

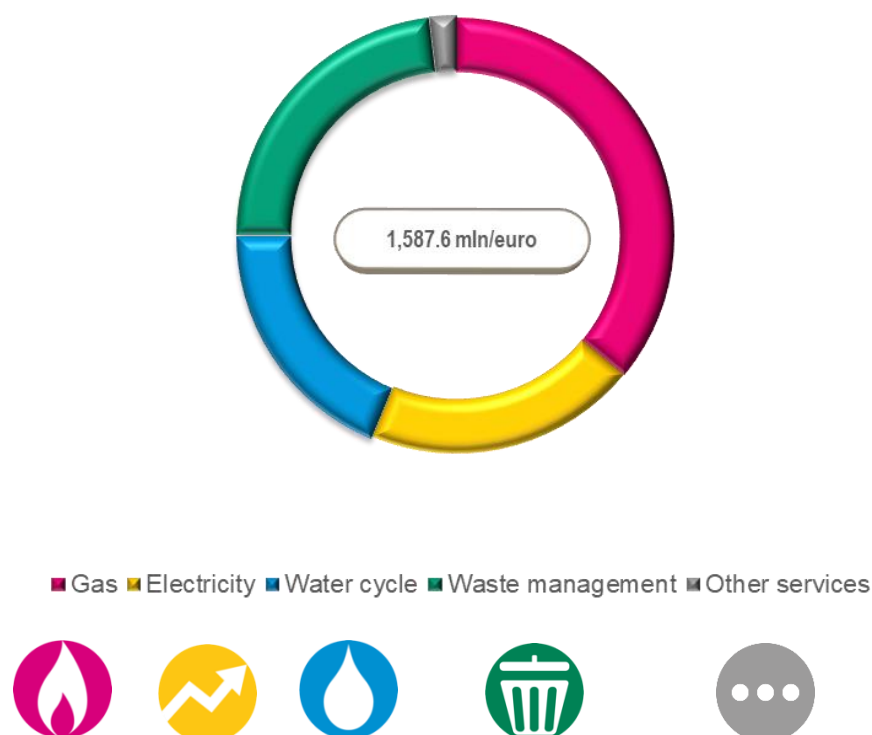
## 1.06 - ANALYSIS BY BUSINESS AREA

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 and 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.

Note that as of 2024, in order to provide a better representation, public lighting services have been included within the electricity area and no longer in other services; therefore, the 2023 figures have been restated consistently with this reclassification.

A MULTI-BUSINESS  
STRATEGY

### Ebitda\* December 2024



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 adjusted Ebitda, related to the application of IFRIC 12. The business areas affected by this accounting standard are: natural gas distribution services, electricity distribution services, all integrated water cycle services, waste collection services and public lighting services.

The value of adjusted Ebitda, broken down by strategic business areas, reflects the adjustment to the valuation of gas storage described in the introduction to paragraph 1.04. For 2024, this value is aligned. To provide a detailed identification of the effects of this adjustment, the values of Adjusted Ebitda and Ebitda are shown below:

| (MNE)                       | DEC 24         |                | DEC 23         |                |
|-----------------------------|----------------|----------------|----------------|----------------|
|                             | EBITDA*        | EBITDA         | EBITDA*        | EBITDA         |
| Gas Area                    | 571.4          | 571.4          | 516.9          | 609.9          |
| Electricity Area            | 322.0          | 322.0          | 326.3          | 326.3          |
| Integrated Water Cycle Area | 297.1          | 297.1          | 271.4          | 271.4          |
| Waste Management Area       | 367.0          | 367.0          | 353.4          | 353.4          |
| Other Services Area         | 30.1           | 30.1           | 26.7           | 26.7           |
| <b>Total</b>                | <b>1,587.6</b> | <b>1,587.6</b> | <b>1,494.7</b> | <b>1,587.7</b> |

\* adjusted results, as described in paragraph 1.04

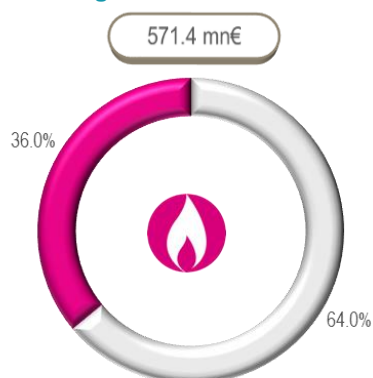
## 1.06.01 - Gas

The results for 2024 show an upward trend compared to the previous year, since variability on energy markets returned to pre-crisis levels, despite the significant change in legislation on 110% super-bonus incentives linked to energy saving measures, which reduced the number of beneficiaries, the mild temperatures seen in the early months of the year and the approximately 14% drop in average prices for energy raw materials compared to the previous year.

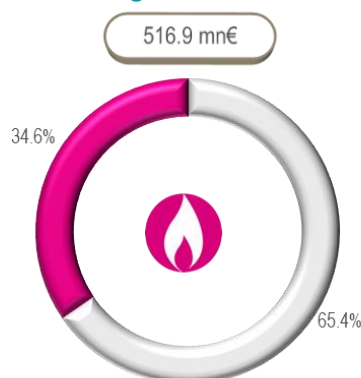
The Group maintained its leading presence in last resort markets of and supplies to public administrations, given that Hera Comm Spa has been awarded tenders for the following lots across Italy:

- 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;
- three of the 12 lots of the Consip GAS15bis tender for supplying natural gas to public administrations in 2023-24: the two lots in Lombardy were confirmed and a new lot, including Emilia Romagna and Friuli Venezia Giulia, was awarded.

**Ebitda\* gas area 2024**



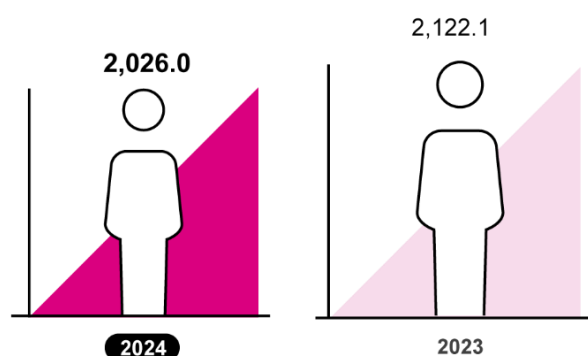
**Ebitda\* gas area 2023**



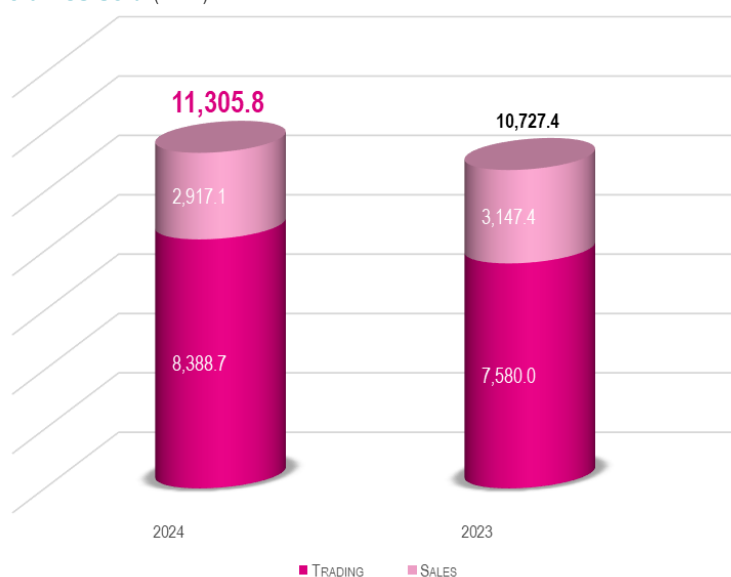
The following table shows the changes occurred in terms of adjusted Ebitda:

| (MNE)             | DEC 24  | DEC 23  | ABS. CHANGE | % CHANGE |
|-------------------|---------|---------|-------------|----------|
| Area Ebitda*      | 571.4   | 516.9   | 54.5        | +10.5%   |
| Group Ebitda*     | 1,587.6 | 1,494.7 | 92.9        | +6.2%    |
| Percentage weight | 36.0%   | 34.6%   | +1.4 p.p.   |          |

\* adjusted results, as described in paragraph 1.04

**Customers** (k)

The total number of gas customers was lower than the previous year, down 96.1 thousand, mainly in traditional markets, which dropped by 80.2 thousand, and to a lesser degree in last resort markets, down 15.9 thousand.

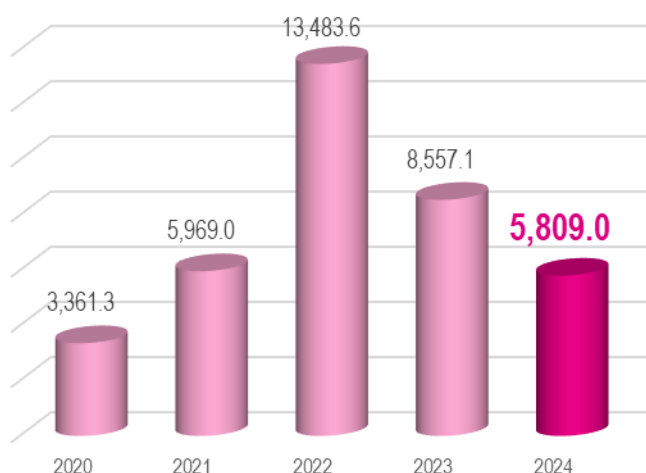
**Volumes sold** (mn m<sup>3</sup>)

Total volumes of gas sold increased by 578.4 million m<sup>3</sup> (+5.4%) due to higher intermediation, amounting to 808.7 million m<sup>3</sup>. Volumes sold to end customers fell by 230.3 million m<sup>3</sup> (-7.5%), due to both last resort markets, down 199.6 million m<sup>3</sup> (-41.2%) and traditional markets, down 30.7 million m<sup>3</sup> (-1.2%). This trend was affected by the higher average temperatures seen in 2024, as mentioned above, and the drop in the customer base, in addition to the behaviour shown by customers in the area of energy savings.

The following table summarises operating results for the gas area:

| INCOME STATEMENT (MN€) | DEC 24    | INC. %  | DEC 23    | INC. %  | ABS. CHANGE | % CHANGE |
|------------------------|-----------|---------|-----------|---------|-------------|----------|
| Revenues               | 5,809.0   |         | 8,557.1   |         | (2,748.1)   | (32.1)%  |
| Operating costs        | (5,139.5) | (88.5)% | (7,936.7) | (92.8)% | (2,797.2)   | (35.2)%  |
| Personnel costs        | (121.5)   | (2.1)%  | (119.9)   | (1.4)%  | 1.6         | +1.3%    |
| Capitalised costs      | 23.3      | +0.4%   | 16.5      | 0.2%    | 6.8         | +41.3%   |
| Ebitda*                | 571.4     | 9.8%    | 516.9     | 6.0%    | 54.5        | +10.5%   |

\* adjusted results, as described in paragraph 1.04

**Revenues** (mn€)**5.8**

billion euro

REVENUES

**(-32.1%)**

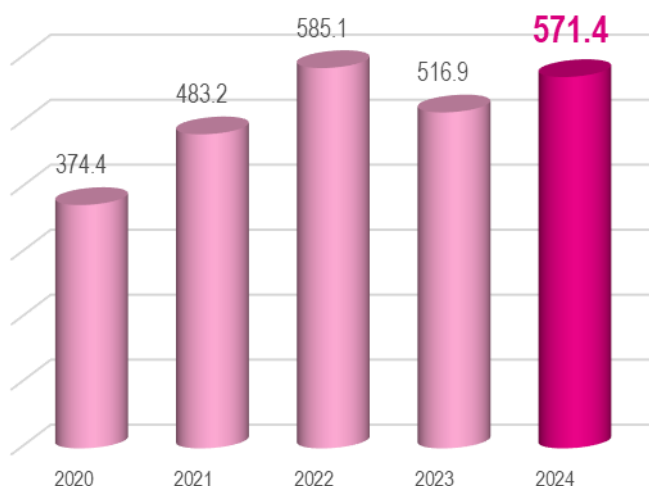
In 2024, 89% of revenues referred to sales and trading activities (82% in 2023), 8% came from distribution and district heating revenues (6% in 2023) and 3% from energy efficiency activities (12% in 2023). The sum of revenues from sales, trading and distribution accounts for 42% of Group revenues (48% in 2023) and the entire gas area accounts for 45%.

Compared to the previous year, revenues decreased by 2,748.1 million euro. The main reasons for this include lower raw material prices, higher average temperatures and lower consumption by the customer base, despite the increase in system charges and higher intermediation volumes, which affected sales and trading by 1,867 million euro overall. Revenues from energy efficiency activities decreased by 871 million euro as a result of the legislative changes mentioned above.

In addition, a decrease occurred in district heating revenues, following resolution 638/2023/R/tlr introducing the District heating tariff method (Mtl-T) for 2024, IFRIC 12 concession assets and the assets in Bulgaria, leading to an overall decrease of approximately 26 million euro.

Regulated revenues were up by 33 million euro. From a regulatory point of view, through resolution 556/2023/R/com, published in late 2023, Arera adjusted the criteria for determining and updating the rate of return on invested capital (WACC) recognised for gas distribution activities, increasing it from 5.6% in 2023 to 6.5% in 2024.

The drop in revenues was proportionally reflected in operating expenses, which showed an overall decrease of 2,797.2 million euro. This trend was mainly linked to the fall in raw material prices and the lower energy efficiency activities related to the change in the legislation concerning the 110% super-bonus incentives mentioned above.

**Ebitda\*** (mn€)**571.4**

MILLION EURO

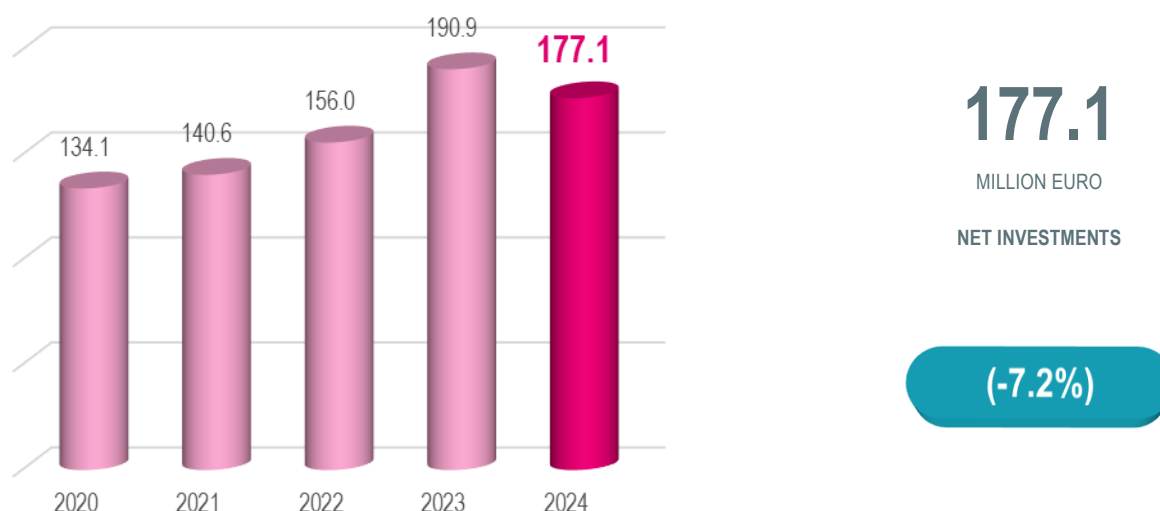
EBITDA\*

**(+10.5%)**

\* adjusted results, as described in paragraph 1.04

Adjusted Ebitda increased by 54.5 million euro, up 10.5% due to the positive performance of traditional sales markets and regulated distribution revenues, as a result of the recovery of higher inflation and WACC. This increase was partially offset by the changes in government incentives for energy efficiency activities, as well as lower margins in trading and last resort markets.

#### Net investments gas (mn€)



In 2024, net investments in the gas area amounted to 177.1 million euro, down 13.8 million euro compared to the previous year. The reduction in gas distribution mainly involved a 12.1 million euro investment linked to the reimbursement value for plants and networks in complementary municipalities, awarded through the Atem Udine2 tender in 2023, and the reduction in the replacement of metering units for remote management, pursuant to del. 631/2013/R/GAS. Non-recurring maintenance work on networks and plants was essentially in line with the previous year.

In gas sales, investments decreased by 4.6 million euro, due to activities related to the acquisition of new customers.

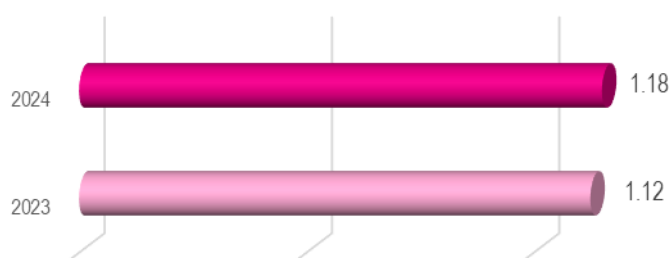
In district heating and energy services, investments were up by a total of 12.4 million euro compared to the previous year, with the activities of the company Hera Servizi Energia Spa and interventions on district heating networks and plants both increasing. Requests for new connections in the gas area were down compared to the previous year

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

| GAS (MN€)                 | DEC 24       | DEC 23       | ABS. CHANGE   | % CHANGE      |
|---------------------------|--------------|--------------|---------------|---------------|
| Networks and plants       | 117.6        | 136.8        | (19.2)        | (14.0)%       |
| Acquisition gas customers | 23.2         | 27.8         | (4.6)         | (16.5)%       |
| DH/Energy services        | 39.7         | 27.3         | 12.4          | +45.4%        |
| <b>Total gas gross</b>    | <b>180.5</b> | <b>191.8</b> | <b>(11.3)</b> | <b>(5.9)%</b> |
| Capital grants            | 3.5          | 1.0          | 2.5           | +250.0%       |
| <b>Total gas net</b>      | <b>177.1</b> | <b>190.9</b> | <b>(13.8)</b> | <b>(7.2)%</b> |

The Regulatory asset base (RAB) for assets owned by the Group in the gas area, which defines the value of the assets recognised by the Authority as regards return on invested capital, increased compared to 2023.

RAB (bn€)



1.18

BILLION EURO

AMOUNT OF 2024 GAS RAB

(+5.3%)

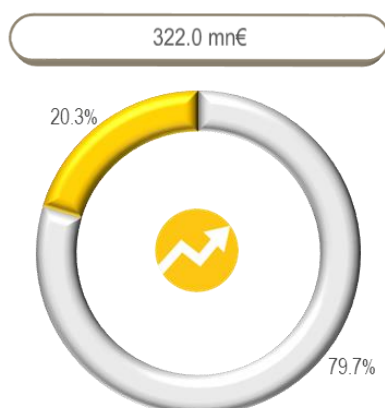
## 1.06.02 - Electricity

The results for 2024 show a slight drop compared to the previous year, due to trading activities and a decrease in value-added services following legislative changes that essentially eliminated the possibility of including discounts in invoices or transferring credits, despite the increase in both volumes sold to end customers, due to commercial development, especially in the free market, and in margins due to the reduction in modulation costs resulting from the drop in PUN prices (-15% on average).

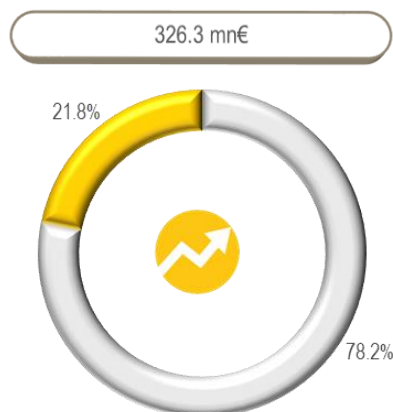
As of July 2024, with the definitive end of the protected service the Group acquired almost 1 million customers (+80%), after winning seven lots (the maximum allowed out of the total 26) in the tender for the graduated protection service for household customers in 37 Italian provinces, strengthening its presence in several Italian regions (Emilia-Romagna, Veneto, Friuli-Venezia Giulia, Marche, Tuscany, Abruzzo, Lazio, Umbria, Liguria, Piedmont, Lombardy and Campania) and consolidating its position as the third largest operator nationwide. This was also made possible by Hera Comm being awarded:

- four of the 17 lots in the Consip EE21 tender for supplying electricity to public administrations in 2024 in: the Province of Rome, Lazio, Campania, Calabria, confirming the number of lots awarded in the previous tender;
- three of the nine lots of the gradual protection service for supplying electricity to public administrations for the period from 1 July 2021 to 30 June 2024, in: Campania, Marche, Umbria, Abruzzo, Molise, Basilicata, Calabria, Sicily and Sardinia;
- two of the nine lots for the safeguarded service for 2023 and 2024 in: Campania, Abruzzo, Umbria and Calabria, with one additional lot awarded compared to the previous two-year period;
- 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.

Ebitda electricity area 2024



Ebitda electricity area 2023



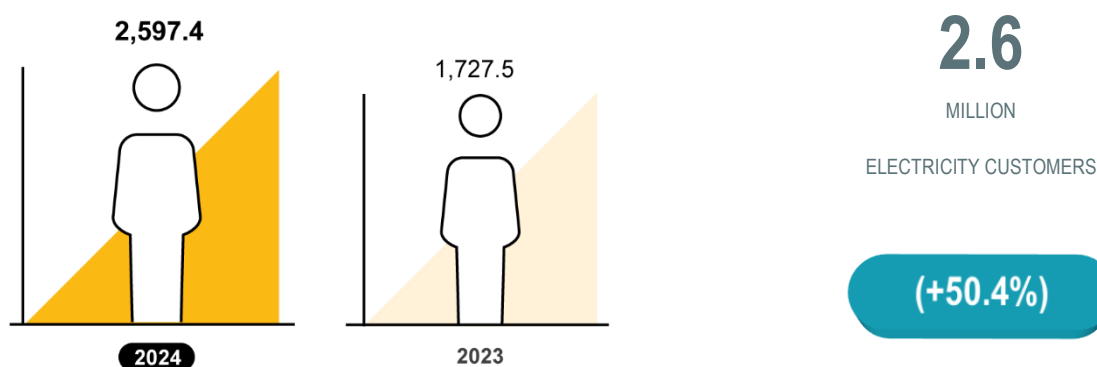
The following table shows the changes occurred in terms of Ebitda:

| (M€)              | DEC 24  | DEC 23** | ABS. CHANGE | % CHANGE |
|-------------------|---------|----------|-------------|----------|
| Area Ebitda       | 322.0   | 326.3    | (4.3)       | (1.3)%   |
| Group Ebitda*     | 1,587.6 | 1,494.7  | 92.9        | 6.2%     |
| Percentage weight | 20.3%   | 21.8%    | (1.5) pp    |          |

\* adjusted results, as described in paragraph 1.04

\*\* this data has been restated, reclassifying the public lighting segment from other services to electricity

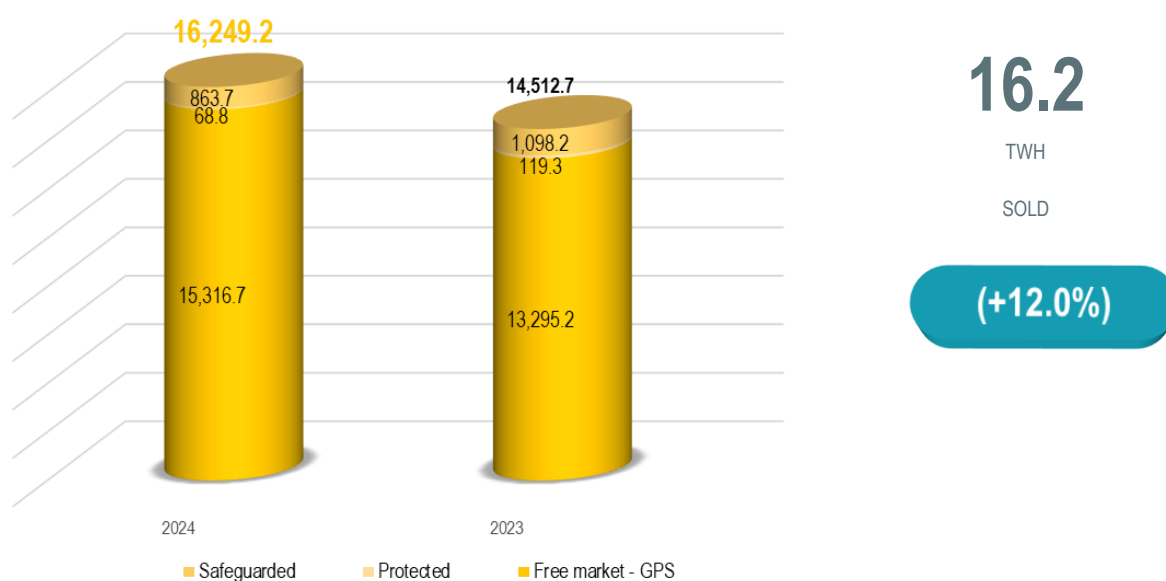
### Customers (k)



At December 2024, customers of the Group's electricity sales reached 2,597 thousand, up 869.9 thousand (+50.4%) compared to 2023. Growth in the free market, coming to approximately 918.0 thousand customers (+56.2%), was particularly significant due to the contribution of the positive outcome of the previously mentioned gradual protection service tender, which contributed with approximately 848 thousand customers. The remaining increase confirms the positive contribution coming from the strengthened commercial actions implemented. These effects largely offset the drop in the protected market, down by roughly 41.2 thousand customers (-61.3%) and in the safeguarded market, down 6.9 thousand (-25.8%).

Customer appreciation and loyalty was confirmed, including the value-added services offered by the Group, which were requested by roughly 86 thousand customers at December 2024, despite the legislative changes mentioned above.

### Volumes sold (GWh)



Volumes of electricity sold in 2024 increased by 1,736.5 GWh, up 12.0% compared to the previous year. This trend was caused by the increase in volumes on the free market coming to 2,021.5 GWh (15.2%), mainly driven by the contribution coming from commercial reinforcement, along with the positive effects of the first six months of the new scope of the gradual protection service (as of July 2024) and the Consip tenders. These effects were partially offset by the drop in safeguarded volumes, which fell by 234.5 GWh, down 21.4%, and in the protected service, which decreased by 50.5 GWh, or 42.3%.

The main indicators concerning public lighting are as follows:

| QUANTITY               | DEC 24 | DEC 23* | ABS. CHANGE | % CHANGE |
|------------------------|--------|---------|-------------|----------|
| <b>Public lighting</b> |        |         |             |          |
| Lighting points (k)    | 645.1  | 642.8   | +2.3        | +0.4%    |
| of which LED           | 52.9%  | 45.2%   | +7.7 p.p.   |          |
| Municipalities served  | 226    | 208     | +18         | +8.7%    |

\* the 2023 data has been updated to reflect the consolidation of municipalities and lighting points consistently with the same period in 2024

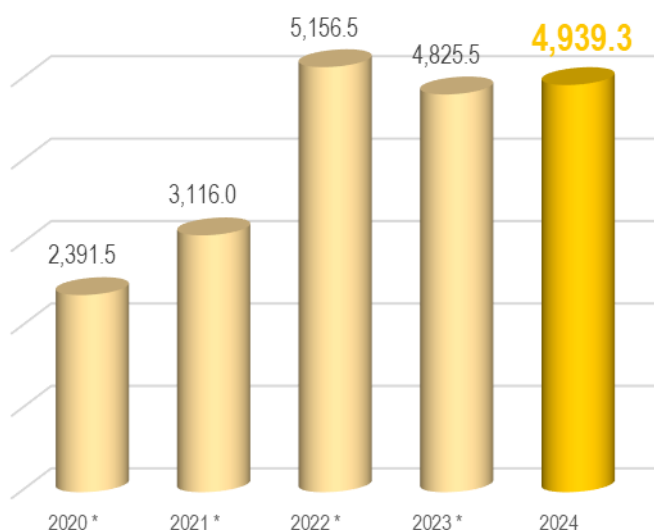
In 2024, the Hera Group acquired approximately 44.5 thousand lighting points in 24 new municipalities. From a geographical point of view, the most significant acquisition included 10.1 thousand lighting points in Tuscany, 7.7 thousand lighting points in Emilia-Romagna, 6 thousand lighting points in Lombardy, 4.1 thousand lighting points in Umbria, 4.9 thousand lighting points in Liguria and 3.6 thousand lighting points in Sardinia. Also note the acquisitions made in other regions, mainly in central Italy, coming to 8.1 thousand lighting points. The increases seen during the period fully offset the loss of 42.2 thousand lighting points and six municipalities served, mainly in the Triveneto area. The percentage of lighting points using LED lamps settled at 52.9%, up 7.7 percentage points. This trend highlights the Group's continued focus on an increasingly efficient and sustainable management of public lighting.

The following table summarises operating results for the electricity area:

| INCOME STATEMENT (MNE) | DEC 24       | INC. %      | DEC 23*      | INC. %      | ABS. CHANGE  | % CHANGE      |
|------------------------|--------------|-------------|--------------|-------------|--------------|---------------|
| Revenues               | 4,939.3      |             | 4,825.5      |             | 113.8        | 2.4%          |
| Operating costs        | (4,574.0)    | (92.6)%     | (4,460.8)    | (92.4)%     | 113.2        | 2.5%          |
| Personnel costs        | (71.9)       | (1.5)%      | (69.5)       | (1.4)%      | 2.4          | 3.5%          |
| Capitalised costs      | 28.7         | 0.6%        | 31.1         | 0.6%        | (2.4)        | (7.7)%        |
| <b>Ebitda</b>          | <b>322.0</b> | <b>6.5%</b> | <b>326.3</b> | <b>6.8%</b> | <b>(4.3)</b> | <b>(1.3)%</b> |

\* this data has been restated, reclassifying the public lighting segment from other services to electricity

#### Revenues (mn€)



**4.9**  
BILLION EURO  
REVENUES

**(+2.4%)**

\* this data has been restated, reclassifying the public lighting segment from other services to electricity



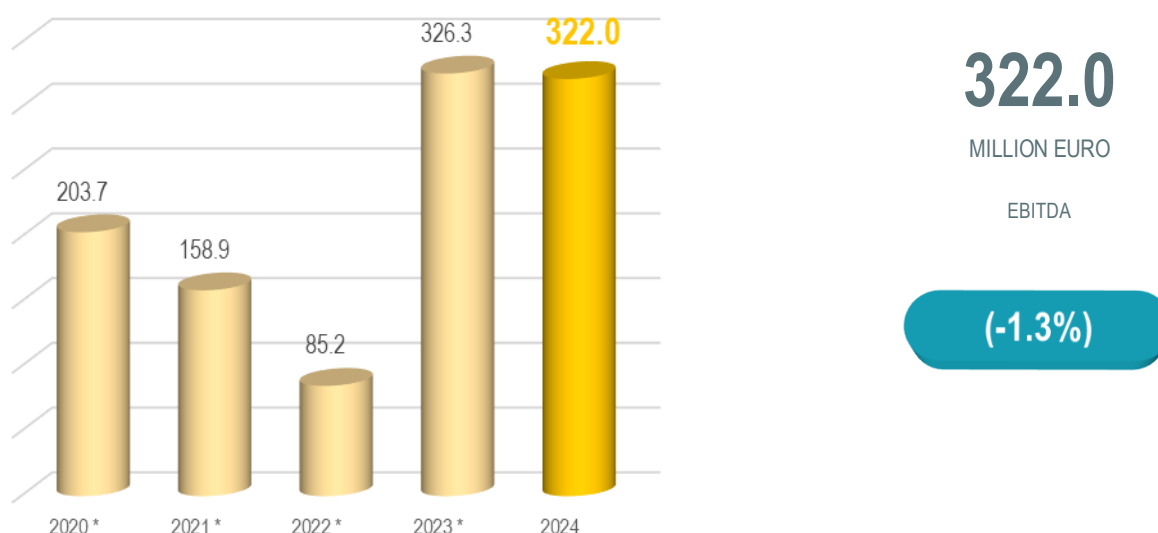
In 2024, 93% of revenues came from sales and trading activities (92% in 2023), 3% from distribution revenues (2% in 2023), 3% from public lighting and value-added services (3% in 2023 as well) and 1% from generation revenues (2% in 2023). The sum of revenues from sales, trading and distribution accounts for 36% of the Group's revenues (29% in 2023) and the entire electricity area accounts for 38%.

Revenues increased by 113.8 million euro compared to the previous year. This trend was mainly due to increased sales volumes caused by the factors mentioned above and higher revenues from system charges, following the conclusion of the exceptional regulatory interventions in previous years to face the energy crisis, which were only partially offset by the decrease in sales, trading and generation revenues linked to the drop in energy prices. These effects generated an increase of 112 million euro, along with higher revenues from IFRIC 12 assets under concession coming to roughly 8 million euro, offset by lower revenues from value-added services to customers amounting to 27 million euro, as a result of changes in government incentives.

Regulated revenues increased by 25 million euro, partially as a result of resolution 497/2023/R/com, which introduced regulation by expenditure and service objectives (ROSS), in order to incentivise efficiency and transparency in investments and recognised costs. In addition, through resolution 556/2023/R/com, published at the end of 2023, ARERA adjusted the criteria for determining and updating the rate of return on invested capital (WACC), recognised for electricity distribution activities, increasing it from 5.2% in 2023 to 6.0% in 2024.

The increase in revenues was proportionally reflected in operating costs, which were up by 113.2 million euro. This trend was mainly due to the increase in raw material costs linked to higher sales volumes, partially offset by the positive effect of the stability seen on energy markets. Lastly, costs for system charges were higher, as mentioned above.

#### Ebitda (mn€)



\* this data has been restated, reclassifying the Public lighting segment from Other services to Electricity

Ebitda decreased by 4.3 million euro compared to 2023. This slight drop is due to trading, generation and a reduction in value-added services mainly due to lower installations of photovoltaic systems, despite the good performance of sales activities, which benefited from lower modulation charges and higher volumes sold, thanks to the development of the customer base in the free market. Distribution also increased, thanks to the application of the ROSS regulatory criterion, inflation recovery and the increase in WACC.

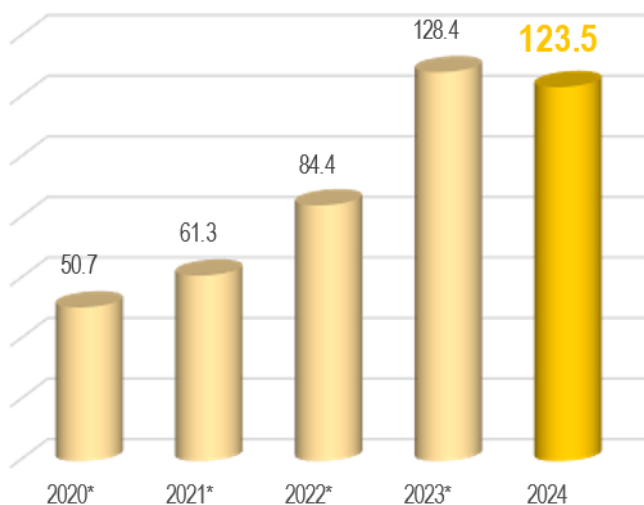
In the electricity area, investments in 2024 amounted to 123.5 million euro and were down by 4.9 million euro overall compared to the previous year.

In the electricity distribution sector, work mainly involved extraordinary maintenance and upgrading of plants and distribution networks in the Modena, Imola, Trieste and Gorizia areas, as well as the ongoing large-scale replacement of old-generation meters and work to improve network resilience. Investments in electricity distribution increased by 10.5 million euro compared to the previous year.

In energy sales, investments in activities related to acquiring new customers decreased by 10.3 million euro and in public lighting by 1.3 million euro.

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

#### Net investments electricity (mn€)



# 123.5

MILLION EURO

NET INVESTMENTS

**(-3.8%)**

\* this data has been restated, reclassifying the public lighting segment from other services to electricity

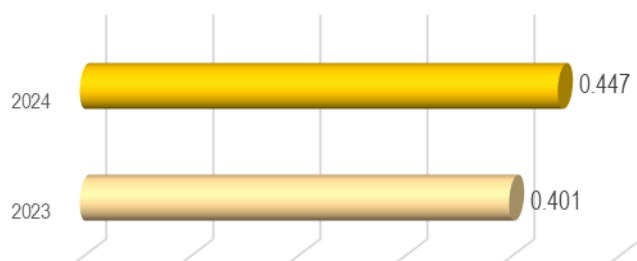
Operating investments in the electricity area were as follows:

| ELECTRICITY (MNE)                               | DEC 24       | DEC 23*      | ABS. CHANGE  | % CHANGE      |
|---|--------------|--------------|--------------|---------------|
| Networks and plants                             | 82.2         | 71.7         | 10.5         | +14.6%        |
| Acquisition electricity customers / other sales | 42.4         | 52.7         | (10.3)       | (19.5)%       |
| Public lighting and traffic lights              | 2.7          | 4.0          | (1.3)        | (32.5)%       |
| <b>Total electricity gross</b>                  | <b>127.2</b> | <b>128.4</b> | <b>(1.2)</b> | <b>(0.9)%</b> |
| Capital grants                                  | 3.8          | -            | 3.8          | +100.0%       |
| <b>Total electricity net</b>                    | <b>123.5</b> | <b>128.4</b> | <b>(4.9)</b> | <b>(3.8)%</b> |

\* this data has been restated, reclassifying the public lighting segment from other services to electricity

RAB, which defines the value of the assets recognised by the Authority as regards return on invested capital, increased compared to 2023.

#### Rab (bn€)



# 0.447

BILLION EURO  
VALUE OF RAB  
ELECTRICITY 2024

**+11.3%**

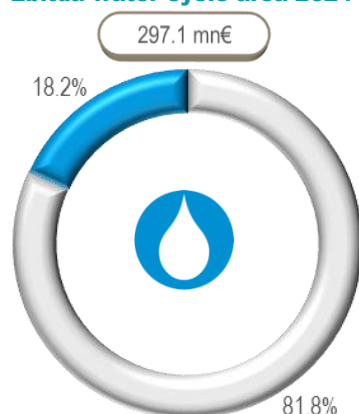
## 1.06.03 Integrated water cycle

In 2024, the integrated water cycle area showed increased results compared to the previous year, with Ebitda standing at 297.1 million euro.

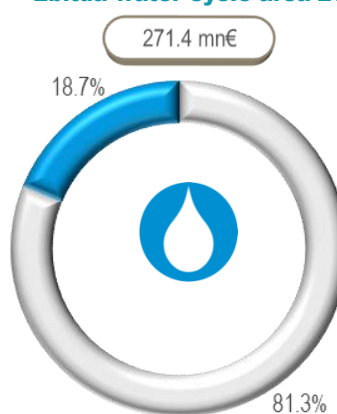
From a regulatory point of view, note that 2024 is the first year in which the tariff method defined by the Authority for the fourth regulatory period (MTI-4), 2024-2029 (Resolution 639/2023/R/idr) was applied. MTI-4 will have a duration of six years, with WACC increasing from 4.8% during MTI-3 to 6.13% for 2024 and, among other new elements, it calls for the component covering the cost of electricity, which has been subject to sharp fluctuations in recent years, to be updated. 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.

GROWTH IN  
RESULTS  
FOR 2024

Ebitda water cycle area 2024



Ebitda water cycle area 2023

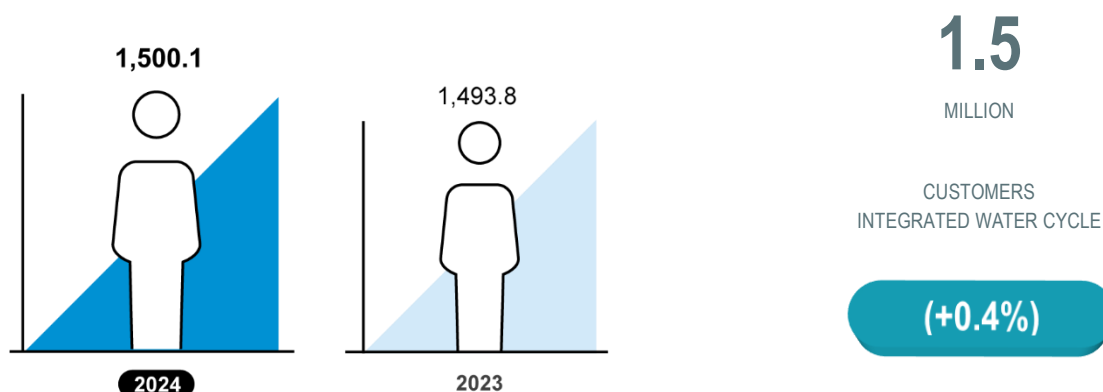


The following table shows the changes occurred in terms of Ebitda:

| (MNE)             | DEC 24  | DEC 23  | ABS. CHANGE | % CHANGE |
|-------------------|---------|---------|-------------|----------|
| Area Ebitda       | 297.1   | 271.4   | 25.7        | +9.5%    |
| Group Ebitda*     | 1,587.6 | 1,494.7 | 92.9        | +6.2%    |
| Percentage weight | 18.7%   | 18.2%   | +0.5 p.p.   |          |

\* adjusted results, as described in paragraph 1.04

### Customers (k)



The number of water customers increased compared to December 2023 by 6.3 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:

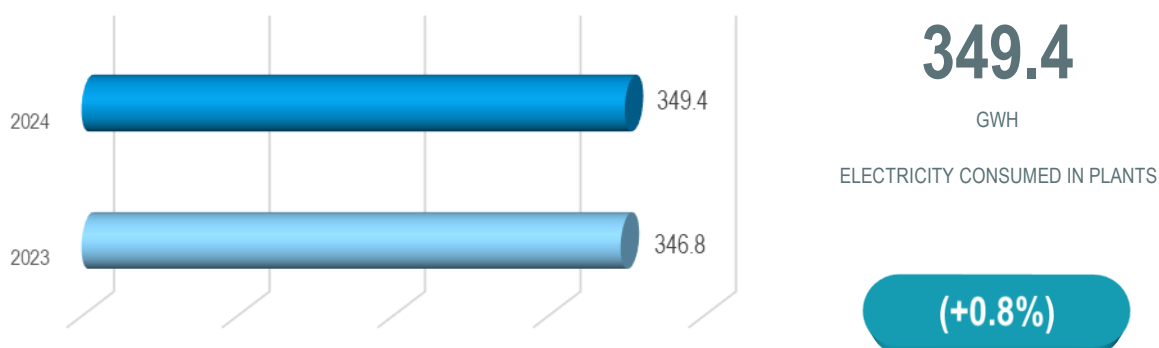


**285.0**  
MILLION M<sup>3</sup>:  
QUANTITY  
MANAGED  
IN THE  
AQUEDUCT

Volumes supplied through aqueducts stood at 285.0 million cubic metres, increasing by 0.6% or 1.6 million cubic metres compared to December 2023.

At December 2024, the quantities managed related to sewerage amounted to 238.4 million cubic metres, up 2.4% compared to the previous year, while those related to purification stood at 236.8 million cubic metres, up 2.0% compared to December 2023. 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.

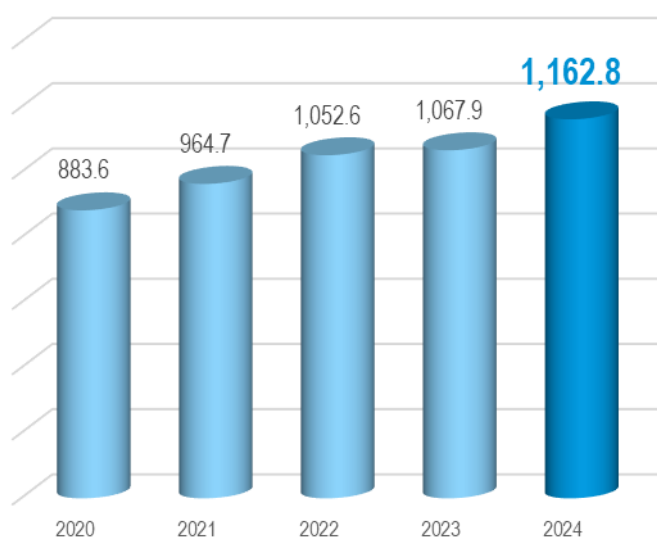
#### Electricity consumed (GWh)



The electricity consumed by plants amounted to 349.4 GWh, essentially in line with the previous year.

The following table summarises operating results for this area:

| INCOME STATEMENT (MN€) | DEC 24       | % INC.       | DEC 23       | % INC.       | ABS. CHANGE | % CHANGE     |
|------------------------|--------------|--------------|--------------|--------------|-------------|--------------|
| Revenues               | 1,162.8      |              | 1,067.9      |              | 94.9        | +8.9%        |
| Operating costs        | (670.2)      | (57.6)%      | (607.7)      | (56.9)%      | 62.5        | +10.3%       |
| Personnel costs        | (201.5)      | (17.3)%      | (193.9)      | (18.2)%      | 7.6         | +3.9%        |
| Capitalised costs      | 5.9          | 0.5%         | 5.1          | 0.5%         | 0.8         | +15.6%       |
| <b>Ebitda</b>          | <b>297.1</b> | <b>25.5%</b> | <b>271.4</b> | <b>25.4%</b> | <b>25.7</b> | <b>+9.5%</b> |

**Revenues** (mn€)**1,162.8**

MILLION EURO

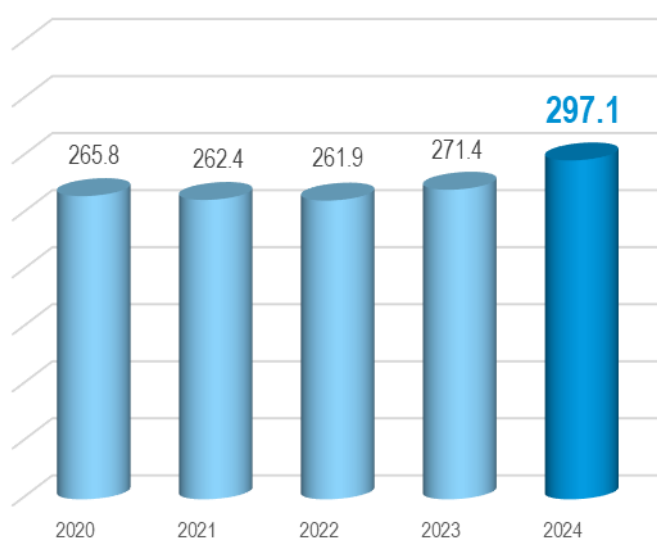
REVENUES

**(+8.9%)**

Water cycle revenues increased by 8.9% year-on-year, going from 1,067.9 million euro in December 2023 to 1,162.8 million euro in December 2024.

Note the lower revenues for equalisations of energy components, that were more than offset by 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. Overall, these effects reflect about 59.6 million euro of higher revenues, mainly due to increased WACC and inflation recovery. Lastly, higher revenues coming to roughly 35 million euro were mainly related to contracts completed in 2024 and connections.

The increase in operating expenses at December 2024 was mainly due to the increase in costs for subcontracted work and higher costs related to price increases in all major material supplies and, in particular, chemicals and services. This effect was only partly offset by lower procurement costs for energy components as a result of an energy scenario with falling commodity prices compared to the previous year.

**Ebitda** (mn€)**297.1**

MILLION EURO

EBITDA

**(+9.5%)**

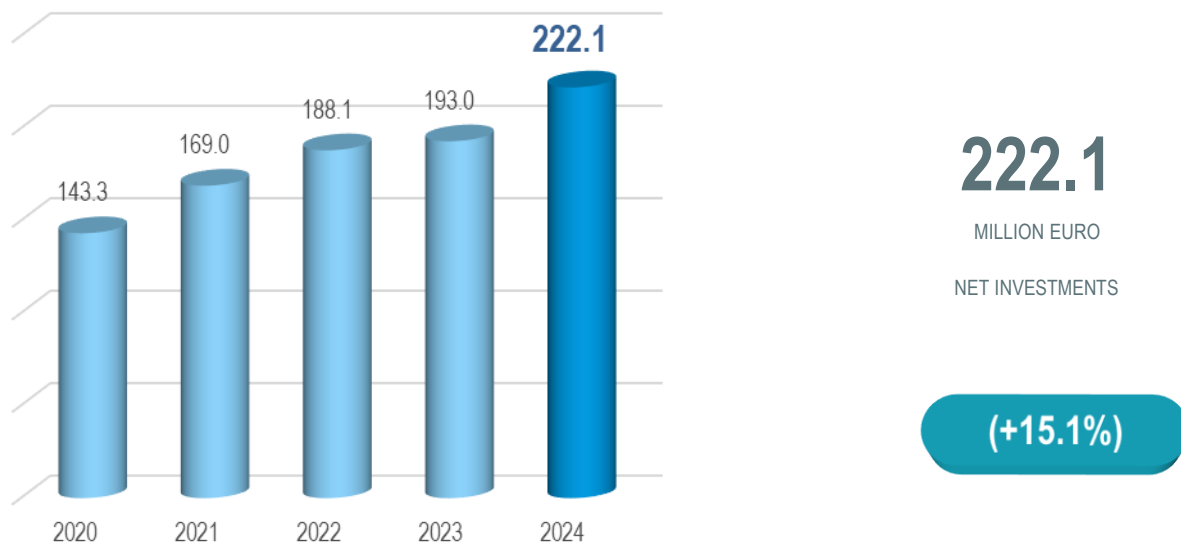
Ebitda increased by 25.7 million euro, up 9.5% from 271.4 million euro in 2023 to 297.1 million euro in 2024.

The higher revenues resulting from the application of the MTI-4 tariff method were partially offset by higher operating costs for reasons including an increase in the price lists of all major supplies.

In 2024, net investments in the integrated water cycle area amounted to 222.1 million euro, up 29.1 million euro compared to the previous year. Including the capital grants received, the investments made amounted to 261.1 million euro.

Investments mainly went towards extensions, reclamation and upgrading on networks and plants, as well as regulatory adjustments mainly in the water and sewerage sector, and amounted to 164.0 million euro in the aqueduct, 55.8 million euro in sewerage and 41.3 million euro in purification.

#### Net investments water cycle (mn€)



The main interventions include: in the aqueduct, ongoing remediation 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 motorway in the Imola section and the extension of the Modena ring road, as well as the installation of Smart Meter meters with a view to reducing network leakage

In the sewerage sector, in addition to the ongoing implementation of the Rimini seawater protection plan (PSBO), maintenance works involved upgrading the sewerage network in other localities served, works to adapt drains to Dgr 201/2016, the construction of a first rainwater basin in the municipality of Cattolica and the sewerage works concomitant to the extension of the Forlì and Modena ring roads

In the water purification sector, note the construction of the new Power to gas plant at the IDAR purification plant in Bologna, as well as upgrading and expansion on the Lugo and Ravenna purification plants.

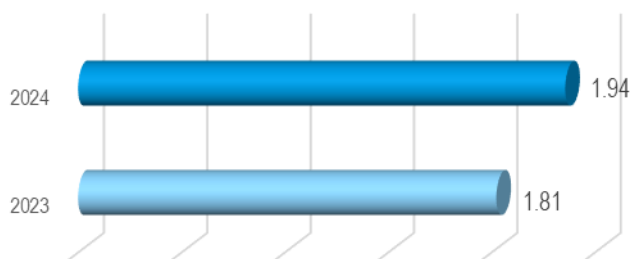
Requests for new water and sewage connections were also up on the previous year. Capital grants, standing at 38.9 million euro, were up by 3.7 million euro over the previous year and included contributions from projects accessing PNRR funds, as well as 6.8 million euro from the tariff component of the tariff method for the New Investment Fund (FoNI).

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

| INTEGRATED WATER CYCLE (MN€)              | DEC 24       | DEC 23       | ABS. CHANGE | % CHANGE      |
|---|--------------|--------------|-------------|---------------|
| Aqueduct                                  | 164.0        | 131.7        | 32.3        | +24.5%        |
| Purification                              | 41.3         | 37.5         | 3.8         | +10.1%        |
| Sewerage                                  | 55.8         | 58.9         | (3.1)       | (5.3)%        |
| <b>Total integrated water cycle gross</b> | <b>261.1</b> | <b>228.2</b> | <b>32.9</b> | <b>+14.4%</b> |
| Capital grants                            | 38.9         | 35.2         | 3.7         | +10.5%        |
| of which FoNi (New Investments Fund)      | 6.8          | 19.5         | (12.7)      | (65.1)%       |
| <b>Total integrated water cycle net</b>   | <b>222.1</b> | <b>193.0</b> | <b>29.1</b> | <b>+15.1%</b> |

RAB, which defines the value of the assets recognised by the Authority as regards return on invested capital, increased compared to 2023.

Rab (bn€)



1.94

BILLION EURO

VALUE OF RAB  
WATER CYCLE 2024

(+7.4%)

## 1.06.04 Waste management

In 2024, the waste management area accounted for 23.1% to the Hera Group's overall Ebitda, this area's Ebitda increasing by 13.6 million euro compared to the previous year. The Group therefore continues along its path of growth 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.

EBITDA RISES

Herambiente's leadership in the Industry market in particular was consolidated with the acquisition, finalised in the third quarter of 2024, of 70% of the company TRS Ecology, expanding the Group's scope of action and strengthening the growth prospects of a well-established local company.

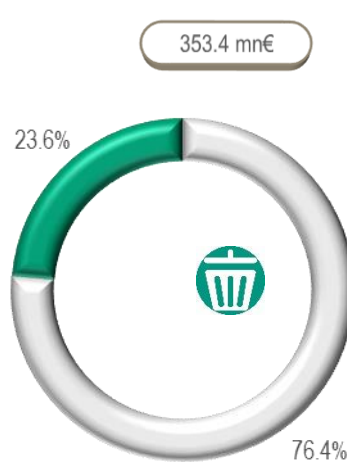
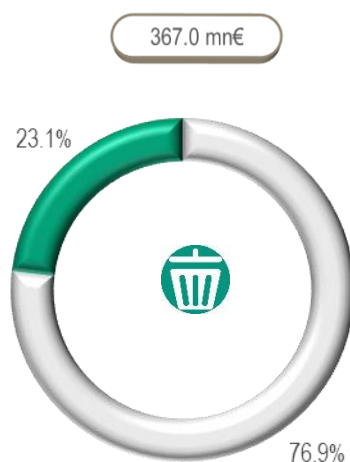
All major circular economy and decarbonisation initiatives continued in 2024, to implement the objectives of creating value and environmental sustainability.

In this regard, note the CO<sub>2</sub> capture project promoted by the Hera Group in collaboration with Saipem, which will be the first industrial-scale example of CCS (Carbon Capture and Storage) applied to a plant of this type in Italy. This project is one of the main decarbonisation levers foreseen in the Group's Climate transition plan to reduce internal emissions. The project involves capturing carbon dioxide from the vents of waste-to-energy plants and storing it in depleted natural gas fields, thus significantly reducing plant emissions and contributing to the decarbonisation of local areas.

Protecting environmental resources was a priority objective in 2024 as well, as was the maximisation of their reuse, as is demonstrated by the special attention devoted to the development of sorted waste collection, which, thanks to the strong commitment shown by the Group in all regions served, increased by two percentage points compared to 2023.

Ebitda waste management area 2024

Ebitda waste management area 2023



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

| (M€)               | DEC 24       | DEC 23       | ABS. CHANGE | % CHANGE     |
|--------------------|--------------|--------------|-------------|--------------|
| <b>Area Ebitda</b> | <b>367.0</b> | <b>353.4</b> | <b>13.6</b> | <b>+3.8%</b> |
| Group Ebitda*      | 1,587.6      | 1,494.7      | 92.9        | +6.2%        |
| Percentage weight  | 23.1%        | 23.6%        | (0.5) pp    |              |

\* adjusted results, as described in paragraph 1.04

Volumes commercialised and treated by the Group in 2024 are as follows:

| QUANTITY (K TONS)            | DEC 24         | DEC 23*        | ABS. CHANGE  | % CHANGE     |
|------------------------------|----------------|----------------|--------------|--------------|
| Municipal waste              | 2,254.8        | 2,310.2        | -55.4        | (2.4)%       |
| Market waste                 | 3,311.0        | 3,065.6        | 245.4        | +8.0%        |
| <b>Waste commercialised</b>  | <b>5,565.9</b> | <b>5,375.7</b> | <b>190.2</b> | <b>+3.5%</b> |
| Plant by-products            | 2,946.8        | 2,661.0        | 285.8        | +10.7%       |
| <b>Waste treated by type</b> | <b>8,512.7</b> | <b>8,036.7</b> | <b>476.0</b> | <b>+5.9%</b> |

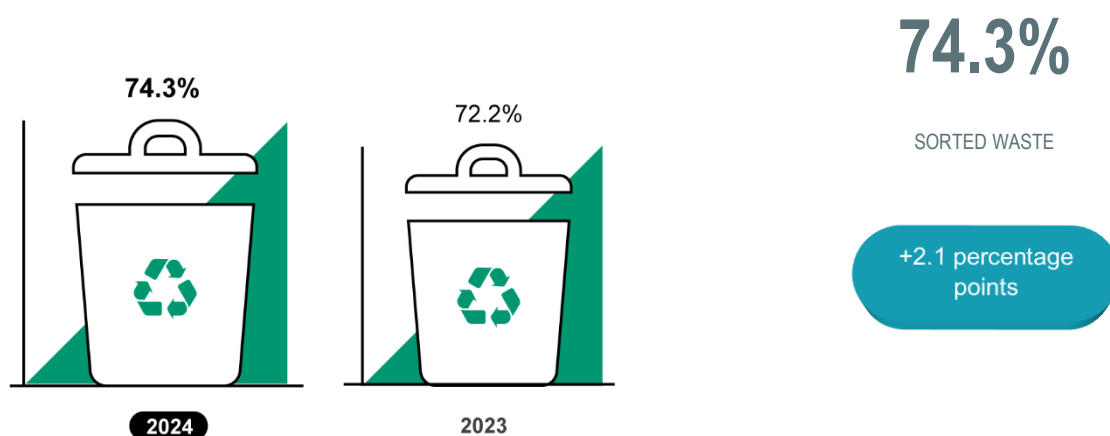
\* The amount of waste treated in 2023 has been updated to include the amount of waste of the company ACR Spa in the item "Market waste", consistently with the amount recorded for the same period in 2024.

An analysis of the quantitative data shows an increase in waste commercialised mainly due to an increase in market waste. As regards municipal waste, a 2.4% decrease was seen in 2024 compared to the previous year, mainly due to extraordinary waste deliveries following the 2023 flooding.

Market volumes, instead, increased by +8.0% compared to the same period of 2023, due to the consolidation of existing business relationships, the development of the customer portfolio, in particular in the industry market, and changes in the scope of consolidation thanks to recent acquisitions also in the industry market.

Lastly, increased volumes of plant by-products were seen compared to the previous year, mainly due to the higher rainfall recorded, especially in the last quarter of 2024.

#### Sorted waste (%)

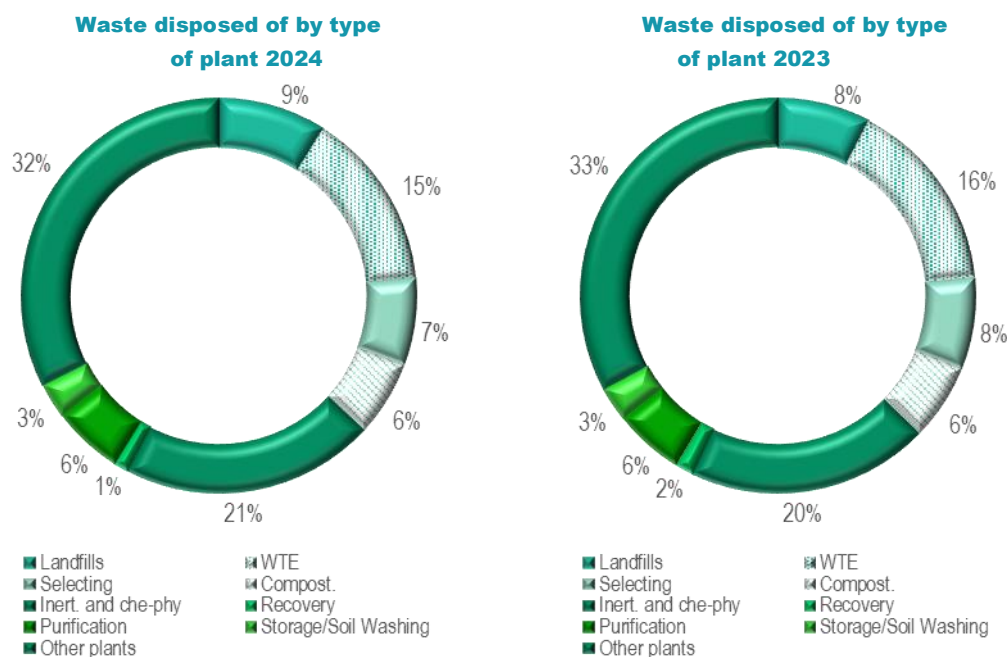


As mentioned previously, sorted collection of municipal waste stood at 74.3%, up 2.1 percentage points over the previous year, thanks to the development of numerous projects in the local areas managed by the Group.

The Hera Group operates in the entire waste cycle, with almost one hundred plants for treating municipal and special waste and regenerating plastic materials. The main plants include: nine waste-to-energy plants, 12 composting/digestion plants and 17 selecting plants.

The close attention paid to the set of plants has always been a distinctive element of the Group's propensity for excellence: operations are indeed ongoing to provide plants with the best available technologies.





| QUANTITY (K TONS)                         | DEC 24         | DEC 23*        | ABS. CHANGE  | % CHANGE     |
|---|----------------|----------------|--------------|--------------|
| Landfills                                 | 754.6          | 608.9          | 145.7        | +23.9%       |
| WTE                                       | 1,248.0        | 1,277.7        | (29.7)       | (2.3)%       |
| Selecting plants and other                | 610.0          | 605.6          | 4.4          | +0.7%        |
| Composting and stabilisation plants       | 526.6          | 502.6          | 24.0         | +4.8%        |
| Inertisation and chemical-physical plants | 1,768.4        | 1,597.5        | 170.9        | +10.7%       |
| Recovery plants                           | 107.7          | 120.6          | (12.9)       | (10.7)%      |
| Purification plants                       | 487.6          | 453.7          | 33.9         | +7.5%        |
| Storage/Soil Washing                      | 247.9          | 230.7          | 17.2         | +7.5%        |
| Other plants                              | 2,761.9        | 2,639.3        | 122.6        | +4.6%        |
| <b>Waste treated by plant</b>             | <b>8,512.7</b> | <b>8,036.7</b> | <b>476.0</b> | <b>+5.9%</b> |
| Plastic recycled by Aliplast              | 83.9           | 84.6           | (0.7)        | (0.8)%       |

\* The amount of waste treated in 2023 has been updated to include the amount of waste of the company ACR in the item "Other plants", consistently with the amount recorded for the same period in 2024.

Waste treatment showed an overall increase coming to 5.9% compared to 2023. Analysing the individual sectors, note the increase in quantities in landfills mainly due to the resumed conferrals at Tre Monti (Bo) in the second half of 2023, while, as regards waste-to-energy plants, the downward trend, partially offset by the resumed conferrals at the F3 plant in Ravenna, was mainly due to lower volumes treated at both the Rimini plant, due to an incident that occurred in January, and the shutdown for planned maintenance at the Modena plant carried out in 2024.

The slight increase in quantities in selecting plants is due to the higher quantities processed in the plants, particularly in the Modena plant, due to growth in sorted waste collection.

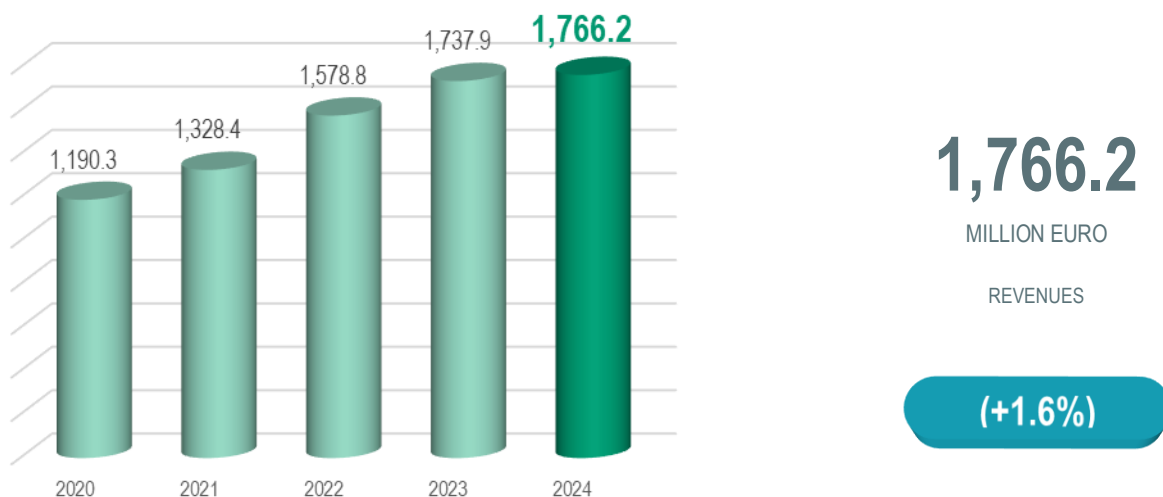
In composting and stabilisation plants, volumes increased mainly due to higher quantities treated in the stabilisation plants at Tre Monti (Bo) and in the digester at Spilamberto, while in inertisation and chemical-physical plants, the increased quantities were mainly due to the volumes of liquid waste treated partially as a result of the higher rainfall seen during the last period of 2024.

In recovery plants, the decreased incoming volumes were affected by competition in the virgin plastic market. In addition, an increase occurred in waste treated at purification plants, while in the storage/soil washing sector, the increased volumes were mainly due to the change in the scope of operations due to recent acquisitions in the industrial market. Lastly, in other plants, the quantities intermediated at third-party plants increased compared to the previous year.

The following table summarises operating results for the area:

| INCOME STATEMENT (MNE) | DEC 24       | INC.%        | DEC 23       | INC.%        | ABS. CHANGE | % CHANGE     |
|------------------------|--------------|--------------|--------------|--------------|-------------|--------------|
| Revenues               | 1,766.2      |              | 1,737.9      |              | 28.3        | +1.6%        |
| Operating costs        | (1,169.1)    | (66.2)%      | (1,166.5)    | (67.1)%      | 2.6         | +0.2%        |
| Personnel costs        | (258.5)      | (14.6)%      | (244.6)      | (14.1)%      | 13.9        | +5.7%        |
| Capitalised costs      | 28.5         | 1.6%         | 26.6         | 1.5%         | 1.9         | +7.1%        |
| <b>Ebitda</b>          | <b>367.0</b> | <b>20.8%</b> | <b>353.4</b> | <b>20.3%</b> | <b>13.6</b> | <b>+3.8%</b> |

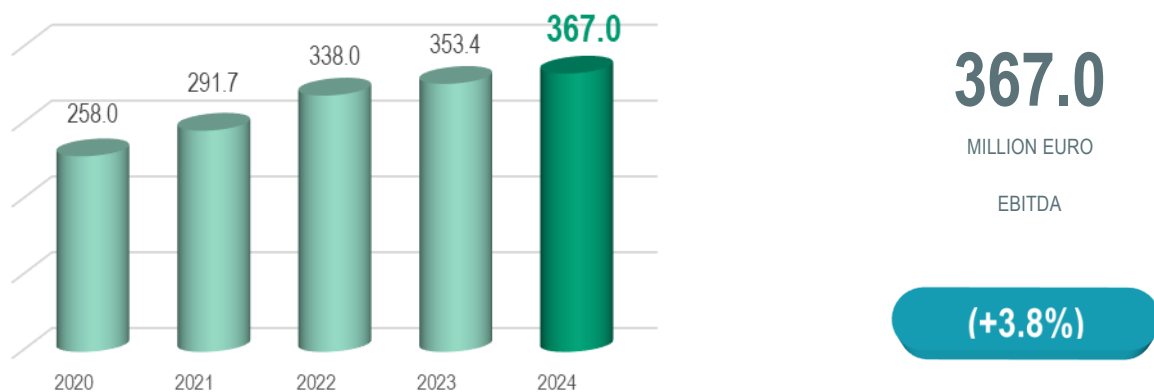
#### Revenues (mn€)



In 2024, revenues increased slightly compared to the previous year, up +1.6%. The 8.9 million euro decrease in revenues from energy production was mainly due to a drop in market prices and reduced volumes in WTEs, due to the temporary shutdowns at the Rimini and Modena plants. This change was more than offset by strong development in the industrial market thanks to increased prices, the changed scope of consolidation resulting from a recent corporate acquisition and higher revenues from waste treatment due to increased volumes.

Operating costs increased slightly in 2024, up +0.2%. Higher costs were due to the changed scope of consolidation owing to a recent corporate acquisition in the industry market, and increased by-product treatment and transport costs due to increased supplier list prices and higher volumes managed. These changes were partially offset by decreases in the costs of chemical products and costs for purchasing raw materials, due to the drop in commodity prices. As regards municipal waste collection, note the increased activities related to the development of new sorted waste collection projects.

#### Ebitda (mn€)



Ebitda increased by 13.6 million euro compared to the previous year. The positive effect of the increase in volumes and prices for waste treated and the changed scope of consolidation resulting from the recent acquisitions in the industry market was partially offset by the negative change in energy management and the increase in operating costs.

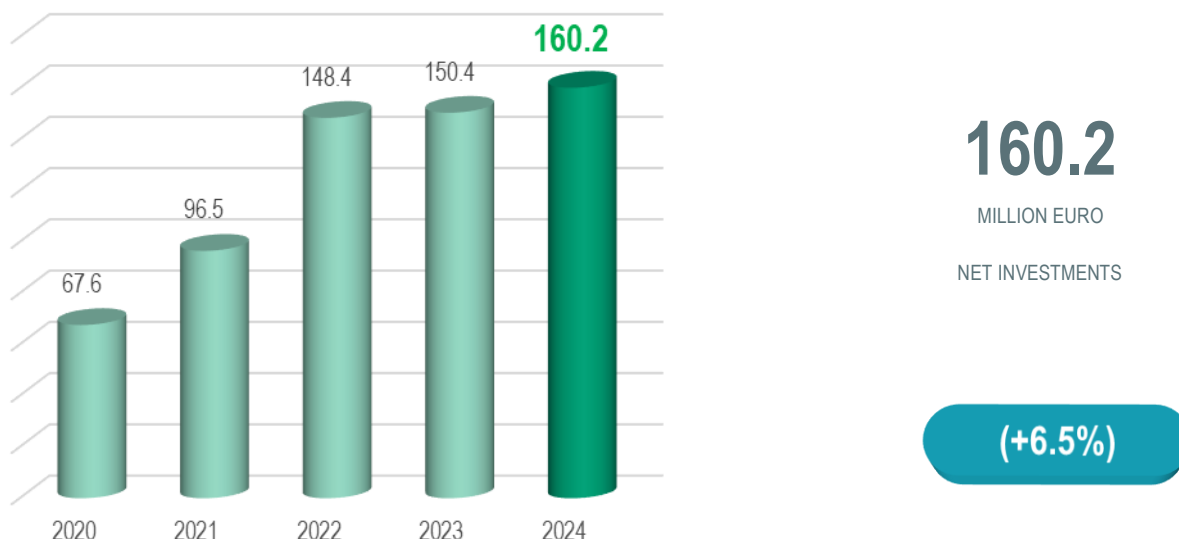
Net investments in the waste management area were related to maintenance and upgrading on waste treatment and recovery plants and amounted to 160.2 million euro, up 9.8 million euro compared to the previous year.

The composting/digester sector showed a decrease in investments coming to 4.7 million euro compared to the previous year, due to the increased works carried out in the first half of 2023 on the Cesena plant and by the company Biorg Srl, while a decrease of 5.4 million euro was seen in landfills compared to the previous year, mainly due to the works carried out on plants belonging to the company Marche Multiservizi Spa in 2023.

The waste to energy (WTE) sector saw a 15.5 million euro increase in investments, mainly involving the work done by the company HestAmbiente Srl on line 4 of the Padua plant and the planned non-recurring maintenance done on the Modena, Forlì and Rimini plants, while in the industrial waste plants sector the 13.2 million euro drop was mainly due to the revamping of the F3 plant in Ravenna, completed in 2023.

The collection area and equipment sector showed a 6.7 million euro increase in investments, while the sorting and recovery plants sector saw an overall increase coming to 12.6 million euro, as a result of the work done by the companies Hea Spa and Vallortigara Servizi Ambientali Spa to expand the Torrebelticino plant, as well as the construction of the rigid plastics processing plant by the company Aliplast Spa, an operation accessed PNRR funding.

#### Net investments waste management (mn€)



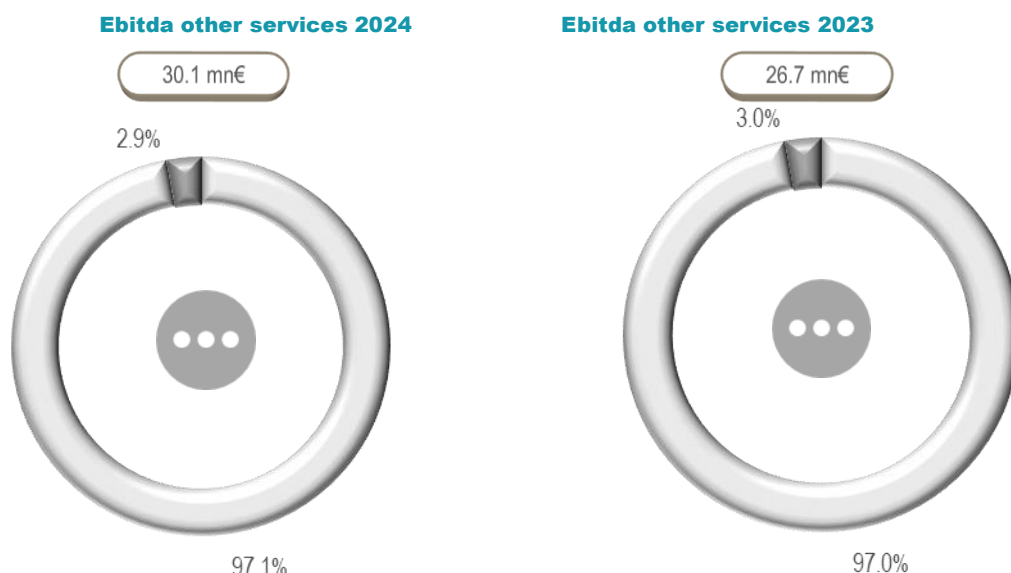
Details of operating investments in the waste management area are as follows:

| WASTE MANAGEMENT (MN€)                    | DEC 24       | DEC 23       | ABS. CHANGE | % CHANGE     |
|---|--------------|--------------|-------------|--------------|
| Composters/digesters                      | 5.7          | 10.4         | (4.7)       | (45.2)%      |
| Landfills                                 | 18.3         | 23.7         | (5.4)       | (22.8)%      |
| WTE                                       | 37.4         | 21.9         | 15.5        | +70.8%       |
| SW plants                                 | 3.5          | 16.7         | (13.2)      | (79.0)%      |
| Collection areas and equipment            | 24.8         | 18.1         | 6.7         | +37.0%       |
| Transshipment, selecting and other plants | 72.5         | 59.9         | 12.6        | +21.0%       |
| <b>Total waste management gross</b>       | <b>162.3</b> | <b>150.8</b> | <b>11.5</b> | <b>+7.6%</b> |
| Capital grants                            | 2.1          | 0.4          | 1.7         | +425.0%      |
| <b>Total waste management net</b>         | <b>160.2</b> | <b>150.4</b> | <b>9.8</b>  | <b>+6.5%</b> |

## 1.06.05 - 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 ten cemeteries. At December 2024, results in this area stood at 30.1 million euro, up 3.4 million euro over the previous year.



The changes occurred in terms of Ebitda are as follows:

| (MNE)             | DEC 24  | DEC 23** | ABS. CHANGE | % CHANGE |
|-------------------|---------|----------|-------------|----------|
| Area Ebitda       | 30.1    | 26.7     | 3.4         | +12.8%   |
| Group Ebitda*     | 1,587.6 | 1,494.7  | 92.9        | +6.2%    |
| Percentage weight | 1.9%    | 1.8%     | +0.1 p.p.   |          |

\* adjusted results, as described in paragraph 1.04

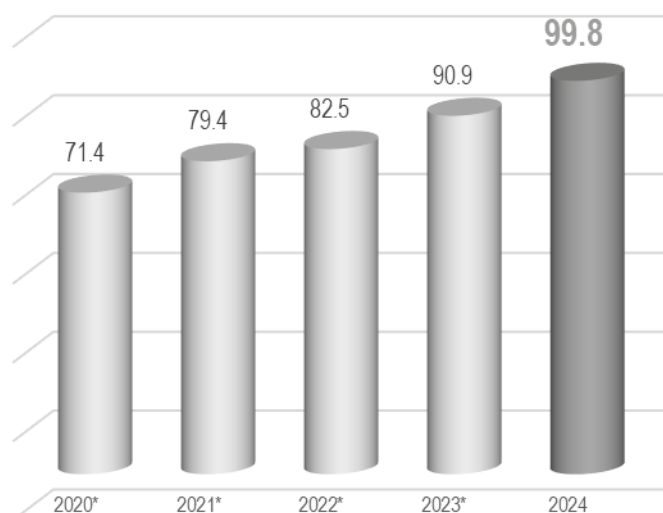
\*\* this data has been restated, reclassifying the public lighting segment from other services to electricity

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, Acantho Spa. This network serves the main cities in Emilia-Romagna, Padua and Trieste, and provides companies and individuals a high-performance connectivity, 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 (MNE) | DEC 24      | % INC.       | DEC 23*     | % INC.       | ABS. CHANGE | % CHANGE      |
|------------------------|-------------|--------------|-------------|--------------|-------------|---------------|
| Revenues               | 199.8       |              | 90.9        |              | 8.9         | +9.8%         |
| Operating costs        | (58.5)      | (58.6)%      | (53.9)      | (59.3)%      | 4.6         | +8.5%         |
| Personnel costs        | (14.0)      | (14.1)%      | (13.1)      | (14.4)%      | 0.9         | +6.9%         |
| Capitalised costs      | 2.8         | 2.8%         | 2.8         | 3.0%         | -           | +0.0%         |
| <b>Ebitda</b>          | <b>30.1</b> | <b>30.2%</b> | <b>26.7</b> | <b>29.3%</b> | <b>3.4</b>  | <b>+12.8%</b> |

\* this data has been restated, reclassifying the public lighting segment from other services to electricity

**Revenues** (mn€)**99.8**

MILLION EURO

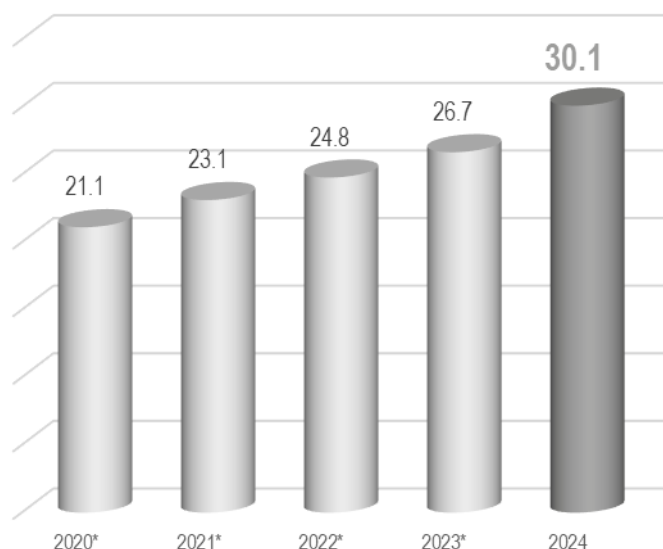
REVENUES

**(+9.8%)**

\* this data has been restated, reclassifying the public lighting segment from other services to electricity

In December 2024, revenues amounted to 99.8 million euro, up 8.9 million euro, mainly due to the telecommunications business. This result was supported by increased activities in telephony and connectivity services, which were also driven by an important commercial development thanks to the acquisition of new customers, especially in Northeastern Italy.

The above-mentioned increase in turnover was supported by a higher operating capacity, resulting in an increase in both operating and personnel costs.

**Ebitda** (mn€)**30.1**

MILLION EURO

EBITDA

**(+12.8%)**

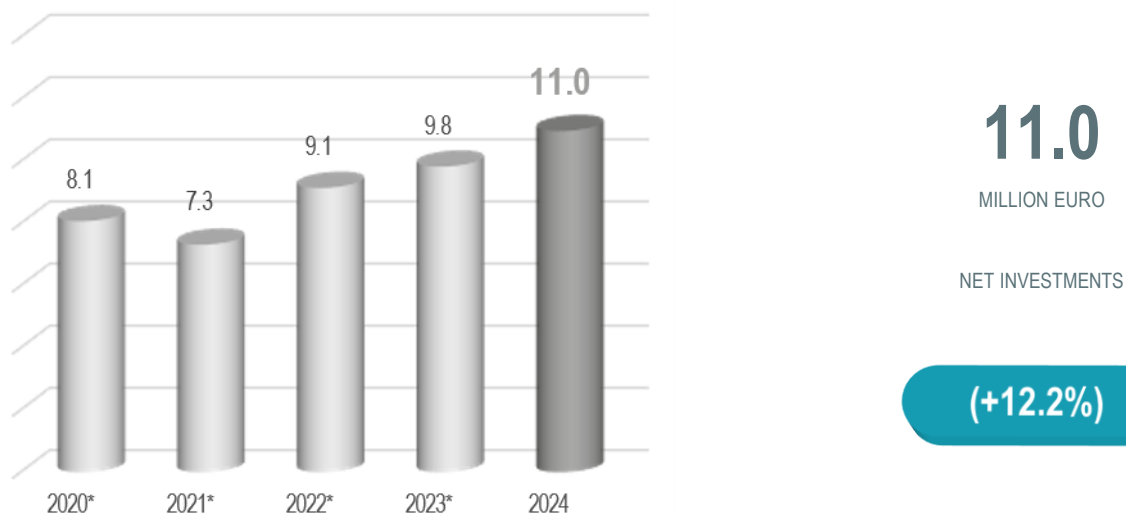
\* this data has been restated, reclassifying the public lighting segment from other services to electricity

Ebitda for the other services business as a whole increased by 12.8% or 3.4 million euro, going from 26.7 million euro in December 2023 to 30.1 million euro in the equivalent period of 2024, largely due to the contribution coming from telecommunications, mainly involving the increased activities in telephony and connectivity services, driven above all by commercial development.

In 2024, net investments in the other services area amounted to 11.0 million euro, up 1.2 million euro compared to the previous year.

Investments were made in the telecommunications service involving network operations and in TLC services, a sector that saw the expansion of its geographical area and customer base served with the integration with the company Asco TLC, operating in the Veneto region and incorporated into the company Acantho Spa in 2023.

#### Net investments other services (mn€)



this data has been restated, reclassifying the public lighting segment from other services to electricity

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

| OTHER SERVICES (MN€)              | DEC 24      | DEC 23*    | ABS. CHANGE | % CHANGE      |
|-----------------------------------|-------------|------------|-------------|---------------|
| TLC                               | 11.0        | 9.8        | 1.2         | +12.2%        |
| Other                             | -           | 0.0        | -           | +0.0%         |
| <b>Total other services gross</b> | <b>11.0</b> | <b>9.8</b> | <b>1.2</b>  | <b>+12.2%</b> |
| Capital grants                    | -           | -          | -           | +0.0%         |
| <b>Total other services net</b>   | <b>11.0</b> | <b>9.8</b> | <b>1.2</b>  | <b>+12.2%</b> |

\* this data has been restated, reclassifying the public lighting segment from other services to electricity