolidation related to the integration of TRS Ecology Srl, higher investments by A.C.R. di Reggiani Albertino Spa, and investments for the new Aliplast Spa plant dedicated to rigid plastics treatment and recycling.

Net investments waste management (mn€)



65.0

MILLION EURO
NET INVESTMENTS

(+22.0%)

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

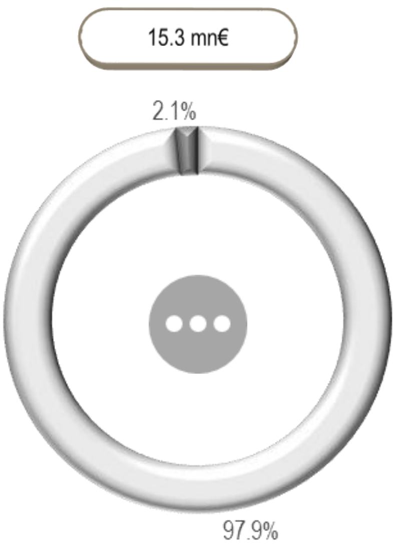
Waste management (mn€)	JUNE 25	JUNE 24	ABS. CHANGE	% CHANGE
Composters/digesters	3.2	2.4	0.8	+33.3%
Landfills	4.8	6.1	(1.3)	(21.3)%
WTE	20.9	15.6	5.3	+34.0%
SW plants	1.0	1.0	-	+0.0%
Collection areas and equipment	12.1	8.9	3.2	+36.0%
Transshipment, selecting and other plants	30.7	20.6	10.1	+49.0%
Total waste management gross	**72.7**	**54.8**	**17.9**	**+32.7%**
Capital grants	7.7	1.4	6.3	+450.0%
Total waste management net	**65.0**	**53.3**	**11.7**	**+22.0%**

1.03.05 - Other services

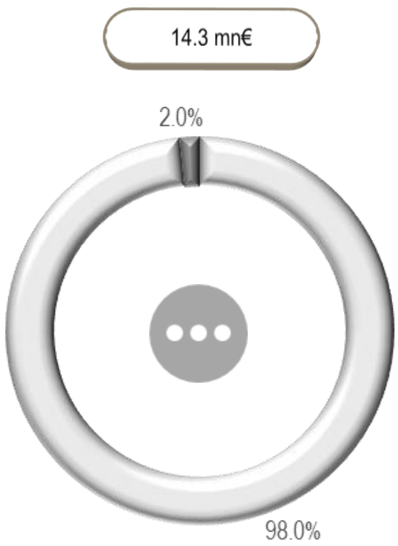
EBITDA RISES

The other services area covers all minor businesses managed by the Group, including telecommunications, in which the Group offers connectivity for private customers and companies, telephone and data centre services through its own digital company, and cemetery services, the latter only in the Municipality of Trieste with an overall management of twelve cemeteries. At June 2025, results in this area stood at 15.3 million euro, up 1 million euro over the same period of the previous year.

Ebitda other services 2025



Ebitda other services 2024



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

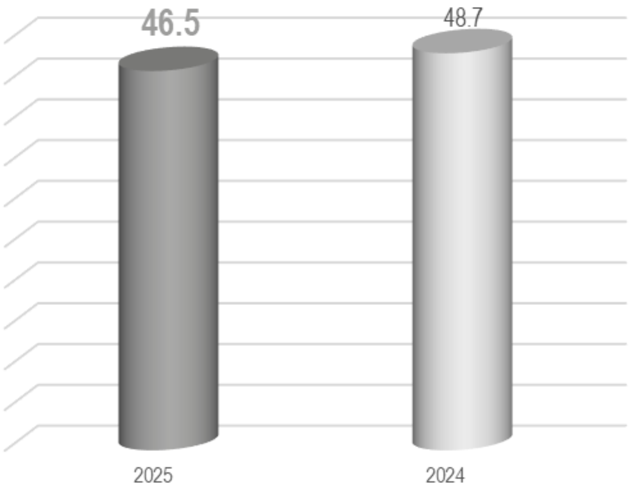
(mn€)	JUNE 25	JUNE 24	ABS. CHANGE	% CHANGE
Area Ebitda	**15.3**	**14.3**	**1.0**	**+7.0%**
Group Ebitda	721.7	732.7	(11.0)	(1.5)%
Percentage weight	2.1%	2.0%	+0.1 p.p.	

Quantitative indicators in the other services area also include the approximately 6,800 km of proprietary ultra-wideband fibre optic network that the Hera Group owns through its digital company, HERABIT Spa. This network serves the main cities in Emilia-Romagna, Padua and Trieste, and provides high-performance connectivity to individuals and companies, with 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€)	JUNE 25	% INC.	JUNE 24	% INC.	ABS. CHANGE	% CHANGE
Revenues	46.5		48.7		(2.2)	(4.5)%
Operating costs	(25.3)	(54.4)%	(28.6)	(58.8)%	(3.3)	(11.5)%
Personnel costs	(7.2)	(15.4)%	(7.2)	(14.8)%	-	0.0%
Capitalised costs	1.3	2.7%	1.4	2.9%	(0.1)	(7.0)%
Ebitda	**15.3**	**32.9%**	**14.3**	**29.4%**	**1.0**	**+7.0%**

Revenues (mn€)



46.5

MILLION EURO

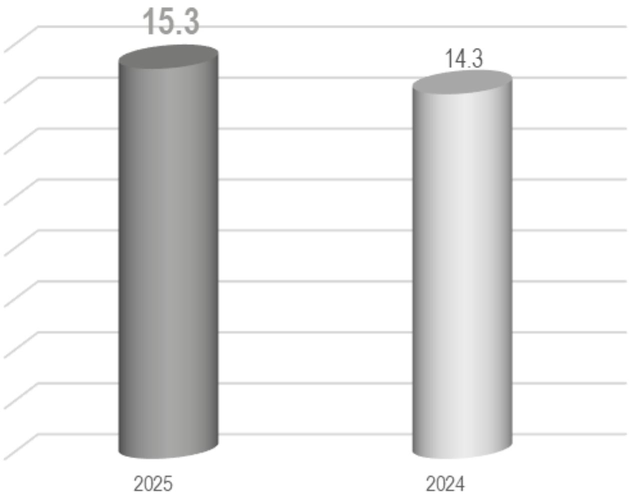
REVENUES

(-4,5%)

In June 2025, revenues amounted to 46.5 million euro, down 4.5% or 2.2 million euro. The telecommunications business saw lower sales activities for certain types of telecommunications devices. Despite the steadily decline in prices in the telecommunications sector, core revenues from the telephony and connectivity services in the markets served by the digital company were essentially stable.

Costs dropped by 3.3 million euro. In the telecommunications sector, the efficiencies and synergies implemented helped to contain operating costs, particularly those related to services purchased from other market players.

Ebitda (mn€)



15.3

MILLION EURO

EBITDA

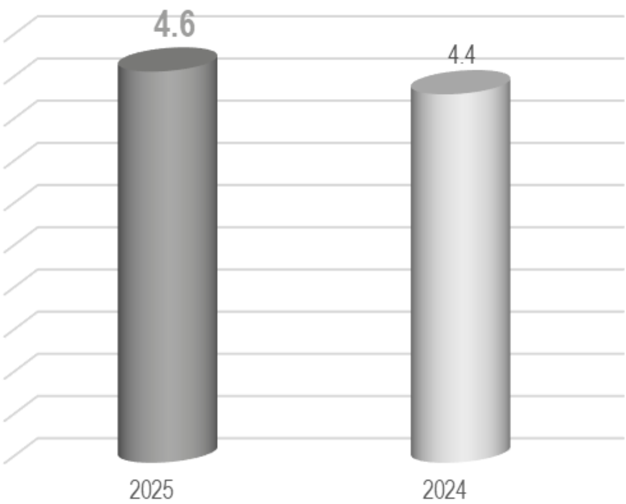
(+7.0%)

Ebitda for the other services business as a whole increased by 7.0% or 1.0 million euro, rising from 14.3 million euro in June 2024 to 15.3 million euro in the same period of 2025, mainly due to the contribution coming from telecommunications, above all as a result of the efficiencies and synergies implemented, which enabled operating costs to be contained.

In the first half of 2025, net investments in the other services area amounted to 4.6 million euro, up 0.2 million euro compared to the previous year.

Investments were made in the telecommunications service for network and TLC services, aimed at the construction, development, installation, maintenance, management and supply of public and private telecommunications networks and TLC services as well as Internet Data Centres.

Net investments other services (mn€)



4.6

MILLION EURO
NET INVESTMENTS

(+4.5%)

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

Other services (mn€)	JUNE 25	JUNE 24	ABS. CHANGE	% CHANGE
TLC	4.6	4.4	0.2	+4.5%
Other	-	-	-	+0.0%
Total other services gross	**4.6**	**4.4**	**0.2**	**+4.5%**
Capital grants	-	-	-	+0.0%
Total other services net	**4.6**	**4.4**	**0.2**	**+4.5%**

1.04 - SHARE PERFORMANCE AND INVESTOR RELATIONS

While the year began positively for stock markets, supported by favourable economic prospects, the US administration's announcement midway through the first half of the year regarding the introduction of trade tariffs caused a rapid change in investor sentiment, leading to an inversion on stock markets. Subsequently, the start of negotiations to mitigate the impact of trade policies and the announcement of increased government spending on both sides of the Atlantic helped to restore confidence, with the main stock markets posting positive performances at the end of the reporting period.

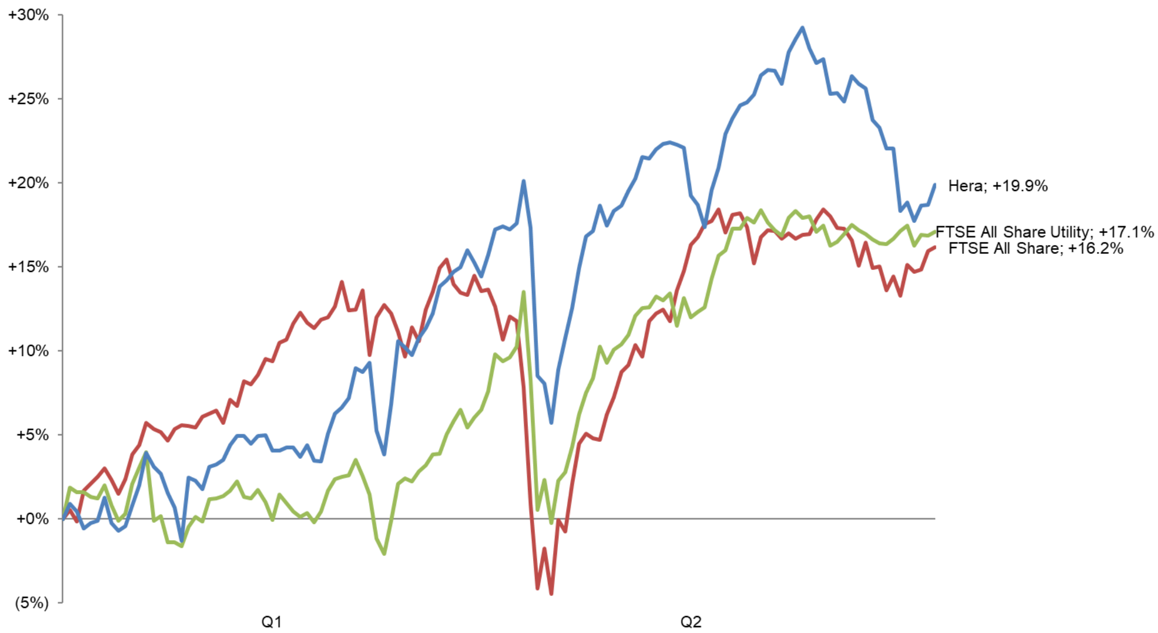
The Italian FTSE All Share index rose by +16.2%, while the utility sector rose by +17.1%.

In this context, Hera achieved a performance of +19.9%, higher than the benchmark index, thanks to the positive market response to its 2028 Business plan, focused on creating value and making clear commitments involving return to shareholders, as well as the solid results recorded in 2024 and the first quarter of 2025.

The share performance was also supported by a road show in the main financial centres, with the participation of the Group's top management, which provided an opportunity to personally illustrate the strategy and results achieved to portfolio managers of the world's leading institutional funds.

+19.9%: HERA OUTPERFORMS THE ITALIAN MAKET AND THE UTILITY INDEX

1H 2025 Hera stock, Italian utilities and Italian market performance comparison



Hera's Board of Directors, which met on 26 March 2025 to approve the year-end results for 2024, decided to propose to the Shareholders Meeting a dividend per share coming to 15 cents, up 7% and consistent with the indications contained in the Business plan. Following the approval of the shareholders, given during the Meeting held on 30 April 2025, the ex-dividend date was set at 23 June, with payment on 25 June. Hera thus confirmed its ability to remunerate shareholders thanks to the resilience of its business portfolio, which has enabled it to pay steady and growing dividends since its listing.

DIVIDEND RISES TO 15 CENTS PER SHARE

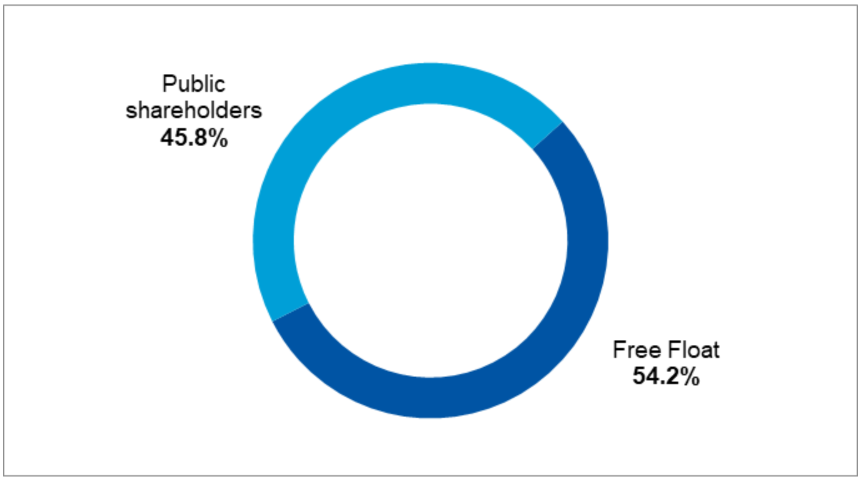
The joint effect of an uninterrupted remuneration of shareholders through the dividends paid and the increase in the share price accumulated over the years has allowed the total shareholders return since listing to remain consistently positive, settling at over +394.1% at the end of the period in question.

+394.1%: TOTAL SHAREHOLDERS' RETURN SINCE THE IPO

4.27 EURO: CONSENSUS TARGET PRICE

The financial analysts covering the stock (Banca Akros, Equita Sim, Intermonte, Intesa Sanpaolo, Kepler Cheuvreux and Mediobanca) expressed positive or neutral opinions, with the target price set at 4.27 euro.

Shareholder breakdown at 30 June 2025



45.8%: SHARE CAPITAL BELONGING TO PUBLIC SHAREHOLDERS AGREEMENT

At 30 June 2025, the shareholding 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, and a 54.2% free float. The shareholding structure includes high number of public shareholders (111 municipalities, the largest of which holds shares amounting to less than 10% of the total) and a large 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 30 April 2025 for a further 18 months, with an overall maximum amount of 240 million euro. The purpose of this program is to finance M&A opportunities involving smaller companies and pursue the creation of value for shareholders. At 30 June 2024, Hera held 22.5 million treasury shares.

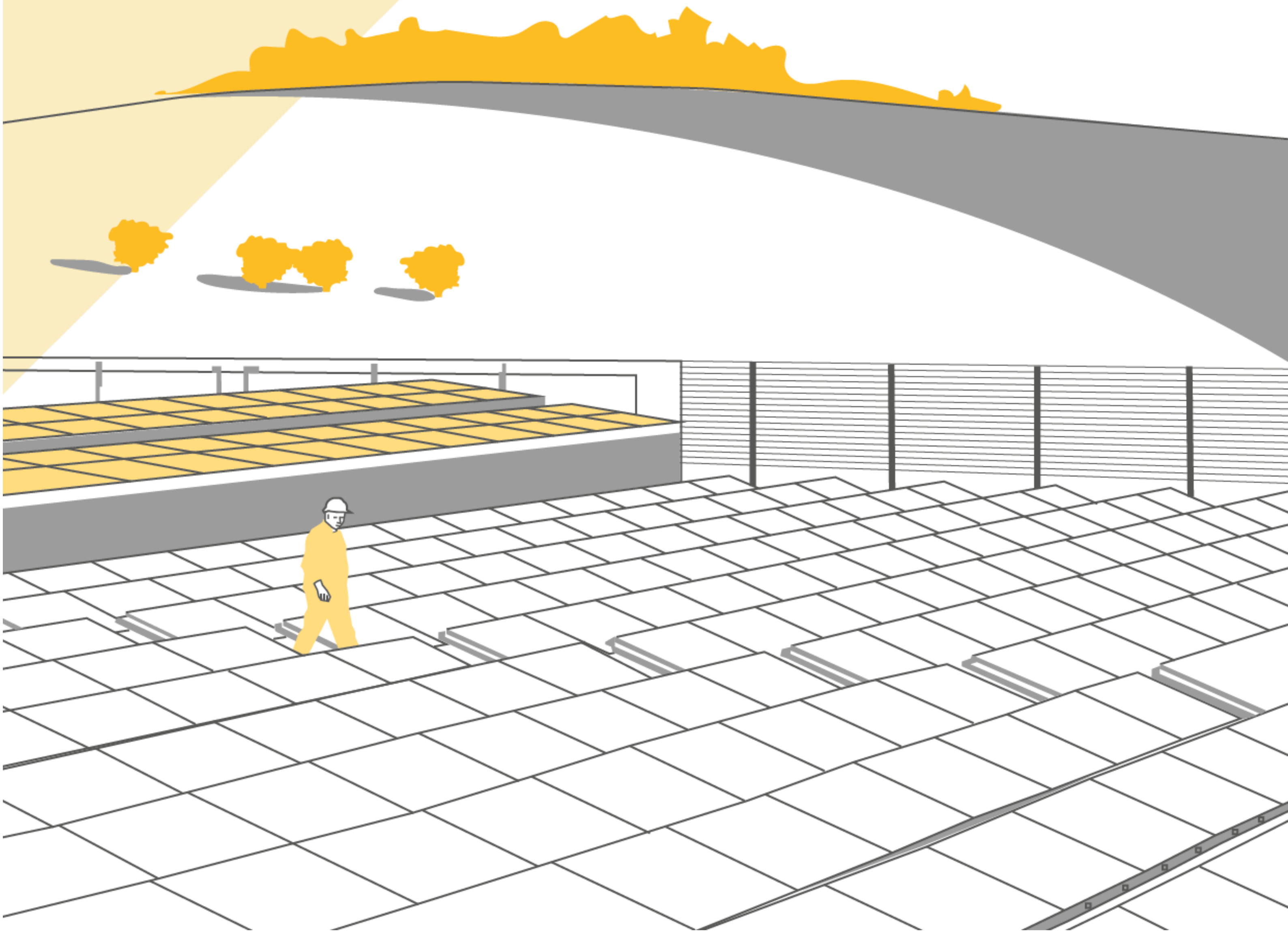
CONSTANT COMMUNICATION WITH THE MARKET IN 2025 AS WELL

The Group continued to engage in intense communications with financial market players in 2025. After the road show for the Business Plan in the first quarter, the Group's top management took part in conferences organised by JP Morgan, Goldman Sachs, Unicredit and Mediobanca in London and Milan in the second quarter. Furthermore, discussions were held with financial market operators as usual, to answer questions regarding the documents published on governance and remuneration prior to the Shareholders Meeting.

The intensity of the Group's commitment to dialogue with investors contributes to strengthening its reputation on the markets and constitutes an intangible asset to the benefit of Hera's stock and stakeholders, as was confirmed by the performance of the stock during the early months of the current year.

2

CONSOLIDATED FINANCIAL STATEMENTS



2.01 - FINANCIAL STATEMENT FORMATS

2.01.01 - Income statement

MN €	NOTES	1H 2025	1H 2024
Revenues	1	6,786.2	5,716.5
Other income	2	78.2	68.2
Raw materials and materials	3	(3,970.0)	(2,973.2)
Service costs	4	(1,816.4)	(1,727.6)
Personnel costs	5	(360.8)	(341.2)
Other operating expenses	6	(42.9)	(40.5)
Capitalised costs	7	47.4	30.5
Amortisation, provisions and depreciation	8	(338.5)	(347.6)
Operating profit		**383.2**	**385.1**
Financial income	9	76.3	79.2
Financial expenses	10	(115.5)	(141.1)
Financial operations		**(39.2)**	**(61.9)**
Share of profits (losses) pertaining to joint ventures and associated companies	11	7.2	6.4
Profit before taxes		**351.2**	**329.6**
Taxes	12	(101.8)	(92.3)
Profit for the period		**249.4**	**237.3**
Attributable to:			
parent company shareholders		229.3	218.4
minority shareholders		20.1	18.9
Earnings per share			
basic	17	0.157	0.152
diluted	17	0.157	0.152

Pursuant to Consob Resolution no. 15519 of 27 July 2006, the effects of relationships with related parties are accounted for in the appropriate income statement outlined in section 2.03.01 of this consolidated financial statement.

2.01.02 – Statement of comprehensive income

MN €	NOTES	1H 2025	1H 2024
Profit for the period		**249.4**	**237.3**
Items reclassifiable to the income statement			
Fair value of derivatives, change for the period	27	(3.1)	(37.0)
Tax effect related to reclassifiable items		1.0	10.6
Items not reclassifiable to the income statement			
Actuarial income (losses) employee benefit provisions	28	5.5	5.6
Shareholdings valued at fair value	25	3.4	0.3
Comprehensive income for the period		**256.2**	**216.8**
Attributable to:			
parent company shareholders		233.6	201.0
minority shareholders		22.6	15.8

2.01.03 - Statement of financial position

MN €	NOTES	30 JUN 25	31 DEC 24
ASSETS			
Non-current assets			
Property, plants and equipment	21	2,184.7	2,160.7
Rights of use	22	89.0	84.2
Intangible assets	23	5,062.0	4,945.8
Goodwill	24	933.8	933.0
Shareholdings valued using the equity method	25	128.6	127.3
Other shareholdings	25	50.9	47.3
Non-current financial assets	18	160.7	158.0
Deferred tax assets	14	345.0	342.9
Total non-current assets		**8,954.7**	**8,799.2**
Current assets			
Inventories	30	179.3	168.1
Trade receivables	31	2,360.4	3,172.5
Current financial assets	18	158.8	23.1
Current tax assets	13	38.4	31.3
Current assets from contracts with customers	33	295.5	263.9
Other current assets	35	899.6	1,104.5
Derivative instruments	27	141.1	182.4
Cash and cash equivalents	18	1,289.9	1,315.6
Total current assets		**5,363.0**	**6,261.4**
TOTAL ASSETS		**14,317.7**	**15,060.6**

Pursuant to Consob Resolution no. 15519 of 27 July 2006, the effects of relationships with related parties are accounted for in the appropriate statement of financial position outlined in section 2.03.01 of this consolidated financial statement.

MN €	NOTES	30 JUN 25	31 DEC 24
NET EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	15	1,466.4	1,440.8
Reserves	15	2,100.8	1,744.8
Profit for the period/year	15	229.3	494.5
Group net equity		**3,796.5**	**3,680.1**
Non-controlling interests	16	298.1	306.8
Total net equity		**4,094.6**	**3,986.9**
Non-current liabilities			
Non-current financial liabilities	19	4,645.0	4,154.6
Non-current lease liabilities	22	58.8	54.7
Employee benefits	28	72.1	79.9
Provisions	29	696.0	693.1
Deferred tax liabilities	14	146.9	144.8
Total non-current liabilities		**5,618.8**	**5,127.1**
Current liabilities			
Current financial liabilities	19	808.5	1,226.7
Current lease liabilities	22	24.2	24.4
Trade payables	32	1,698.2	2,723.9
Current tax liabilities	13	124.4	48.2
Current liabilities from contracts with customers	34	177.0	203.2
Other current liabilities	36	1,613.6	1,512.8
Derivative instruments	27	158.4	207.4
Total current liabilities		**4,604.3**	**5,946.6**
TOTAL LIABILITIES		**10,223.1**	**11,073.7**
TOTAL NET EQUITY AND LIABILITIES		**14,317.7**	**15,060.6**

Pursuant to Consob Resolution no. 15519 of 27 July 2006, the effects of relationships with related parties are accounted for in the appropriate statement of financial position outlined in section 2.03.01 of this consolidated financial statement.

2.01.04 - Cash flow statement

MN €	NOTES	30 JUN 25	30 JUN 24
Profit before taxes		**351.2**	**329.6**
Adjustments to reconcile net profit to cash flow from operating activities			
Amortisation and impairment of assets	8	280.5	266.4
Allocation to provisions	8	58.0	81.2
Effects from valuation using the net equity method	11	(7.2)	(6.4)
Financial (income) expenses	9, 10	39.2	61.9
(Capital gains) losses and other non-monetary elements		(28.4)	(25.2)
Change in provisions	29	(22.0)	(19.0)
Change in provision for employee and post-employment benefits	28	(4.4)	(4.9)
Total cash flow before changes in net working capital		**666.9**	**683.6**
(Increase) decrease in inventories	37	(10.1)	(7.3)
(Increase) decrease in trade receivables	37	713.5	366.6
Increase (decrease) in trade payables	37	(1,026.6)	(937.4)
Increase/decrease in other current assets/liabilities, including contracts with customers	37	318.9	170.1
Changes in working capital		**(4.3)**	**(408.0)**
Dividends collected	37	9.8	11.4
Interest income and other financial income collected	37	32.4	25.8
Interest expenses, net charges on derivatives and other financial charges paid	37	(120.8)	(164.9)
Taxes paid	37	(32.0)	(2.5)
Cash flow from (for) operating activities (a)		**552.0**	**145.4**
Investments in property, plants and equipment	21	(117.4)	(98.9)
Investments in intangible assets	23	(296.6)	(245.5)
Investments in subsidiary companies and business units net of cash holdings	26	(1.7)	-
Other equity investments	26	(0.4)	(0.4)
Sale price of property, plants, equipment, and intangible assets		1.9	2.5
Divestments of shareholdings and contingent consideration		0.2	
(Increase) decrease in other investment activities	26	(120.2)	(18.1)
Cash flow from (for) investing activities (b)		**(534.2)**	**(360.4)**
New issue of long-term bonds	20	517.1	-
Repayments of non-current financial liabilities	20	-	(7.9)
Repayments and other net changes in financial liabilities	20	(168.6)	(54.7)
Repayments of lease liabilities	20	(11.7)	(9.9)
Proceeds from the sale of shares without loss of control	20	0.8	-
Acquisition of shareholdings in consolidated companies	20	(234.1)	(1.3)
Increase in minority share capital	20	-	1.3
Dividends paid out to Hera shareholders and non-controlling interests	20	(249.5)	(221.5)
(Investments) divestments in treasury shares	15	102.5	(5.3)
Cash flow from (for) financing activities (c)		**(43.5)**	**(299.3)**
Increase (decrease) in cash holdings (a+b+c)		**(25.7)**	**(514.3)**
Cash and cash equivalents at the beginning of the period		1,315.6	1,332.8
Cash and cash equivalents at the end of the period		1,289.9	818.5

Pursuant to Consob Resolution no. 15519 of 27 July 2006, the effects of relationships with related parties are accounted for in the appropriate cash flow statement outlined in section 2.03.01 of this consolidated financial statement.

2.01.05 - Statement of changes in net equity

MN €	SHARE CAPITAL	RESERVES	RESERVES DERIVATIVES VALUED AT FAIR VALUE	RESERVES ACTUARIAL INCOME (LOSSES) EMPLOYEE BENEFIT PROVISIONS	RESERVES SHAREHOLDINGS VALUED AT FAIR VALUE	PROFIT FOR THE PERIOD	NET EQUITY	NON-CONTROLLING INTERESTS	TOTAL
Balance at 31 December 2023	**1,443.0**	**1,549.3**	**44.5**	**(33.1)**	**(6.9)**	**441.4**	**3,438.2**	**313.4**	**3,751.6**
Profit for the period						218.4	218.4	18.9	237.3
Other components of comprehensive income:									
fair value of derivatives, change for the period			(22.9)				(22.9)	(3.5)	(26.4)
actuarial income (losses) employee benefit provisions				5.1			5.1	0.5	5.6
fair value of derivatives, change for the period					0.3		0.3		0.3
Overall revenues for the period	**-**	**-**	**(22.9)**	**5.1**	**0.3**	**218.4**	**200.9**	**15.9**	**216.8**
change in treasury shares	(1.8)	(3.5)					(5.3)		(5.3)
minority share payments							-	0.3	0.3
change in equity investments		(0.2)					(0.2)	(1.1)	(1.3)
other movements		0.8					0.8	0.3	1.1
Allocation of revenues:									
dividends paid out						(201.9)	(201.9)	(37.4)	(239.3)
allocation to reserves		239.5				(239.5)	-		-
Balance at 30 June 2024	**1,441.2**	**1,785.9**	**21.6**	**(28.0)**	**(6.6)**	**218.4**	**3,432.5**	**291.3**	**3,723.8**
Balance at 31 December 2024	**1,440.8**	**1,785.0**	**2.2**	**(31.7)**	**(10.7)**	**494.5**	**3,680.1**	**306.8**	**3,986.9**
Profit for the period						229.3	229.3	20.1	249.4
Other components of comprehensive income:									
fair value of derivatives, change for the period			(4.2)				(4.2)	2.1	(2.1)
actuarial income (losses) employee benefit provisions				5.1			5.1	0.4	5.5
fair value of derivatives, change for the period					3.4		3.4		3.4
Overall revenues for the period	**-**	**-**	**(4.2)**	**5.1**	**3.4**	**229.3**	**233.6**	**22.6**	**256.2**
change in treasury shares	25.6	76.9					102.5		102.5
change in equity investments		0.4					0.4	0.4	0.8
Allocation of revenues:									
dividends paid out						(220.1)	(220.1)	(31.7)	(251.8)
allocation to reserves		274.4				(274.4)			
Balance at 30 June 2025	**1,466.4**	**2,136.7**	**(2.0)**	**(26.6)**	**(7.3)**	**229.3**	**3,796.5**	**298.1**	**4,094.6**

2.02 - EXPLANATORY NOTES

2.02.01 - Introduction

This abbreviated, consolidated half-year financial statement at 30 June 2025 was drafted in compliance with the provisions of Art. 154-ter of Legislative Decree no. 58 of 24 February 1998 (TUF), including subsequent amendments and additions, and pursuant to IAS 34. It does not include all the information required by IFRS in the drafting of the annual financial statements and must therefore be read together with the Group's consolidated financial statements at 31 December 2024.

Specifically, this abbreviated, consolidated half-year financial statement was prepared in compliance with Regulation (EC) No. 1606/2002 of 19 July 2002, observing the International Accounting Financial Reporting Standards (IFRSs) issued by the International Accounting Standard Board (IASB) and endorsed by the European Commission, as well as the provisions enacted in implementing Article 9 of Italian Legislative Decree no. 38/2005. IFRSs also include the International Accounting Standards (IAS) currently in force, the interpretative documents issued by the International Financial Reporting Standards Interpretation Committee (IFRSIC) and the previous Standing Interpretation Committee (SIC).

The directors considered the applicability of the assumed going concern in drafting the consolidated financial statement and decided that such assumption is appropriate in that no financial, managerial or other indicators were found that could signal critical issues regarding the Group's ability to meet its obligations in the foreseeable future and in particular in the next 12 months.

The mandatory information deemed sufficient to provide a true and fair view of the Group's financial position and results of operations has been prepared. Information relating to the Group's activities is provided in sections 1.02 and 1.03 of the management report. Events occurring after the end of the period are reported at the end of this section.
The general principle adopted in preparing this abbreviated, consolidated half-year financial statement is the cost principle, except for the assets and liabilities (including the derivative instruments), which were measured at fair value.

The figures in this abbreviated, consolidated half-year financial statement are comparable with the same balances of the previous financial year, unless indicated otherwise in the notes commenting on the individual items. In comparing the single items of the income statement and statement of financial position any change in the scope of consolidation outlined in the specific paragraph must also be taken into account.

This abbreviated, consolidated half-year financial statement at 30 June 2025 was drawn up by the Board of Directors and approved by the same at the meeting held on 30 July 2025. This statement underwent a limited audit by KPMG Spa.

Financial statement content and format

These abbreviated, consolidated half-year financial statements comprise:

- primary reporting formats; they are the same as those used for the consolidated financial statements at 31 December 2024 and have the following features:
  - the income statement includes individual items analysed by type. We believe that this type of presentation, which is also used by major industry operators and is in line with international practice, best represents company results;
  - the statement of comprehensive income is presented in a separate document and distinguishing items that may and may not be reclassified subsequently to profit and loss.
  - The statement of financial position presents current and non-current assets and current and non-current liabilities separately, with a description in the explanatory notes for each asset and liability item of the amounts expected to be collected or settled within or beyond 12 months after the consolidated financial statements date;
  - the consolidated cash flow statement presents cash flows from operating, investing and financing activities. Cash flows from operating activities are reported using the indirect method, whereby operating income is adjusted for the effects of non-cash transactions, any deferrals or accruals of previous or future operating cash collections or payments, and revenue items associated with cash flows from investing or financing activities;
  - the statement of changes in net equity reports the items of the comprehensive income statement, as well as the operations that took place with our shareholders;
- explanatory notes.

Already in the financial statements as at 31 December 2024, which should be referred to for further details, management adopted certain changes to ensure better representation and comparability, which impacted both the income statement and the statement of financial position. In keeping with the financial year reported at 31 December 2024, in this abbreviated, consolidated half-year financial statement the income statements of the comparison period as at 30 June 2024 have been restated in order to make the values of the two half-year periods comparable. In this regard, it should be noted that the changes to the values at 30 June 2024 are not considered to be relevant to the Group's financial position.

In the financial statement formats, any non-recurring cost and revenue is indicated separately. Moreover, with reference to Consob resolution 15519 of 27 July 2006 on financial statements, specific supplementary formats of income statement, statement of financial position and cash flow statement have been included, highlighting the most significant balances with related parties, in order to avoid altering the overall clarity of the financial statements, the latter having been likewise modified as outlined above.

The financial statement formats and the information included in the explanatory notes are expressed in millions of euro with one decimal point, unless otherwise indicated.

Scope of consolidation

The consolidated financial statements at 30 June 2025 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 influence the performance of the affiliated company, that is when, by means of currently valid rights, it holds the ability to direct the relevant activities of the affiliate. Joint operations, in the form of corporate vehicles, are recognised in proportion to the Group's interest. 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. Subsidiaries and associated companies whose size at the balance sheet date was insignificant for the Group's economic and equity position have been excluded from overall consolidation and valued at fair value. These companies are reported in note 25, item "Other shareholdings".

The main exchange rates used to translate the value of foreign companies are as follows:

	1H 2025	30 JUN 25	31 DEC 24	31 DEC 24	1H 2024	30 JUN 24
	Average	Specific	Average	Specific	Average	Specific
Bulgarian Lev	1.9558	1.9558	1.9558	1.9558	1.9558	1.9558
Polish Zloty	4.2313	4.2423	4.3058	4.2750	4.3169	4.3090

Changes in the scope of consolidation

Over the course of the first half of the 2025 financial year, the scope of consolidation changed compared to 31 December 2024 solely in relation to the acquisition of the "Gurit" business unit by the subsidiary Aliplast Spa. Specifically, this is a complex of assets organised for the purpose of plastic sorting and recycling activities carried out at the industrial facility in Carmignano di Brenta (Padua).

Changes in equity investments

On 27 April 2025, Herambiente Servizi Industriali Srl sold 0.4% of shares of the company A.C.R. di Reggiani Albertino Spa to the two minority shareholders, resulting in a change of its shareholding from 60% to 59.6%.

The difference between the adjusted amount of this minority stake and the fair value of the equivalent amount received was reported directly in net equity and attributed to the parent company's shareholders.

Other corporate operations

On 13 January 2025, the newco CircularYard Srl was established, in which Herambiente Servizi Industriali Srl holds 55%, A.C.R. di Reggiani Albertino Spa 5% and Fincantieri Spa 40%. The partnership, which originated as a result of the memorandum of understanding signed in July 2024, aims to manage the tonnes of industrial waste produced by Fincantieri, but also to set up a new integrated waste management system. At 30 June 2025, the company was not operational and, consequently, was recognised under investments in "Other equity investments".

On 28 February 2025, Hera Spa established HERAcquamodena Srl, a company into which the business unit managing the Integrated Water System for the Modena area was transferred with effect beginning 1 July 2025. The operation is part of the framework agreement with Aimag Spa, which launched an industrial partnership project. Specifically, Hera Spa will increase its shareholding in Aimag Spa until gaining control, through an increase in the share capital of Aimag Spa to be carried out through the contribution in kind by Hera Spa of a stake equal to approximately 45% of HERAcquamodena Srl. The operation, which is subject to all communications and approvals by the relevant authorities and bodies, is expected to be completed during the second half of 2025.
At 30 June 2025, the newly established company was not yet operational and, consequently, was recognised under investments in "Other equity investments".

On 7 May 2025, Hera Servizi Energia Spa established ElettraCHP Srl, a dedicated company for the operation and maintenance of the trigeneration plants and power plant of the customer Elettra Sincrotrone Trieste Scpa. At 30 June 2025, the company was not yet operational and, consequently, was recognised under investments in "Other equity investments". Following the establishment of the company, the liquidation of the special purpose company Tri-generazione Scarl, which represented the previous operator of the customer Elettra Sincrotrone Trieste Scpa, was initiated.

Significant estimates and valuations

Preparation of the consolidated financial statements and related notes requires the use of estimates and valuations by the directors, with effects on the balance sheet figures, based on historical data and on the forecasts of specific events that are reasonably likely to occur on the basis of currently available information. These estimates, by definition, are an approximation of the final figures. Hence the main areas characterised by valuations and assumptions that could give rise to changes in the values of assets and liabilities in the next 12 months are set forth below.

Recognition of revenues
Revenues for the sale of electricity, gas and water are recognised and accounted for at supply only if the consideration is expected to be collected. They include the allocation for services rendered between the date of the last reading and the end of the financial year, but still not billed. This allocation is based on estimated of the customer's daily consumption, based on the historic profile, adjusted to reflect the weather conditions or other factors which might affect consumption under evaluation.

Allocations to the bad debts provision
These allocations were made by adopting the same procedures as in previous years. The Group's credit management model makes it possible to analytically determine the different risks associated with the collectability of trade receivables as soon as they arise and progressively according to their increasing seniority. This approach allows the company to reduce the concentration and exposure to credit risk posed by both business and household customers. With regard to receivables from small-sized customers, allocations are made to the bad debts provision on the basis of future-oriented analysis regarding the amount of probable future income, taking into consideration the seniority of the receivables, the type of recovery action undertaken and the status of the creditor. From time to time, analyses are conducted on the individual credit positions yet to be resolved, identifying any criticality, and if the amounts outstanding are uncollectible, in whole or in part, the related receivables are written down.

Allocations to provisions
These allocations were made by adopting the same procedures as in previous years, with reference to reports by the legal advisors and consultants that are following the cases, and on the basis of developments in the relevant legal proceedings as well as of the updates of the hypotheses concerning future expenses for post-mortem costs of the landfills, following the revision of the estimated costs identified by external consultants.

Amortisations
Amortisation is calculated on the basis of the useful life of an asset. The useful life is determined by Management at the time the asset is recognized in the balance sheet; valuations of the duration of useful life are based on historical experience, market conditions and the expectation of future events that could affect the useful life itself, including technological changes. Therefore, the actual useful life might differ from the estimated useful life.

Impairment test
At least once a year, the Group analyses the recoverable value of assets (including goodwill) and investments (non-controlling interests) in companies that own thermoelectric power generation assets by means of impairment tests. These tests are based on calculations of value in use, which require the use of detailed estimates. In the absence of a trigger event (a circumstance confirmed for the first half of 2025), the assets are subject to impairment testing at the end of the financial year.

Deferred tax assets
Accounting for deferred tax assets takes place on the basis of expectations of taxable income in future fiscal periods. The evaluation of the taxable income expected for the purposes of accounting for deferred tax assets depends on factors that may vary over time and significantly affect the recoverability of deferred tax assets.

Fair value assessment and evaluation process
The fair value of financial instruments, both on interest rates and foreign exchange rates, derives from market prices. In the absence of prices quoted in active markets, the method of discounting back future cash flows is used, taking the parameters observed on the market as reference. The fair value of contracts on commodities are determined using directly observable market inputs, where available. The methodology for calculating the fair value of these instruments includes the assessment of the non-performance risk, where relevant. All derivative contracts entered into by the Group are with leading institutional counterparties.

Fair value hierarchy
The financial instruments measured at fair value are classified through a three-level hierarchy based on the way the fair value was determined, i.e., with reference to the factors used in determining the value:

- **level 1,** financial instruments the fair value of which is determined on the basis of quoted prices in active markets;
- **level 2,** financial instruments the fair value of which is determined using valuation techniques that employ parameters that are directly or indirectly observable on the market. Instruments valued on the basis of the market forward curve and short-term differential contracts are classified in this category;
- **level 3,** financial instruments the fair value of which is determined using valuation techniques that employ parameters that cannot be observed on the market, using internal estimates exclusively.

It is also worth noting, 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 assessment of any impairment.

Events occurring after the interim financial statements

Effective 1 July 2025, A.C.R. di Reggiani Albertino Spa acquired the Gerotto Ear business unit from Gerotto Federico Srl, which specializes in the remediation and regeneration of contaminated sites in complex and hazardous environments using high-tech robotic machinery and expertise that is unique in Italy. The transaction represents an important step in the Group's growth strategy, which aims to strengthen its technical expertise, expand in the north-east, and offer integrated solutions to customers. This operation also strengthens the commercial partnership between the two companies, with a focus on the petrochemical, purification and cement industries, as well as on activities carried out following disasters and emergency response.

On 2 July 2025, Herambiente Spa, a Hera Group company, acquired from minority shareholder Rogroup Srl its entire stake in Aliplast Spa, equal to 20% of the share capital, thus becoming the sole owner of the company. This transaction concludes the process of integration into the Group which began in January 2017 with the purchase of an initial 40% stake and a second 40% stake in December of the same year. The transaction was carried out by exercising the put option held by the minority shareholder, as established by the contractual agreements signed between the parties. Consequently, the financial outlay was already fully reflected in the net financial position of the Hera Group.

On 22 July 2025, Herambiente Servizi Industriali Srl acquired 100% of the share capital of Ambiente Energia Srl from Manifattura Lane Gaetano Marzotto & Figli Spa. The company treats industrial liquid waste at its plant in Schio (Vi). The closing concludes the process that began in previous months with the signing of a binding agreement between the two companies. This operation is part of the Hera Group's growth strategy in the environmental sector as defined in the 2028 business plan, which identifies vertical integration as an important lever for further expansion and diversification of the facility base, with positive impacts on profitability and market share. In particular, Ambiente Energia Srl will extend the Group's global waste management offering in one of the most productive and dynamic areas of the country, where the Hera Group is already well established with several industrial companies acquired in previous years.

2.02.02 - Operational and financial performance Events occurring after the interim financial statements

Note that paragraphs 1.02 and 1.03 of the Directors' report provide an analysis of the business management performance for the period, also by business area; please refer to these for a specific analysis of the changes in the main categories of operating expenses and revenues, as well as the Group's overall financial management.
A breakdown of the most significant operating items by business sector is provided in the section "Reporting by operational sector" included in section 2.02.10 "Other Information".

1 Revenues

	1H 2025	1H 2024	CHANGE
Revenues from sales and services	6,748.9	5,711.7	1,037.2
Changes in work in progress and semi-finished products	37.3	4.8	32.5
Total	**6,786.2**	**5,716.5**	**1,069.7**

Revenues are mainly generated in Italy, with the exception of natural gas and electricity wholesale activities carried out at the international level.

"Revenues from sales and services", the increase compared to the previous fiscal period mainly stems from the energy businesses, and is due to the combination of the following effects:

- increase in average energy commodity prices;
- lower sales volumes to end customers of natural gas due to the reduction of the customer base;
- increased volumes traded on the wholesale natural gas markets, partially offset by the decrease on the wholesale electricity market;
- increase in the volumed stemming from the electricity sales business due, in particular, both the launch of the gradual protection electricity service served by the Group beginning 1 July 2024 and the new safeguard tenders for the 2025-2026 two-year period.

In addition, the value of energy revenues for the first six months of 2025 was positively impacted by the increase of system charges and distribution components (which, however, did not affect the Group's performance) and was negatively impacted by the decrease in revenues for energy efficiency services, carried out especially in apartment buildings.

With regard to the other activities managed by the Group, an increase in revenues was recorded for network services, which benefited from the adjustments of a number of tariff components, the higher RAB of regulated assets and the implementation of inflationary increases for the energy businesses, in a context of decreasing regulatory WACC in the field of gas distribution and electricity. It should also be noted the increase in revenues for the waste management businesses due to the development of the plastics regeneration market, services provided to industrial customers, and the greater range of integrated services carried out in the area of urban waste collection.

As stated in Section 2.02.01 "Introduction", in order to better represent the Group's economic and financial dynamics, certain reclassifications were already introduced into the financial statements at 31 December 2024. In particular, it should be noted that the item "Revenues from sales and services" includes for both periods the reclassification of the value of "Long-term contracts", which at 30 June 2024 were reported under "Other income". This item, amounting to 241.7 million euro at 30 June 2025 (179.7 million euro at 30 June 2024), includes revenues generated from the construction or improvement of infrastructures held in concession as per the application of the accounting model for intangible assets for public services held under concession.

"Changes in work in progress and semi-finished products", includes the economic effect for the year of changes in contract work, determined on the basis of the percentage of work in progress. The change with respect to the previous period mainly reflects the reduction, in the first six months of 2024, of incentivised activities on services for energy savings in residential buildings, typically apartment buildings, following the regulatory restrictions introduced by the government.

Revenues from related parties are presented in note 2.03.01,"Income statement as per Consob resolution 15519/ 2006".

2 Other income

	1H 2025	1H 2024	CHANGE
White certificates	16.7	20.1	(3.4)
Grants related to plants	9.5	6.8	2.7
Operating grants	7.3	6.9	0.4
Gains from asset disposals	1.0	1.5	(0.5)
Other income	43.7	32.9	10.8
Total	**78.2**	**68.2**	**10.0**

"White certificates" represent the revenues calculated on the basis of energy efficiency objectives set for gas and electricity distribution companies as established by the GSE and regulated in relation to the fund for energy and waste management services (CSEA). The change as compared with the previous period, given substantially the same subsidies granted, is due to the decrease in the obligation allocated for the year 2025 to the Group's distribution companies, partially offset by higher revenues in relation to the redemption mechanism of virtual securities used in previous years to comply with these obligations.

"Other income" also includes recovery of expenses for 10 million euro (9.6 million euro at 30 June 2024) and insurance reimbursements of 4.8 million euro (1.8 million euro at 30 June 2024).

As already mentioned in note 1 "Revenues", the published income statement for the first six months of 2024 included the item "Long-term contracts" in the line "Other operating revenues" (now renamed "Other income"). This item was already stated at 31 December 2024 under the revenues from sales and services.

3 Raw and other materials

	1H 2025	1H 2024	CHANGE
Raw materials	3,801.2	2,788.4	1,012.8
Plastic materials	33.6	29.9	3.7
Environmental certificates	27.5	40.8	(13.3)
Maintenance and other materials	117.2	121.3	(4.1)
Charges and revenues from derivatives	(9.5)	(7.2)	(2.3)
Total	**3,970.0**	**2,973.2**	**996.8**

"Raw materials", net of changes in stocks and the write-downs introduced, mainly include supplies of natural gas, electricity and water earmarked for sales. On a residual basis, they also include the procurement of methane gas and electricity to power the Group's production plants, as well as the purchase of fuels and lubricants for fleet management. The increase seen during the period, similarly to what was described in note 1,"Revenues", was due to the reduction in energy commodity procurement prices and lower volumes of gas sold to end customers, which were partially offset by the increase in volumes of electricity sold to end customers and intermediated volumes.

"Environmental certificates", the decrease compared to the same period of the previous year is substantially related to the lower number of grey certificate transactions in the trading portfolio and the lower valorisation of commitments for purchasing electricity origin certificates from renewable sources in relation to contracts signed with end customers.

"Charges and revenues from derivatives" include the effects of commodity derivatives, as stated in note 27 "Derivative instruments"; please see this note for an analysis of the nature and performance of this item.

4 Service costs

	1H 2025	1H 2024	CHANGE
Transport and storage	958.0	908.2	49.8
Work and maintenance expenses	292.3	246.0	46.3
Waste transportation, disposal and collection	291.0	277.7	13.3
IT and data processing services	45.7	45.8	(0.1)
Technical services	31.8	54.8	(23.0)
Fees paid to local authorities	35.2	32.7	2.5
Professional services	27.4	33.9	(6.5)
Other service costs	135.0	128.5	6.5
Total	**1,816.4**	**1,727.6**	**88.8**

"Transport and storage", the change compared to the same period of the previous year is mainly attributable to:

- higher electricity distribution costs mainly due to the increase in volumes sold and customers served, only partially offset by decreased distribution costs of natural gas;
- higher system charges connected to the gas and electricity businesses;
- lower natural gas storage and transportation costs due both to lower volumes managed and to lower unit tariffs in the first half of 2025.

"Work and maintenance expenses", the change from the same period of the previous year is mainly due to the increase of construction works or upgrading of the infrastructure held under concession, in particular associated to the water cycle business.

"Waste transportation, disposal and collection", the change compared to the same period of the previous year is mainly attributable to:

- the activation of additional services and projects aimed at achieving greater volumes of sorted waste collection, which also led to an increase in revenue for the period;
- higher waste transportation and treatment costs due both to a rise in the volumes treated in the first half of 2025.

"Technical services" and "Professional services", the change compared to the same period of the previous year is mainly due to the reduction in technical services and document-handling activities related to energy efficiency works in residential buildings. In particular, in the first six months of 2024 costs connected to the conclusion of the administrative paperwork for the 110% superbonus works carried out during the financial year 2023 were recorded.

"Other service costs", include in particular commissions and other costs for agents, bank commissions and insurance services, the latter increased by 4.4 million euro compared to the same period of the previous year. Note that the item "Other service costs" also includes instalments relating to short-term leases and low-value leases.

5 Personnel costs

	1H 2025	1H 2024	CHANGE
Salaries and wages	259.4	244.9	14.5
Social security costs	82.4	77.5	4.9
Other costs	19.0	18.8	0.2
Total	**360.8**	**341.2**	**19.6**

The average and specific number of employees for the period in question, analysed by category, is as follows:

	AVERAGE			SPECIFIC		
	1H 2025	1H 2024	CHANGE	1H 2025	1H 2024	CHANGE
Managers	157	156	1	153	153	-
Middle managers	609	592	17	603	590	13
Clerks	5,854	5,697	157	5,874	5,718	156
Blue-collar workers	3,780	3,648	132	3,811	3,671	140
Total	**10,400**	**10,093**	**307**	**10,441**	**10,132**	**309**

The average cost of labour per capita for the first half of 2025, increased as compared to the same period of the previous year, is as follows:

THOUSAND EURO	1H 2025	1H 2024	CHANGE
Average cost of labour per capita	34.7	33.8	0.9

The increase of personnel costs as compared to the same period of the previous year is mainly connected to:

- the increase in the average number of employees, particularly as a result of new acquisitions carried out during the second half of 2024;
- changes in salaries provided for by the national collective labour agreements.

6 Other operating costs

	1H 2025	1H 2024	CHANGE
Taxes, fees and non-income-related taxation	13.1	13.3	(0.2)
Fees paid to Institutional Authorities	7.8	7.6	0.2
Losses on the sale and disposal of assets	4.1	4.7	(0.6)
Other expenses	17.9	14.9	3.0
Total	**42.9**	**40.5**	**2.4**

"Other expenses", the increase as compared to the same period of the previous year is mainly due to regulatory fines introduced in 2024 by ARERA in relation to the natural gas and electricity distribution business.

7 Capitalised costs

	1H 2025	1H 2024	CHANGE
Increases in non-current assets for internal works	47.4	30.5	16.9

The increase over the same period of the previous year is mainly attributable to the construction of the new line of the waste-to-energy plant in Padua, the extension of district heating networks, and the construction of photovoltaic plants. Specifically, these projects already began in previous financial years and continued at full speed during the first half of 2025.

8 Amortisation, provisions and depreciation

	1H 2025	1H 2024	CHANGE
Amortisation and write-downs	280.5	266.4	14.1
Net provisions	58.0	81.2	(23.2)
Total	**338.5**	**347.6**	**(9.1)**

"Amortisation and write-downs" at 30 June 2025 include amortisation of property, plants and equipment, rights of use and intangible assets.

Details of the item "Net provisions" are as follows:

	NOTES	1H 2025	1H 2024	CHANGE
Allocations to the bad debts provision	31	40.7	53.7	(13.0)
Allocations to risk and charges provision	29	19.8	28.1	(8.3)
De-provisioning	29, 31	(2.5)	(0.6)	(1.9)
Total		**58.0**	**81.2**	**(23.2)**

De-provisioning includes the release of funds in view of the fact that the underlying risks no longer exist.

9 Financial income

	1H 2025	1H 2024	CHANGE
Customers	25.8	17.5	8.3
Discounting of energy efficiency receivables	18.1	17.4	0.7
Bank interests	17.3	15.7	1.6
Income from valuation at fair value of financial assets and liabilities	0.7	12.7	(12.0)
Income from derivatives	-	2.9	(2.9)
Other financial income	14.4	13.0	1.4
Total	**76.3**	**79.2**	**(2.9)**

"Customers" mainly include interest on arrears in the gas and electricity sales, in particular in last-resort markets. The change as compared to the same period of the previous year is mainly due to higher volumes sold for the electricity business, specifically in the safeguard regime as a result of the awarding of new tenders for the 2025-2026 two-year period.

"Income from valuation at fair value of financial assets and liabilities" include the positive effects of updating the estimates of liabilities recognised in previous years in connection with one-time acquisition operations. At 30 June 2024, this item included the effect of valuation adjustments, in application of the fair value hedge, of a bond loan in foreign currency that was repaid during the second half of 2024.

"Other financial income" includes the following:

	NOTES	1H 2025	1H 2024	CHANGE
Dividends		7.0	7.9	(0.9)
Discounting of non-current financial receivables	18	3.1	2.9	0.2
Other		4.3	2.2	2.1
Total		**14.4**	**13.0**	**1.4**

10 Financial expenses

	1H 2025	1H 2024	CHANGE
Expenses from bonds and loans	68.0	60.3	7.7
Factoring charges and disposals of tax credits	15.5	62.3	(46.8)
Valuation at amortised cost of financial liabilities	14.2	16.2	(2.0)
Discounting of provisions	9.6	10.9	(1.3)
Discounting of options and consideration on shareholdings	5.5	5.7	(0.2)
Expenses from derivatives	-	17.7	(17.7)
Expenses from valuation at fair value of financial assets and liabilities	(1.3)	(35.8)	34.5
Other financial expenses	4.0	3.8	0.2
Total	**115.5**	**141.1**	**(25.6)**

"Expenses from bonds and loans", the change as compared to the same period of the previous year is related to the higher average medium-/long-term exposure to the financial system and higher interest rates on new bonds and loans compared to the instruments repaid in the second half of 2024.

"Factoring charges and disposals of tax credits" includes the following:

	NOTES	1H 2025	1H 2024	CHANGE
Disposals of trade receivables and other operating receivables		13.6	26.6	(13.0)
Disposals of tax credits	35	1.9	35.7	(33.8)
Total		**15.5**	**62.3**	**(46.8)**

- "Disposals of trade receivables and other operating receivables", the change compared to the same period of the previous year is attributable to lower volumes of disposal transactions;
- "Disposals of tax credits" decrease due to lower amounts of tax credits transferred to the banking system in the first half of 2025 compared to the significant amounts in the first half of the comparison year. This effect is offset by the Group's results for the period by the termination of the evaluation position entered when the receivables were first recognised, as reported in the commentary to "Expenses from valuation at fair value of financial assets and liabilities".

"Discounting of provisions" is broken down as follows:

	NOTES	1H 2025	1H 2024	CHANGE
Post-closure landfills	29	7.5	7.0	0.5
Post-employment and other employee benefits	28	1.1	1.4	(0.3)
Restoration of third-party assets	29	0.9	2.4	(1.5)
Plant dismantling	29	0.1	0.1	-
Total		**9.6**	**10.9**	**(1.3)**

"Expenses from valuation at fair value of financial assets and liabilities", the item refers to tax credits from energy efficiency improvements and specifically to the reversal of the assessment position opened in previous years, resulting from the disposals of tax credits carried out in the first half of 2025, with the associated expenses that were instead booked in the item "Factoring charges and disposals of tax credits" generating, as previously mentioned, a substantially offsetting effect on the results for the period. The change is due to fewer disposals carried out during the period and the lower amount of invoice discount receivables subject to valuation as a result of the restrictions introduced by the Government during the financial year 2024.

The item "Other financial expenses", residual in nature, includes the following:

	NOTES	1H 2025	1H 2024	CHANGE
Leases	22	1.4	1.4	-
Short-term bank overdrafts		1.4	0.8	0.6
Other expenses		1.2	1.6	(0.4)
Total		**4.0**	**3.8**	**0.2**

11 Share of profits (losses) pertaining to joint ventures and associated companies

	1H 2025	1H 2024	CHANGE
Joint venture share of net profits	1.3	1.1	0.2
Associated companies share of net profits	5.9	5.3	0.6
Total	**7.2**	**6.4**	**0.8**

The share of profits and losses of joint ventures and associated companies includes the effects generated by the valuation of the companies included in the scope of consolidation carried out using the equity method. For details, please refer to note 25 "Shareholdings valued using the equity method and other shareholdings".

2.02.03 - Taxation

12 Taxes

This item is made up as follows:

	1H 2025	1H 2024	CHANGE
IRES and substitute tax	81.1	71.7	9.4
IRAP	20.7	20.6	0.1
Total	**101.8**	**92.3**	**9.5**
Earnings before taxes	**351.2**	**329.6**	**21.6**
Tax rate	**29.0%**	**28.0%**	

The change in the tax rate with respect to the comparative period is mainly attributable to the recognition of the benefit on IRES and IRAP taxes resulting from the exemption of the higher values arising from the acquisition of controlling interests and other non-recurring operations carried out in previous years.

13 Current tax assets and liabilities

	30 JUN 25	31 DEC 24	CHANGE
Income tax receivables	37.6	30.5	7.1
IRES refund receivables	0.8	0.8	-
Total current tax assets	**38.4**	**31.3**	**7.1**
Income tax payables	124.4	48.2	76.2
Total current tax liabilities	**124.4**	**48.2**	**76.2**

"Income tax receivables" mainly refer to the surplus of IRES and IRAP tax balances for the previous year not yet used for offsetting purposes, and advanced tax payments made during the period by certain Group companies.

"Income tax payables" mainly includes the IRES and IRAP amounts allocated on an accrual basis on the income generated in the first half of the current year, in addition to the previous year's tax liability still to be paid to the State Treasury.

14 Deferred tax assets and liabilities

	30 JUN 25	31 DEC 24	CHANGE
Pre-paid tax assets	467.6	468.9	(1.3)
Offsetting of deferred tax liabilities	(122.9)	(126.4)	3.5
Substitute tax credit	0.3	0.4	(0.1)
Total net deferred tax assets	**345.0**	**342.9**	**2.1**
Deferred tax liabilities	269.8	271.2	(1.4)
Offsetting of deferred tax liabilities	(122.9)	(126.4)	3.5
Total net deferred tax liabilities	**146.9**	**144.8**	**2.1**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets with the corresponding current tax liabilities.

2.02.04 - Equity and financial structure

Net equity

15 Group net equity

	30 JUN 25	31 DEC 24	CHANGE
Share capital (nominal value)	1,489.5	1,489.5	-
Treasury share reserve	(22.4)	(48.0)	25.6
Share capital increase costs	(0.7)	(0.7)	-
Share capital	**1,466.4**	**1,440.8**	**25.6**
Legal reserve	159.5	146.1	13.4
Other reserves	1,960.6	1,699.2	261.4
Other comprehensive income (OCI)	(35.9)	(40.2)	4.3
Reserve for treasury share transactions	16.6	(60.3)	76.9
Reserves	**2,100.8**	**1,744.8**	**356.0**
Profit for the period/year	**229.3**	**494.5**	**(265.2)**
Total	**3,796.5**	**3,680.1**	**116.4**

The share capital at 30 June 2025 amounted to 1,489,538,745 ordinary shares with a nominal value of 1 euro each and is fully paid-up. The number of treasury shares held by the Group at 30 June 2025 was 22,492,438 (48,042,438 at 31 December 2024).

The item Legal reserve of the parent company Hera Spa increased as a result of the allocation of the legally required portion of the previous year's profit, as resolved by the Shareholders' Meeting upon approval of the financial statements at 31 December 2024.

Compared to 31 December 2024, the Group's net equity increased mainly thanks to the following:

- the Group's profit for the period of 229.3 million euro;
- dividend payments amounting to 220.1 million euro;
- transactions performed on treasury shares during the first half of 2025, which resulted in a positive variation in the amount of 102.5 million euro, following the Group's disbursement of financial resources to support operating investments during the period;
- an increase of 4.3 million euro in other comprehensive income.

16 Non-controlling interests

	30 JUN 25	31 DEC 24	CHANGE
Share capital and reserves	280.6	270.5	10.1
Other comprehensive income (OCI)	(2.6)	(5.1)	2.5
Profit for the period/year	20.1	41.4	(21.3)
Total	**298.1**	**306.8**	**(8.7)**

This item mainly comprises the minority shareholders' stakes of the Herambiente Group and the Marche Multiservizi Spa Group. The change, with a profit for the period of 20.1 million euro, is due to dividends paid to minority shareholders for 31.7 million euro and the lower number of negative items in the statement of comprehensive income for 2.5 million euro.

Reconciliation statement

The following is a reconciliation statement between the parent company's separate financial statements and the consolidated financial statement for the first half of 2025 and 31 December 2024.

	30 JUN 25		31 DEC 24
	PROFIT	NET EQUITY	NET EQUITY
Balances as per parent company's financial statements	270.1	2,799.2	2,641.1
Excess of shareholders' equity (including the result of the period) over the carrying amounts of investments in consolidated companies	(27.8)	562.9	849.9
Consolidation adjustments:			
net equity valuation of companies recognised in the separate financial statements at cost	1.5	47.2	45.7
difference between purchase price and corresponding net book equity	(10.9)	404.0	157.1
elimination of intra-group transaction effects	(3.6)	(16.8)	(13.7)
Total	**229.3**	**3,796.5**	**3,680.1**
Allocation of third-party holdings	20.1	298.1	306.8
Balances as per consolidated financial statement	**249.4**	**4,094.6**	**3,986.9**

17 Earnings per share

	1H 2025	1H 2024
Profit for the period attributable to holders of ordinary shares of the parent company (A)	229.3	218.4
Weighted average number of shares outstanding for the purposes of calculation of earnings (loss) per share		
basic (B)	1,459,985,534	1,441,403,645
diluted (C)	1,459,985,534	1,441,403,645
Earnings (loss) per share (in euro)		
basic (A/B)	**0.157**	**0.152**
diluted (A/C)	**0.157**	**0.152**

Basic earnings per share are calculated on the operating result attributable to holders of ordinary shares of the parent company. Diluted earnings per share are equal to the basic as there are no classes of shares other than ordinary shares and there are no instruments that can be converted into shares.

At the writing of this consolidated financial statement, the share capital of the parent company Hera Spa consisted of 1,489,538,745 ordinary shares, unchanged from 31 December 2024, which were used in determining basic and diluted earnings per share.

Net financial debt

What follows is the financial debt prepared in accordance with Guideline no. 39, issued on 4 March 2021 by ESMA, as implemented by CONSOB in its communication 5/2021 of 29 April 2021. The Group also monitors its financial performance through the Net financial debt indicator, which adds non-current financial receivables to the regulatory statement.

		NOTES	30 JUN 25	31 DEC 24
A	Cash	18	1,289.9	1,315.6
B	Cash equivalents	18	-	-
C	Other current financial assets	18	158.8	23.1
D	**Liquidity (A+B+C)**		**1,448.7**	**1,338.7**
E	Current financial debt	19	(368.5)	(777.0)
F	Current portion of non-current financial debt	19, 22	(464.2)	(474.1)
G	**Current financial indebtedness (E+F)**		**(832.7)**	**(1,251.1)**
H	**Net current financial indebtedness (G+D)**		**616.0**	**87.6**
I	Non-current financial debt	19, 22	(799.3)	(808.0)
J	Debt instruments	19	(3,904.5)	(3,401.3)
K	Non-current trade and other payables		-	-
L	**Non-current financial indebtedness (I+J+K)**		**(4,703.8)**	**(4,209.3)**
M	**Total financial indebtedness (H+L) ESMA guidelines 32 - 382 - 1138**		**(4,087.8)**	**(4,121.7)**
	Non-current financial receivables	18	160.7	158.0
	Net financial debt		**(3,927.1)**	**(3,963.7)**

For the statement of financial debt with related parties, see paragraph 2.03.04.

The following is an analysis of the balance sheet items included in the determination of net financial debt, with the exception of financial assets and liabilities related to interest rate derivative financial instruments, which are detailed in note 27 "Derivative instruments", and lease liabilities, which are shown in note 22 "Rights of use and lease liabilities".

18 Financial assets, cash holdings and cash equivalents

	30 JUN 25	31 DEC 24	CHANGE
Receivables for construction services	112.1	102.2	9.9
Loan receivables	10.0	15.6	(5.6)
Portfolio securities	2.0	2.0	-
Other financial receivables	36.6	38.2	(1.6)
Total non-current financial assets	**160.7**	**158.0**	**2.7**
Loan receivables	37.7	4.7	33.0
Other financial receivables	121.1	18.4	102.7
Total current financial assets	**158.8**	**23.1**	**135.7**
Total cash holdings	**1,289.9**	**1,315.6**	**(25.7)**
Total financial assets and cash holdings	**1,609.4**	**1,496.7**	**112.7**

"Receivables for construction services" are recorded in relation to municipalities for construction services for public lighting systems in compliance with the financial activity model provided for by the IFRIC 12 interpretation.

"Loan receivables" comprises loans, regulated at market rate, made to the following companies:

	30 JUN 25			31 DEC 24		
	NON-CURRENT PORTION	CURRENT PORTION	TOTAL	NON-CURRENT PORTION	CURRENT PORTION	TOTAL
Aimag Spa	-	30.0	30.0	-	-	-
Aloe SpA	-	-	-	3.8	0.8	4.6
Set Spa	3.7	3.5	7.2	5.4	3.5	8.9
Tamarete Energia Srl	-	1.6	1.6	-	-	-
Other minor companies	6.3	2.6	8.9	6.4	0.4	6.8
Total	**10.0**	**37.7**	**47.7**	**15.6**	**4.7**	**20.3**

The change as compared with the previous financial period is mainly due to the loan granted during the first half of 2025 to the associate company Aimag Spa, a transaction that falls within the scope of the industrial partnership between the groups.

"Other financial receivables" include the following:

	30 JUN 25			31 DEC 24		
	NON-CURRENT PORTION	CURRENT PORTION	TOTAL	NON-CURRENT PORTION	CURRENT PORTION	TOTAL
Collinare Consortium	13.5	-	13.5	13.5	-	13.5
Acosea Impianti	12.7	-	12.7	12.7	-	12.7
Municipality of Padua	7.3	1.7	9.0	9.0	1.6	10.6
Data market exchange	-	6.1	6.1	-	-	-
Cato and Veneto Region	-	4.6	4.6	-	5.4	5.4
Former CMV municipalities	2.6	-	2.6	2.6	-	2.6
Other financial receivables	0.5	108.7	109.2	0.4	11.4	11.8
Total	**36.6**	**121.1**	**157.7**	**38.2**	**18.4**	**56.6**

- "Data market exchange" includes advances related to electricity and gas exchange contracts concluded on the EEX and ICE platforms, which provide for the daily settlement of outstanding fair value differentials. The change compared to the previous year, in which this item was in debt, is due to the trend in energy commodity prices, to the positions signed in the period and the contracts executed in the first half of the year;
- "Other financial receivables" mainly include:
  - advance paid at the end of June 2025 for the purchase of tax credits from a financial institution, amounting to 85.2 million euro. This transaction was formalised and became effective during the month of July when the tax credits were accepted in the parent company's dedicated tax account;
  - interest income related to the use of cash and cash equivalents, which will be collected after 30 June 2025, amounting to approximately 14 million euro.

"Cash and cash equivalents" consist of bank and postal deposits amounting to 1,289.8 million euro (1,315.6 million euro at 31 December 2024). To better understand the change in the amount of cash and cash equivalents, see the cash flow statement.

19 Financial liabilities

	30 JUN 25	31 DEC 24	CHANGE
Bonds and loans	4,603.3	4,113.3	490.0
Minority shareholders' put option	40.1	39.6	0.5
Payables to acquire controlling shareholdings and potential consideration	1.3	1.4	(0.1)
Other financial liabilities	0.3	0.3	-
Total non-current financial liabilities	**4,645.0**	**4,154.6**	**490.4**
Bonds and loans	448.5	450.0	(1.5)
Overdrafts and interest liabilities	109.3	151.9	(42.6)
Payables to acquire controlling shareholdings and potential consideration	21.5	20.8	0.7
Minority shareholder' put option<	-	251.2	(251.2)
Other financial liabilities	229.2	352.8	(123.6)
Total current financial liabilities	**808.5**	**1,226.7**	**(418.2)**
Total financial liabilities	**5,453.5**	**5,381.3**	**72.2**

The non-current portion of "Bonds and loans" changed mainly due to the issuing of the Group's fourth Green Bond. The new bond, listed on the regulated markets of the Irish Stock Exchange, the Luxembourg and the Italian Stock Exchange, has a nominal value of 500 million euro, a duration of 6.5 years and a nominal coupon of 3.25%. During the first half of the year, a Group subsidiary also signed a loan for 20 million euro, of which 17.1 million euro was entered in the non-current portion.

Lastly, the item includes the value of the put option, amounting to 55.8 million euro, related to Ascopiave Spa's 3% minority shareholding in Hera Comm Spa which, as a result of the contractual provisions, is classified as a loan and valued according to the amortised cost method. This debt, with a nominal value of 54 million euro, increased due to the financial evaluation component and decreased due to dividends paid out:

	OPENING VALUE	FINANCIAL EXPENSES	FLOWS PAID OUT	CLOSING VALUE
First six months of 2024	55.3	1.6	(2.7)	54.2
First six months of 2025	55.8	1.6	(3.6)	53.8

The current portion of "Bonds and loans" includes the amounts of medium- and long-term debt due within the next financial year. As compared to 31 December 2024, a bond loan with a nominal value of 15 million euro was repaid.

The main conditions of the bonds outstanding at 30 June 2025 are as follows:

BONDS	DURATION (YEARS)	MATURITY	NOMINAL VALUE (MN)	COUPON	ANNUAL RATE
Sustainability linked bonds	12.5	25 Apr 2034	500 €	Fixed, annual	1.00%
Sustainability linked bonds	10	20 Apr 2033	600 €	Fixed, annual	4.25%
Green bonds	6.5	15 Jul 2031	500 €	Fixed, annual	3.25%
Green bonds	7	25 May 2029	500 €	Fixed, annual	2.5%
Bonds	10	14 Oct 2026	325.44 €	Fixed, annual	0.875%
Bonds	10	03 Dec 2030	500 €	Fixed, annual	0.25%
Bonds*	15/20	14 May 2027/2032	102.5 €	Fixed, annual	5.25%
Green bonds	8	05 Jul 2027	357.2 €	Fixed, annual	0.875%
Bonds	15	29 Jan 2028	599.02 €	Fixed, annual	5.20%

* Unlisted instrument

At 30 June 2025, the outstanding bonds, totalling a face value of 3,984.2 million euro (3,499.1 million euro 31 December 2024) and entered at amortised cost of 3,904.7 million euro (3,414.4 million euro at 31 December 2024), have a fair value of 3,865.5 million euro (3,382.2 million euro at 31 December 2024) determined by market quotations where available.

There are covenants on some loans that require compliance with the corporate rating limit, which must be rated, even only by a single rating agency, no lower than investment grade (BBB-). As of this balance sheet date this covenant has been complied with.

"Overdrafts and interest liabilities" mainly include payables for the signing of short-term loans, in the form of hot money, for 62 million euro (75 million euro at 31 December 2024) and interest expense for the period not yet paid at 31 December 2024, for 41.6 million euro (71.7 million euro at 31 December 2024).

"Minority shareholders' put option", which includes the fair value measurement of the sale options that are granted, with specific contractual arrangements, to minority shareholders on their own shares.
The following are the changes for the period, compared with the same period of the previous year:

	OPENING VALUE	ACQUISITIONS	FINANCIAL EXPENSES	FLOWS PAID OUT	CHANGES ASSUMPTIONS	CLOSING VALUE
30 JUN 24						
Equity value	281.9		4.8	-	-	286.8
Future dividends	45.9		0.8	(9.0)	-	37.7
Total	**327.8**		**5.6**	**(9.0)**	**-**	**324.4**
30 JUN 25						
Equity value	262.6		4.7	(234.1)	(0.1)	33.1
Future dividends	28.2		0.8	(22.0)	-	7.0
Total	**290.8**		**5.5**	**(256.1)**	**(0.1)**	**40.1**

With reference to the movements occurred in the first half of 2025, it should be noted that Ascopiave Spa, the minority shareholder of EstEnergy Spa, was paid both the amounts contracted in relation to the exercise of the put option it holds, in the amount of 234.1 million euro, and the dividends accrued, in the amount of 22 million euro.
The fact that the Group paid these amounts entailed the fulfilment of the condition precedent to the transfer of the residual shares held by Ascopiave Spa, equal to 25% of the share capital of EstEnergy Spa, as provided for in the deed signed by the parties in December 2024. Once, at 30 June 2025, the legal percentage of ownership by the Hera Group was 100% of EstEnergy Spa's share capital.

"Other financial liabilities" mainly refer to:

	30 JUN 25			31 DEC 24		
	NON-CURRENT PORTION	CURRENT PORTION	TOTAL	NON-CURRENT PORTION	CURRENT PORTION	TOTAL
Factoring	-	180.1	180.1	-	332.8	332.8
Fund for energy and waste management services	-	25.9	25.9	-	5.7	5.7
Municipal Pension Fund of the Municipality of Trieste	-	0.7	0.7	-	1.2	1.2
Data market exchange	-	-	-	-	0.4	0.4
Other minor items	0.3	22.5	22.8	0.3	12.7	13.0
Total	**0.3**	**229.2**	**229.5**	**0.3**	**352.8**	**353.1**

- Factoring, mainly includes collections yet to be transferred at year-end to financial institutions, in relation to credits transferred without recourse which the Group continued to collect on behalf of the factor companies. The decrease from the previous year mainly reflects the lower use of transfer operations due to the improved management of net working capital during the first half of 2025;
- Fund for energy and waste management services mainly includes revenues to be retroceded since they have already been advanced by the Fund in relation to the reports made by the Group for the activities carried out in the gas and electricity sales markets subject to tenders;
- Other minor items mainly include payables to the State Treasury in relation to the collection of the RAI fee charged to customers in their electricity bills by the Group's sales companies, amounting to 14.9 million euro (3.5 million euro at 31 December 2024) and the payable to the associate ASM SET Srl for the centralised treasury management in the amount of 2.3 million euro (3.7 million euro at 31 December 2024).

The following table shows financial liabilities broken down by nature at 31 December 2024, with an indication of their maturity:

TYPE	30 JUN 25	PORTION DUE WITHIN THE PERIOD	PORTION DUE WITHIN 2ND YEAR	PORTION DUE WITHIN 5TH YEAR	PORTION DUE BEYOND 5TH YEAR
Bonds	3,904.7	-	378.8	1,408.5	2,117.4
Loans	1,147.1	448.5	111.1	179.1	408.4
Minority shareholders' put options	40.1	-	-	40.1	-
Payables to acquire controlling shareholdings and potential consideration	22.8	21.5	0.3	1.0	-
Other financial liabilities	229.5	229.2	0.1	0.1	0.1
Overdrafts and interest liabilities	109.3	109.3	-	-	-
Total	**5,453.5**	**808.5**	**490.3**	**1,628.8**	**2,525.9**

20 Cash flows related to financing activities

Changes in financial liabilities

The table below shows the changes in financial liabilities that occurred in the first half of 2025, broken down into cash and non-monetary flows.

TYPE	30 JUN 25	31 DEC 24	CHANGE (A)	NON-CASH FLOWS				CASH FLOWS (F)=(A)-[(B)+(C)+(D)+(E)]
				ACQUISITIONS DIVESTITURES (B)	ECONOMIC VALUATION COMPONENTS (C)	CHANGES IN FAIR VALUE (D)	OTHER CHANGES (E)	
Non-current financial liabilities	4,645.0	4,154.6	490.4	-	14.5	-	(41.2)	517.1
Current financial liabilities	808.5	1,226.7	(418.2)	1.5	5.2	(0.7)	(255.6)	(168.6)
Cash flows related to financial liabilities	**5,453.5**	**5,381.3**	**72.2**	**1.5**	**19.7**	**(0.7)**	**(296.8)**	**348.5**
of which								
New issue of long-term bonds								517.1
Repayments of non-current financial liabilities								-
Repayments and other net changes in financial liabilities								(168.6)
Lease liabilities	**83.0**	**79.1**	**3.9**	**2.8**	**-**	**-**	**12.8**	**(11.7)**
Financial liabilities generated by financing activities	**5,536.5**	**5,460.4**	**76.1**	**4.3**	**19.7**	**(0.7)**	**(284.0)**	**336.8**

"Acquisitions and divestitures" include the effects arising from acquisitions of control carried out in the first six months of 2025.

"Economic valuation components" include:

- charges from the amortised cost valuation of bonds and loans in the amount of 14.2 million euro, as reported in note 10 "Financial expenses";
- discounting charges related to the put options of non-controlling shareholdings and earn-outs contracted as part of the acquisition of control over companies and business units, amounting to 5.5 million euro, as reported in note 10 "Financial expenses".

"Other changes" include effects mainly due to:

- amounts paid to Ascopiave Spa, a minority shareholder of EstEnergy Spa, for exercising the put option it holds, as disclosed in note 19 "Financial liabilities", in the amount of 234.1 million euro, as the related outlay is stated in the cash flows relating to the purchase of shares in consolidated companies;
- interest payable pertaining to the previous year paid in the first half of 2025, net of interest accrued in the first half of 2025 and not yet paid, in the amount of 30.1 million euro, as the cash flow of interest payable is included in the cash flows of operating activities;
- payment of dividends to minority shareholders with whom the Group contracted put options at the time of acquiring control, amounting to 22 million euro. In the cash flow statement, the related cash flow is represented in dividends paid out, although it is accounted for as a change in the financial liability already booked;
- recognition of liabilities related to leases entered into during the year and the remeasurement of outstanding lease liabilities generated by an update of the underlying assumptions about renewal, purchase, or early termination options, as reported in note 22, "Rights of Use and Lease Liabilities".
- recognition, in application of amortised cost, of the initial adjustment of the nominal value of the bond issued during the period totalling 7.1 million euro, in order to represent the costs related to this issuance as separate cash flows.

Proceeds from the sale of shares without loss of control
The value refers to the amount collected in connection with the sale of 0.4% of the share capital of the subsidiary A.C.R. di Reggiani Albertino Spa to minority shareholders.

Acquisition of shareholdings in consolidated companies
The value refers to the amount paid for exercising the put option held by Ascopiave Spa, a minority shareholder of EstEnergy Spa, as reported in note 19 "Financial liabilities".

Dividends paid out to Hera shareholders and non-controlling interests
The value refers to dividends paid out during the first six months of 2025 to:

- parent company's shareholders in the amount of 216.3 million euro;
- minority shareholders in the amount of 33.2 million euro, of which 22 million euro were paid to minority shareholders to whom the Group had recognized payables for put options in previous years, as mentioned above.

Finally, it should be noted that non-monetary flows due to exchange rate differences were absent in the first six months of 2025.

2.02.05 - Investment activities

21 Property, plants and equipment

	30 JUN 25	31 DEC 24	CHANGE
Land and buildings	654.7	663.3	(8.6)
Plants and machinery	1,085.6	1,126.9	(41.3)
Other movable assets	113.2	114.6	(1.4)
Assets under construction	329.5	254.2	75.3
Total operating assets	**2,183.0**	**2,159.0**	**24.0**
Investment property	1.7	1.7	-
Total	**2,184.7**	**2,160.7**	**24.0**

Tangible assets are disclosed net of accumulated depreciation. Their composition and changes in the period are as follows:

	NET OPENING BALANCE	INVEST MENTS	DISINVESTMENTS	AMORTISATION, DEPRECIATION AND WRITE-DOWN	CHANGES IN THE SCOPE OF CONSOLIDATION	OTHER CHANGES	NET CLOSING VALUE	OF WHICH GROSS CLOSING VALUE	OF WHICH AMORTISATION PROVISION
30 JUN 24									
Land and buildings	635.7	1.6	(0.5)	(10.5)	-	0.9	627.2	957.3	(330.1)
Plants and machinery	1,067.9	8.1	(1.8)	(63.5)	-	24.7	1,035.4	3,178.2	(2,142.8)
Other movable assets	107.7	5.4	(0.2)	(12.4)	-	4.5	105.0	487.2	(382.2)
Assets under construction	246.1	83.8	-	-	-	(31.7)	298.2	298.2	-
Total	**2,057.4**	**98.9**	**(2.5)**	**(86.4)**	**-**	**(1.6)**	**2,065.8**	**4,920.9**	**(2,855.1)**
30 JUN 25									
Land and buildings	663.3	1.6	(0.1)	(10.5)	-	0.4	654.7	1,015.8	(361.1)
Plants and machinery	1,126.9	10.8	(1.7)	(67.4)	1.0	16.0	1,085.6	3,320.7	(2,235.1)
Other movable assets	114.6	7.1	(0.4)	(13.0)	-	4.9	113.2	515.5	(402.3)
Assets under construction	254.2	97.9	-	-	-	(22.6)	329.5	329.5	-
Total	**2,159.0**	**117.4**	**(2.2)**	**(90.9)**	**1.0**	**(1.3)**	**2,183.0**	**5,181.5**	**(2,998.5)**

The breakdown and the significant changes within each category are commented on below, while for a more detailed description of the investments made during the period, please refer to paragraph 1.03 "Analysis by business area" of the Directors' report. Non-current assets acquired as part of business combinations, if present, are separately reported in movements and classified as "Changes in the scope of consolidation".

"Land and buildings" consist of 124.1 million euro in land and 530.6 million euro in buildings. These are mainly company-owned properties on which the majority of the sites and production plants stand.

"Plant and machinery" is made up mainly of distribution networks and plants relating to business not falling within the scope of the concession system such as district heating, electricity in the Modena area, waste disposal and waste treatment as well as plastic production plants. The main investments in the first half of 2025 relate to waste treatment activities totalling 9.4 million euro.

"Other movable assets" mainly include, regarding business areas that have not yet gone out to tender for service concessions, waste collection equipment and bins amounting to 65.3 million euro and motor vehicles amounting to 47.9 million euro.

"Assets under construction" mainly consist of investments in progress for waste treatment plants amounting to 149.6 million euro, for expansion and extraordinary maintenance of the Group's headquarters totalling 39 million euro as well as investments for developing the district heating network amounting to 23.7 million euro. Investments for the period are mainly attributable to the construction of new assets in the waste disposal and treatment business for 40.7 million euro, district heating for 12 million euro, and electricity distribution for 10.8 million euro.

"Other changes" covers the in-progress reclassification of tangible assets under construction to the specific categories for assets brought into operation during the period, as well as possible reclassifications from/to intangible assets, especially for goods used in activities under concession.

22 Rights of use and lease liabilities

The following tables show the breakdown of rights of use (reported net of the associated amortisation provision) and lease liabilities at the transition date and the related movements. Contracts taken over as part of business combinations are separately reported in movements and classified as "Changes in the scope of consolidation". The column "New contracts and contractual changes" shows the leases signed during the period, as well as the change in the underlying assumptions regarding the renewal, call or early withdrawal options of the existing contracts.

	30 JUN 25	31 DEC 24	CHANGE
Rights of use land and buildings	58.3	52.1	6.2
Rights of use plants and machinery	5.4	5.4	-
Rights of use other movable assets	25.3	26.7	(1.4)
Total	**89.0**	**84.2**	**4.8**

	NET OPENING BALANCE	NEW CONTRACTS AND CONTRACTUAL CHANGES	DECREASES	AMORTISATION, DEPRECIATION AND WRITE-DOWN	CHANGES IN THE SCOPE OF CONSOLIDATION	OTHER CHANGES	NET CLOSING VALUE	OF WHICH GROSS CLOSING VALUE	OF WHICH AMORTISATION PROVISION
30 JUN 24									
Rights of use land and buildings	59.1	1.2	-	(4.3)	-	-	56.0	104.6	(48.6)
Rights of use plants and machinery	6.4	-	-	(0.6)	-	(0.1)	5.7	12.3	(6.6)
Rights of use other movable assets	25.1	2.4	-	(4.9)	-	(0.4)	22.2	43.1	(20.9)
Total	**90.6**	**3.6**	**-**	**(9.8)**	**-**	**(0.5)**	**83.9**	**160.0**	**(76.1)**
30 JUN 25									
Rights of use land and buildings	52.1	8.0	-	(4.5)	2.7	-	58.3	112.2	(53.9)
Rights of use plants and machinery	5.4	0.7	-	(0.7)	-	-	5.4	13.0	(7.6)
Rights of use other movable assets	26.7	4.1	-	(5.2)	0.1	(0.4)	25.3	48.1	(22.8)
Total	**84.2**	**12.8**	**-**	**(10.4)**	**2.8**	**(0.4)**	**89.0**	**173.3**	**(84.3)**

"Rights of use land and buildings" consist of 47.5 million euro in rights of use of buildings and 10.8 million euro in rights of use of land. The rights of use for buildings refer mainly to contracts concerning the real estate structures used for headquarters, offices and customer service helpdesks.

"Rights of use plants and machinery" refer to contracts regarding purification and composting plants.

"Rights of use other movable assets" refer mainly to contracts underwritten for the use of IT infrastructures (especially data centres), operational vehicles and cars.

The column "Other changes" includes the residual value of leased assets redeemed during the period and reclassified under property, plants and equipment.

Financial liabilities show the following composition and change, compared with the previous year:

	NET OPENING BALANCE	NEW CONTRACTS AND CONTRACTUAL CHANGES	DECREASES	FINANCIAL EXPENSES	CHANGES IN THE SCOPE OF CONSOLIDATION	OTHER CHANGES	NET CLOSING VALUE
30 JUN 24							
Lease liabilities	**81.3**	**3.5**	**(11.3)**	**1.4**	**-**	**-**	**74.9**
of which							
non-current liabilities	56.8						52.2
current liabilities	24.5						22.7
30 JUN 25							
Lease liabilities	**79.1**	**12.8**	**(13.1)**	**1.4**	**2.8**	**-**	**83.0**
of which							
non-current liabilities	54.7						58.8
current liabilities	24.4						24.2

The table below shows the lease liabilities broken down by category according to their expiration date range:

TYPE	TOTAL	PORTION DUE WITHIN THE PERIOD	PORTION DUE WITHIN 2ND YEAR	PORTION DUE WITHIN 5TH YEAR	PORTION DUE BEYOND 5TH YEAR
1H 2024	74.9	22.7	13.4	22.4	16.4
1H 2025	83.0	24.2	15.5	24.5	18.8

23 Intangible assets

	30 JUN 25	31 DEC 24	CHANGE
IT applications	121.8	103.8	18.0
Concessions and other rights	82.5	88.5	(6.0)
Public services under concession	3,460.9	3,480.0	(19.1)
Intangible assets ongoing, public services under concession	587.4	443.4	144.0
Customer lists	552.1	571.9	(19.8)
Other intangible assets	139.7	134.7	5.0
Intangible assets ongoing	117.6	123.5	(5.9)
Total	**5,062.0**	**4,945.8**	**116.2**

Intangible assets are stated net of their accrued amortisation and are broken down below:

	NET OPENING BALANCE	INVEST MENTS	DISINVESTMENTS	AMORTISATION, DEPRECIATION AND WRITE-DOWN	CHANGES IN THE SCOPE OF CONSOLIDATION	OTHER CHANGES	NET CLOSING VALUE	OF WHICH GROSS CLOSING VALUE	OF WHICH AMORTISATION PROVISION
30 JUN 24									
IT applications	105.3	2.5	-	(21.3)	-	13.7	100.2	653.3	(553.1)
Concessions and other rights	100.7	0.1	-	(6.9)	-	0.1	94.0	486.0	(392.0)
Public services under concession	3,315.7	22.4	(2.7)	(96.7)	-	75.1	3,313.8	5,993.0	(2,679.2)
Intangible assets ongoing, public services under concession	380.3	154.6	-	-	-	(73.8)	461.1	461.1	-
Customer lists	605.6	-	-	(21.5)	-	-	584.1	808.9	(224.8)
Other intangible assets	119.4	39.8	-	(23.8)	-	-	135.4	368.3	(232.9)
Intangible assets ongoing	92.6	26.1	-	-	-	(13.0)	105.7	105.7	-
Total	**4,719.6**	**245.5**	**(2.7)**	**(170.2)**	**-**	**2.1**	**4,794.3**	**8,876.3**	**(4,082.0)**
30 JUN 25									
IT applications	103.8	1.0	-	(24.3)	-	41.3	121.8	726.1	(604.3)
Concessions and other rights	88.5	0.1	-	(6.3)	-	0.2	82.5	486.7	(404.2)
Public services under concession	3,480.0	15.8	(2.2)	(101.8)	-	69.1	3,460.9	6,323.8	(2,862.9)
Intangible assets ongoing, public services under concession	443.4	213.0	(0.4)	-	-	(68.6)	587.4	587.4	-
Customer lists	571.9	-	-	(19.8)	-	-	552.1	820.3	(268.2)
Other intangible assets	134.7	30.5	-	(27.0)	-	1.5	139.7	428.7	(289.0)
Intangible assets ongoing	123.5	36.2	-	-	-	(42.1)	117.6	117.6	-
Total	**4,945.8**	**296.6**	**(2.6)**	**(179.2)**	**-**	**1.4**	**5,062.0**	**9,490.6**	**(4,428.6)**

The breakdown and the significant changes within each category are commented on below, while for a more detailed description of the investments made during the period, please refer to paragraph 1.03 "Analysis by business area" of the Directors' report. The intangible assets acquired as part of business combinations, if present, are separately reported in movements and classified as "Changes in the scope of consolidation".

"Concessions and other rights" mainly include:

- the authorisation to operate the Serravalle Pistoiese landfill, for 42.7 million euro, an asset recorded as part of a business combination operation carried out in previous periods and amortised on the basis of the number of tons consigned;
- concessions, for 23.6 million euro, primarily involving the rights relating to the activities of gas distribution and integrated water cycle, classified as intangible assets even before the IFRIC 12 interpretation "Service concession arrangements" was first applied.

"Public services under concession" includes assets relating to gas distribution, electricity distribution (Imola area), the integrated water cycle and public lighting activities (except for the latter, as specified in note 18 "Current financial assets, cash holdings and cash equivalents") provided through contracts awarded by the respective public bodies.

"Intangible assets in progress and public services under concession" includes investments related to these concessions that are still to be completed at the end of the period and mainly refers to the water networks, in the amount of 391.4 million euro, and gas distribution networks, in the amount of 127.8 million euro. Investments for the first six months of 2015 were carried out mainly in the water networks, in the amount of 139 million euro, and gas distribution networks, in the amount of 44.7 million euro.

The item "Other intangible assets" refers mainly to the incremental costs incurred for obtaining new energy sales contracts consisting exclusively of commissions.

"Intangible assets ongoing" essentially comprises IT projects not yet completed at the date of these financial statements.

"Other changes" includes reclassifications of assets under construction to their specific categories for assets that began to be used during the period and reclassifications to tangible assets, especially when goods used in activities under contract are involved.

24 Goodwill

	30 JUN 25	31 DEC 24	CHANGE
Goodwill	933.8	933.0	0.8

During the first half of 2025, the Group acquired the "Gurit" business unit, an operation that resulted in the recording of goodwill in the amount of 0.8 million euro.

2.02.06 - Shareholdings

25 Shareholdings valued using the equity method and Other shareholdings

	30 JUN 25	31 DEC 24	CHANGE
Shareholdings valued using the equity method	128.6	127.3	1.3
Other shareholdings	50.9	47.3	3.6
Total	**179.5**	**174.6**	**4.9**

The changes in the companies valued using the net equity method as compared to 31 December 2024 take into account the pro-quota losses and profits reported by the respective companies (including the other components of the comprehensive income statement) as well as the possible reduction of the value for any dividends that were paid out and for depreciations due to the impairment test.

Changes in shareholdings valued using the net equity method are as follows:

	OPENING VALUE	INVESTMENTS AND DISINVESTMENTS	PROFIT FOR THE YEAR	DIVIDENDS PAID OUT	WRITE-DOWNS AND OTHER CHANGES	CLOSING VALUE
30 JUN 24						
Joint ventures						
Enomondo Srl	18.6	-	1.0	(1.4)	-	18.2
Set Spa	22.6	-	0.1	-	-	22.7
Total joint ventures	**41.2**	**-**	**1.1**	**(1.4)**	**-**	**40.9**
Associated companies						
Aimag Spa	50.9	-	1.2	-	-	52.1
Sgr Servizi Spa	26.8	-	2.8	(2.2)	-	27.4
ASM SET Srl	19.1	-	0.7	(1.3)	-	18.5
SEA - Servizi Ecologici Ambientali Srl	9.0	-	0.6	-	-	9.6
Total associated companies	**105.8**	**-**	**5.3**	**(3.5)**	**-**	**107.6**
Total	**147.0**	**-**	**6.4**	**(4.9)**	**-**	**148.5**

30 JUN 25						
Joint ventures						
Enomondo Srl	19.7	-	0.7	(1.8)	-	18.6
Set Spa	0.3	-	0.6	-	-	0.9
Total joint ventures	**20.0**	**-**	**1.3**	**(1.8)**	**-**	**19.5**
Associated companies						
Aimag Spa	47.5	-	1.1	-	-	48.6
Sgr Servizi Spa	30.3	-	3.5	(2.7)	-	31.1
ASM SET Srl	19.2	-	0.8	(1.3)	(0.1)	18.6
SEA - Servizi Ecologici Ambientali Srl	10.3	-	0.5	-	-	10.8
Total associated companies	**107.3**	**-**	**5.9**	**(4.0)**	**(0.1)**	**109.1**
Total	**127.3**	**-**	**7.2**	**(5.8)**	**(0.1)**	**128.6**

No impairment losses or reversals of impairment losses were reported during the period for companies within the scope of consolidation.

Other investments in companies not included in the scope of consolidation mainly related to Ascopiave Spa for 35.0 million euro (31.6 million euro at 31 December 2024) and in Calenia Energia Spa for 4.8 million euro (unchanged from 31 December 2024). In the case of shareholdings with a level 1 fair value hierarchy, the value adjustment, recorded in the components of the comprehensive income statement, makes it possible to align the book value of the shares with the market prices at the end of the period. In the case of hierarchy 3 shareholdings, partly in view of the insignificant value of the investments in the portfolio, the change in fair value was not significant at 30 June 2025.

26 Cash flows related to investment activities

Investments in subsidiary companies and business units net of cash holdings

The table below shows in details the main cash disbursements and cash holdings acquired, when present, associated with investments in companies and business units made during the period.

30 JUN 25	GURIT BUSINESS UNIT
Cash outlays leading to the acquisition of control	1.7
Cash holdings acquired	-
Investments in subsidiary companies and business units net of cash holdings	**1.7**
Cash outlays in other shareholdings	0.4
Investments in subsidiaries, business units and other shareholdings	**2.1**

Increase/decrease in other investment activities

The following is a breakdown of information on changes in the other investment activities during the first half of 2025, differentiating between cash flows and non-cash flows.

TYPE	30 JUN 25	31 DEC 24	CHANGE (A)	NON-CASH FLOWS				CASH FLOWS (F)=[(B)+(C)+(D)+(E)]-(A)
				ACQUISITIONS DIVESTITURES (B)	ECONOMIC VALUATION COMPONENTS (C)	CHANGES IN FAIR VALUE (D)	OTHER CHANGES (E)	
Current and non-current financial assets	319.5	181.1	138.4	-	6.0	-	12.2	(120.2)

"Economic valuation components" include income from discounting non-current financial receivables amounting to 3.1 million euro, as reported in note 9 "Financial income" as well as the economic effects of the write-up of financial receivables related to loans granted to equity-accounted companies and other minor shareholdings in the amount of 2.9 million euro.

"Other changes" mainly include the reclassification of accrued interest receivables not yet collected at the balance sheet date net of interest pertaining to the previous year collected in the first half of 2025 in the amount of 12.1 million euro, as the cash flow of interest receivables is stated as part of the cash flows of operating activities.

2.02.07 - Derivatives and related instruments

27 Derivative instruments

	30 JUN 25			31 DEC 24			Change
	FAIR VALUE ASSETS	FAIR VALUE LIABILITIES	NET EFFECT	FAIR VALUE ASSETS	FAIR VALUE LIABILITIES	NET EFFECT	NET EFFECT
Commodity derivatives							
Commercial portfolio	132.2	135.1	(2.9)	161.1	160.9	0.2	(3.1)
Trading portfolio	8.9	23.3	(14.4)	21.3	46.5	(25.2)	10.8
Total derivatives	**141.1**	**158.4**	**(17.3)**	**182.4**	**207.4**	**(25.0)**	**7.7**
of which non-current	-	-		-	-		
of which current	141.1	158.4		182.4	207.4		

At 30 June 2025, the Group does not show any exposure in relation to interest and foreign exchange derivatives, because the effects of derivatives designated as cash flow hedges and fair value hedges ended during the previous year following repayments of the underlying loans.

At 30 June 2025, commodity derivatives, segregated into two different portfolios, commercial and trading, showed a negative net exposure that improved compared to the previous year, particularly due to the fact that a portion of the contracts in the trading portfolio outstanding as of 31 December 2024 were realised in the first half of the year .

Interest rate derivatives

During the second half of the previous year, derivatives designated as hedges of interest rate and exchange rate risks and fair value of financial liabilities in foreign currencies (fair value hedges), in the form of interest rate swaps (IRS) and cross currency swaps (CCS), expired since they were related to a bond in Japanese yen that was repaid in August 2024.

The effects on the income statement for the previous period, in relation to interest and exchange rate derivatives entered into to hedge loans, are shown below.

		30 JUN 25			30 JUN 24		
TYPE	FAIR VALUE HIERARCHY	INCOME	EXPENSES	NET EFFECT	INCOME	EXPENSES	NET EFFECT
Cash flow hedges	2	-	-	-	0.3	-	0.3
Fair value hedges	2	-	-	-	2.6	(17.7)	(15.1)
Total income (expenses)		-	-	-	**2.9**	**(17.7)**	**(14.8)**

The table below provides a breakdown of financial income and expense associated with derivatives designated as fair value hedges and related underlying liabilities, as adjusted for the income and losses attributable to the hedged risk:

FAIR VALUE HEDGES	30 JUN 25			30 JUN 24		
	INCOME	EXPENSES	NET EFFECT	INCOME	EXPENSES	NET EFFECT
Assessment of derivatives	-	-	-	-	(12.7)	(12.7)
Accrued interest	-	-	-	-	(0.2)	(0.2)
Realised cash flows	-	-	-	2.6	(4.8)	(2.2)
Economic effect of derivatives Fair value hedges	**-**	**-**	**-**	**2.6**	**(17.7)**	**(15.1)**

UNDERLYING AMOUNTS HEDGED	30 JUN 25			30 JUN 24		
	INCOME	EXPENSES	NET EFFECT	INCOME	EXPENSES	NET EFFECT
Assessment of financial liabilities	-	-	-	12.7	-	12.7

Commodity derivatives

Commercial portfolio

The commercial portfolio includes commodity derivative instruments, both financial and physical, entered into to hedge mismatches between purchase and sale formulas, which are classed into the following categories:

TYPE		30 JUN 25			31 DEC 24		
	FAIR VALUE HIERARCHY	NOTIONAL	FAIR VALUE ASSETS	FAIR VALUE LIABILITIES	NOTIONAL	FAIR VALUE ASSETS	FAIR VALUE LIABILITIES
Gas formulas	3	31,660,176 MWh	118.8		14,977,245 MWh	136.5	
Electricity formulas	2	1,906,057 MWh	13.4		1,646,775 MWh	24.2	
Exchange	2		-		24,328,000 USD	0.4	
Gas formulas	3	32,026,843 MWh		121.7	15,545,353 MWh		143.6
Electricity formulas	2	1,653,230 MWh		12.3	1,450,939 MWh		17.1
Exchange	2	20,479,000 USD		0.6			-
Other commodities	3	10,932 Tons		0.5	7,284 Tons		0.2
Total fair value			**132.2**	**135.1**		**161.1**	**160.9**

NET EFFECT ON INCOME STATEMENT	30 JUN 25			30 JUN 24		
	PHYSICAL CONTRACTS TREATED AS DERIVATIVES	FINANCIAL DERIVATIVE CONTRACTS	NET EFFECT	PHYSICAL CONTRACTS TREATED AS DERIVATIVES	FINANCIAL DERIVATIVE CONTRACTS	NET EFFECT
Realised cash flows	(7.5)	(1.3)	(8.8)	28.2	3.7	31.9
Economic effect of derivatives	**(7.5)**	**(1.3)**	**(8.8)**	**28.2**	**3.7**	**31.9**

At 30 June 2025, commodity derivatives in the trading portfolio showed a negative exposure in the amount of 2.9 million euros, broadly in line with the previous year. The decrease in fair value assets and liabilities, in a context of higher notional amounts for both gas and electric formula contracts, is mainly impacted by prospective trends in energy commodity prices.

The overall effect of these instruments on the statement of comprehensive income is broken down as follows:

COMMODITY DERIVATIVES COMMERCIAL PORTFOLIO	30 JUN 25			31 DEC 24		
	POSITIVE COMPONENTS	NEGATIVE COMPONENTS	NET EFFECT	POSITIVE COMPONENTS	NEGATIVE COMPONENTS	NET EFFECT
Changes to expected cash flows	-	(11.9)	(11.9)	(1.2)	-	(1.2)
Reserve transferred to the income statement	604.9	(596.1)	8.8	1,055.7	(1,126.9)	(71.2)
Derivative cash flow hedges effect on statement of comprehensive income	**604.9**	**(608.0)**	**(3.1)**	**1,054.5**	**(1,126.9)**	**(72.4)**

The components recognised in the statement of comprehensive income are transferred back to the income statement at the maturity dates of the corresponding hedged items.

The effect on the income statement of exchanges realised on derivative or similar contracts, whether physical or financial, can be broken down as follows:

commercial portfolio realisation	Contracts treated as derivatives	Financial derivative contracts	Overall effect
Sales revenues	596.1	-	596.1
Purchasing costs*	(603.6)	(1.3)	(604.9)
Effect of realising derivative cash flow hedges	**(7.5)**	**(1.3)**	**(8.8)**

* amount includes charges and income from financial derivatives

Trading portfolio

The trading portfolio includes derivatives or similar instruments that are not intended to hedge the Group's requirements and are entered into for speculative purposes. These instruments can be broken down into the following types:

TYPE		30 JUN 25			31 DEC 24		
	FAIR VALUE HIERARCHY	NOTIONAL	FAIR VALUE ASSETS	FAIR VALUE LIABILITIES	NOTIONAL	FAIR VALUE ASSETS	FAIR VALUE LIABILITIES
Electricity formulas	2	1,201,655 MWh	8.9		1,738,529 MWh	21.3	
Electricity formulas	2	1,779,983 MWh		23.3	2,492,178 MWh		46.5
Total fair value			**8.9**	**23.3**		**21.3**	**46.5**

NET EFFECT ON INCOME STATEMENT	30 JUN 25			30 JUN 24		
	PHYSICAL CONTRACTS TREATED AS DERIVATIVES	FINANCIAL DERIVATIVE CONTRACTS	NET EFFECT	PHYSICAL CONTRACTS TREATED AS DERIVATIVES	FINANCIAL DERIVATIVE CONTRACTS	NET EFFECT
Assessment of derivatives	11.8	(1.0)	10.8	11.6	0.6	12.2
Realised cash flows	22.7	-	22.7	14.6	(8.7)	5.9
Economic effect of derivatives	**34.5**	**(1.0)**	**33.5**	**26.2**	**(8.1)**	**18.1**

The decrease in fair value compared to the previous year was mainly affected by lower notional amounts due to the realisation, in the first half of 2025, of a portion of the contracts outstanding at 31 December 2024.

The effect on the income statement of exchanges realised on derivative or similar contracts, whether physical or financial, can be broken down as follows:

TRADING PORTFOLIO REALISATION	CONTRACTS TREATED AS DERIVATIVES	FINANCIAL DERIVATIVE CONTRACTS	OVERALL EFFECT
Sales revenues	33.4	-	33.4
Purchasing costs*	(10.7)	-	(10.7)
Effect of realising derivatives	**22.7**	**-**	**22.7**

* amount includes charges and income from financial derivatives

2.02.08 - Provisions and contingent liabilities

28 Employee benefits

	OPENING VALUE	SERVICE COSTS	FINANCIAL EXPENSES	ACTUARIAL PROFIT (LOSSES)	USES	OTHER MOVEMENTS	CHANGES IN THE SCOPE OF CONSOLIDATION	TERMINAL VALUE
30 JUN 24								
Severance pay	75.8	0.5	1.2	(4.9)	(4.4)	-	-	68.2
Other benefits	12.3	-	0.2	(0.7)	(0.5)	-	-	11.3
Total	**88.1**	**0.5**	**1.4**	**(5.6)**	**(4.9)**	**-**	**-**	**79.5**
30 JUN 25								
Severance pay	70.3	0.6	0.9	(5.0)	(3.7)	-	0.4	63.5
Other benefits	9.6	-	0.2	(0.5)	(0.7)	-	-	8.6
Total	**79.9**	**0.6**	**1.1**	**(5.5)**	**(4.4)**	**-**	**0.4**	**72.1**

"Changes in the scope of consolidation" include the severance pay provision acquired following the business combinations carried out during the period.

29 Provisions

	OPENING VALUE	ALLO CATIONS	FINANCIAL EXPENSES	USES	OTHER MOVEMENTS	CHANGES IN THE SCOPE OF CONSOLIDATION	TERMINAL VALUE
30 JUN 24							
Provision for third-party asset restoration	228.8	3.2	2.4	-	-	-	234.4
Provision for closure and post-closure landfill expenses	185.1	1.4	7.0	(4.8)	(0.1)	-	188.6
Provision for personnel legal cases and disputes	15.0	1.2	-	(2.4)	(0.1)	-	13.7
Provisions for waste disposal	8.5	6.6	-	(7.9)	-	-	7.2
Provision for plant dismantling	6.3	-	0.1	-	-	-	6.4
Other provisions	174.1	15.7	-	(3.9)	0.3	-	186.2
Total	**617.8**	**28.1**	**9.5**	**(19.0)**	**0.1**	**-**	**636.5**

30 JUN 25							
Provision for third-party asset restoration	240.3	3.2	0.9	-	-	-	244.4
Provision for closure and post-closure landfill expenses	210.2	2.8	7.5	(10.8)	-	-	209.7
Provision for personnel legal cases and disputes	14.8	1.5	-	(0.4)	(0.7)	-	15.2
Provisions for waste disposal	9.6	7.3	-	(8.9)	-	-	8.0
Provision for plant dismantling	6.7	-	0.1	-	-	-	6.8
Other provisions	211.5	5.0	-	(1.9)	(2.7)	-	211.9
Total	**693.1**	**19.8**	**8.5**	**(22.0)**	**(3.4)**	**-**	**696.0**

"Other provisions" comprises allocations made against sundry risks. Below is a description of the main items:

LIABILITIES MN €	TYPE	30 JUN 25	31 DEC 24
Risks arising from the activity of energy efficiency upgrading of buildings carried out on behalf of end customers, particularly apartment blocks	Likely	18.2	18.3
Non-recognition of charges reported in regulated energy markets	Likely	15.8	15.8
Guarantee on financial exposure given by AcegasApsAmga S.p.A. in case of abandonment of the operations run mainly by the foreign subsidiary AresGas (Bulgaria).	Contingent	11.3	11.3
Risk of litigation with the Privacy Authority	Likely	10.0	10.0
Non-recognition of the higher cost of electricity used in providing water service in 2022 due to going over the upper limit allowable under the tariff system	Likely	9.3	9.3
Non-recognition of the share of green certificates for CHP plants calculated on the differential of ancillary services from total self-consumption and those estimated on the basis of the benchmark percentage	Likely	8.9	8.9
Charges for future work on facilities affected by the 2023 flood incident covered by already-collected insurance reimbursements	Likely	8.9	8.9
Risk of non-reimbursement by the Customs Agency in relation to electricity surcharges reimbursed to end users	Likely	8.7	8.7

The liabilities classified as contingent were recognised as part of the business combination in the year in which it occurred.

2.02.09 - Operating working capital

30 Inventories

	30 JUN 25	31 DEC 24	CHANGE
Gas stocks	100.9	85.8	15.1
Raw materials and stocks	65.5	69.2	(3.7)
Materials earmarked for sale and finished products	12.9	12.9	(0.2)
Total	**179.3**	**168.1**	**11.2**

"Gas stocks" represent the valorisation of methane gas stocks earmarked for sale. It should be noted, in particular, that at the end of the disbursement season (March 2025), the outstanding inventories at 31 December 2024 were withdrawn for sale to customers and, as a result, the 17.8 million euro impairment provision recorded in the previous year's financial statements was fully utilised. At 30 June 2025, with the procurement process for the 2025-2026 thermal year still in progress, the amount of gas held in storage is in line with that of the previous period and its carrying value is in line with the presumed realisable value net of sales costs. Therefore, no accounting adjustment needed to be made to the value of stocks as at 30 June 2025.

31 Trade receivables

	30 JUN 25	31 DEC 24	CHANGE
Receivables from customers	2,185.0	2,133.9	51.1
Receivables from customers for bills and invoices not yet issued	912.6	1,748.7	(836.1)
Provisions for bad debts	(737.2)	(710.1)	(27.1)
Total	**2,360.4**	**3,172.5**	**(812.1)**

Trade receivables comprise estimated consumption, for the portion pertaining to the period, relating to bills and invoices which will be issued after 30 June 2025, as well as receivables for revenues coming due during the period, for the water sector, which will be billed in the following months in accordance with the billing methods for final customers established by Authority.

The change in the stock of receivables managed compared to the previous year is due to various phenomena that had opposing effects: The main ones are listed here below.

- a decrease in invoices to be issued in relation to brokerage transactions on the wholesale energy markets carried out at the end of the period, due to both the seasonality of the energy business and the reduction in commodity market prices with respect to the values recorded in the last months of the 2024 financial year;
- a decrease in invoices to be issued to end customers, especially in relation to natural gas sales business, due to both the seasonality of the business and the lower volumes marketed in the first half of 2025 in markets of last resort.

The value of trade receivables reported in the financial statements at 30 June 2025 represents the Group's theoretical maximum exposure to credit risk. Changes in the provision for bad debts is as follows:

	OPENING BALANCE	ALLOCATIONS	CHANGES IN THE SCOPE OF CONSOLIDATION	USES AND OTHER MOVEMENTS	CLOSING BALANCE
first six months of 2024	626.7	53.7	-	(8.9)	671.5
first six months of 2025	710.1	40.7	-	(13.6)	737.2

The change compared to the same period of the previous year was mainly due to lower provisions resulting from the positive performance of customers in the traditional energy markets, lower invoiced volumes in the markets for services of last resort in the natural gas business, and the termination, as of 30 June 2024, of the graduated protection service for supplying small and medium-sized companies. There was also a decrease in provisions for the urban sanitation business due to a lower stock of receivables at the end of the period in relation to customers for whom the Group applies a volume-based tariff.

32 Trade payables

	30 JUN 25	31 DEC 24	CHANGE
Payables to suppliers	540.9	673.0	(132.1)
Payables to suppliers for invoices not yet received	1,157.3	2,050.9	(893.6)
Total	**1,698.2**	**2,723.9**	**(1,025.7)**

Changes in trade payables compared to the previous year mainly stem from the following factors:

- a decrease in payables in connection with wholesale energy transactions realised at the end of the period for which a similar trend can be seen in the item "Trade receivables";
- a decrease in debt exposure towards supplying companies and professionals that carried out energy requalification work on behalf of the Group for buildings, particularly condominiums, following the significant reduction in business volumes resulting from the regulatory restrictions introduced by the government starting from the previous year.

33 Current assets from contracts with customers

	30 JUN 25	31 DEC 24	CHANGE
Energy services and building upgrading	181.3	179.6	1.7
Public lighting	46.0	40.0	6.0
Treatment and disposal	40.6	22.2	18.4
Water services	20.7	21.6	(0.9)
Other minor items	6.9	0.5	6.4
Total	**295.5**	**263.9**	**31.6**

In relation to the treatment and disposal business, the change compared to the previous year is due to the development of site remediation, waste management, and civil works activities on behalf of industrial customers.

34 Current liabilities from contracts with customers

	30 JUN 25	31 DEC 24	CHANGE
Advances for work in progress	162.6	184.0	(21.4)
deferred income	13.9	14	(0.1)
Other provisions	0.5	5.2	(4.7)
Total	**177.0**	**203.2**	**(26.2)**

"Advances for work in progress", the decrease from the previous year reflects the completion of a portion of work in progress as of 31 December 2024, mainly in connection with the building energy efficiency improvement business.

35 Other current assets

	30 JUN 25	31 DEC 24	CHANGE
Tax credits, tax breaks and other tax-related receivables	509.0	741.6	(232.6)
Fund for energy and waste management services for equalisation and continuity income	102.3	82.0	20.3
Prepaid costs	69.5	42.0	27.5
Advances to suppliers	48.0	48.0	-
Energy efficiency bonds and emissions trading	46.7	41.2	5.5
Security deposits	37.7	39.6	(1.9)
VAT, excise and additional taxes	11.4	48.4	(37.0)
Other receivables	75.0	61.7	13.3
Total	**899.6**	**1,104.5**	**(204.9)**

"Tax credits, tax breaks and other tax-related receivables" mainly include:

- receivables arising from applying the invoice discount to end customers, measured at amortised cost, in relation to subsidised energy efficiency measures carried out mainly on apartment buildings in the amount of 498.9 million euro (731.1 million euro at 31 December 2024). The decrease compared to the previous year is mainly due to the use of internal offsets within the Group and transfers to financial institutions in the first half of the current year;
- credits for investments in capital goods, including Industry 4.0, totalling 6.6 million euro (7.6 million euro at 31 December 2024), which will be used to offset taxes and contributions in subsequent periods on the basis of the established annual limits.

"Fund for energy and waste management services for equalisation and continuity income" comprises 25.8 million euro of continuity income (23.7 million euro at 31 December 2024) and 76.5 million euro of equalisation credit (58.3 million euro at 31 December 2024).
It should be noted that equalisation receivables increased by 18.2 million euro compared to the previous year, mainly as a result of the recognition by ARERA of costs incurred in past years and previously not remunerated in the tariff.

"Prepaid costs" mainly include the portion of future accruals, including in the second half of 2025, for services and external processing, costs incurred for insurance coverage, surety bonds and bank fees, as well as costs for licenses, fees payable and concession fees for network services, and personnel costs for the unaccrued portion of the bonus paid in June.

"Energy efficiency bonds and emissions trading" include the following:

	30 JUN 25	31 DEC 24	CHANGE
White certificates	40.8	27.9	12.9
Grey certificate	5.9	13.3	(7.4)
Total	**46.7**	**41.2**	**5.5**

- The portfolio related to white certificates mainly includes the valuation of both securities calculated on the basis of the energy efficiency targets set by the GSE for gas and electricity distribution companies in the amount of 39.3 million euro (26.4 million euro at 31 December 2024), and, as a residual amount, the securities stemming from energy efficiency improvement measures carried out by the Group in the amount of 1.5 million euro (unchanged from 31 December 2024). The increase, with the contribution valuation substantially the same as the previous year and in the absence of any disposal transactions during the period, was due to the higher securities valued at the end of the period as a result of both the recognition of the half-yearly accrual of the targets assigned to the Group for the 2025 mandatory year and the transactions carried out in the current period in relation to the mechanism of redeeming virtual securities used in previous years;
- The portfolio of grey certificates comprises the valuation of both securities held by the Group in the amount of 5.1 million euro (13.1 million euro at 31 December 2024) and the exposure for forward contracts to buy and sell greenhouse gas emission allowances in the amount of 0.8 million euro (0.2 million euro at 31 December 2024). The decrease, at essentially the same market price as the previous year, was caused by fewer securities being held in the portfolio at the end of the period.

"VAT, excise and additional taxes" comprise payables for VAT in the amount of 8.9 million euro (10.4 million euros at 31 December 2024), and excise and additional taxes in the amount of 2.5 million euro (38 million euro at 31 December 2024). With regard to excise duties and additional taxes, the procedures governing the financial relations with the tax authorities should be taken into account: as a matter of fact, advance payments made during the year are calculated on the basis of the quantities of gas and electricity billed in the previous year, while the actual debt is generated on the volumes sold in the period. The decrease in excise and additional tax receivables, amounting to 35.5 million euro, is mainly caused by the seasonal nature of methane gas sales, which historically has a liability exposure in June due to the full billing of the previous winter season, although this is partially offset in the current half-year period by a reduction in the volumes sold to end customers.
For a better understanding of the Group's net exposure to value added tax, please refer to the commentary in note 36 "Other current liabilities".

The item "Other receivables" is detailed as follows:

	30 JUN 25	31 DEC 24	CHANGE
Nonrecurring subsidies	13.0	13.0	-
Incentives from renewable sources	9.0	7.5	1.5
Receivables from asset companies	6.2	6.2	-
Other minor items	46.8	35.0	11.8
Total	**75.0**	**61.7**	**13.3**

The change from the previous year is mainly due to receivables for dividends and insurance reimbursements that will be collected in the second half of 2025, as well as advances paid for participation in the environmental securities purchase platform.

36 Other current liabilities

	30 JUN 25	31 DEC 24	CHANGE
Payables for advances to the fund for energy and waste management services (CSEA)	551.9	510.4	41.5
Plant investment grants	310.6	300.6	10.0
Security deposits from customers	144.8	160.0	(15.2)
Fund for energy and waste management service components and equalisation	130.5	137.3	(6.8)
VAT, excise and additional taxes	108.2	38.4	69.8
Personnel and employee withholdings	100.0	97.2	2.8
Payables to social security institutions	88.3	83.5	4.8
Energy efficiency bonds and emissions trading	15.2	34.4	(19.3)
Prepaid revenues and other expenses	13.8	13.5	0.3
Other payables	150.3	137.5	12.8
Total	**1,613.6**	**1,512.8**	**100.8**

"Payables for advances to the fund for energy and waste management services (CSEA)", consisting of non-interest-bearing advances granted by the fund for energy and waste management services (CSEA), mainly to compensate the higher charges incurred for managing the safeguarded service, the service of last resort in the natural gas sector (FUI, FTD and FDD), the liberalised electricity market regime and the graduated protection service (customers who can be de-supplied). The change from the previous year is mainly due to the collections in the first half of 2025 as a result of the accounting statements made, which were only partially offset by reimbursements related to payments received from customers.

"Security deposits from customers" reflect the amounts requested from customers mainly in relation to gas, water and electricity provision contracts under certain specific conditions. The decrease compared to the previous year is mainly due to the reduction in commodity prices evident in the first half of 2025 compared to the values of the last few months of the previous year, which led to a lower amount being requested individually, and to a decrease in volumes sold in the markets of last resort for methane gas and in the CONSIP tender market, the latter mainly related to the electricity business.

"VAT, excise and additional taxes" include payables for VAT in the amount of 30.1 million euro (16.8 million euro at 31 December 2024), and excise and additional taxes in the amount of 78.1 million euro (21.6 million euro at 31 December 2024). As outlined in note 35, "Other current assets", this increase must be understood taking into account the factors that regulate financial relations with the Inland Revenue Office, which can generate credit/debit positions with differences that can be significant even between one financial period and another.
With reference to value added tax, it should be noted that the debt exposure at the end of the 2024 financial year was positively impacted by the payment, in December, of the advance for the companies adhering to the Group VAT regime, while the balance at 30 June 2025 is necessarily increased due to the quarterly VAT settlement of the energy sales companies.
With regard to excise and additional taxes, payment on account during the first half of the financial year was made, as required by current regulations, based on the volumes invoiced in the previous year. The accrued liability was instead generated based on the volumes billed in the first half of 2025. For the change from the previous year, please refer to the comment in note 35 "Other current assets".

"Energy efficiency bonds and emissions trading" includes the following items:

	30 JUN 25	31 DEC 24	CHANGE
White certificates	7.3	15.1	(7.8)
Guarantee of origin certificates	5.2	13.4	(8.2)
Grey certificate	2.7	5.9	(3.2)
Total	**15.2**	**34.4**	**(19.2)**

- White certificates include the valuation of exposure with respect to obligations to return energy efficiency certificates not yet in the portfolio to the relevant authorities. The change with respect to 31 December 2024, in a market context that showed which showed market prices broadly in line, is mainly due to the lower number of certificates still to be annulled and referring to the years for which the Group has not yet completely fulfilled its assigned obligation.

- Guarantee of origin (GO) certificates relate to the obligation to certify electricity generated from renewable energy sources against sales made to customers whose contracts require this type of procurement. The decrease compared to the previous year is mainly due to the lower obligation accrued in the 2025 half-year period as a result of the fulfilment of the obligation in the previous year;
- Gray certificates reflect the valuation of both the redelivery obligation of certificates calculated according to current regulations in the amount of 2.2 million euro (5.5 million euro at 31 December 2024) and forward contracts for the purchase and sale of greenhouse gas emission allowances in the amount of 0.5 million euro (0.4 million at 31 December 2024). The decrease compared to the previous year is mainly due to the lower redelivery obligation accrued in the 2025 half-year period as a result of the fulfilment of the obligation in the previous year;

The item "other payables" mainly comprises the following:

	30 JUN 25	31 DEC 24	CHANGE
Dividend payables	24.3	-	24.3
Arrears payments for electricity gas and other sectors	19.5	17.1	2.4
Flood contributions	16.5	16.5	-
Insurance deductibles	8.1	8.1	-
Other minor items	81.9	95.8	(13.9)
Total	**150.3**	**137.5**	**12.8**

The main change from the previous year is due to dividends not yet paid at 30 June 2025 to shareholders of the parent company in the amount of 3.8 million euro and to minority shareholders in the amount of 20.5 million euro.

37 Cash flows of operating activities

Changes in net working capital

The following is a breakdown of information on changes in net working capital during the first six months of 2025, differentiating between cash flows and non-cash flows.

TYPE	30 JUN 25	31 DEC 24	CHANGE (A)	NON-CASH FLOWS				CASH FLOWS (F)=[(B)+(C)+(D)+(E)]-(A)
				ACQUISITIONS DIVESTITURES (B)	ECONOMIC VALUATION COMPONENTS (C)	CHANGES IN FAIR VALUE (D)	OTHER CHANGES (E)	
Inventories	179.3	168.1	11.2	1.1				(10.1)
Trade receivables	2,360.4	3,172.5	(812.1)	1.7	(40.7)	0.1	(59.7)	713.5
Trade payables	(1,698.2)	(2,723.9)	1,025.7	(0.9)				(1,026.6)
Other current assets/liabilities, including contracts with customer	(595.5)	(347.6)	(247.9)	(0.1)	27.3	5.2	38.6	318.9
Changes in working capital	**246.0**	**269.1**	**(23.1)**	**1.8**	**(13.4)**	**5.3**	**(21.1)**	**(4.3)**

"Acquisitions and divestitures" include the effects stemming from control acquisition transactions carried out during the first half of 2025.

"Economic valuation components" mainly include:

- the net provision for bad debts in the amount of negative 40.7 million euro;
- income related to the discounting process of invoice discount tax credits, amounting to a positive 18.1 million euro, as reported in note 9 "Financial Income";
- the portions pertaining to the period of plant related grants, the total amount of which was collected in previous years, totalling a positive amount of 9.5 million euro, as stated in note 2 "Other income".

"Changes in fair value" include:

- the valuation of environmental certificates and greenhouse gas emission obligations assigned to the Group, as well as the valuation of forward contracts for the purchase and sale of greenhouse gas emission allowances, for a total positive amount of 4 million euro, as illustrated in notes 35 "Other current assets" and 36 "Other current liabilities".
- the fair value assessment of both trade receivables and tax credits related to the application of the discount included in invoices linked to energy efficiency measures for end customers amounting to a positive 1.3 million euro, as reported in note 10 "Financial expenses";

"Other changes" mainly comprises offsets within net working capital of transactions involving the gross recognition of assets and liabilities. This item also includes the net amount of dividends payable to both Group shareholders and minority shareholders, as well as dividends receivable at the balance sheet date.

Dividends collected
During the first half of the period, dividends of 4 million euro (3.5 million euro at 30 June 2024) were received from companies consolidated under the equity method and 5.8 million euro (7.9 million euro at 30 June 2024) were received from investments held in other companies. For further details, please refer to notes 9 "Financial income" and 25 "Investments valued using the equity method and other investments".

Net interest paid
The following is a reconciliation of the balance sheet values of financial income and expenses and the related net cash flows for the year.

TYPE	30 JUN 25 (A)	NON-CASH COMPONENTS		OTHER CHANGES (D)	CASH COMPONENTS (E)=(A)-[(B)+(C)+(D)]
		ECONOMIC VALUATION COMPONENTS (B)	CHANGES IN FAIR VALUE (C)		
Financial income	76.3	6.0	18.8	19.1	32.4
Financial expenses	(115.5)	(29.7)	1.3	33.7	(120.8)
Total	**(39.2)**	**(23.7)**	**20.1**	**52.8**	**(88.4)**

"Economic valuation components" include charges and income arising from both the measurement at amortised cost and the discounting process of assets and liabilities characterised by monetary flows that will be realised in subsequent periods, as reported in Notes 9 "Financial income" and 10 "Financial expenses".

"Changes in fair value" include the current value of financial assets and liabilities, mainly relating to receivables associated with applying discounts on invoices for energy efficiency improvements carried out on behalf of end customers, amounting to a positive 19.4 million euro.

"Other changes" mainly include the adjustment of interest income and expense recognised on an accrual basis, in order to show the actual cash flows realised in the first half of 2025, amounting to 42.1 million euro, and dividends paid by other minor investments, whose cash flow for the period is shown in a specific item in the cash flow statement in the amount of 7 million euro.

It should also be noted that the cash flow relating to financial interest paid includes 1.4 million euro paid during the period for leasing expenses.

Taxes paid

Income taxes mainly include the amount paid during the first half of 2025 by certain Group companies in relation to IRES and IRAP balances for the previous financial year, and advance payments due for the current financial year. The IRES balance and advance relating to the parent company's tax consolidation will be paid during July 2025.

2.02.10 - Other information

Changes to the accounting standards

Accounting standards, amendments and interpretations applicable from 1 January 2025

With reference to the areas pertaining to the Group, the following accounting standards and amendments to accounting standards issued by the International Accounting Standards Board (IASB) and transposed by the European Union through an EU Regulation are mandatory as of 1 January 2025:

Amendments to IAS 21 - Effects of changes in foreign exchange rates: Lack of exchangeability. Document issued by the IASB on 15 August 2023, applicable from 1 January 2025 with early application allowed. The amendments require an entity to apply a methodology consistently over time to determine whether one currency can be converted into another and, when this is not possible, to define the method of determining the exchange rate to be used and the disclosures to be made in the explanatory notes.

These amendments clarify, correct or remove redundant statements or formulations in the text of the relevant standards.

With reference to the application of these amendments and new interpretations, there were no observable effects on the Group's financial statements.

Accounting standards, amendments and interpretations endorsed by the European Union which are not yet applicable and have not been adopted early by the Group

With reference to the areas that are significant for the Group, the following accounting standard amendments will be mandatory from the following financial year onwards, having also already been endorsed by the EU:

Amendments to IFRS 9 and IFRS 7 – Amendments to the classification and measurement of financial instruments. Document issued by IASB on 30 May 2024, applicable from 1 January 2026 with early application allowed. The amendments concern, in particular:

- the accounting elimination of a financial liability through electronic payment systems. It is clarified that the settlement date of a liability through electronic payments is the date on which the liability is extinguished. If certain specific criteria are met, the accounting elimination may still be recognised even before the cash is delivered on the settlement date;
- the classification of certain financial assets, including those with characteristics related to environmental, social and corporate governance (ESG) factors, which could now meet the criterion set out in IFRS 9 for solely payments for principal and interest (SPPI) provided that their cash flows are not significantly different from those of an identical financial asset without such characteristics;
- the financial statements disclosure in relation to investments in equity investments irrevocably measured at fair value through comprehensive income, for which separate disclosure is required of income and expenses for the period realised following the possible disposal of assets from those arising from the end-of-period valuation.

Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity.
Document issued by the IASB on 18 December 2024, applicable from 1 January 2026 with early application allowed. The changes concern the need to support entities in reporting the financial effects of contracts for the purchase of electricity produced from renewable sources (often structured as power purchase agreements). Based on these contracts, the amount of electricity generated and purchased may vary depending on factors that cannot be controlled, such as weather conditions. The amendments concern, in particular:

- clarification on how the “own use” requirements are to be applied to this type of contract;
- criteria for allowing such contracts to be accounted for as hedging instruments; and
- disclosure requirements to enable users of financial statements to understand the effect of these contracts on an entity's financial performance and cash flows.

On 18 July 2024, the IASB published the document "Annual Improvements to International Financial Reporting Standards - Volume 11", applicable from 1 January 2026. These improvements include eight amendments to five existing international accounting standards, specifically:

- **IFRS 1 -** First adoption of International Financial Reporting Standards. The improvement resolves a potential source of error due to the inconsistency between IFRS 1 and the hedge accounting requirements set out in IFRS 9 "Financial Instruments";
- **IFRS 7 -** Financial Instruments: disclosures. The IASB has introduced three amendments:
  – profits or losses recognised at the time of derecognition. The improvement resolves a potential source of confusion in relation to the accounting for gains or losses on derecognition, as IFRS 7 contained a reference to a section that was deleted from the accounting standard when IFRS 13 "Fair value measurement" was issued;
  – disclosure regarding differences between fair value and transaction price. The improvement corrects an inconsistency between IFRS 7 and its implementation guide;
  – introduction and financial statement disclosure on credit risk. The improvement resolves a potential source of confusion by clarifying that the implementation guide does not necessarily illustrate all the requirements set out in IFRS 7, while also simplifying some explanations.
- **IFRS 9 -** Financial Instruments. The IASB has introduced two amendments:
  – de-recognition by the lessor of a lease liability. The improvement resolves a potential lack of clarity in the application of the requirements in IFRS 9 regarding the lessee's accounting for the settlement of a lease liability.
  – transaction price. The improvement resolves a source of potential confusion arising from a reference in Appendix A of IFRS 9 to the definition of "transaction price" in IFRS 15"Revenue from Contracts with Customers" in that the term "transaction price" is used in various places in IFRS 9 with a meaning that is not necessarily consistent with the definition in IFRS 15;
- **IFRS 10 -** Consolidated Financial Statements. The improvement resolves a source of potential confusion caused by an inconsistency in IFRS 10 regarding the investor's identification of a "de facto" agent.
- **IAS 7 -** Cash flow statement. The improvement resolves a potential source of error in the application of paragraph 37 of IAS 7 arising from the use of the term "cost method", which is no longer defined in the International Financial Reporting Standards.

These amendments clarify, correct or remove redundant statements or formulations in the text of the relevant standards.

The directors are currently assessing possible effects deriving from the introduction of these amendments into the Group's consolidated financial statement.

Accounting standards, amendments and interpretations that have not yet been endorsed by the European Union

The following standards, updates and amendments to IFRS standards (already approved by the IASB) relevant to the Group are in the process of being adopted by the relevant European Union bodies:

IFRS 18 – Presentation and disclosure in financial statements. Standard issued by IASB on 9 April 2024, applicable from 1 January 2027 with early application allowed. The new standard, which will replace IAS 1 "Presentation of Financial Statements", improves the disclosure of company performance in terms of comparability, transparency and usefulness of the information provided, and introduces substantial changes to the structure of financial statements, with particular reference to income statements and, to a lesser extent, cash flow statements. Specifically:

- certain classifications of revenues and costs are revised, introducing a distinction between operating, investing and financing activities, in addition to confirming the existing categories of taxes and discontinued operations;
- two new subtotals are introduced (operating result and result before financial management and income taxes);
- it is specified that the operating result must be used as the starting point for presenting financial statements prepared using the indirect method;
- certain alternative classification options for items in the cash flow statement that are currently permitted, such as interest and dividends received and paid, will be eliminated.

Entities are also required to identify and disclose performance indicators not provided for by IFRS that are used by management to comment on economic and financial trends, justifying them and reconciling them with the items in the financial statements required by international accounting standards.
Finally, the standard introduces new criteria for the aggregation and disaggregation of information within the notes to the financial statements.

With reference to the new standard described above, the directors are currently evaluating what possible effects introducing it might have on the Group's consolidated financial statements.

Reporting by operating sector

Reporting by operational sectors is based on the approach management uses to monitor the performance of the Group by homogeneous business areas. The net costs and assets for business support functions, in keeping with the internal control model, are entirely associated to operational businesses.

As at 30 June 2025, the Hera Group is organized according to the following business lines:

- **Gas:** includes services in distributing and selling methane gas as well as district heating and energy services;
- **Electricity:** includes generating energy, distributing and selling electricity, and public lighting;
- **Water Cycle:** includes aqueduct, purification and sewage services;
- **Waste management:** includes waste collection, treatment, recycling and disposal services;
- **Other services:** includes telecommunications and other minor services.

The following are assets and liabilities by business line for the first six months of 2025 and the 2024 financial year:

30 JUN 25	GAS	ELECTRICITY	WATER CYCLE	WASTE MANAGEMENT	OTHER SERVICES	TOTAL
Current year						
Assets (tangible and intangible)	2,150.3	869.4	2,692.9	1,525.1	98.1	7,335.8
Goodwill	493.5	91.2	42.7	285.7	20.7	933.8
Shareholdings	70.0	12.3	52.4	44.7	0.1	179.5
Not attributed fixed assets						198.0
Net non-current assets	**2,713.8**	**972.9**	**2,788.0**	**1,855.5**	**118.9**	**8,647.1**
Attributed net working capital	(61.4)	241.4	(91.4)	175.5	(18.1)	246.0
Non attributed net working capital						(103.3)
Net working capital	**(61.4)**	**241.4**	**(91.4)**	**175.5**	**(18.1)**	**142.7**
Other provisions	(224.4)	(104.2)	(125.3)	(310.4)	(3.8)	(768.1)
Net invested capital	**2,428.0**	**1,110.1**	**2,571.3**	**1,720.6**	**97.0**	**8,021.7**

31 DEC 24	GAS	ELECTRICITY	WATER CYCLE	WASTE MANAGEMENT	OTHER SERVICES	TOTAL
Previous year						
Assets (tangible and intangible)	2,106.5	846.8	2,620.4	1,515.9	101.0	7,190.6
Goodwill	493.5	91.2	42.7	284.9	20.7	933.0
Shareholdings	66.3	11.1	52.3	44.8	0.1	174.6
Not attributed fixed assets						198.1
Net non-current assets	**2.666.3**	**949.1**	**2,715.4**	**1,845.6**	**121.8**	**8,496.3**
Attributed net working capital	152.2	73.7	(0.6)	68.7	(24.8)	269.2
Non attributed net working capital						(41.9)
Net working capital	**152.2**	**73.7**	**(0.6)**	**68.7**	**(24.8)**	**227.3**
Other provisions	(229.1)	(68.5)	(169.3)	(302.4)	(3.8)	(773.1)
Net invested capital	**2,589.4**	**954.3**	**2,545.5**	**1,611.9**	**93.2**	**7,950.5**

The most significant results by business line relative to 30 June 2025 and the same period of the previous year are outlined as follows:

1H 2025	GAS	ELECTRICITY	WATER CYCLE	WASTE MANAGEMENT	OTHER SERVICES	STRUCTURE	TOTAL
Current year							
Direct revenues	3,214.1	2,192.7	568.5	837.9	20.7	30.5	6,864.4
Infra-cycle revenues	73.4	135.3	6.9	38.4	25.6	32.3	311.8
Total direct revenues	**3,287.5**	**2,328.0**	**575.4**	**876.3**	**46.3**	**62.8**	**7,176.2**
Indirect revenues	6.4	2.3	35.2	18.6	0.2	(62.8)	-
Total revenues	**3,293.9**	**2,330.3**	**610.6**	**894.9**	**46.5**	**-**	**7,176.2**
Ebitda	**260.3**	**114.1**	**156.5**	**175.4**	**15.3**	**-**	**721.7**
Direct amortisations and provisions	93.3	44.7	59.8	89.6	8.5	42.7	338.5
Indirect amortisations and provisions	4.7	3.1	18.1	16.7	0.1	(42.7)	-
Total amortisations and provisions	**98.0**	**47.7**	**77.9**	**106.3**	**8.6**	**-**	**338.5**
Operating results	**162.3**	**66.4**	**78.7**	**69.2**	**6.7**	**-**	**383.2**

1H 2024	GAS	ELECTRICITY	WATER CYCLE	WASTE MANAGEMENT	OTHER SERVICES	STRUCTURE	TOTAL
Previous year							
Direct revenues	2,542.3	1,917.4	498.2	780.1	24.3	22.4	5,784.7
Infra-cycle revenues	55.6	119.3	4.0	51.7	24.3	33.4	288.2
Total direct revenues	**2,597.8**	**2,036.7**	**502.2**	**831.8**	**48.6**	**55.8**	**6,072.9**
Indirect revenues	6.2	2.6	30.4	16.5	0.1	(55.8)	-
Total revenues	2,604.0	2,039.3	532.6	848.3	48.7	-	6,072.9
Ebitda	**256.5**	**144.2**	**146,2**	**171.5**	**14.3**	**-**	**732.7**
Direct amortisations and provisions	98.9	47.3	57.1	85.6	8.3	50.3	347.6
Indirect amortisations and provisions	7.8	8.9	17.3	16.2	0.1	(50.3)	-
Total amortisations and provisions	**106.7**	**56.3**	**74.4**	**101.8**	**8.4**	**-**	**347.6**
Operating results	**149.7**	**88.0**	**71.8**	**69.7**	**5.9**	**-**	**385.1**

2.03 - FINANCIAL STATEMENT FORMATS AS PER CONSOB RESOLUTION 15519/2006

Consistent with the relative Group policies, the economic, equity and financial relations with related parties in place as of 30 June 2025 and the relative period of comparison are shown below.

The procedure for the operations with related parties is available on the website of the Hera Group at the following link:

https://www.gruppohera.it/gruppo/governance/sistema-di-governance/politiche-e-procedure

Regarding the disclosure as per CONSOB resolution 17221 of 12 March 2010 and subsequent amendments and integrations thereto, it is reported that no transactions of significant importance were carried out during the first half of 2025.

2.03.01 - Income statement as per Consob resolution 15519/2006

	notes	1H 2025	of which related parties						1H 2024	of which related parties					
			A	B	C	D	Total	%		A	B	C	D	Total	%
Revenues	1	6,786.2	-	30.0	134.3	7.1	171.4	2.5%	5,716.5	-	30.4	159.2	8.3	197.9	3.5%
Other income	2	78.2	-	0.2	-	-	0.2	0.3%	68.2	-	-	0.4	-	0.4	0.6%
Raw materials and materials	3	(3,970.0)	-	(9.5)	-	(23.9)	(33.4)	0.8%	(2,973.2)	-	(14.3)	-	(21.8)	(36.1)	1.2%
Service costs	4	(1,816.4)	-	(7.3)	(8.9)	(13.3)	(29.5)	1.6%	(1,727.6)	-	(6.5)	(8.7)	(13.0)	(28.2)	1.6%
Personnel costs	5	(360.8)	-	-	-	-	-		(341.2)	-	-	-	-	-	
Other operating expenses	6	(42.9)	-	-	(2.4)	(0.3)	(2.7)	6.3%	(40.5)	-	-	(0.9)	(0.4)	(1.3)	3.2%
Capitalised costs	7	47.4	-	-	-	-	-		30.5	-	-	-	-	-	
Amortisation, provisions and depreciation	8	(338.5)	-	-	-	-	-		(347.6)	-	-	-	-	-	
Operating profit		**383.2**	**-**	**13.4**	**123.0**	**(30.4)**	**106.0**		**385.1**	**-**	**9.6**	**150.0**	**(26.9)**	**132.7**	
Financial income	9	76.3	-	3.6	-	3.1	6.7	8.8%	79.2	-	0.6	0.3	1.6	2.5	3.2%
Financial expenses	10	(115.5)	-	(0.1)	(0.1)	-	(0.2)	0.2%	(141.1)	-	(0.1)	(0.1)	-	(0.2)	0.1%
Financial operations		**(39.2)**	**-**	**3.5**	**(0.1)**	**3.1**	**6.5**		**(61.9)**	**-**	**0.5**	**0.2**	**1.6**	**2.3**	
Share of profits (losses) pertaining to joint ventures and associated companies	11	7.2	-	7.2	-	-	7.2	100.0%	6.4	-	6.4	-	-	6.4	100.0%
Profit before taxes		**351.2**	**-**	**24.1**	**122.9**	**(27.3)**	**119.7**		**329.6**	**-**	**16.5**	**150.2**	**(25.3)**	**141.4**	
Taxes	12	(101.8)	-	-	-	-	-		(92.3)	-	-	-	-	-	
Profit for the period		**249.4**	**-**	**24.1**	**122.9**	**(27.3)**	**119.7**		**237.3**	**-**	**16.5**	**150.2**	**(25.3)**	**141.4**	
Attributable to:															
Parent company shareholders		229.3							218.4						
Non-controlling interests		20.1							18.9						
Earnings per share															
basic	17	0.157							0.152						
diluted	17	0.157							0.152						

Key to related party column headings: A Non-consolidated subsidiaries B Associated companies and joint ventures C Related parties with significant influence D Other related parties

2.03.02 - Statement of financial position as per Consob resolution 15519/ 2006

	notes	30 Jun 25	of which related parties						31 Dec 24	of which related parties					
			A	B	C	D	Total	%		A	B	C	D	Total	%
ASSETS															
Non-current assets															
Plants and machinery non-current assets	21	2,184.7	-	-	-	-	-		2,160.7	-	-	-	-	-	
Rights of use	22	89.0	-	-	-	-	-		84.2	-	-	-	-	-	
Intangible assets	23	5,062.0	-	-	-	-	-		4,945.8	-	-	-	-	-	
Goodwill	24	933.8	-	-	-	-	-		933.0	-	-	-	-	-	
Shareholdings valued using the equity method	25	128.6	-	128.6	-	-	128.6	100.0%	127.3	-	127.3	-	-	127.3	100.0%
Other shareholdings	25	50.9	0.4	4.0	-	4.9	9.3	18.3%	47.3	-	3.9	-	5.1	9.0	19.0%
Non-current financial assets	18	160.7	-	6.1	7.3	16.7	30.1	18.7%	158.0	-	7.8	9.0	20.5	37.3	23.6%
Deferred tax assets	14	345.0	-	-	-	-	-		342.9	-	-	-	-	-	
Derivative financial instruments	27	-	-	-	-	-	-		-	-	-	-	-	-	
Total non-current assets		**8,954.7**	**0.4**	**138.7**	**7.3**	**21.6**	**168.0**		**8,799.2**	**-**	**139.0**	**9.0**	**25.6**	**173.6**	
Current assets															
Inventories	30	179.3	-	-	-	-	-		168.1	-	-	-	-	-	
Trade receivables	31	2,360.4	-	1.9	58.4	15.5	75.8	3.2%	3,172.5	-	18.4	78.0	18.3	114.7	3.6%
Current financial assets	18	158.8	-	35.4	3.8	0.6	39.8	25.1%	23.1	-	3.5	3.6	1.3	8.4	36.4%
Current tax assets	13	38.4	-	-	-	-	-		31.3	-	-	-	-	-	
Assets from contracts with current customers	33	295.5	-	-	-	-	-		263.9	-	-	-	-	-	
Other current assets	35	899.6	-	3.7	(2.4)	4.5	5.8	0.6%	1,104.5	-	2.4	(6.1)	3.9	0.2	0.0%
Derivative instruments	27	141.1	-	-	-	-	-		182.4	-	-	-	-	-	
Cash and cash equivalents	18	1,289.9	-	-	-	-	-		1,315.6	-	-	-	-	-	
Total current assets		**5,363.0**	**-**	**41.0**	**59.8**	**20.6**	**121.4**		**6,261.4**	**-**	**24.3**	**75.5**	**23.5**	**123.3**	
TOTAL ASSETS		**14,317.7**	**0.4**	**179.7**	**67.1**	**42.2**	**289.4**		**15,060.6**	**-**	**163.3**	**84.5**	**49.1**	**296.9**	

Key to related party column headings: A Non-consolidated subsidiaries B Associated companies and joint ventures C Related parties with significant influence D Other related parties

	notes	30 Jun 25	of which related parties A	B	C	D	Total	%	31 Dec 24	of which related parties A	B	C	D	Total	%
NET EQUITY AND LIABILITIES															
Share capital and reserves															
Share capital	15	1,466.4	-	-	-	-	-		1,440.8	-	-	-	-	-	
Reserves	15	2,100.8	-	-	-	-	-		1,744.8	-	-	-	-	-	
Profit for the period/year	15	229.3	-	-	-	-	-		494.5	-	-	-	-	-	
Group net equity		**3,796.5**	**-**	**-**	**-**	**-**	**-**		**3,680.1**	**-**	**-**	**-**	**-**	**-**	
Non-controlling interests	16	298.1	-	-	-	-	-		306.8	-	-	-	-	-	
Total net equity		**4,094.6**	**-**	**-**	**-**	**-**	**-**		**3,986.9**	**-**	**-**	**-**	**-**	**-**	
Non-current liabilities															
Non-current financial liabilities	19	4,645.0	-	-	-	-	-		4,154.6	-	-	-	-	-	
Non-current lease liabilities	22	58.8	-	-	3.3	0.1	3.4	5.8%	54.7	-	-	3.9	0.2	4.1	7.5%
Employee benefits	28	72.1	-	-	-	-	-		79.9	-	-	-	-	-	
Provisions	29	696.0	-	-	-	-	-		693.1	-	-	-	-	-	
Deferred tax liabilities	14	146.9	-	-	-	-	-		144.8	-	-	-	-	-	
Total non-current liabilities		**5,618.8**	**-**	**-**	**3.3**	**0.1**	**3.4**		**5,127.1**	**-**	**-**	**3.9**	**0.2**	**4.1**	
Current liabilities															
Current financial liabilities	19	808.5	-	8.9	1.0	-	9.9	1.2%	1,226.7	-	3.8	1.9	-	5.7	0.5%
Current lease liabilities	22	24.2	-	-	0.7	0.1	0.8	3.3%	24.4	-	0.0	1.3	0.1	1.4	5.9%
Trade payables	32	1,698.2	-	6.2	20.2	17.3	43.7	2.6%	2,723.9	-	15.6	24.4	23.9	63.9	2.3%
Current tax liabilities	13	124.4	-	-	-	-	-		48.2	-	-	-	-	-	
Current liabilities from contracts with customers	34	177.0	-	0.4	0.1	-	0.5	0.3%	203.2	-	4.8	0.1	-	4.9	2.4%
Other current liabilities	36	1,613.6	-	0.3	2.2	0.2	2.7	0.2%	1,512.8	-	0.6	7.7	0.4	8.7	0.6%
Derivative instruments	27	158.4	-	-	-	-	-		207.4	-	-	-	-	-	
Total current liabilities		**4,604.3**	**-**	**15.8**	**24.2**	**17.6**	**57.6**		**5,946.6**	**-**	**24.8**	**35.4**	**24.4**	**84.6**	
TOTAL LIABILITIES		**10,223.1**	**-**	**15.8**	**27.5**	**17.7**	**61.0**		**11,073.7**	**-**	**24.8**	**39.3**	**24.6**	**88.7**	
TOTAL NET EQUITY AND LIABILITIES		**14,317.7**	**-**	**15.8**	**27.5**	**17.7**	**61.0**		**15,060.6**	**-**	**24.8**	**39.3**	**24.6**	**88.7**	

Key to related party column headings: A Non-consolidated subsidiaries B Associated companies and joint ventures C Related parties with significant influence D Other related parties

2.03.03 - Financial statement as per CONSOB resolution 15519/2006

	30 JUN 25	OF WHICH RELATED PARTIES
Profit before taxes	**351.2**	
Adjustments to reconcile net profit to cash flow from operating activities		
Amortisation and impairment of assets	280.5	
Allocations to provisions	58.0	
Effects from valuation using the net equity method	(7.2)	
Financial (income) expenses	39.2	
(Capital gains) losses and other non-monetary elements	(28.4)	
Changes in provisions	(22.0)	
Change in provision for employee benefits	(4.4)	
Total cash generated before changes in net working capital	**666.9**	
(Increase) decrease in inventories	(10.1)	
(Increase) decrease in trade receivables	713.5	38.9
Increase (decrease) in trade payables	(1,026.6)	(20.2)
Increase/decrease in other current assets/liabilities, including contracts with customers	318.9	(9.8)
Changes in working capital	**(4.3)**	
Dividends collected	9.8	7.0
Interest income and other financial income collected	32.4	0.6
Interest expenses, net charges on derivatives and other financial charges paid	(120.8)	(0.2)
Taxes paid	(32.0)	
Cash flow from (for) operating activities (a)	**552.0**	
Investments in property, plants and machinery	(117.4)	
Investments in intangible assets	(296.6)	
Investments in subsidiary companies and business units net of cash holdings	(1.7)	
Other equity investments	(0.4)	
Sale price of property, plant, equipment and intangible non-current assets	1.9	
Divestments of shareholdings and contingent consideration	0.2	
(Increase) decrease in other investment activities	(120.2)	(21.1)
Cash flow from (for) investing activities (b)	**(534.2)**	
New issues of long-term bonds	517.1	
Repayments and other net changes in financial liabilities	(168.6)	4.2
Repayments of leasing liabilities	(11.7)	(1.2)
Proceeds from the sale of shares without loss of control	0.8	
Acquisition of Interests in consolidated companies	(234.1)	
Dividends paid out to Hera shareholders and non-controlling interests	(249.5)	(85.2)
(Investment) disinvestment in treasury shares	102.5	
Cash flow from (for) financing activities (c)	**(43.5)**	
Increase (decrease) in cash holdings (a+b+c)	**(25.7)**	
Cash and cash equivalents at the beginning of the period	1,315.6	
Cash and cash equivalents at the end of the period	1,289.9	

2.03.04 - Net financial debt pursuant to Consob notice DEM/6064293 of 2006

The following table shows financial debt, highlighting related party transactions, prepared in accordance with Guideline 39 issued by ESMA on 4 March 2021, as implemented by Consob in Communication 5/2021 of 29 April 2021. The net financial debt indicator adds non-current financial receivables to the regulatory framework.

		30 JUN 25					31 DEC 24				
			A	B	C	D		A	B	C	D
A	Cash	1,289.9	-	-	-	-	1,315.6	-	-	-	-
B	Cash equivalents and cash holdings	-	-	-	-	-	-	-	-	-	-
C	Other current financial assets	158.8	-	35.4	3.8	0.6	23.1	-	3.5	3.6	1.3
D	**Liquidity (A+B+C)**	**1,448.7**					**1,338.7**				
	of which related parties		**-**	**35.4**	**3.8**	**0.6**		**-**	**3.5**	**3.6**	**1.3**
E	Current financial debt	(368.5)	-	(8.9)	(1.0)	-	(777.0)	-	(3.8)	(1.9)	-
F	Current portion of non-current financial debt	(464.2)	-	-	(0.7)	(0.1)	(474.1)	-	-	(1.3)	(0.1)
G	**Current financial indebtedness (E+F)**	**(832.7)**					**(1,251.1)**				
	of which related parties		**-**	**(8.9)**	**(1.7)**	**(0.1)**		**-**	**(3.8)**	**(3.2)**	**(0.1)**
H	**Net current financial debt (G+D)**	**616.0**					**87.6**				
	of which related parties		**-**	**26.5**	**2.1**	**0.5**		**-**	**(0.3)**	**0.4**	**1.2**
I	Non-current financial debt	(799.3)	-	-	(3.3)	(0.1)	(808.0)	-	-	(3.8)	(0.2)
J	Debt instruments	(3,904.5)	-	-	-	-	(3,401.3)	-	-	-	-
K	Non-current trade and other payables	-	-	-	-	-	-	-	-	-	-
L	**Non-current financial debt (I+J+K)**	**(4,703.8)**					**(4,209.3)**				
	of which related parties		**-**	**-**	**(3.3)**	**(0.1)**		**-**	**-**	**(3.8)**	**(0.2)**
M	**Total financial debt (H+L) ESMA guidelines 32 - 382 - 1138**	**(4,087.8)**					**(4,121.7)**				
	of which related parties		**-**	**26.5**	**(1.2)**	**0.4**		**-**	**(0.3)**	**(3.4)**	**1.0**
	Non-current financial receivables	**160.7**					**158.0**				
	of which related parties		**-**	**6.1**	**7.3**	**16.7**		**-**	**7.9**	**9.0**	**20.5**
	Net financial debt	**(3,927.1)**					**(3,963.7)**				
	of which related parties		**-**	**32.6**	**6.1**	**17.1**		**-**	**7.6**	**5.6**	**21.5**

Key to related party column headings: A Non-consolidated subsidiaries B Associated companies and joint ventures C Related parties with significant influence D Other related parties.

2.03.05 - List of related parties

The figures in the table at 30 June 2025 refer to the correlated parties listed below:

Group A - Non-consolidated subsidiaries -

CircularYard Srl
ElettraCHP Srl
HERAcquamodena Srl

Group B- Affiliated and jointly controlled companies

Adria Link Srl
Aimag Spa
ASM SET Srl
Aurora Srl
Enomondo Srl
H.E.P.T. Co. Ltd
Natura Srl in liquidation
Oikothen Scarl in liquidation
SEA - Servizi Ecologici Ambientali Srl
Set Spa
Sgr Servizi Spa
Tamarete Energia Srl
Tre Monti Srl

Group C - Related parties with significant influence

Municipality of Bologna
Municipality of Casalecchio di Reno
Municipality of Cesena
Municipality of Ferrara
Municipality of Imola
Municipality of Modena
Municipality of Padua
Municipality of Ravenna
Municipality of Rimini
Municipality of Trieste
CON.AMI
Ferrara Tua Spa
Ravenna Holding Spa
Rimini Holding Spa

Group D - Other related parties

Acosea Impianti
Dragone Impianti Srl Aqueduct
Amir Spa - Asset
Aspes Spa
Calenia Energia Spa
Fiorano Gestioni Patrimoniali Srl
Formigine Patrimonio Srl
Maranello Patrimonio Srl
Romagna Acque Società delle Fonti Spa
Sassuolo Gestioni Patrimoniali Srl
Serramazzoni Patrimonio Srl in liquidation
Società Italiana Servizi Spa - Sis Spa asset
Te.Am Società Territorio Ambiente Srl
Team Srl - Assets
Unica Reti Spa - Asset

Mayors, administrators, strategic managers, family members and entities related to strategic managers

2.03.06 - Explanatory notes to relations with related parties

Service management

In most of the areas it serves competence and in almost all of shareholding municipalities for the provinces of Modena, Bologna, Ferrara, Forlì-Cesena, Ravenna, Rimini, Padua, Udine, Trieste, Gorizia and Pesaro, the Hera Group holds the concession for the local public services of economic interest (distribution of natural gas through local gas pipelines, integrated water service and environmental services, including sweeping, waste collection, transport, recovery and disposal). The electricity distribution service is carried out in the areas of Modena and Imola, and in the municipalities of Trieste and Gorizia. Other public utilities (including urban district heating, energy services and public lighting) are carried out in a free-market regime or through specific agreements with the local authorities concerned. Through specific relations with the local authorities and/or local agencies, the Hera Group is also responsible for waste treatment and disposal services, not included in urban hygiene activities.

Water sector

The water service is managed by the Hera Group in the areas it serves in the Emilia-Romagna, Veneto, Friuli-Venezia Giulia and Marche regions. It is carried out on the basis of conventions with the applicable local agencies, having a variable duration, usually twenty years.

The Hera Group's mandate for managing integrated water services refers to activities of water collection and drinking water treatment and distribution for civil and industrial applications as well as sewerage and sewage treatment. The agreements signed with the local area authorities also require the operator to carry out the planning and construction of new networks and plants to be used in providing the service. The conventions regulate the economic aspects of the contractual agreement, as well as the modes of managing the service, and the performance and quality standards.

The national authority ARERA is responsible for regulating the water service, in terms of both tariffs and service quality. The current regulatory period 2024-2029 (ARERA Resolution 639/2023/R/idr) is the fourth tariff period.

In order to ensure the water cycle greater stability and development, the duration of the fourth regulatory period has been extended to six years, thus covering the period 2024-2029, with the introduction of some new elements such as incentives for energy and environmental sustainability measures, additional technical quality objectives, and the extension of the regulatory scope to include rainwater management. Each operator is granted a revenue (VRG) which is independent of the dynamics of volumes distributed and determined on the basis of operating costs (endogenous and exogenous) and capital costs based on the investments made as well as, for the Rimini area, the result of the tender procedure that concluded with the signing of a new concession contract for the 2022 -2039 period.

For the purpose of carrying out the service, the operator uses networks, facilities and other equipment owned by the company itself, municipalities and asset companies. These assets, part of the inaccessible water stores, or granted or leased to the provider, must be returned to the municipalities, asset companies or local area authorities at the end of the concession to be made available to the incoming provider. Any work carried out by the Hera Group for the water service must be returned to the above-mentioned entities following payment or the residual value of the assets in question.

Hera's relations with users are regulated by provisioning regulations as well as Service Charters drafted on the basis of templates approved by local area authorities in compliance with provisions set out by ARERA regarding the quality of the service and the resource.

Waste management sector

The municipal waste service managed by the Hera Group in the area it serves is provided on the basis of agreements with local authorities and comprises the exclusive management of the collection, transportation, sweeping and cleaning of streets, preparations for waste recovery or disposal and other minor services. The agreements entered into with the relevant local authorities regulate the economic aspects of the contractual agreement, as well as the modes of organising and managing the service, and the performance and quality standards. Starting from 2020, responsibility for the regulation of the municipal waste service was given to ARERA, which defined an initial two-year regulatory period of 2020-2021 concerning integrated waste management only (ARERA Resolution 443/2019) and a subsequent update for the 2022-2025 period starting from which the fees for access to treatment plants qualified as minimum plants by the regional authority was also regulated (ARERA Resolution 363/2021). Therefore, the annual fee for managing the service was determined in accordance with the aforementioned national regulation, taking into account, in addition to the results, the tender procedures completed for the Ravenna and Cesena, Bologna, Modena, Abano Terme, Ponte San Nicolò, Albignasego and Casalserugo areas.

The municipal waste management service is billed by the Hera Group to the individual municipalities in the case of the Tari regime or to the individual users in the case of the application of the punctual correspondent tariff.

In order to operate municipal waste treatment plants, the Hera Group is required to obtain provincial authorisations.

In compliance with the principle of continuity of public services, under the terms of the existing agreements, the operator is obliged to continue the service also in the territories where the expiry date of the entrustment has already passed and until new entrustments take effect.

Energy sector

The duration of licenses for the distribution of natural gas via local gas pipelines, initially set for periods ranging between ten and thirty years by the original agreements stipulated with the municipalities, was revised by Italian decree 164/2000 (known as the Letta Decree, transposing Directive 98/30/EC) and by subsequent reforms of the energy market. Inrete Distribution Energy Spa, an Hera Group company that took over natural gas and electricity distribution from Hera Spa, takes advantage of the longer residual terms established for operators that have pursued partial privatizations and mergers. The duration of distribution concessions is unchanged with respect to that foreseen in the company's stock exchange listing. The agreements associated with the distribution licenses govern the distribution of natural gas or other similar fuels for heating, domestic, handicraft and industry uses, and for other general uses. Rates for the distribution of gas are fixed under current regulations and by periodical resolutions issued by the agency in charge of this sector (ARERA).
The territory in which the Group, through its distribution companies, provides methane gas distribution services is divided into tariff areas within which a standard distribution tariff is applied to all the various customer categories. The tariff regulations in force at the time of approval of these consolidated half-yearly financial statements are mainly ARERA Resolution No. 587/24/R/gas of 27 December 2024 (Update of tariffs for gas distribution and metering services for the year 2025), which replaced the previous, similar resolution 631/2023/R/gas of 28 December 2023 and which established, for the year 2025, the mandatory tariffs for natural gas distribution, metering and marketing services referred to in Article 42 of the RTDG, the different gas tariff options referred to in Article 71 of the RTDG, and the two-monthly advance payment adjustment amounts relating to the natural gas distribution service referred to in Article 47 of the RTDG for the year 2024. Finally, the measure extends the deadline for concluding the procedure initiated by Resolution 634/2021/R/gas to 31 December 2025.
The tariff rates valid as from 1 January 2025 are shown in Table 1 of Attachment A of the aforementioned resolution. The tariffs for the 2025 financial year are part of what is referred to as the 2020-2025 tariff period. As of 1 January 2020, in fact, the Regulation of gas distribution and metering service tariffs for the period 2020-2025 (Rtdg 2020-2025), approved by resolution 570/2019/R/gas and updated by resolution 737/2022/R/gas, came into force.

Pursuant to Article 43 of the Rtdg 2020-2025, the mandatory natural gas distribution and metering tariffs are broken down into different rate areas:

- northwest area, which includes the regions of Valle d'Aosta, Piedmont and Liguria;
- northeast area, including the regions of Lombardy, Trentino - Alto Adige, Veneto, Friuli - Venezia Giulia, and Emilia - Romagna;
- central area, comprising the regions of Tuscany, Umbria and the Marche;
- central-south-eastern area, including the regions of Abruzzo, Molise, Apulia and Basilicata;
- central-southwestern area, including the Lazio and Campania regions;
- southern area, including the regions of Calabria and Sicily;
- Sardinia area, including the region of Sardinia.

The value of the tariff components GS, RE, RS and UG1 referred to in paragraph 42.3, sections c), d), e), f) of the Rtdg 2020-2025 is subject to quarterly updating. For the year 2025, starting from 1 January 2025, the values contained in Table 8 attached to Resolution 599/2024/R/com have been applied to the Gs, Rs and Ug1 components; for the Re component, the value for the first quarter of 2024 in Table 11 of Resolution 633/2023/R/com has been confirmed, as subsequently amended by Resolution 45/2024/R/com; for the Ug3 component, the value for the second quarter of 2024 (Table 8 of Resolution 113/2024/R/com) was confirmed.
Starting 1 April 2025, Resolution 131/2025/R/com confirmed all the values for the first quarter of 2025. For the Gs, Rs and Ug1 components, the value for the first quarter of 2025 was therefore confirmed (Table 8 attached to Resolution 599/2024/R/com), while for the Re component, the value for the first quarter of 2024 was confirmed (Table 11 of Resolution 633/2023/ R/com as amended by Resolution 45/2024/com) and, for the Ug3 component, Table 8 of Resolution 113/2024/R/com was applied.

With regard to electricity, the contracts (lasting thirty years and renewable pursuant to the current regulations) govern power distribution activities comprising, inter alia, the management of distribution networks and the operation of associated plants, ordinary and extraordinary maintenance, the planning and identification of development projects, and also metering. The contract may be suspended or terminated, on the judgement of the national Authority, if defaults and violations occur on the part of the concessionary company that seriously affect the performance of the distribution and metering of electricity. The distribution company is obliged to apply to its customers (referred to as Distribution Users) the rates set by current regulations and resolutions adopted by the sector Authority. The tariff regulations in force at the time of approval of the consolidated half-yearly financial statements refer to Authority Resolution 616/2023/R/Eel of 27 December 2023 (Tariff regulation of electricity distribution and metering services for the 2024-2027 regulatory period), which replaced the previous Authority Resolution 654/2015/R/Eel of 23 December 2015 (Tariff regulation of electricity transmission, distribution and metering services for the 2016-2023 regulatory period) in force until 31 December 2023.
With this resolution, the Authority issued provisions governing the regulation of tariffs for electricity distribution and metering services for the 2024-2027 regulatory period, as well as the related Integrated Texts for Distribution (Tit), Metering (Time) and Connection Services (Tic).

The tariffs for distribution and metering services cover the costs of transporting and measuring electricity via distribution networks. They are applied to all customers and have a trinomial structure expressed in hundredths of a euro per sampling point per year (fixed component), euro cents per KW per year (power component) and euro cents per kWh consumed (energy component).

The tariffs for distribution and metering services are updated periodically, every year, by the national authority ARERA through specific provisions.

For 2025, the update of the tariffs for the use of electricity distribution and metering infrastructure for domestic and non-domestic customers and the economic conditions for the provision of the connection service was determined by Resolution 585/2024/R/Eel of 27 December 2024 (Update, for the year 2025, of the tariffs for the use of infrastructure for electricity distribution and metering services for domestic and non-domestic customers and the economic conditions for the provision of connection services; adjustments to the TIT and amendment of Authority Resolution 109/2021/R/eel).

2.04 - LIST OF CONSOLIDATED COMPANIES

Subsidiaries

REGISTERED NAME	REGISTERED OFFICE	SHARE CAPITAL (EURO) (*)	PERCENTAGE CONSOLIDATED		TOTAL INTEREST
			DIRECT	INDIRECT	
A.C.R. di Reggiani Albertino Spa	Mirandola (MO)	390,000		44.70%	44.70%
AcegasApsAmga Spa	Trieste	284,677,324	100.00%		100.00%
Aliplast Spa	Istrana (TV)	5,000,000		75.00%	75.00%
Aliplast France Recyclage SAS	La Wantzenau (France)	1,025,000		75.00%	75.00%
Aliplast Iberia SLU	Calle Castilla -Leon (Spain)	815,000		75.00%	75.00%
Aliplast Polska SPZOO	Zgierz (Poland)	1,200,000 PLN		75.00%	75.00%
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%
Biorg Srl	Bologna	1,000,000		75.00%	75.00%
Black Sea Gas Company Eood	Varna (Bulgaria)	5,000 Lev		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%
F.lli Franchini Srl	Rimini	1,100,000		100.00%	100.00%
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%
Herabit Spa**	Imola (BO)	27,094,468	70.16%		70.16%
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 Luce Srl	Cesena	1,000,000		100.00%	100.00%
Hera Servizi Energia Spa	Udine	13,216,899		84.50%	84.50%
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%
Horowatt Srl	Cesena	550,000	50.00%		50.00%
Inrete Distribuzione Energia Spa	Bologna	10,091,815	100.00%		100.00%
Macero Maceratese Srl	Macerata (MC)	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%
Tiepolo Srl	Bologna	1,305,000	100.00%		100.00%
Tri-Generazione Scarl in liquidation	Padua	100,000		71.83%	71.83%
Triveneta Luce Scarl*	Vicenza	400,000		100.00%	100.00%
TRS Ecology Srl	Caorso (PC)	1,000,000		75.00%	75.00%
Uniflotte Srl	Bologna	2,254,177	100.00%		100.00%
Vallortigara Servizi Ambientali Spa	Torrebelvicino (VI)	330,000		75.00%	75.00%
Wolmann Spa	Bologna	400,000		100.00%	100.00%

(*) unless otherwise specified
(**) formerly named Acantho Spa

Jointly controlled entities

REGISTERED NAME	REGISTERED OFFICE	SHARE CAPITAL (EURO)	PERCENTAGE HELD		TOTAL INTEREST
			DIRECT	INDIRECT	
Enomondo Srl	Faenza (RA)	14,000,000		37.50%	37.50%
Set Spa	Milan	120,000	39.00%		39.00%

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 Servizi Energetici e Tecnologici (ASM SET) Srl	Rovigo	200,000		49.00%	49.00%
SEA - Servizi Ecologici Ambientali Srl	Camerata Picena (AN)	100,000		23.25%	23.25%
Sgr Servizi Spa	Rimini	5,982,262		29.61%	29.61%
Tamarete Energia Srl	Ortona (CH)	3,600,000	40.00%		40.00%

* The share capital of these companies consists of 67,577,681 euro of ordinary shares and 10,450,000 euro of related shares.

2.05 - DECLARATION ON THE CONSOLIDATED FINANCIAL STATEMENT PURSUANT TO ART. 154-BIS OF LEGISLATIVE DECREE 58/98

1 - The undersigned Orazio Iacono, in his capacity as Chief Executive Officer, and Massimo Vai, in his capacity as Manager responsible for drafting Hera Spa's financial reports, hereby certify, taking into account the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree 58 of 24 February 1998:

- the adequacy in relation to the company's characteristics and
- the effective application of the administrative and accounting procedures used in preparing the abbreviated half-year financial statements at 30 June 2025, during the first half of 2025.

2 - It is also certified that:

2.1 - the abbreviated half-year financial statements:

a. have been prepared in accordance with the applicable international accounting standards recognised in the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;

b. correspond to the content of the accounting books and records;

c. provide a true and fair representation of the equity, economic and financial situation of the issuer and the group of consolidated companies as a whole.

2.2 - The interim report on operations includes a reliable analysis of references to important events that occurred in the first six months of the financial year and their impact on the abbreviated half-year financial statements, together with a description of the main risks and uncertainties as regards the remaining six months of the financial year. The interim report on operations also includes a reliable analysis of the foremost transactions with related parties.

The Chief Executive Officer

Orazio Iacono

The Manager responsible for drafting the company's financial reports

Massimo Vai

Bologna, 30 July 2025

2.06 REPORT BY THE INDEPENDENT AUDITOR

KPMG S.p.A.
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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Report on review of condensed interim consolidated financial statements

To the shareholders of
Hera S.p.A.

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of the Hera Group, comprising the statement of financial position as at 30 June 2025, the income statement and the statements of comprehensive income, changes in net equity and cash flows for the six months then ended and notes thereto. The directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the IFRS Accounting Standard applicable to interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Hera Group as at and for the six months ended 30 June 2025 have not been prepared, in all material respects, in accordance with the IFRS Accounting Standard applicable to interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and endorsed by the European Union.

Bologna, 1 August 2025

KPMG S.p.A.

(signed on the original)

Renato Naschi
Director of Audit

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