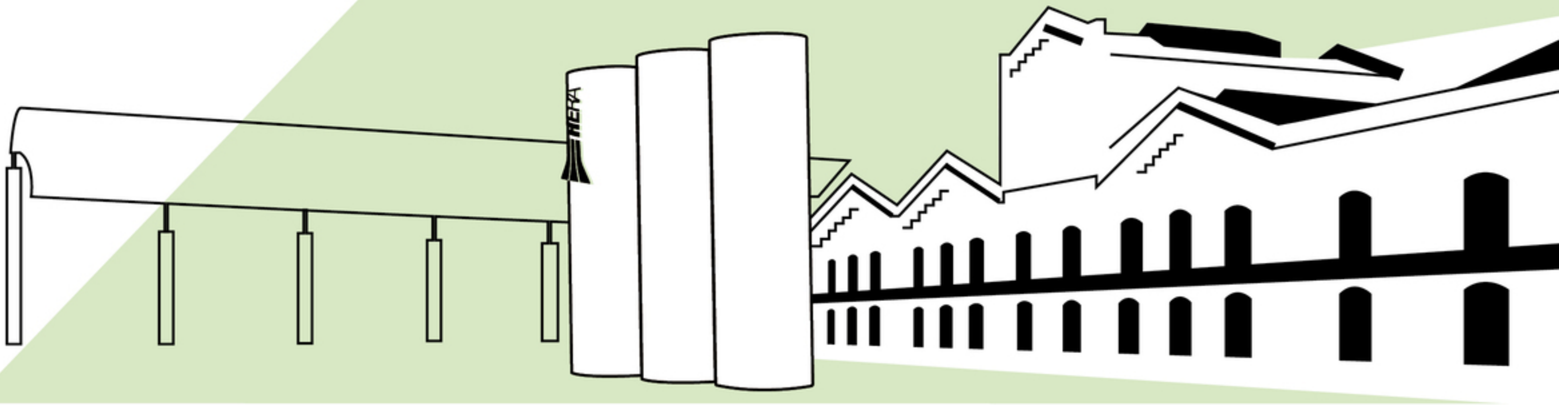
Half-year
financial report
as at 30 June 2026

FR JUN/26



SUMMARY

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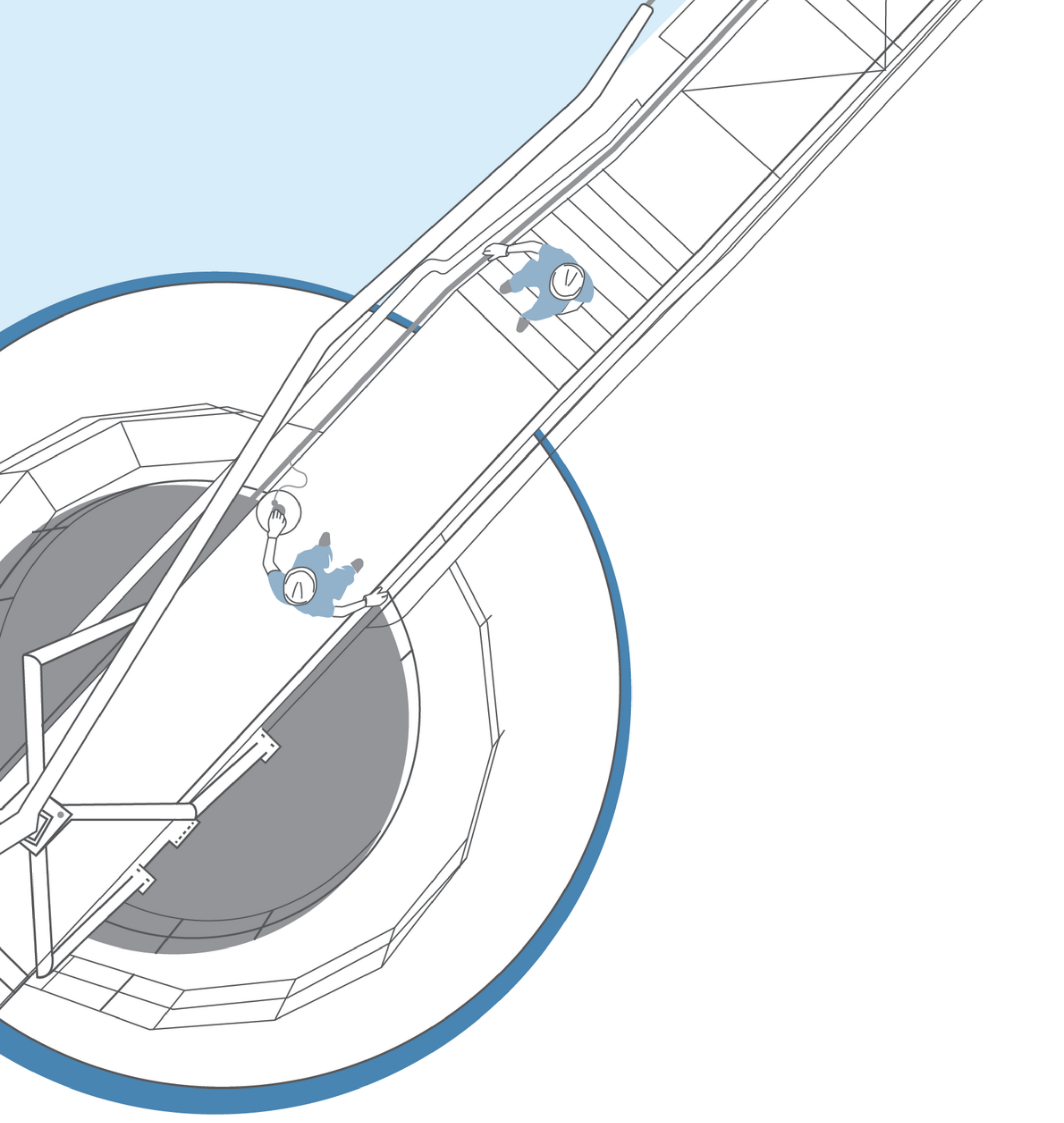
DIRECTORS' REPORT



1.01 REFERENCE CONTEXT

1.01.01 Trends in the operating environment

MACROECONOMIC CONTEXT

In the first half of 2026, the international macroeconomic environment continued to show a positive sign on the economic growth front, supported by the good performance of the manufacturing sector, investments related to the development of artificial intelligence and the precautionary accumulation of stocks by companies. However, the continuation of geopolitical tensions in the Middle East has contributed to increased global economic uncertainty, leading to pressure on energy markets and tighter financial conditions. More specifically, the persistent critical issues in the Strait of Hormuz have kept the volatility of energy commodity prices high, with effects that have progressively been reflected in inflation levels at the international level. In this scenario, the global economic outlook has deteriorated moderately compared to previous expectations. Indeed, the main international institutions predict a slowdown in global economic growth during 2026, accompanied by inflation still above target levels in the main advanced economies. In particular, the Ecb's projections indicate global Gdp growth (excluding the euro area) of 3.0% for 2026, slowing from 3.6% in 2025, and global inflation of 3.5%, which is expected to gradually decline to 3.0% in 2027 and 2.5% in 2028.

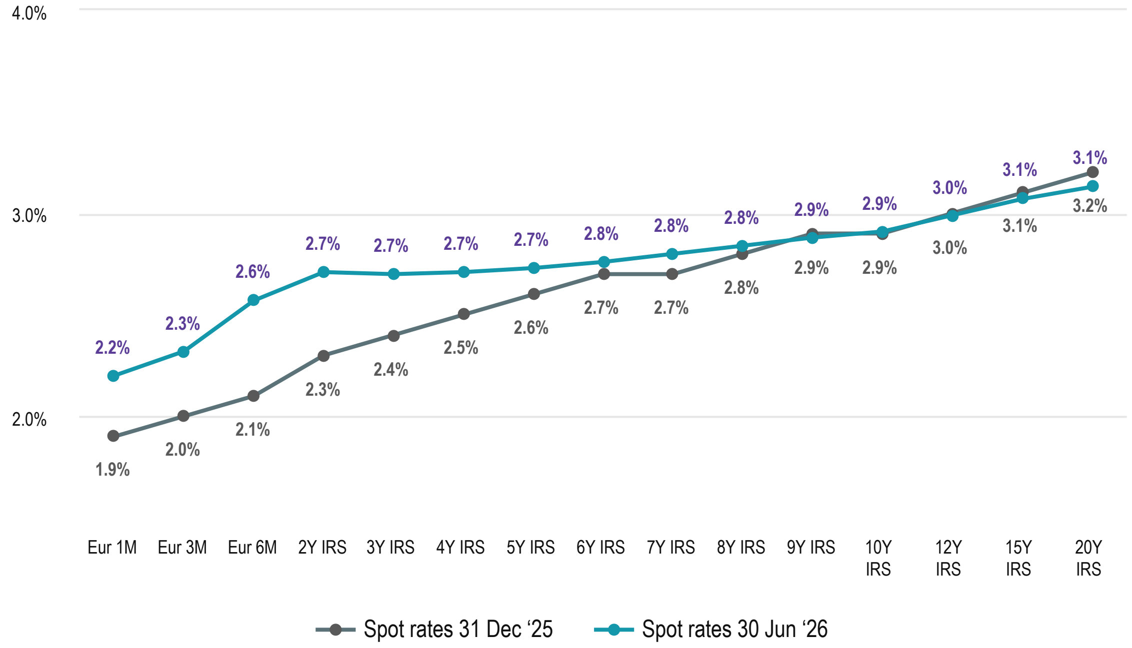
The eurozone economy, on the other hand, showed a rapid deterioration in the second quarter of the year, and international tensions negatively affected household and business confidence in consumption and economic expectations, reducing the propensity to spend. On the investment front, business investment grew moderately, but the outlook for the coming months is less favourable due to increased uncertainty, rising costs and worsening financial conditions. However, several supporting factors have become structural, including the digital transition, investments related to artificial intelligence, defence and infrastructure spending, and funds from the Next Generation Eu programme.
Overall, the Ecb forecasts Gdp growth for the euro area of 0.8% in 2026, 1.2% in 2027 and 1.5% in 2028. Long-term inflation expectations remain well anchored around 2%, which the Ecb considers positive for price stability. According to the Eurosystem's projections, average inflation in the euro area is expected to be 3.0% in 2026, 2.3% in 2027 and 2.0% in 2028. The Ecb stresses that the main risk factor remains the development of the conflict in the Middle East and its impact on energy prices, which could lead to further upward pressure on inflation and downward pressure on economic growth.

The Italian economy recorded a 0.6% increase in GDP in the first half of 2026, with different trends among the main sectors; in particular, growth was supported by foreign demand, investment and resilient consumption. However, there remain uncertainties linked to the development of geopolitical tensions, the performance of energy markets and the weakness of part of the manufacturing sector. In this context, inflation stood at relatively high levels (3.1% in June), above the euro area average. Inflationary pressures continue to be driven mainly by the energy component, which has shown a further acceleration on an annual basis, counteracting signs of moderation in components such as food and service prices.

FINANCIAL CONTEXT

From a financial point of view, however, the first half of 2026 ended with an exceptional rally in the equity markets, which managed to reach close to all-time highs despite the strong geopolitical tensions in the Middle East, the temporary energy crisis and fears of a market bubble linked to Artificial Intelligence. The best performing stock market of the half-year, among the major European markets, was the Italian one, with the FTSE MIB recording a rise of close to 15%, driven mainly by the banking sector, which was also higher than Wall Street, where the S&P 500 grew by 9.4% and the Nasdaq by 12.5%. Overall in Europe, the financial sector appears to be sound, with well-capitalised banks and no known risk of significant financial instability. However, with the ongoing conflicts in the Middle East, the growth prospects of the euro area and the inflation projections for 2026, the Ecb decided on 11 June to raise interest rates by 25 basis points, ending the series of seven consecutive pauses following the last cut in June 2025. The main refinancing rate therefore stands at 2.4% and the deposit rate at 2.25%. On future monetary policy scenarios, the Ecb continues to affirm its meeting-by-meeting approach in order to determine the most appropriate monetary stance, without following a predefined path on the actions that may be taken on interest rate levels.
Given the context of an upside risk on inflation and a downside risk on economic growth, the interest rate curve has moved significantly upwards on short- and medium-term maturities; in particular, as at 30 June 2026, there is an average increase in short-term Euribor rates of 34 basis points on average and about 30 basis points on average on medium-term maturities (2-5 years); on long-term maturities (6-15 years), however, levels remain substantially stable at an average level of 2.9%.

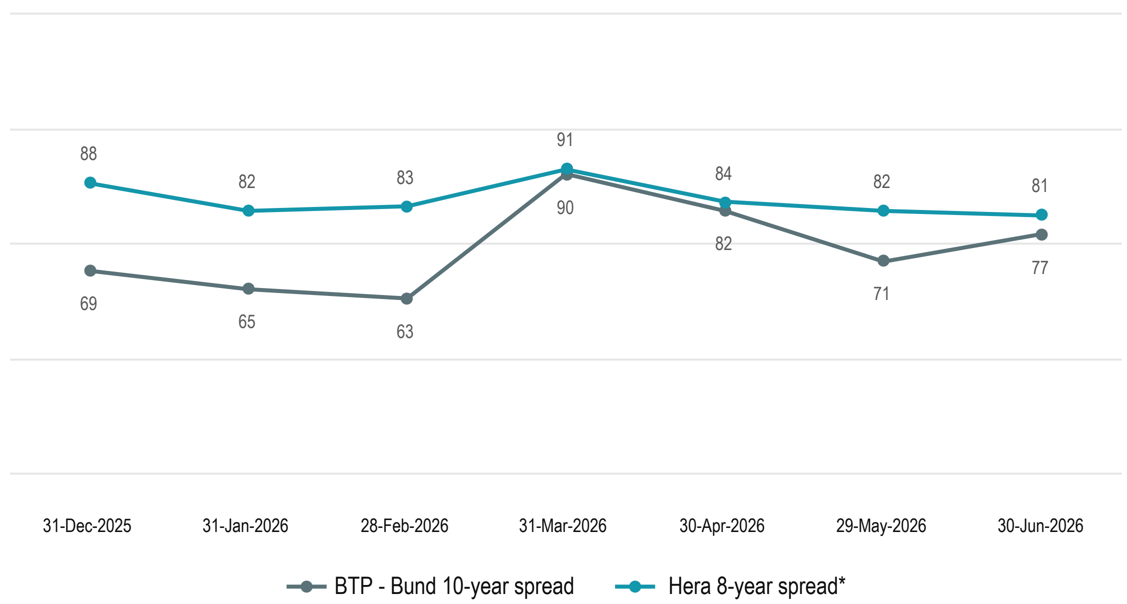
Spot interest rate curve (%)



The 10-year BTP-Bund spread closed the first half of the year at 77 basis points, up 8 basis points compared to December 2025, due to uncertainties related to the geopolitical environment. While, in fact, in the first two months of the year it showed a downward trend thanks to the resilience of Italy Risk, which also saw an improvement in the positive outlook by S&P on the BBB+ Rating, after the outbreak of the conflict in the Middle East the spread increased sharply towards a peak of 90 basis points, before gradually recovering in the following months. The Hera Group's 8-year spread, the benchmark for new long-term issues, shows a downward trend; in particular, it is down by 7 bps compared to the end of 2025, thanks to the consolidated confidence of investors and the confirmation of the Group's rating by the agencies S&P (BBB+, outlook stable) and Moody's (Baa1, outlook stable) in May 2026.

Data source Bloomberg

BTP-Bund 10-year spread vs Hera 8-year spread*



*Spread on Hera bond with 2034 maturity

MARKET-BASED BUSINESSES

Crude oil and fuel prices in the first half of 2026 showed a particularly volatile trend, mainly due to the geopolitical environment and, in particular, the escalation of the conflict in the Middle East. This scenario led to a general rise in prices, followed by a partial return to pre-war levels, which have still not fully recovered. The values, although in a phase of gradual decline, remain higher than those recorded in the corresponding period of 2025. In the first half of 2026, electricity prices recorded a year-on-year increase, consistent with the growth of natural gas spot prices, which in turn limited the rate of filling of Italian storage facilities, down by about 4% compared to the end of the first half of 2025. The price rise was limited thanks to the increased availability of renewable sources of energy (especially solar and wind power), which now cover 50% of requirements, and to China's declining demand for LNG. However, supply-related instability persists, with potential risks for gas demand coverage in the coming winter period.

In the first six months of 2026, the price index for natural gas at the Dutch hub (TTF), taken as a reference for European short-term spot market prices, showed a 3.4% increase over the same period in 2025. The information released by the national gas transmission network operator (Snam Rete Gas) indicates that, in the first six months of 2026, the level of natural gas consumption was substantially unchanged compared to the same period of the previous year, amounting to roughly 33.4 billion cubic metres, in line with the same figure recorded in the first six months of 2025. The maintenance of the same level of consumption is attributable to the fact that the increase in electricity generation (which amounted to 10.6 billion cubic metres, up 4.7% compared to the first half of the previous year) was offset by a decrease in demand for civil use, which amounted to 15.3 billion cubic metres (-1.4% compared to the same period in 2025). Industrial demand, on the other hand, was essentially stable, showing a slight decrease of 0.8% compared to the same period in 2025. Exports reduced (-10% compared to the same period in 2025), with volumes standing at 1.7 billion cubic metres. In terms of feed-in, 92.4% of demand was met by gas imports and the remainder by domestic production and storage.

The day-ahead market for electricity (Mgp) showed a price increase of 6% in the first half of 2026 compared to the same period in 2025. The data made available by the company that manages the national transmission grid (Terna Spa) show that electricity consumption in the first six months of the year rose slightly by 2.5% to 156.8 TWh (153 TWh in the same period last year). Overall, 84.7% of demand was met by domestic production, up compared to the same period in 2025, while the foreign balance stood at 24 TWh, due to both the increase in imports and the decrease in exports.

In the first six months of 2026, net domestic production from renewable sources of energy accounted for 45.6% of total net production and amounted to a volume of 60.6 TWh, higher than the 59.1 TWh recorded in the same period of 2025. The share of consumption satisfied by renewable sources was 38.6%, substantially unchanged from the figure recorded on 30 June 2025, due on the one hand to the contraction recorded by hydroelectric (-19.3%) and geothermal (-2.4%) production, which more than offset the substantial growth in photovoltaic (+19.2%) and wind (+16.4%) production. There was also growth in thermoelectric production, which increased by 0.9% (+0.6 TWh) compared to the same period last year, reaching 72.3 TWh.

REGULATED BUSINESSES

Turning to legislative factors, the most important interventions concerning the Group, issued in the first half of 2026, include:

- the publication of Decree-Law No. 21 of 20 February 2026 (the "Bills" Decree-Law) on urgent measures to reduce the cost of electricity and gas in favour of households and businesses, for the competitiveness of businesses and for the decarbonisation of industries, as well as urgent provisions on the resolution of the virtual saturation of electricity grids and the integration of data processing centres into the electricity system;
- the publication of the law converting Decree-Law No. 175 of 21 November 2025, setting out urgent measures on the Transition Plan 5.0 and the production of energy from renewable sources. The measure aims to overcome the application issues that emerged in the management of Plan 5.0 and to unblock the path on the areas suitable for the construction of new renewable plants, after the dispute that arose over the previous framework;
- the publication of Legislative Decree No. 5 of 2026, containing provisions transposing Directive (EU) 2023/2413 (Red III), aimed at accelerating the deployment of renewable sources, strengthening the decarbonisation of energy consumption, simplifying administrative procedures and adapting the national framework to the European objectives of the Green Deal and the Fit for 55 package;
- the publication of the conversion into law of Decree-Law No. 19 of 19 February 2026 (the "2026 NRRP Decree-Law"), which contains simplification measures on environmental remediation, unhealthy industry and waste management and establishes the National Financial Instrument for Infrastructure Investments and Safety in the Water Sector (Sfniissi) with the aim of ensuring the implementation of Investment 4.5 of Mission 2 of the Nrrp (Subsidy scheme for investments in water infrastructure);
- the European Delegation Law 2025 (Law No. 36/2026) delegating to the Government the adaptation to Regulation (EU) 2024/1157 on shipments of waste and Regulation (EU) 2025/40 on packaging and packaging waste, and the transposition of Directive (EU) 2024/3019 on the treatment of urban waste water (recast) and Directive (EU) 2025/1892 amending the 2008 Waste Framework Directive;
- the publication of the law converting Decree-Law No. 200 of 1 December 2025 (the "Milleproroghe Decree-Law"), setting out urgent provisions on regulatory deadlines, including the extension to 31 December 2026 of the authorisation to use treated wastewater for irrigation purposes, in order to address the water crisis; the extension to 1 January 2026 of the entry into force of the obligation to increase the share of energy from renewable sources

for companies that sell thermal energy in the form of heat for heating and cooling to third parties for quantities exceeding 500 Toes per year; the extension to 15 September 2026 of the deadline for the use of the waste identification form in paper format; and the extension to 30 June 2026 of the deadline from which the availability of geolocation systems on vehicles transporting hazardous waste constitutes a technical suitability requirement for registration in category 5 of the National Register of Environmental Operators;

- the publication of the Ministerial Decree of 24 December 2025 (Official Journal 38 of 16/02/2026) containing criteria for the allocation of the Fund for the financing of interventions in the field of water purification and the reuse of purified water, which provides for the allocation of 60 million euro (of which 12 million for the year 2025 and 24 million for the years 2026 and 2027) to the Regions to finance infrastructure interventions that prevent the discharge of treated purified water;
- the publication of Legislative Decree No. 29 of 10 February 2026, containing provisions to adapt to Regulation (Eu) 2023/1542 on batteries and waste batteries, including the introduction of new collection targets for waste portable batteries and batteries for light-duty vehicles; the establishment of the Battery Coordination Centre, with the task of ensuring the optimisation and uniformity of the national collection system; the regulation of extended producer responsibility (Epr); as well as a comprehensive regulation of collection points;
- the publication of the Ministerial Decree of 26 March 2026, regulating collection centres for separately collected urban waste, which repeals and replaces the Ministerial Decree of 8 April 2008, introducing comprehensive regulations on the technical and structural characteristics of collection centres, the requirements for their management and operation, the operating procedures, the types of waste that can be delivered and the users permitted to deliver it, as well as the obligations to keep records.

As regards new regulations, the measures having the most significance for the Group, resolved during the first half of 2026 by the Italian Energy, Networks and Environment Regulatory Authority (ARERA) are as follows (divided up according to segment of interest):

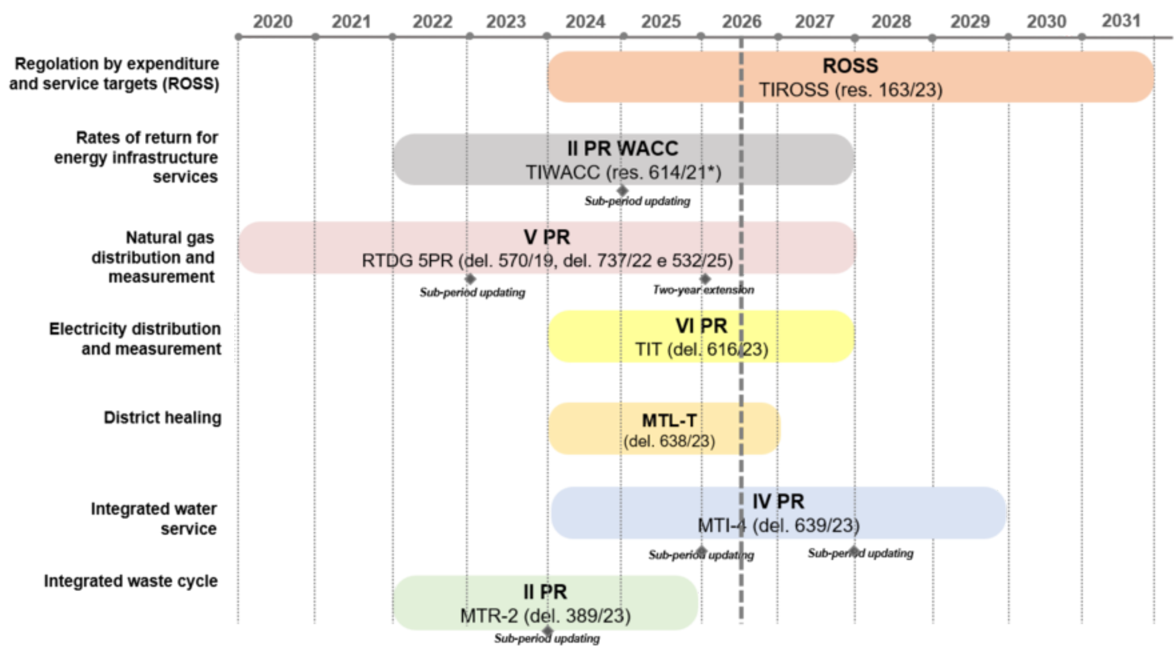
- All regulated segments:
  - the resolution updating the Isee threshold values for access to the electricity, gas, water and waste social bonuses, which extends the group of beneficiaries of the regulated benefit from 1 January 2026 (resolution 2/2026/R/com);
  - the initiation of proceedings for the introduction of new enhanced protection measures for customers/users holding social benefits and for the extension to waste management of certain measures already existing in the energy sectors (resolution 138/2026/R/com).
- Electricity and gas sector:

  In implementation of Decree-Law 21/2026 (the "Bills" Decree-Law):
  - the updating of the Guaranteed Minimum Prices (Pmg) for energy produced by plants fuelled by biogas, sustainable bioliquids and solid biomass, through the revision of the plant remuneration criteria, the adjustment of the methods for covering fixed operating costs on the basis of actual operating hours and the introduction of corrective measures for plants that draw energy from the grid to supply auxiliary services (resolution 174/2026/R/eel);
  - the introduction of a measure to finance initiatives aimed at reducing charges and additional gas tariff components for specific categories of end customers, by regulating the methods for valuing and selling the strategic stocks of natural gas purchased in 2022 as part of the last-resort storage service and allocating the related proceeds to the Fund for Energy and Environmental Services (Csea) (resolution 197/2026/R/gas);
  - the publication of the functional provisions for the recognition of the extraordinary contribution in favour of customers holding a social electricity bonus of 115 euro (resolution 81/2026/R/eel).

  On an ordinary basis:
  - the definition of the inflation parameters for the year 2025 for infrastructure services subject to ROSS regulation and the consolidation of the methods for determining the inflation parameters (resolution 78/2026/R/com);
  - the determination of the final reference tariffs for electricity distribution and metering services for the year 2024, for the first time under the ROSS-base regulatory regime (resolution 106/2026/R/eel);
  - the determination of the final reference tariffs for natural gas distribution and metering services for the year 2025 (resolution 107/2026/R/gas);
  - the definition of the provisions for the allocation of storage capacity for the thermal year 2026-2027, as well as the updating of the criteria for determining reserve prices and minimum bid prices for the allocation of injection capacity (resolution 112/2026/R/gas);
  - the updating of some provisions of the output-based regulation and the commercial quality of electricity distribution and metering services (resolution 199/2026/R/eel);
  - the determination of the bonuses and penalties relating to the safety recoveries of the gas distribution service for the year 2023 (resolution 90/2026/R/gas);
  - the approval of the Integrated Text on the Quality of Electricity and Natural Gas Sales Services (Tiqv) with effect from 1 January 2027 (resolution 213/2026/R/com).

- Water services:
  - the initiation of proceedings for the quantitative assessments, relating to the two-year period 2024-2025, provided for by the incentive mechanism of bonuses/penalties for the technical quality and contractual quality of the integrated water service (resolutions 39/2026/R/idr and 40/2026/R/idr);
  - the tariff approvals for the fourth regulatory period 2024-2029 for the sub-areas of Hera Spa in Rimini, Forlì Cesena, Ravenna (resolutions 47/2026/R/idr, 200/2026/R/idr, 229/2026/R/idr) and for Marche Multiservizi (resolution 180/2026/R/idr);
- Waste:
  - the simplification of the regulations on the social waste bonus referred to in the Consolidated Waste Bonus Act (Tubr), through clarifications on application and transitional provisions for 2026 aimed at making it easier to provide the benefit (resolution 123/2026/R/rif).

A time-line 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 sets out the methodology for determining the rates of return on energy capital and establishes the WACCs for 2022 only; these values were confirmed by resolution 654/22 for 2023 as well, while resolution 556/23 updated the WACCs for 2024. From 2025, the second WACC sub-period, governed by resolution 513/24, will commence.

Lastly, the table below indicates the main tariff references for each regulated sector, based on the regulatory framework in force in the first half of 2026 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 service
Regulatory period	2023-2025 Second sub-period of the 5th regulatory period (resolution 737/22), extended for the two-year period 2026-27 (resolution	2024-2027 6th regulatory period (resolution 616/23) (1)	2024-2029 2nd sub-period II of the MTi-4 (resolution 639/23)	2026-2029 1st sub-period of MTR-3 (resolution 397/25) (2)
Regulatory governance	Single level (ARERA)	Single level (ARERA)	Two-tier (area governance body, ARERA)	Two-tier (regionally competent body, ARERA)
Invested capital recognised for regulatory purposes (RAB)	Revalued historical cost (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: For the capital expenses of the measure, recognition based on a comparison between the planned costs submitted to ARERA (RARI application) and the actual	Historical cost revised	Historical cost revised
Regulatory lag for the recognition of capital expenditure	1 year	1 year	2 years	2 years
Return on invested capital (3) (real, pre-tax)	Year 2024 6.5% Year 2025-2026 5.9%	Year 2024 6.0% Year 2025-2026 5.6%	Years 2024-2025 6.1% +1% for investments from 2012, to cover the regulatory lag	Years 2026-2029 (4) 5.9% Collection 6.1% Treatment +1% for investments from 2018, to cover the regulatory lag
Recognised operating expenses	Average actual cost values by company grouping (size/density), based on 2011 (for revenue until 2019) and 2018 (for revenue 2020-2027) (5) Sharing for efficiencies achieved against recognised costs Update with price cap	As of 2024: Actual cost for operator + efficiency incentive for operating expenses 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 revenue until 2027), called baseline, and the actual cost paid by the operator	Optimisable costs: operator's actual 2011 costs adjusted for inflation Adjustable costs: actual costs with a 2-year lag Additional charges for specific purposes (forecast-based)	Collection and treatment Operator's actual costs with a 2-year regulatory lag Additional costs for quality improvement and changes to the scope of operations (forward-looking in nature) Additional charges for specific purposes (forward-looking in nature)
Annual efficiency improvement in operating expenses	Annual X-factor From 2026: 0% From 2020 to 2025: Distribution: 3.39% large companies 4.62% medium-sized companies Measurement: 0% Supply: 1.57%	As of 2024: Distribution + Measurement: 0.5% if the high-potential menu is chosen 0% for the low-potential menu	Efficiency mechanism based on: 2016 operator sharing efficiencies Differentiated sharing level with respect to the distance between actual cost and efficient cost of the operator	
Incentive mechanisms		As of 2024: 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 revenue 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 attributable 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 consolidation Right to apply to guarantee economic and financial balance	Collection On an asymmetrical basis and depending on the presence of: - changes in scope - improvements in the level of service quality Treatment Less stringent limit on growth, since the efficiency factor is not provided for; it is a function of - inflationary growth - environmental impact of the plants Collection and treatment Right to request a guarantee of economic 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 (Regulation by expenditure and service targets), regulated by TIROSS (approved by resolution 163/2023/R/com as subsequently amended and supplemented).

(2) Resolution 397/25 follows up on 389/2023/R/rif, which updated the previous regulatory period and introduced tariff regulation for treatment in the case of "minimum" facilities, i.e. essential for closing the urban 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 tax charges.

(4) For the years 2026-2029, the reference provision for the WACC in waste management is resolution 480/2025/R/rif.

(5) Following ARERA's compliance with the Council of State's rulings on resolution 570/2019, Inrete Distribuzione Energia Spa, the Group's main distributor, was granted a customised X-factor, which is lower than that applied to large companies (the cluster to which it belongs).

1.01.02 Share performance and investor relations

In the first half of 2026, global financial markets showed an overall positive trend, despite an environment characterised by periods of volatility, particularly after the start of hostilities in the Middle East. Investors faced a macroeconomic environment marked by moderate growth and inflationary pressures accentuated by rising energy commodity prices. In this scenario, expectations of a gradual easing of monetary policies by the main central banks have weakened, while attention has remained high on geopolitical factors and fiscal policy choices, which are still oriented towards supporting investment in strategic sectors.

The Italian Ftse All-Share index rose by +14% over the period, buoyed by the banking sector and technology stocks, in a market phase that rewarded less defensive stocks.
In this context, Hera's stock showed a more resilient performance than the market index in the first quarter, before changing course in the second quarter in line with the average of Italian local utilities.

As at 30 June, the performance of Hera's shares was affected by the economic effect of the dividend ex-dividend date at the end of the month, but already in mid-July the share price had more than recovered to previous levels of around 4 euro per share.

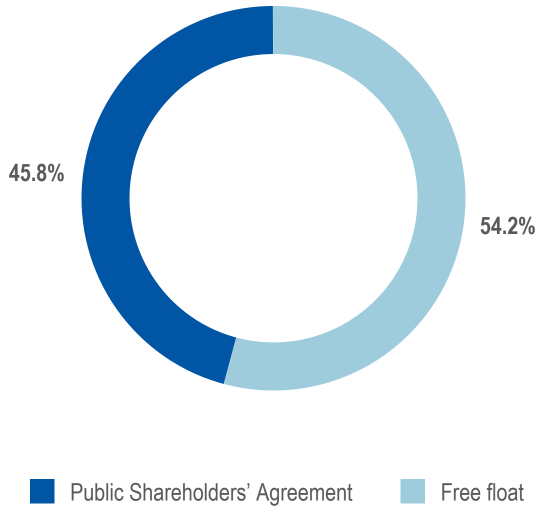
First half 2026 Hera stock and Italian market performance comparison

Hera's Board of Directors, which met on 25 March 2026 to approve the year-end results for 2025, decided to propose to the Shareholders' Meeting a dividend per share of 16 cents, up +6.7%, consistent with the indications contained in the Business plan. Following the approval coming from shareholders at the meeting, held on 29 April 2026, the ex-dividend date was 22 June, with payment on 24 June. Hera thus confirmed its ability to remunerate shareholders with the payment of steady and growing dividends since its listing, thanks to its ability to execute its development plans, the resilience of its business portfolio and the maintenance of careful financial discipline.

The joint effect of the 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 to remain consistently positive since listing, reaching approximately +371% at the end of the period in question.

The majority of the financial analysts covering the stock (Banca Akros, Equita Sim, Intermonte, Intesa Sanpaolo, Kepler Cheuvreux and Mediobanca) expressed positive opinions, with an average target price set at 4.52 euro and a 23.8% upside potential.

Shareholder breakdown as at 30 June 2026



The composition of Hera's shareholder base, which can also be viewed on the Group's website in the Governance section, is unique in the sector, having been highly fragmented since 2002, the year the Group was founded, among a large number of public shareholders brought together by a stockholders agreement. This public shareholding has continued to diversify over time with consolidation operations in the multi-utility sector and now holds a stake that has fallen to 45.8%, lower than that held by the fragmented private shareholding structure, made up mainly of international institutional investors, which has progressively increased to 54.2%. The shareholding of an Anglo-Saxon institutional investor, Lazard Asset Management, which has exceeded the threshold of 5% of the share capital, also stands out in the shareholder structure.

As at 30 June 2026, the share capital consisted of 1,489,538,745 shares (unchanged over the last decade), of which 682,438,194, equal to 45.8%, were brought together in a stockholders' agreement composed of 110 public shareholders from the area (the extract of the stockholders' agreement can be consulted at the following link on the Group's website). These public shareholders have represented a solid platform in the Group's shareholding structure since its establishment. The remaining 807,100,551 ordinary shares, representing 54.2% of the share capital, constitute the free float that is freely tradable on the Euronext Milan regulated market.

Since 2006, Hera has adopted a treasury share repurchase program, most recently renewed by the Shareholders Meeting held on 29 April 2026 for a further 18 months, for an overall maximum amount of 270 million euro. This plan is aimed at financing M&A opportunities involving smaller companies, and smoothing out any abnormal market price fluctuations vis-à-vis those of the main comparable Italian companies. As at 30 June 2026, Hera held 15,266,642 treasury shares, representing 1.02% of the share capital.

Intense communications with financial market players, institutions, family offices, traditional and sustainability-focused investors, who make up the majority of the shareholder base, continued in 2026 as well. After the business plan road show in the first quarter, top management took part in the second quarter in the Goldman Sachs, Unicredit and Mediobanca conferences in London and Milan. This was followed by an extensive road show with public shareholders to present the new Business plan.
Finally, the usual discussions with financial market participants took place, engaging stimulation with the Group and to answer questions regarding the Governance and Remuneration documents published prior to the Shareholders' Meeting.

1.02 GROUP PERFORMANCE

1.02.01 Key and subsequent events

Business and financial events

CONFLICT IN THE MIDDLE EAST

The growing geopolitical instability that affected the Middle East region during the first half of 2026, culminating in the escalation of the conflict between the United States, Israel and Iran and the resulting tensions in the Strait of Hormuz, generated significant repercussions on international energy markets, leading to a marked increase in volatility and a sharp rise in energy commodity prices. During the month of June, after signs of progressive easing, a ceasefire agreement was reached and diplomatic negotiations resumed between the parties involved, which facilitated a gradual restoration of maritime flows through the Strait of Hormuz and a partial normalisation of energy prices. Unfortunately, the truce was short-lived and there remain elements of high uncertainty linked to the evolution of relations between Iran, the United States and Israel and the possibility of further escalations of the conflict that could again affect commodity markets and global energy supply chains.
Although not directly exposed to the risk of supply disruption from the affected area, as it has no direct supply lines from the region, the Group could be indirectly affected by the effects of geopolitical tensions, through increases in energy commodity prices, greater inflationary pressures, possible effects on demand and final consumption, and an increase in net working capital requirements. These developments continue to be monitored as part of the Group's Enterprise Risk Management processes, supported by scenario analyses and sensitivity assessments aimed at quantifying potential economic, equity and financial impacts. The established quality of the customer portfolio, the efficiency of operational processes and the significant financial flexibility guaranteed by committed credit lines exceeding 1 billion euro and by additional instruments intended to cover short-term financial needs contribute to mitigating these risks.

EUROPEAN GREEN BOND (EUGB)

On 26 May, the Hera Group issued its first European Green Bond (EuGB), worth 500 million euro, repayable in 6 years with a coupon of 3.50% and a yield of 3.574%. The issue attracted a significant interest from international investors, in particular from Great Britain, France and Germany, receiving orders for approximately 3.6 billion euro (almost 7 times the amount offered). With this transaction, the Hera Group aims to finance strategic projects aimed at the green transition and aligned with the EU Taxonomy. Specifically, the investments will cover three main areas: the sustainable management of water resources and wastewater, the circular economy, with pollution prevention and control, energy efficiency and the upgrading of energy infrastructure.

RAVENNA ENVIRONMENTAL SECTOR

In the first half of 2026, the Ravenna Environmental Sector was officially completed, a hub dedicated to the circular economy and industrial waste management. The Eni Spa and Hera Spa project, launched in 2019, in particular by the respective subsidiaries Eni Rewind Spa and Herambiente Spa, represents a model based on industrial regeneration and the ecological transition: thanks to the environmental rehabilitation measures carried out by Eni Rewind Spa, the owner of the area, and a total investment of 100 million euro, a disused area of 26 hectares located within the Ravenna district has been reclaimed and reused for a new production development project.
The plants of the Ravenna Environmental Section will contribute to reducing the structural shortage of plants for the management of special waste in Italy and to maximising material recovery, reducing the use of landfills. In particular, the HEA Spa platform - a joint operation between HASI Srl (Herambiente Servizi Industriali Srl) and Eni Rewind Spa - represents one of the most important projects at national level in the integrated management of industrial waste: a multifunctional plant dedicated to the pre-treatment of special, solid and liquid waste from production and remediation activities.

Significant corporate operations

SOSTELIA

On 19 January 2026, the Hera Group entered into a binding agreement for the purchase of 100% of STA Spa (later renamed Sostelia Spa as the operating holding company of the relevant Group), a major Italian player in industrial and civil water technologies and treatment. Closing took place on 16 March 2026. With this transaction, Hera aims to further strengthen its leadership in the waste management sector, developing an integrated offer in the water treatment market, up to the treatment and disposal of liquid waste and sludge related to purification processes; in addition, aims to create a system of synergies with Herambiente Spa that increases the quality, efficiency and continuity of the services offered to public and private customers.

SEA SRL

On 9 March 2026, the Hera Group acquired control of SEA - Servizi Ecologici Ambientali Srl (SEA Srl), which operates a multifunctional special waste storage and treatment facility located in Camerata Picena (Ancona). The transaction relates to 52% of the share capital of SEA Srl, in addition to the 31% already acquired by the Group in 2021. The purchase forms part of the framework agreement signed between the parties and took place following SEA Srl's receipt of authorisation to revamp the entire Camerata Picena plant complex, creating a centre of environmental excellence for central Italy.

Other corporate operations

HELISA SRL

On 20 February 2026, the special-purpose vehicle Helisa Srl was established, which is 100% owned by Hera Spa. This special-purpose vehicle was established for the award of the concession, under a public private Partnership arrangement, for the design, construction and operation of a plant for the generation of electricity from renewable sources of energy ("Energy Park") to serve the Cineca Data Centre at the Bologna Technopole Area and an adjacent area designated for public green space ("Urban Forest").

Subsequent events

BIORG SRL

On 29 May 2026, Inalca Spa, a minority shareholder of Biorg Srl, expressed its intention to exercise the put option relating to the entire stake held by it in the company, equal to 30% of the share capital. The transfer of the aforementioned shareholding to Herambiente Spa was completed in July 2026. Consequently, as of the date of the transfer, the Group holds 100% of the share capital of Biorg Srl. However, the company has already been included in the Hera Group since the first consolidation with a 100% interest by virtue of the aforementioned put option in favour of the minority shareholders, as established by the contractual agreements signed between the parties, and, consequently, the financial outlay was already fully reflected in the net financial position of the Hera Group.

DATA PROTECTION

During the month of July 2026, the Italian Data Protection Authority adopted measures against the Group in connection with certain data processing activities carried out in the context of credit checks on potential energy business customers. These measures resulted in the imposition of fines totalling 7.2 million euro, which had already been provided for in the financial statements in prior years. The Group is thoroughly analysing the content and grounds of the aforementioned measures, also in light of the steps already implemented and the favourable elements acknowledged by the Authority, while reserving the right to evaluate every appropriate course of action before the competent authorities, including the possible filing of a challenge within the statutory deadlines.

1.02.02 Alternative performance measures

ALTERNATIVE PERFORMANCE MEASURES (APMS)

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 statement of financial position. In accordance with the guidelines published on 4 March 2021 by the European securities and markets authority and in keeping with the provisions of Consob communication no. 5/21 of 29 April 2021, the content of and the criteria used in defining the APMs used in this report, if present, are explained below. Any operating, financial and tax special items are described below, as are any adjustments related to management (managerial adjustments) considered to be useful in understanding the results.

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

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

The managerial adjustments indicated in the calculation of the single APMs are described, if present, in a specific table provided in the section below entitled "Reconciliation of special items with consolidated financial statements", as are any operating, financial and tax special items.

ECONOMIC INDICATORS AND INVESTMENTS

Revenue corresponds to the revenue reported in the consolidated statement of profit or loss.
Adjusted revenue is calculated by adding or subtracting managerial adjustments and special items from the revenue reported in the consolidated statement of profit or loss.
EBITDA is calculated as the sum of revenue, other income, raw and other materials, service costs, personnel costs, other operating expenses and capitalised costs.
Adjusted EBITDA (hereinafter referred to as EBITDA*) is calculated based on EBITDA, as described above, adding or subtracting managerial adjustments and special items.
EBIT is calculated by adding depreciation, amortisation, provisions and impairment losses to EBITDA. This indicator corresponds to the operating profit or loss in the consolidated statement of profit or loss.
Adjusted EBIT (hereinafter EBIT*) is calculated based on the EBIT, as described above, adding or subtracting any managerial adjustments and special items.
The **pre-tax profit or loss** corresponds to the pre-tax profit or loss shown in the consolidated statement of profit or loss.
The **adjusted pre-tax profit or loss** is calculated by adding or subtracting managerial adjustments and special items to/from the pre-tax profit or loss described above.
Profit (loss) for the period corresponds to the profit or loss for the period shown in the consolidated statement of profit or loss.
Adjusted profit (loss) for the period is calculated by adding or subtracting special items and managerial adjustments from the profit (loss) for the period described above.

Adjusted EBITDA on adjusted revenue, the **adjusted EBIT on adjusted revenue** and a**djusted profit (loss) for the period on adjusted revenue** measure the Group's operating performance as a proportion, expressed as a percentage, of adjusted EBITDA, the adjusted EBIT and adjusted profit (loss) for the period divided by the adjusted revenue.
Capital expenditure (CapEx) is the sum of investments in property, plant and equipment, intangible assets and equity investments (as per the notes in section 2.02.05 Investing activities), net of the capital grants received.

CAPITAL AND FINANCIAL INDICATORS

Net non-current assets are calculated as the sum of: property, plant and equipment, right-of-use assets, intangible assets, goodwill, equity-accounted investees, other equity investments, 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 and contract assets and liabilities (as per 2.01.03 Statement of financial position).
Provisions are defined as the sum of the items employee benefits and provisions in 2.01.03 Statement of financial position.
Net invested capital is defined by calculating the sum of net non-current assets, net working capital and provisions, as described above.
The **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 equity.

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

OPERATING APMS AND INVESTMENTS (MLN€)	JUN-26	JUN-25*	CHANGE	CHANGE %
Adjusted revenue	6,494.6	6,645.0	(150.4)	(2.3%)
Adjusted EBITDA	715.5	665.5	50.0	7.5 %
Adjusted EBITDA/adjusted revenue	11.0 %	10.0 %	1 p.p.	- %
Adjusted EBIT	386.5	337.0	49.5	14.7 %
Adjusted EBIT/adjusted revenue	6.0 %	5.1 %	0,9 p.p.	- %
Adjusted profit for the period/adjusted revenue	245.8	216.6	29.2	13.5 %
Adjusted profit (loss) for the period/ adjusted revenue	3.8 %	3.3 %	0,5 p.p.	- %
CapEx	457.6	394.5	63.1	16.0 %

* The comparative period indicators have been restated, in respect of the figures published as of June 30, 2025, where affected, to reflect the adjustments presented in the following section, Reconciliation of special item with consolidated financial statement.

FINANCIAL APMS (MLN€)	JUN-26	DEC-25	CHANGE	CHANGE
Net non-current assets	9,354.4	8,980.7	373.7	4.2 %
Net working capital	49.3	143.7	(94.4)	(65.7%)
Provisions	(782.7)	(780.3)	(2.4)	0.3 %
Net invested capital	8,621.0	8,344.1	276.9	3.3 %
Net financial debt	4,248.6	3,944.4	304.2	7.7 %
Sources of financing	8,621.0	8,344.1	276.9	3.3 %

Reconciliation of special items with consolidated financial statements

The statements of profit or loss presented in the remainder of the Report on Operations have been adjusted according to methods deemed by management to represent the performance and facilitate comparability of the Group's operating profitability over the period. Specifically, in order to provide a more meaningful representation of the Group's financial performance, management deemed it appropriate to present a management view alongside the accounting data. This improves comparability between periods and isolates certain effects (special items) not directly attributable to ordinary business dynamics. This presentation allows for a clearer understanding of the Group's financial performance, eliminating temporary factors from the comparison.

Specifically, management restated the consolidated statement of profit or loss figures as of June 30, 2026, and June 30, 2025, excluding, on the one hand, the temporary effects recognized in 2026 and 2025 from the Last Resort Gas Supply Service, and, on the other, certain non-recurring positive components recognized in the first half of 2025 in regulated businesses. The Last Resort Gas Supply Service is a regulated service, introduced by ARERA, awarded through public tender procedures managed by the Single Buyer on a macro-regional basis. In the period from October 1, 2023, to September 30, 2025, Hera Comm was awarded almost all of the territorial areas subject to the Last Resort Supply (FUI) procedure, benefiting from a significant contribution in terms of volumes, revenues, and margins over the two-year period. The failure to continue the service in the period following the expiration of the contract has led to a significant discontinuity, making it appropriate to neutralize these effects to assess the actual evolution of the business on a homogeneous basis.

Furthermore, in regulated businesses, the 2025 statement of profit or loss benefited from positive components related, in whole or in part, to specific regulatory changes deemed non-recurring. These effects mainly include:

- the recognitions connected to Arera resolution 87/2025, regarding compliance with rulings of the Council of State regarding tariffs for natural gas distribution and measurement services, with specific reference to the determination of the operating costs recognized for the 2020-2025 regulatory period;
- the impacts resulting from Arera Resolution 130/2025, which redefined the criteria for revaluing capital costs for infrastructure services in the electricity and gas sectors, defining common parameters applicable to regulated services subject to the Ross regulation;
- tariff recoveries connected to the recognition of past inflationary effects on the water cycle.

The overall management adjustment is therefore aimed at restoring consistency in comparisons between periods, eliminating elements that do not reflect the Group's current ability to generate results through ordinary operations. Net of these effects, performance highlights growth more directly attributable to business development and the quality of industrial and commercial management.

The following table shows the reconciliation between the consolidated statement of profit or loss and the management statement of profit or loss.

	JUNE 26			JUNE 25		
MILLION EUROS	CONSOLIDATED STATEMENT OF PROFIT OR LOSS	SPECIAL ITEM	MANAGEMENT STATEMENT OF PROFIT OR LOSS *	CONSOLIDATED STATEMENT OF PROFIT OR LOSS	SPECIAL ITEM	MANAGEMENT STATEMENT OF PROFIT OR LOSS *
Revenue	6,505.8	(11.2)	6,494.6	6,786.2	(141.2)	6,645.0
Other income	95.5		95.5	78.2		78.2
Raw and other materials	(3,651.2)		(3,651.2)	(3,970.0)	65.0	(3,905.0)
Service costs	(1,873.2)		(1,873.2)	(1,816.4)	20.0	(1,796.4)
Personnel costs	(381.3)		(381.3)	(360.8)		(360.8)
Other operating expenses	(38.4)		(38.4)	(42.9)		(42.9)
Capitalised costs	69.5		69.5	47.4		47.4
EBITDA	**726.7**	**(11.2)**	**715.5**	**721.7**	**(56.2)**	**665.5**
Depreciation, amortisation, provisions and impairment losses	(329.0)		(329.0)	(338.5)	10.0	(328.5)
EBIT	**397.7**	**(11.2)**	**386.5**	**383.2**	**(46.2)**	**337.0**
Net finance expenses	(44.7)		(44.7)	(39.2)		(39.2)
Share of profits pertaining to joint ventures and associates	6.9		6.9	7.2		7.2
Pre-tax profit	**359.9**	**(11.2)**	**348.7**	**351.2**	**(46.2)**	**305.0**
Income tax expense	(106.2)	3.3	(102.9)	(101.8)	13.4	(88.4)
Profit for the period	**253.7**	**(7.9)**	**245.8**	**249.4**	**(32.8)**	**216.6**
Attributable to:						
Owners of the parent	235.5	(7.9)	227.6	229.3	(32.8)	196.5
Non-controlling interests	18.2		18.2	20.1		20.1

*refers to adjusted statement of profit or loss items as previously defined. Please note that the adjustments introduced for the comparison period resulted in a restatement of the figures published as of June 30, 2025.

With reference to the first half of 2025, the following adjustments were made:

- the economic components attributable to the Gas Last Resort Supply Service that influenced the profit of the period in the energy line, represented by Revenue of 118.1 million euros, Raw and other materials of 65.0 million euros, Service costs of 20.0 million euros, Accruals to the loss allowance of 10.0 million euros, with a consequent tax effect of 6.7 million euros;
- the effects resulting from the introduction of the aforementioned tariff recognitions which also influenced the profit of the period in the Networks line to the extent of Revenue of 23.1 million euros, with a consequent tax effect of 6.7 million euros.

With reference to the first half of 2026, Revenue was adjusted by 11.2 million euros in relation to the residual equalization components of the last resort gas supply service, with a consequent tax effect of 3.3 million euros.

1.02.03 Financial results and investments

Please note that in this paragraph and in the subsequent information relating to the business lines, presented in paragraph 1.03.03, the adjusted values previously defined are commented on, unless otherwise indicated.

INCREASING FINANCIAL RESULTS AND INVESTMENTS

The results achieved in the first half of 2026 highlight the Hera Group's ability to operate effectively even in a macroeconomic and geopolitical context characterised by elements of uncertainty. The continuation of international tensions and the volatility of the energy markets did not affect operations, which recorded an improvement in gross margins and operating profit compared to the first half of 2025, confirming the solidity of the business model and the constant generation of value. Indeed, EBITDA stood at 715.5 million euro, an increase of 7.5%; EBIT increased by 14.7%, and profit for the period increased by 13.5%. In terms of operating investments, the Hera Group also recorded significant growth this half-year, equal to 23.3% compared to the previous year, confirming the Group's commitment to strengthening the resilience of the assets under management and promoting their technological evolution in support of the environmental transition.

The group's business strategy, based on a balance between regulated and free-market activities, remains a key element for addressing the uncertainties and challenges anticipated for the remainder of 2026. The diversification of businesses and the ability to promptly seize the opportunities offered by the market make it possible to pursue the industrial growth and sustainability objectives defined by the Business Plan, confirming the solidity and flexibility of the Group's business model.

With reference to growth opportunities through external lines, during 2026 the Hera Group further strengthened its presence in waste management by expanding the scope of consolidation through the operations described below:

- the acquisition of the Sostelia Group, one of Italy's leading operators specialising in industrial and civil water treatment technologies and services;
- the acquisition of control of Servizi Ecologici Ambientali (SEA) Srl, which operates a multifunctional special waste storage and treatment facility located in Camerata Picena (Ancona).

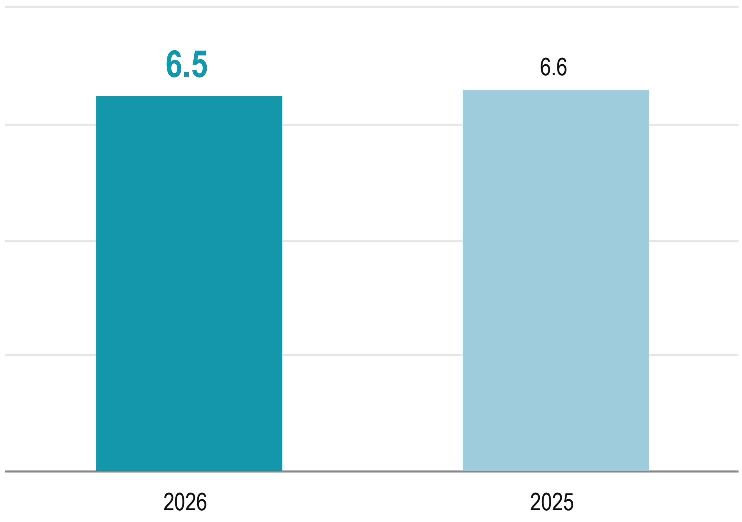
Finally, with respect to the comparison period, it is worth noting the contribution of Ambiente Energia Srl, a major company operating in the treatment of industrial liquid waste through its plant in Schio, which was consolidated after the first half of 2025.

The following table shows adjusted operating profit or loss as at 30 June 2026 and 2025:

STATEMENT OF PROFIT OR LOSS (MLN€)	JUN-26*	% INC.	JUN-25*	% INC.	CHANGE	CHANGE %
Revenue	6,494.6		6,645.0		(150.4)	(2.3%)
Other income	95.5	1.5 %	78.2	1.2 %	17.3	22.1 %
Raw and other materials	(3,651.2)	(56.2%)	(3,905.0)	(58.8%)	(253.8)	(6.5%)
Service costs	(1,873.2)	(28.8%)	(1,796.4)	(27.0%)	76.8	4.3 %
Other operating expenses	(38.4)	(0.6%)	(42.9)	(0.6%)	(4.5)	(10.5%)
Personnel costs	(381.3)	(5.9%)	(360.8)	(5.4%)	20.5	5.7 %
Capitalised costs	69.5	1.1 %	47.4	0.7 %	22.1	46.6 %
EBITDA	**715.5**	**11.0 %**	**665.5**	**10.0 %**	**50.0**	**7.5 %**
Depreciation, amortisation, provisions and impairment losses	(329.0)	(5.1%)	(328.5)	(4.9%)	0.5	0.2 %
EBIT	**386.5**	**6.0 %**	**337.0**	**5.1 %**	**49.5**	**14.7 %**
Net finance expense	(44.7)	(0.7%)	(39.2)	(0.6%)	5.5	14.0 %
Share of profits pertaining to joint ventures and associates	6.9	0.1 %	7.2	0.1 %	(0.3)	(4.2%)
Pre-tax profit	**348.7**	**5.4 %**	**305.0**	**4.6 %**	**43.7**	**14.3 %**
Income tax expense	(102.9)	(1.6%)	(88.4)	(1.3%)	14.5	16.4 %
Profit for the period	**245.8**	**3.8 %**	**216.6**	**3.3 %**	**29.2**	**13.5 %**
Attributable to:						
Owners of the parent	227.6	3.5 %	196.5	3.0 %	31.1	15.8 %
Non-controlling interests	18.2	0.3 %	20.1	0.3 %	(1.9)	(9.5%)

* Adjusted results are intended as highlighted in paragraph 1.02.02 Reconciliation of special items with consolidated financial statement

Revenue* (bn€)



In the first half of 2026, revenue decreased by 2.3%, representing a difference of 150.4 million euro compared to the same period of the previous year. The energy sectors show a decrease of approximately 290 million euro, mainly due to the lower consumption by the customer base.

Revenue increased both in network services, mainly due to the development of contracts for assets under concession, and in the waste management business line, due to the significant expansion in the recovery market, growth in the industrial market due to both the development in the remediation business and the company acquisitions mentioned above. Finally, higher revenue was reported in the urban waste service, due to both inflation adjustments across all the areas managed and increased supplementary services required in the tender areas. Overall, the above-mentioned effects contribute approximately 140 million euro to higher revenue.

For further details, see the analyses of each individual business line in chapter 1.03.

Other income in June 2026 was up by 17.3 million euro compared to the same period in 2025. This trend is mainly attributable to higher insurance recoveries, mainly related to the fire at the Imola cogeneration plant in November 2024, to which are added higher revenue for energy efficiency certificates as indicated in chapter 1.03.01.

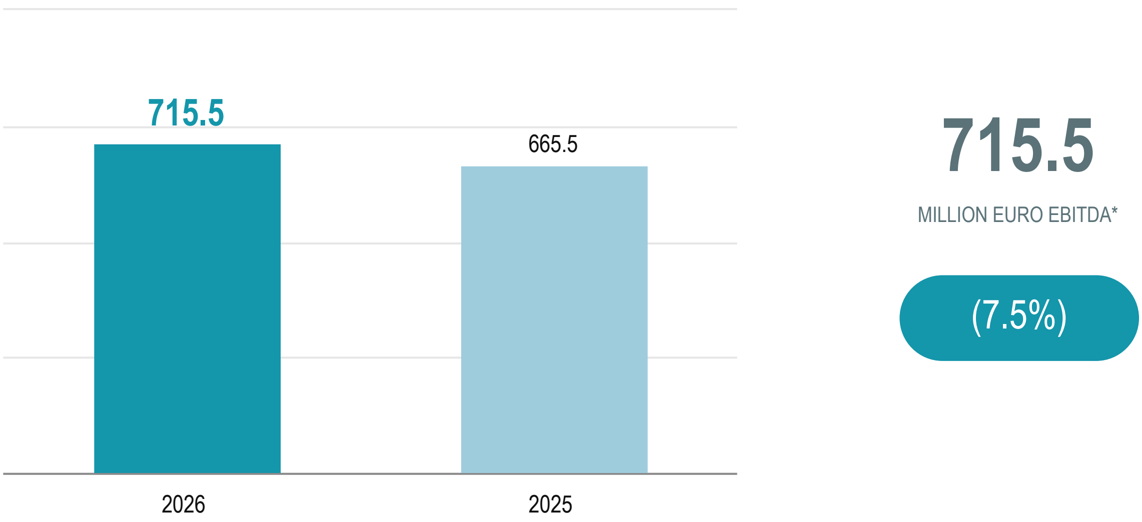
Costs for raw and other materials dropped by 253.8 million euro compared to June 2025. The reduction is mainly attributable to the lower costs incurred in the energy business, in line with what was previously said about revenue, partially offset by the increase in costs associated with higher orders relating to goods under concession and the expansion of the Group's scope through acquisitions made in the waste management business line.

Other operating costs rose by 72.3 million euro (higher service costs amounting to 76.8 million euro and lower operating expenses coming to 4.5 million euro). Higher costs were related to orders on goods under concession amounting to approximately 50 million euro. Costs related to gas transport and storage decreased, mainly due to the reduction in volumes sold to end customers. Finally, attention is drawn to the higher costs of the waste management business line, related to increased remediation activities, the expansion of the consolidation scope already mentioned, as well as higher costs for the development of new sorted waste collection projects and supplementary services required in the tender areas as regards urban waste collection.

Personnel costs increased by 5.7% compared to June 2025 and amounted to 20.5 million euro. This increase is mainly related to salary increases under the national collective bargaining agreement, to company acquisitions made in the environment business line and to the higher average attendance recorded in the first half of 2026.

Capitalised costs totalled 69.5 million euro in June 2026, up compared to the previous year due to higher capitalised works on Group-owned assets.

EBITDA* (mln/€)

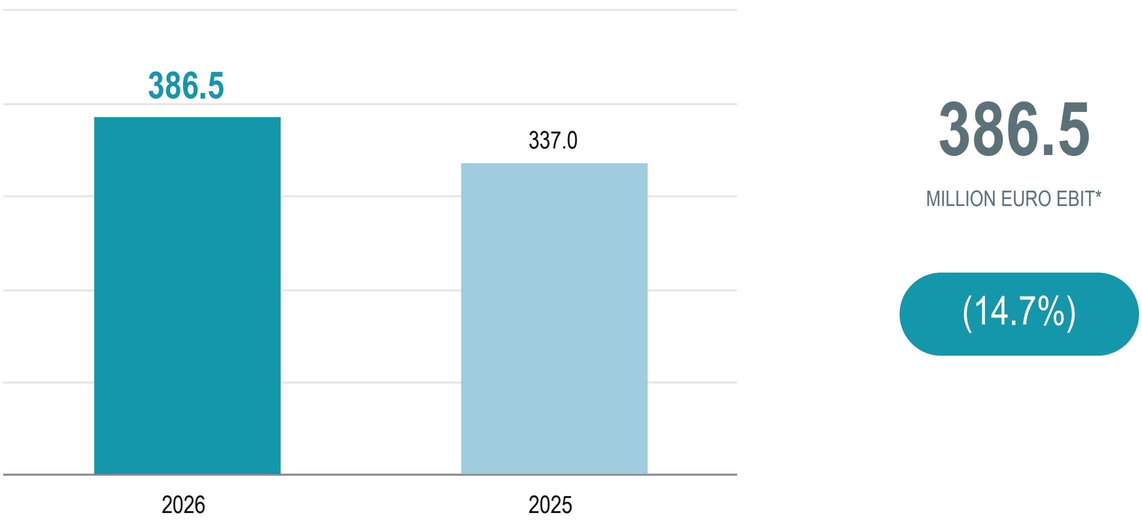


EBITDA stood at 715.5 milion euro, up 7.5% and amounting to 50.0 million euro compared to June 2025. Of particular note are the positive contribution of the energy business line, amounting to 31.4 million euro, of the networks business line, amounting 15.7 milion euro, in addition to the strong performance of the waste management business line, up by 3.1 million euro.

For further details, see the analyses of each individual business line.

Depreciation, amortisation and provisions as at 30 June 2026 increased overall by 0.5 million euro compared with the previous year, equal to 0.2%. Higher amortisation was mainly due to new operating investments, in particular in the regulated segments, and to company acquisitions made in the environment business line. Accruals to the loss allowance decreased, mainly in the gas safeguard and default markets.

EBIT* (mln€)



EBIT amounted to 386.5 million euro, up by 14.7% compared to June 2025. The increase in EBITDA is slightly contained by the reduction in the depreciation, amortisation, provisions and impairment losses component, as described above.

The net finance expense increased by 5.5 million euro compared to the previous year, mainly due to the impacts of the management of financial lines amounting to 4.2 million euro (due to lower income from cash holdings), lower income from the discounting of tax credits relating to bonus-incentivised works amounting to about 3.4 million euro, and charges relating to the ticking fee of 4.4 million euro linked to the acquisition of the Sostelia Group in March 2026. These effects were partially mitigated by 6.8 million euro, due to the absence of discounting charges relating to the Ascopiave put option paid in June 2025.

The share of profits pertaining to joint ventures and associates include the effects of the measurement using the equity method for the companies included in the scope of consolidation. At June 2026, these amounted to 6.9 million euro, down 0.3 million euro compared to the same period of the previous year.

The pre-tax profit showed an increase of 14.3% compared to June 2025, since the result deriving from EBIT was accompanied by the trend in the net finance result and the companies valued according to the equity method, as mentioned above.

Accrued taxes for the first half of 2026, estimated on the basis of tax expectations for the entire fiscal year, amounted to 102.9 million euro, compared to 88.4 million euro in the first half of 2025. The tax rate was 29.5%, up from 29.0% in the corresponding period of 2025. The change in the tax rate, compared to the corresponding period, is mainly attributable to the 2% increase in the IRAP rate for Group companies operating in the energy business, following the entry into force of Decree-Law 21/2026 (the "Bills Decree"). However, this increase is offset by the tax opportunities that the Group believes it can seize, especially with reference to eligible investments (hyper-depreciation) in the areas of digitalisation and energy performance, as well as in the qualification of Hera Spa as an industrial holding company, and element which allows it to obtain certain advantages for IRAP purposes.

In summary, the overall effects of the dynamics described above led to an increase in net profit of 29.2 million euro or 13.5% compared to the figure recorded in June 2025.

CAPITAL EXPENDITURE (CAPEX) RISES TO 457.6 MILLION EURO

During the first half of 2026, the Group's capital expenditure (CapEx) amounted to 457.6 million euro, up 63.1 million euro compared to the same period of the previous year. Net operating investments increased by a total of 62.3 million euro, and this increase is mainly recorded in investments in the networks and waste management business lines.

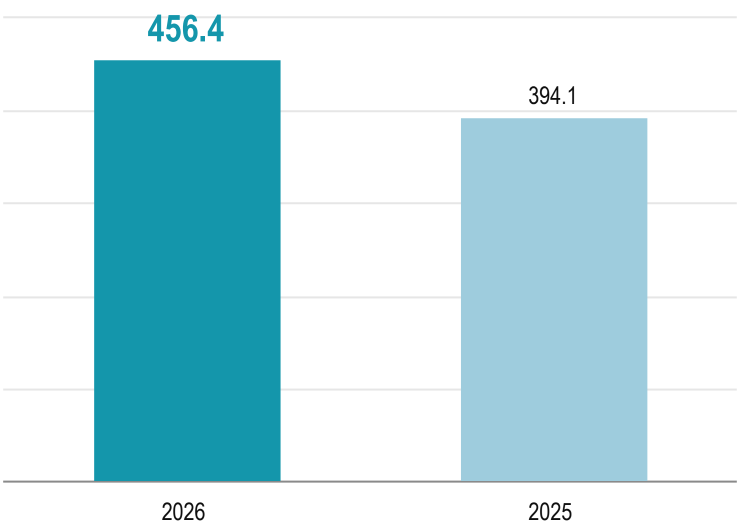
Capital grants amounted to 54.1 million euro and were up by a total of 34.3 million euro compared to the previous year. Among the grants, 13.7 million euro derive from FoNI investments, as established by the tariff method for the integrated water service, and 38.2 million euro from grants for works financed by the NRRP.
Including capital grants, the Group's operating investments stood at 510.5 million euro, up 96.5 million euro over the previous year.

The business lines' operating investments mainly refer to works on plants, networks and infrastructure, and include structural investments concerning works on corporate buildings, IT systems and the vehicle fleet, as well as laboratories and remote control structures.

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

TOTAL INVESTMENTS (MLN€)	JUN-26	JUN-25	CHANGE ABS.	CHANGE %
Networks business line	336.6	269.8	66.8	24.8 %
Energy business line	55.4	51.7	3.7	7.2 %
Waste management business line	111.4	87.5	23.9	27.3 %
Other services business line	7.1	5.0	2.1	42.0 %
Total gross operating investments	**510.5**	**414.0**	**96.5**	**23.3 %**
Capital grants	54.1	19.8	34.3	173.2 %
of which FoNI (Fund for New Investments)	13.7	4.2	9.5	226.2 %
of which NRRP	38.2	15.4	22.8	148.1 %
of which other grants	2.2	0.2	2.0	100.0 %
Total net operating investments	**456.4**	**394.1**	**62.3**	**15.8 %**
Financial investments	1.2	0.4	0.8	200.0 %
Total capital expenditure (CapEx)	**457.6**	**394.5**	**63.1**	**16.0 %**

Total net operating investments (mln/euro)



456.4

MILLION EURO NET OPERATING INVESTMENTS

(+15.8%)

1.02.04 Financial structure and adjusted net financial debt

What follows in an analysis of trends in the Group's net invested capital and sources of financing as at 30 June 2026.

INVESTED CAPITAL AND SOURCES OF FINANCING (MLN€)	30-giu-26	% INC.	31-dic-25	% INC.	CHANGE ABS.	% CHANGE
Net non-current assets	9,354.4	108.5 %	8,980.7	107.6 %	373.7	4.2 %
Net working capital	49.3	0.6 %	143.7	1.7 %	(94.4)	(65.7%)
Provisions	(782.7)	(9.1%)	(780.3)	(9.4%)	(2.4)	0.3 %
Net invested capital	**8,621.0**	**100.0 %**	**8,344.1**	**100.0 %**	**276.9**	**3.3 %**
Equity	4,372.4	50.7 %	4,399.7	52.7 %	(27.3)	(0.6%)
Non-current net financial debt	4,833.6	56.1 %	4,228.5	50.7 %	605.1	14.3 %
Net current financial debt	(585.0)	(6.8%)	(284.1)	(3.4%)	(300.9)	105.9 %
Net financial debt	4,248.6	49.3 %	3,944.4	47.3 %	304.2	7.7 %
Total sources of financing	**8,621.0**	**100.0 %**	**8,344.1**	**100.0 %**	**276.9**	**3.3 %**

At 8,621.0 million euro, net invested capital (NIC) increased by 276.9 million euro compared to 31 December 2025. This change is primarily due to the increase in net non-current assets, driven by significant investment in development and maintenance, as well as by corporate transactions carried out during the period, including the acquisition of a controlling stake in the Sostelia Group, a major privately owned Italian player in industrial and civil water technologies and treatment, and the acquisition of a further 52% stake in SEA - Servizi Ecologici Ambientali Srl, a company operating in the management and treatment of special waste, thereby bringing the Group's stake to 83% of the share capital.

At the end of June 2026, net working capital amounted to 49.3 million euro, down by 94.4 million euro compared to 143.7 million euro at the end of 2025. The change is mainly attributable to the reduction in tax credits relating to the incentive works, as a result of the tax offsets made in the period, and to the deferred liabilities for the collection of Nrrp funds. As regards the amount of trade receivables, no critical issues appeared in the performances of collections.

In 2026, provisions amounted to 782.7 million euro, in line with the figure of 780.3 million euro recorded at the end of the previous year. This result is the consequence of the provisions made during the period, which offset the drawdowns, primarily relating to provisions for post-closure landfill liabilities and for waste disposals.

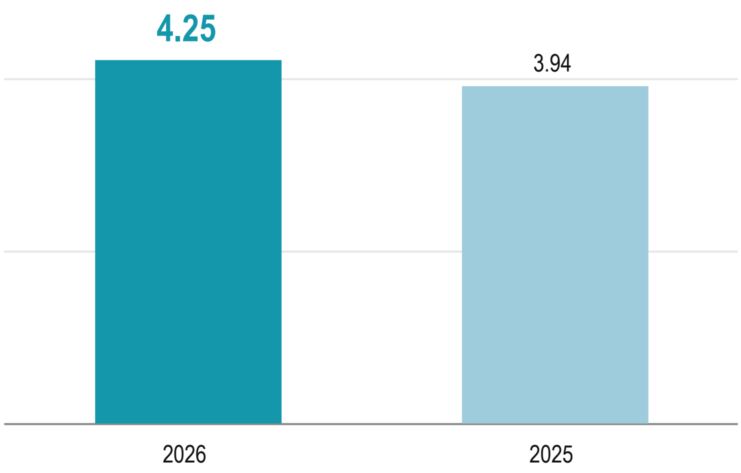
Equity goes from 4,399.7 million euro in December 2025 to 4,372.4 million euro in June2026. Equity strengthens the Group's solidity thanks to the net operating profit of 253.7 million euro for the first six months of the year, which, to a large extent, contributed to offsetting the distribution of dividends of 270.9 million euro.

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

MLN€	30-JUN-26	31-DEC-25
Cash	1,294.4	845.3
Cash equivalents	-	-
Other current financial assets	138.9	75.1
Liquidity	**1,433.3**	**920.4**
Current financial debt	(379.9)	(226.9)
Current portion of non-current financial debt	(466.9)	(408.0)
Current financial debt	**(846.8)**	**(634.9)**
Net current financial debt	**586.5**	**285.5**
Non-current financial debt	(996.6)	(864.2)
Debt instruments	(3,931.6)	(3,485.0)
Non-current trade and other payables	-	-
Non-current financial debt	**(4,928.2)**	**(4,349.2)**
Total financial debt	**(4,341.7)**	**(4,063.7)**
Non-current financial receivables	147.3	151.8
Net financial debt (excluding option to sell)	**(4,194.4)**	**(3,911.9)**
Nominal amount - fair value option to sell	(49.0)	(27.4)
Net financial debt with adjusted option to sell (Adj net debt put option)	**(4,243.4)**	**(3,939.3)**
Portion of future dividends - fair value option to sell	(5.2)	(5.1)
Net financial debt (Net debt)	**(4,248.6)**	**(3,944.4)**

Total net financial debt amounted to 4,248.6 million euro, up by around 304.2 million euro compared to 31 December 2025.
The financial structure shows a total current debt of 846.8 million euro, up 211.9 million euro from the December 2025 figure, and includes bank debt, accrued interest expenses on financial debt, and other liabilities.
Non-current financial debt amounted to 4,928.2 million euro, an increase of approximately 579.0 million euro compared to the previous period, primarily due to the new 500 million bond issued on 26 May 2026 and disbursed on 4 June 2026 and the new bank loans taken out by Hera Spa in January.
Cash increased from 845.3 million euro in 2025 to 1,294.4 million euro as at 30 June 2026, an increase of approximately 449.1 million euro due to the aforementioned bond issue, which was made to support the repayment of financial maturities in the second half of 2026.
As at 30 June 2026, 81% of non-current financial debt consisted of bonds with repayment at maturity. Non-current debt, 91% of which is at a fixed rate, has an average remaining term of approximately four years and five months. 46% of the debt matures in more than five years.

Net financial debt (Net debt) (bn€)



4.25

BILLION EURO NET FINANCIAL DEBT

1.03 ANALYSIS BY BUSINESS LINE

A MULTI-BUSINESS STRATEGY

With a view to continuously improving information for investors and stakeholders, the Hera Group has introduced, starting with the 2026 half-yearly financial report, an analysis of operating results for each business line, managed as an alternative to the historical representation based on strategic business areas (Gas, Electricity, Water Service, Environment and Other Services).

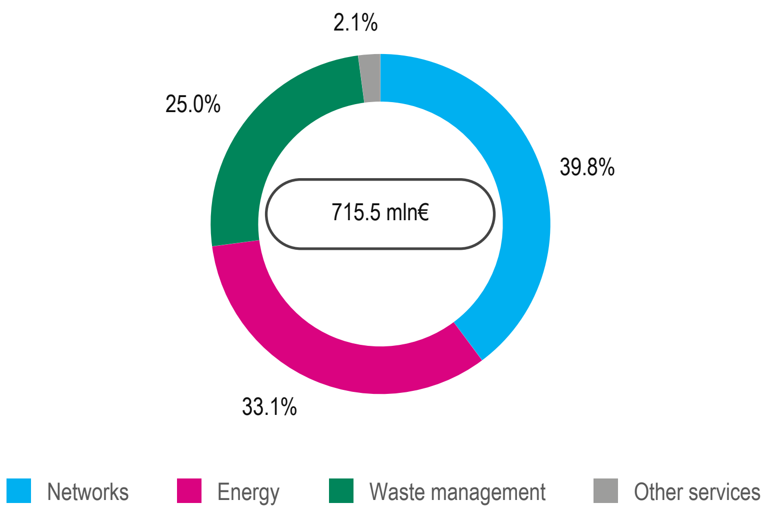
This representative model re-aggregates the individual services managed by the Group into four Business Lines:

- **Networks**: includes Gas and Electricity Distribution, District Heating and Water Cycle services. This latter includes aqueduct, purification and sewage services;
- **Energy**: includes the Sale of Natural Gas and Electricity, Energy Services, Energy Production and Public Lighting;
- **Waste Management**: includes Waste Collection, Treatment, Recovery and Disposal services;
- **Other services**: includes Telecommunications and other minor services.

The transition to the business line model ensures a representation that is consistent with the strategic and forward-looking views with which the Group draws up its business plans and with which results are presented to investors, thus facilitating a more immediate understanding of the drivers with which the Hera Group governs the evolution of its business portfolio and pursues industrial efficiencies.

In order to ensure full comparability of trends, the comparison period of the previous year has also been reclassified according to the business line model.

EBITDA* June 2026



The Group's statements of profit or loss include corporate headquarters costs and account for economic transactions between business lines at arm's length.

The following analyses of each individual business line take into account all increased revenue and costs, having no impact on EBITDA, related to the application of IFRIC 12. Natural gas distribution services, electricity distribution services, all integrated water cycle services, waste collection services and public lighting services are affected by this standard.

The value of the EBITDA allocated among the business lines reflects the adjusted results as highlighted in paragraph 1.02.02 "Alternative performance measures", in the section Reconciliation of special items with consolidated financial statements.

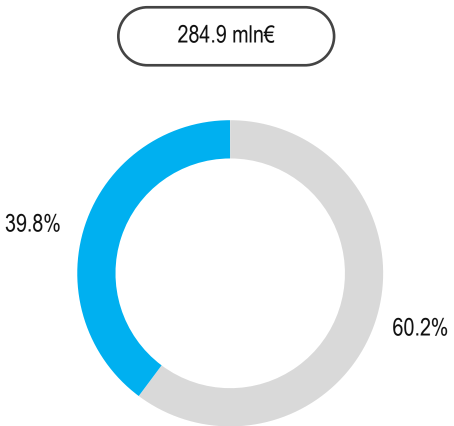
1.03.01 Networks

The results of the first half of 2026 of the Networks business line show an upward trend compared to the same period of the previous year, with EBITDA of 284.9 million euro, which contributes to the Group's results for 39.8%. The regulation is determined by the Italian Energy, Networks and Environment Regulatory Authority (ARERA), which annually provides, for each operator, for the recognition of a certain amount of revenue to cover efficient operating expenses and capital costs, guaranteeing both adequate remuneration and the reimbursement of the depreciation amount released annually; measures are also provided to promote and enhance the sustainability and resilience of the areas served.

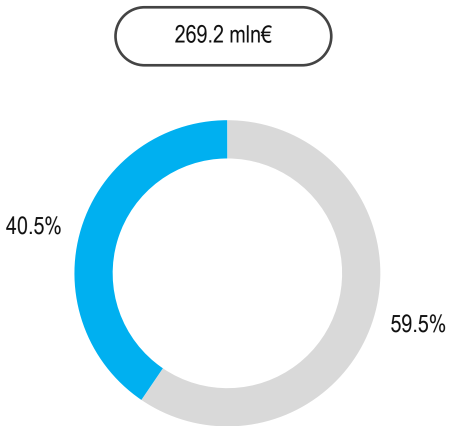
From a regulatory point of view, note that the year 2026:

- for the Water service, is the third year in which the tariff method defined by the Authority for the fourth regulatory period (MTI-4), 2024-2029 (resolutions 639/2023/R/idr and biennial update 582/2025/R/idr) was applied. MTI-4, among other new elements, calls for the component covering the cost of electricity, which has been subject to significant fluctuations in recent years, to be updated;
- for Gas distribution, it is the first year of the extension of the fifth regulatory period (resolution 737/22);
- for Electricity distribution, it is currently the sixth regulatory period, applied by means of resolution 616/23, which defined 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;
- for District Heating, it is currently the third year of extension of the transitional tariff method (580/2025/R/tlr).

EBITDA*, Networks business line 2026



EBITDA*, Networks business line 2025



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

(MLN/€)	JUN-26*	JUN-25*	CHANGE ABS.	CHANGE %
Business line EBITDA	**284.9**	**269.2**	**15.7**	**5.8 %**
Group EBITDA	715.5	665.5	50.0	7.5 %
Percentage weight	39.8 %	40.5 %	(0,7 p.p.)	

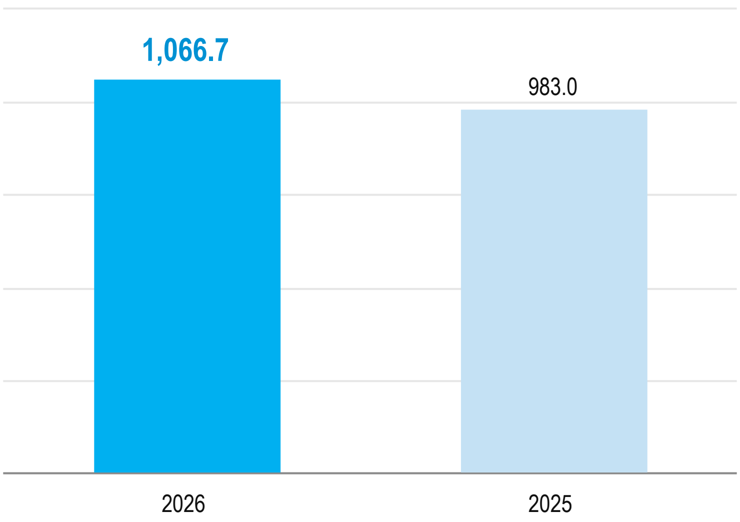
* Adjusted results, which present special items for the Networks business line only for the first half of 2025, are intended as highlighted in paragraph 1.02.02 Reconciliation of special items with consolidated financial statement

The following table summarises adjusted operating profit for the business line:

STATEMENT OF PROFIT OR LOSS (MLN/€)	JUN-26*	% INC.	JUN-25*	% INC.	CHANGE ABS.	CHANGE %
Revenue	1,066.7		983.0		83.7	8.5 %
Operating expenses	(651.9)	(61.1%)	(579.2)	(58.9%)	72.7	12.6 %
Personnel costs	(162.7)	(15.2%)	(158.6)	(16.1%)	4.1	2.6 %
Capitalised costs	32.8	3.1 %	24.1	2.5 %	8.7	36.1 %
EBITDA	**284.9**	**26.7 %**	**269.2**	**27.4 %**	**15.7**	**5.8 %**

* Adjusted results, which present special items for the Networks business line only for the first half of 2025, are intended as highlighted in paragraph 1.02.02 Reconciliation of special items with consolidated financial statement

Revenue* (mln/€)

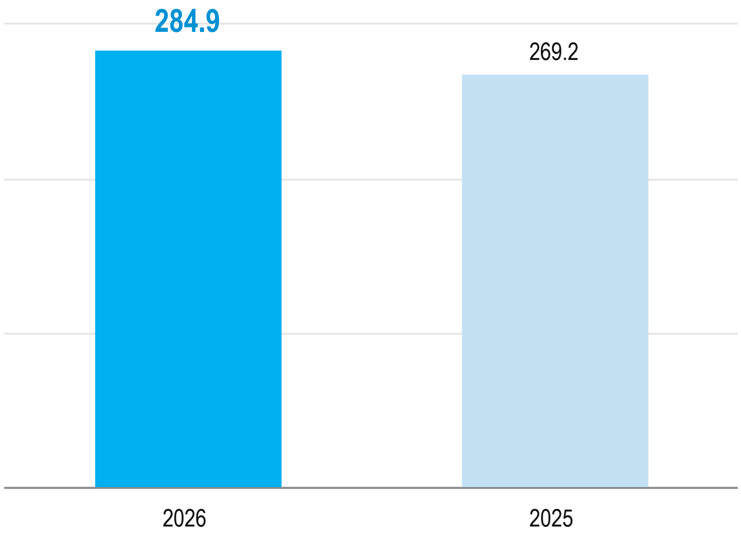


Revenue of the Networks business line increased by 8.5% year-on-year, going from 983.0 million euro in June 2025 to 1,066.7 million euro in June 2026. This trend is attributable to higher revenue from orders on goods under concession, amounting to about 42 million euro, recorded mainly in the integrated water service and gas, confirming the Group's ongoing commitment to network renewal and increased resilience works.
Regulated revenue benefits from growth in the Rab component, due to the significant investment commitment and ordinary inflation adjustments for 2026 in all managed services.
Finally, it should be noted that regulated revenue is recognised as a result of the aforementioned regulations in force and is independent of the volumes distributed, which nevertheless remain an indicator of the activity of the areas in which the Group operates.

There was also an increase in revenue from white certificates of approximately 10 million euro, also to the greater quantities requested in the obligation year 2026 as a result of the ministerial decree that redefined the national energy-saving targets for the period 2025-2030.
Further contributions came from higher revenue from connections and from district heating revenue, mainly linked to the increase in the amount of energy sold, for a total amount of approximately 3 million euro.

The increase in operating expenses in June 2026 is mainly attributable to the higher orders realised on goods under concession mentioned above, and to the increase in the prices of all major supplies of materials and services.

EBITDA* (mln/€)



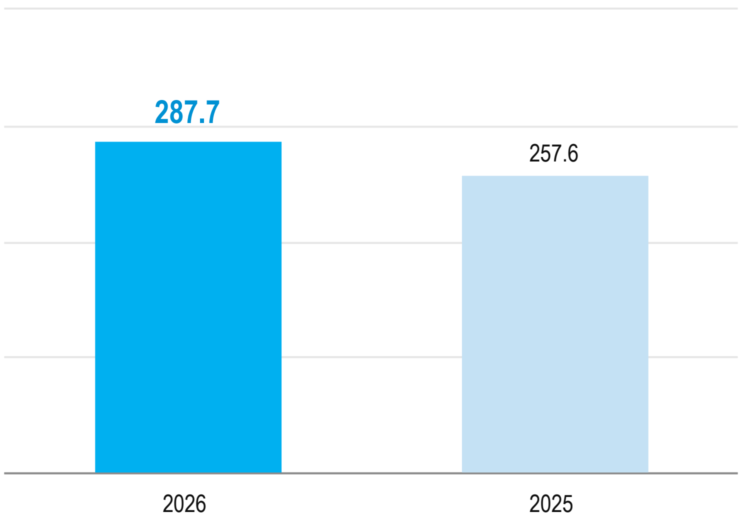
284.9

MILLION EURO
EBITDA*

(+5.8%)

EBITDA goes from 269.2 million euro in June 2025 to 284.9 million euro in the same period of 2026, up by 15.7 million euro, or 5.8%, attributable to an organic growth in all the network services, thanks to the recognition of the RAB and inflation. Specifically, the main changes are noted in the Water Service, with an increase of 5.2 million euro, followed by Electricity with an improvement in margins of 5.1 million euro, and Gas with an increase of 4.1 million euro.

Capital expenditure (CAPEX) Networks (mln/€)



287.7

MILLION EURO
CAPITAL EXPENDITURE
(CAPEX)

(+11.7%)

During the first half of 2026, capital expenditure (CAPEX) in the Networks business line amounted to 287.7 million euro, up 30.1 million euro compared to the same period of the previous year. Investments went towards extensions, remediation and upgrading on distribution networks and plants, as well as regulatory adjustments mainly in the gas distribution sector for the large-scale meter replacement and in the purification and sewage sector of the integrated water service.
Including the capital grants received, the investments made amounted to 336.6 million euro in works performed and increased by 66.8 million euro compared to the previous year, recording growth in all segments of the business line.
In particular, the main initiatives in the business line include, in the integrated water service, ongoing remediation activities on networks and connections related to ARERA resolution 917/2017 on the regulation of technical quality, as well as works on aqueduct networks financed with NRRP funds; ongoing installation of Smart Meters with a view to reducing network leakage, works to upgrade the Rimini PSBO sewerage network in the other areas served, as well as works to adapt discharges to Regional Government resolution 201/2016. Also of note are the construction of the new Power to gas plant at the IDAR purification plant in Bologna, as well as the upgrading and expansion on the Ravenna purification plant with these works financed through NRRP grants. Extraordinary maintenance on gas and electricity

distribution networks and plants also increased, in addition to the significant works carried out on district heating systems.
Requests for new connections were down on the previous year.

Capital grants, standing at 48.9 million euro, were up by 36.7 million euro over the previous year and included contributions from projects accessing NRRP funds for a total of 33.7 million euro, as well as 13.7 million euro from the tariff component of the tariff method for the Fund for New Investments (FoNI) of the water service.

Operating investments in the Networks business line were as follows:

NETWORKS (MLN/€)	JUN-26	JUN-25	CHANGE ABS.	CHANGE %
Plants and Networks	336.6	269.8	66.8	24.8 %
Total networks gross	**336.6**	**269.8**	**66.8**	**24.8 %**
Capital grants	48.9	12.2	36.7	300.8 %
of which FoNI (Fund for New Investments)	13.7	4.2	9.5	226.2 %
of which NRRP	33.7	7.7	26.0	337.7 %
of which other grants	1.5	0.2	1.3	650.0 %
Total networks net	**287.7**	**257.6**	**30.1**	**11.7 %**

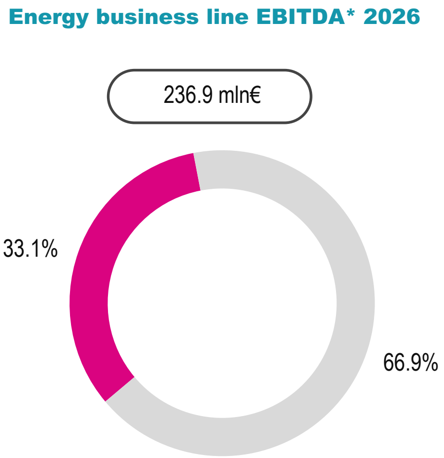
1.03.02 Energy

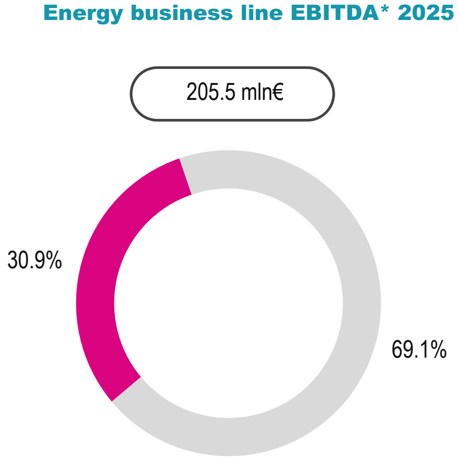
The results for the first half of 2026 show an increase compared to the previous year, with the Energy business line's share of the Group's EBITDA increasing from 30.9% in 2025 to 33.1%, mainly due to sales and brokerage activities, despite the reduced presence in the Markets of Last Resort.

In summary, Hera Comm was awarded:

- Natural gas:
  - all nine lots of the Default gas distribution service (for customers in arrears), for the period from 1 October 2025 to 30 September 2027, in: Valle d'Aosta, Piedmont, Liguria, Lombardy, Trentino-Alto Adige, Veneto, Friuli-Venezia Giulia, Emilia-Romagna, Tuscany, Umbria, Marche, Abruzzo, Molise, Basilicata, Apulia, 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 in the Consip GAS17 tender for supplying natural gas to public administrations from October 2025 in Lazio, Campania, Sicily and Calabria, compared to no lots awarded in the previous tender.

- Electricity:
  - seven of the nine lots for the Safeguard 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, winning five more lots than in the previous two-year period;
  - seven lots (the maximum allowed out of a total of 26) in the tender for the transitional protection scheme for domestic customers for the period from 1 July 2024 to 31 March 2027 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);
  - one of the 12 lots in the transitional protection scheme 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, Venice and Verona.
  - five of the 19 lots in the Consip EE23 tender for supplying electricity to public administrations in 2026 in: the Province of Rome, Lazio, Campania, Sicily and Calabria, with respect to one lot awarded in the previous tender.



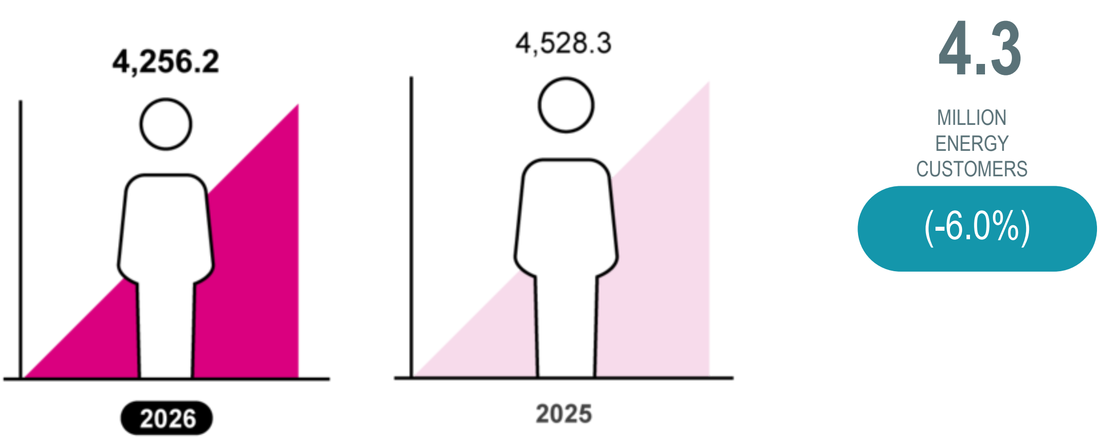


The following table shows the changes occurred in terms of EBITDA:

MLN€	JUN-26*	JUN-25*	CHANGE ABS.	CHANGE %
Business line EBITDA	**236.9**	**205.5**	**31.4**	**15.3 %**
Group EBITDA	715.5	665.5	50.0	7.5 %
Percentage weight	33.1 %	30.9 %	+2,2 p.p.	

(*) Adjusted results are intended as highlighted in paragraph 1.02.02 Reconciliation of special items with consolidated financial statement

Customers (k)



The following table shows the changes occurred in terms of number of customers:

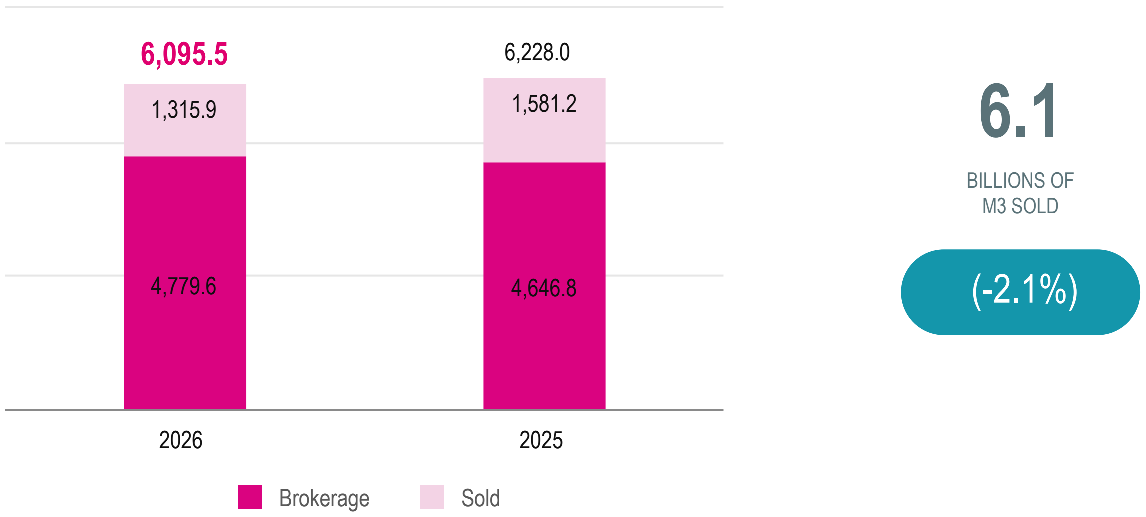
/000	JUN-26	JUN-25	CHANGE ABS.	CHANGE %
Energy business line customers	**4,256.2**	**4,528.4**	**(272.2)**	**(6.0%)**
Natural gas	1,787.6	1,952.6	(165.0)	(8.4%)
Electricity	2,468.6	2,575.8	(107.2)	(4.2%)

The Group's energy business line customers numbered 4,256.2 thousand, down 6.0% compared to the same period in 2025.

More specifically, the total number of gas customers is 165.0 thousand (-8.4%) lower, mainly in the traditional markets (down 98.9 thousand customers) due to strong competition from other operators, in the last resort markets (down 64.3 thousand customers), following the natural expiry of the tender for the last resort supply service for the period 1 October 2023 – 30 September 2025, and, finally, in the Consip tenders (down 1.8 thousand customers), as 2025 benefited from customers acquired through the 2024 tender, while 2026 is affected by the time lag between the allocation of the new lots and the actual start of supplies.
Customers for the sale of electricity decreased by 107.2 thousand (-4.2%), following the decrease in the Transitional protection scheme by 98.0 thousand, in Consip tenders customers by 5.4 thousand, due to the time lag already mentioned, and in Safeguard customers by 5.3 thousand, despite the increase in customers in the traditional markets by 1.5 thousand.

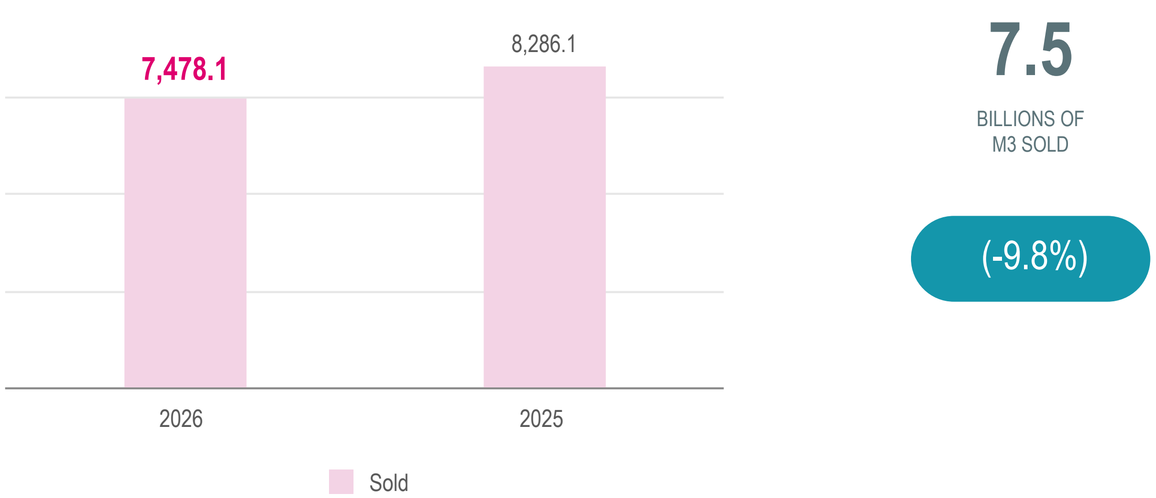
Customer appreciation and loyalty was confirmed, including the value-added services offered by the Group, which include the installation of photovoltaic panels and batteries, electric charging systems, e-bikes, scooters, boilers, air conditioners, thermostats, LED lights, and system service and repair, which were requested by more than 50 thousand customers in the first half of 2026.

Volumes of gas sold (mln/m3)



Total volumes of gas sold fell by 132.5 million m3, equal to 2.1%, due to a decrease in sales to end customers amounting to 265.3 million m3, equal to 16.8%, partly offset by an increase in trading amounting to 132.8 million m3. The decrease in sales activity is attributable to the Last Resort markets (down 106.9 million m3, or -70.3%), due to the aforementioned tender for the last resort supply service; to the Consip tenders (down 71.7 million m3, or -77.3%), due to the aforementioned delay in activating the new lots; and to the traditional markets (down 86.7 million m3, or -6.5%), due to the decline in the customer base and customers' energy-saving behaviour.

Volumes of electricity sold (GWh)



The volumes of electricity sold decreased by 808.0 GWh, equal to a downturn of 9.8%, compared to the same period of the previous year. This trend is driven by the resulting decrease in Consip tenders of 776.0 GWh (-80.0%), due to the aforementioned time lag in the activation of the new lots, in the Safeguard market of 126.2 GWh (-11.2%), and in the Transitional Protection Scheme (STG) of 58.3 GWh (-8.6%), which was in turn partially mitigated by an increase in the traditional markets of 152.5 GWh (+2.8%).

The main indicators for public lighting are as follows:

QUANTITY	JUN-26	JUN-25	CHANGE ABS.	% CHANGE
Public lighting				
Lighting points (k)	640	668	(28.0)	(4.2%)
of which LED	69.3 %	56.0 %	13.3	
Municipalities served	238	227	11.0	4.8 %

During the first half of 2026 the Hera Group acquired approximately 35.0 thousand lighting points in 16 new municipalities. From a geographical point of view, the most significant acquisition included approximately 9.0 thousand lighting points in Liguria, 6.1 thousand lighting points in Triveneto, 5.9 thousand lighting points in Marche, 5.0 thousand lighting points in Emilia-Romagna, 3.0 thousand lighting points in Apulia, 2.7 thousand lighting points in Lombardy and 2.2 thousand lighting points in Abruzzo. Lastly, note the acquisitions made in other regions, mainly in central Italy, amounting to roughly 1.1 thousand lighting points. The increases seen during the period only partially offset the loss of approximately 63.0 thousand lighting points and 5 municipalities, mainly in Emilia-Romagna and Triveneto.

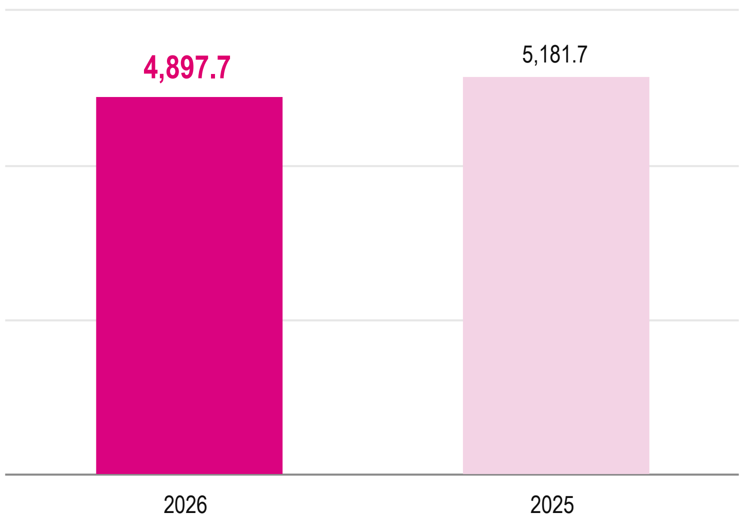
The percentage of lighting points managed using LED lamps increased to 69.3%, up 13.3 percentage points. This trend highlights the Group's constant focus on an increasingly efficient and sustainable management of public lighting.

The following table summarises adjusted operating profit for the business line:

STATEMENT OF PROFIT OR LOSS (MLN/€)	JUN-26*	% INC.	JUN-25*	% INC.	CHANGE ABS.	CHANGE %
Revenue	4,897.7		5,181.7		(284.0)	(5.5%)
Operating expenses	(4,611.1)	(94.1%)	(4,929.2)	(95.1%)	(318.1)	(6.5%)
Personnel costs	(55.1)	(1.1%)	(53.2)	(1.0%)	1.9	3.6 %
Capitalised costs	5.3	0.1 %	6.2	0.1 %	(0.9)	(14.5%)
EBITDA	**236.9**	**4.8 %**	**205.5**	**4.0 %**	**31.4**	**15.3 %**

(*) Adjusted results are intended as highlighted in paragraph 1.02.02 Reconciliation of special items with consolidated financial statement

Revenue* (mln/€)



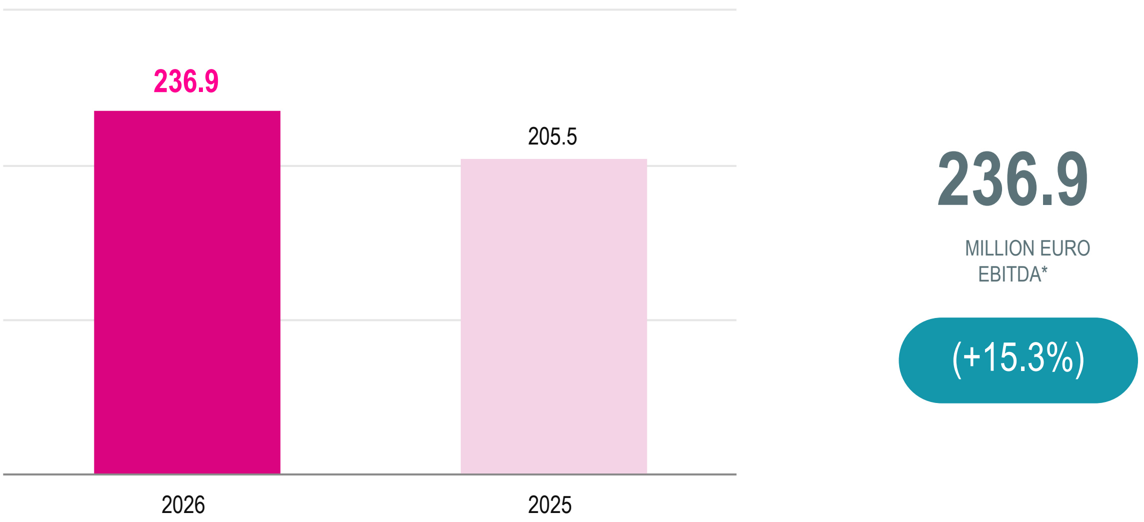
4.9

BILLION EURO
REVENUE*

(-5.5%)

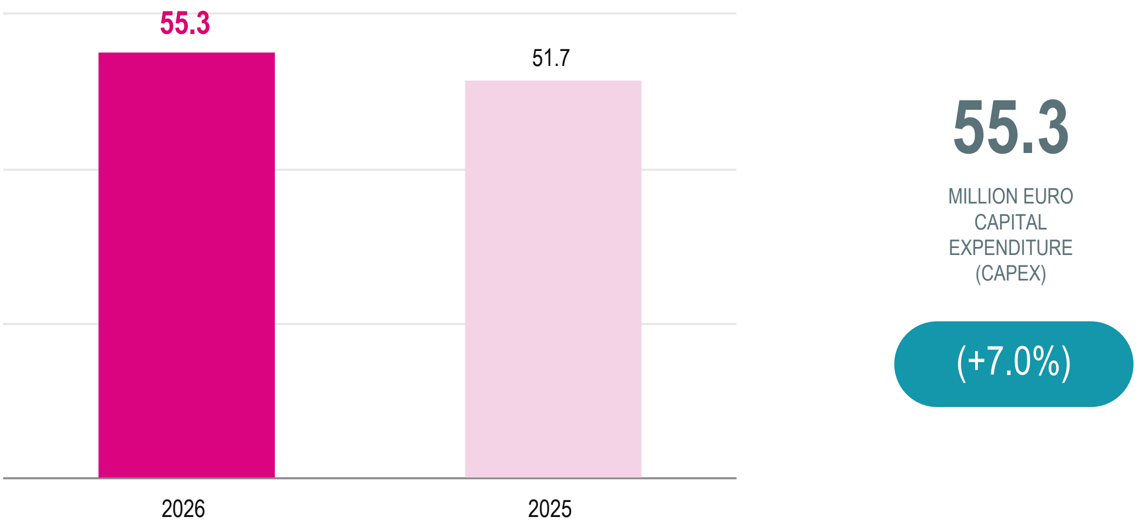
Compared to the previous year, there has been a decline of 284.0 million euro. Overall, sales and brokerage activities were affected by a decrease of approximately 300 million euro, mainly due to the lower consumption by the customer base.
The street lighting business decreased by 7.4 million euro, due to slower progress on energy upgrading works compared to 2025.
These effects are partially offset by the value-added services and by the insurance payout following the fire at the Imola cogeneration plant in November 2024.
The reduction in revenue is reflected in operating expenses, which show an overall decrease of 318.1 million euro. This trend is mainly attributable to the aforementioned lower consumption by the customer base, which also contributes to a reduction in gas transmission and storage.

EBITDA* (mln/€)



EBITDA increased by 31.4 million euro. This increase is attributable to sales activities, brokerage, value-added services, energy performance activities and insurance reimbursement following the fire at the Imola cogeneration plant in November 2024.

Capital expenditure (CAPEX) Energy (mln/€)



Capital expenditure (CAPEX) in the Energy business line amounted to 55.3 million euro and were made for 35.3 million euro in gas and electricity sales for activities related to the acquisition of new customers and for 20.1 million euro in other activities in the business line. Overall, an increase is recorded of 3.6 million euro compared to the same period of the previous year, mainly due to investments in the construction of photovoltaic plants.

Capital grants relate to works on photovoltaic plants that are eligible for NRRP grants.

Operating investments in the Energy business line were as follows:

ELECTRICITY (MLN/€)	JUN-26	JUN-25	CHANGE ABS.	% CHANGE
Acquisition of gas and electricity customers	35.3	39.2	(3.9)	(9.9%)
Other Energy	20.1	12.5	7.6	60.8 %
Total energy gross	**55.4**	**51.7**	**3.7**	**7.2 %**
Capital grants	0.1	0.0	0.1	100.0 %
of which NRRP	0.1	0.0	0.1	100.0 %
Total energy net	**55.3**	**51.7**	**3.6**	**7.0 %**

1.03.03 Waste management

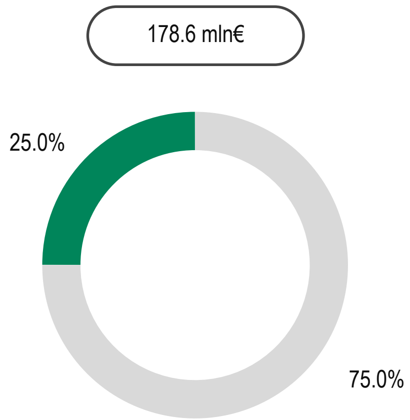
In the first half of 2026, the results for the Waste management business line contributed 25.0% to the Hera Group's profit, with EBITDA up by 3.1 million euro compared to the same period of the previous year. The Group therefore continues to perform strongly in this business line, thanks to the diversification of its offer, the breadth of its customer portfolio and its responsiveness in providing the services it offers, despite a challenging macroeconomic context.

Ecological transition, environmental sustainability and innovation continue to be the drivers steering the Group's plant and business development. With this in mind, the main initiatives have been aimed at:

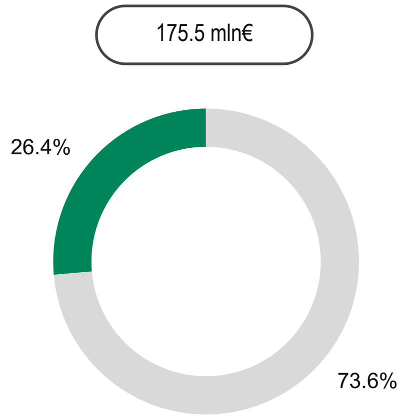
- expanding the Group's scope through the acquisition of external businesses that enable the development of its commercial offering, including in areas where the Group has not historically been present. Indeed, in March 2026, the acquisition of 100% of the Sostelia Group was finalised. Sostelia is a Mantua-based company specialising in the construction and operation of liquid waste treatment plants for private industries and local utilities. Also in March 2026, Herambiente Servizi Industriali further consolidated its leading position in the treatment of industrial waste by acquiring control of Servizi Ecologici Ambientali (SEA). Indeed, HASI acquired 52% of the share capital of SEA, held by the company Fermas, in addition to the 31% already owned by HASI since 2021, thereby increasing its overall stake to 83%;
- material recovery, such as the production of composite materials, recycled polymers and biofertilizers for agriculture;
- producing renewable energy, in particular biomethane;
- development, leveraging the market leadership and operational capabilities of the subsidiary ACR Spa, with new technologies for the management of remediation and decommissioning services for industrial plants.

Protecting environmental resources and maximising their reuse continue to be a priority objective: indeed, in addition to the initiatives cited above, this is demonstrated by the special attention devoted to the development of sorted waste collection, which, thanks to the significant commitment shown by the Group in all regions served, increased by one and a half percentage points compared to the same period of 2025.

EBITDA*, Waste Management business line 2026



EBITDA*, Waste Management business line 2025



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

(MLN/€)	JUN-26*	JUN-25(*) (**)	CHANGE ABS.	% CHANGE
Business line EBITDA	**178.6**	**175.5**	**3.1**	**1.8 %**
Group EBITDA	715.5	665.5	50.0	7.5 %
Percentage weight	25.0 %	26.4 %	(1,4 p.p.)	

*The "Group EBITDA " means the adjusted result as highlighted in paragraph 1.02.02 Reconciliation of special items with consolidated financial statements. Please note that there are no special items relating to the Waste management business line for either of the periods above.

** The figures have been restated by reclassifying the circular economy segment from other services to waste management.

The table below analyses the volumes commercialised and treated by the Group:

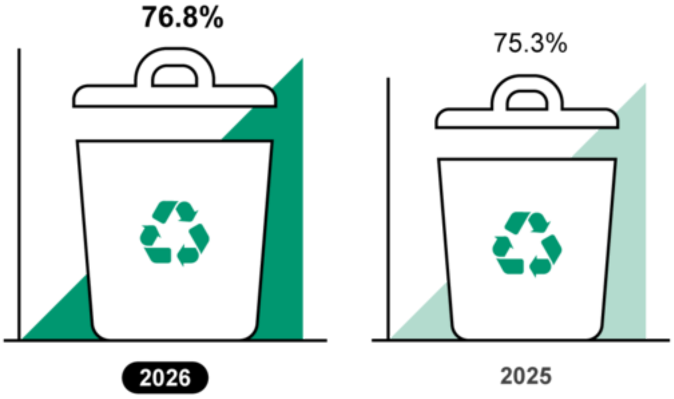
QUANTITY (K TONS)	JUN-26	JUN-25*	CHANGE ABS.	CHANGE %
Urban waste	1,054.2	1,080.8	(26.6)	(2.5%)
Market waste	1,641.2	1,618.6	22.6	1.4 %
Waste commercialised	**2,695.4**	**2,699.4**	**(4.0)**	**(0.1%)**
Plant by-products	999.9	1,073.8	(73.9)	(6.9%)
Waste treated by type	**3,695.3**	**3,773.2**	**(77.9)**	**(2.1%)**

* The 2026 figure for by-products has been net of waste. Therefore, in the above table, the 2025 figures have been recalculated to reflect the same view.

The analysis of the quantitative data shows a decrease in waste treated, mainly due to the performance of plant by-products, which experienced a drop in volume as a result of the reduction in leachate and liquid waste following the lower rainfall recorded in 2026. With regard to the other waste types, the following points are noted:

- urban waste recorded a decrease of 2.5%, related to higher deliveries by the collection service operator to external plants not managed by the Group, in accordance with the guidelines of the Urban Waste public service concessions awarded by tender;
- market waste increased by 1.4% due to growth in the Recovery and Industry markets, driven by the development of activities with existing customers, as well as new business policies, in addition to the development of trading and the consolidation of the Sostelia Group, SEA and Ambiente Energia, the latter having been consolidated since the second half of 2025. This trend was only partially offset by the lower availability of landfill facilities, particularly due to the closure of ASA, changes to the authorisation procedures for Cà Asprete in the Marche region, which effectively reduced annual volumes from 130 kton to 90 kton, and the temporary shutdown of Feronia for approximately three months.

Sorted waste (%)



76.8%

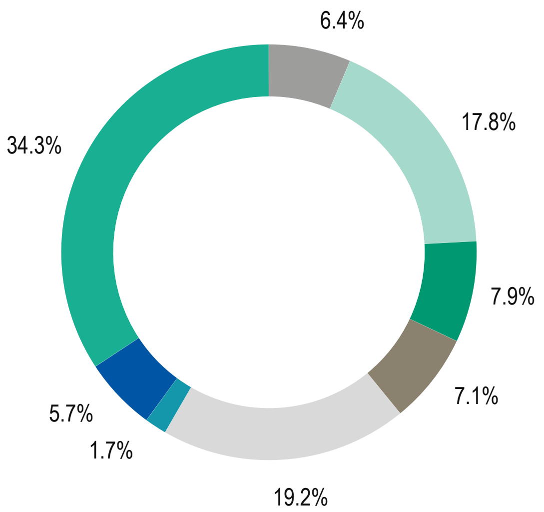
SORTED WASTE

1.5 p.p.

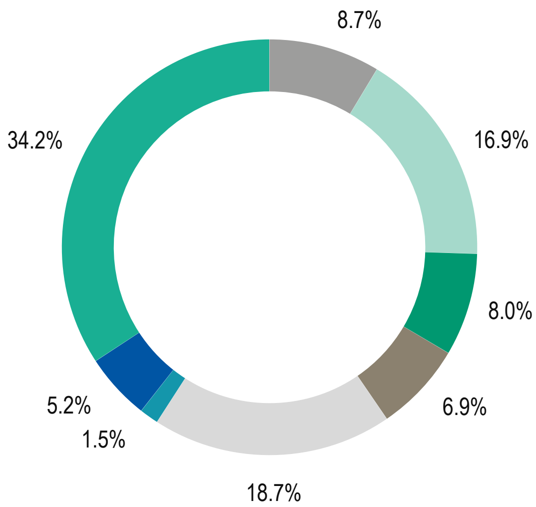
As already mentioned in the introduction, sorted collection of urban waste stood at 76.8%, up 1.5 percentage points over the corresponding period of the previous year, thanks to the development of numerous projects in the local areas managed by the Group.

The Hera Group operates in the entire waste cycle, with 92 plants for treating urban and special waste and regenerating plastic materials. Thanks to the cutting-edge technologies available, the know-how of their staff and their network of international partners, the Group is able to respond fully to the needs of the reference territory and companies, through innovative and sustainable services and solutions for the complete management and treatment of any type of waste.
The main plants include: 17 sorting plants, whose main objective is to recover materials to be sent to business line consortia for recycling; 10 waste-to-energy plants, confirming Italy's leading position in this sector in terms of both numbers and plant technology; 11 composting and digester plants, which transform wet waste from sorted waste collection into compost or produce electricity from renewable sources of energy and biomethane, a green fuel, with significant benefits for air and environmental quality; 6 material recovery plants, including the FIB3R plant in Imola.

Waste treated by type of plant 2026



Waste treated by type of plant 2025



- Landfills
- WTE
- Sorting plants
- Recovery plants
- Inertisation and chemical-physical plants
- Composting and stabilisation plants
- Purifiers
- Storage and Soil Washing
- Other plants

QUANTITY (K TONS)	JUN-26	JUN-25*	CHANGE ABS.	CHANGE %
Landfills	236.1	326.5	(90.4)	(27.7%)
WTE	656.3	635.8	20.5	3.2 %
Sorting plants and other	291.6	301.8	(10.2)	(3.4%)
Composting and stabilisation plants	261.6	262.0	(0.4)	(0.2%)
Inertisation and chemical-physical plants	710.1	704.7	5.4	0.8 %
Recovery plants	63.1	56.0	7.1	12.7 %
Purifiers	0.1	0.0	0.1	- %
Storage/Soil Washing	210.5	195.3	15.2	7.8 %
Other plants	1,265.8	1,290.9	(25.1)	(1.9%)
Waste treated by plant	**3,695.3**	**3,773.2**	**(77.9)**	**(2.1%)**
Plastic recycled by Aliplast	**53.5**	**46.7**	**6.8**	**14.6 %**

* The quantity of waste treated in 2026 has been net of effluent. Therefore, in the above table, the 2025 figures have been recalculated to reflect the same view.

The total volume of waste treated in the first half of 2026 shows a decrease of 2.1%, compared to the same period in 2025. Analysing the individual business lines, decreasing quantities are reported in landfills due to the exhaustion of the volumes authorised for ASA, the change in the authorization procedures for Cà Asprete, and the temporary shut-down of Feronia, as mentioned above.
As regards waste-to-energy plants, the upward trend is primarily seen at the plants of Modena and Trieste due to the different scheduling of shut-downs in the first half of 2026 compared to the same period of the previous year.
The inertisation and chemical-physical plants and the storage/soil washing facilities recorded growth attributable to the consolidation of the Sostelia Group and SEA respectively. The quantities in sorting plants and in composting and stabilisation plants decreased.

Lastly, in other plants, the quantities decreased due to fewer by-products sent to third-party plants compared to the same period of the previous year, also as a result of the lower rainfall recorded in the first half of 2026.

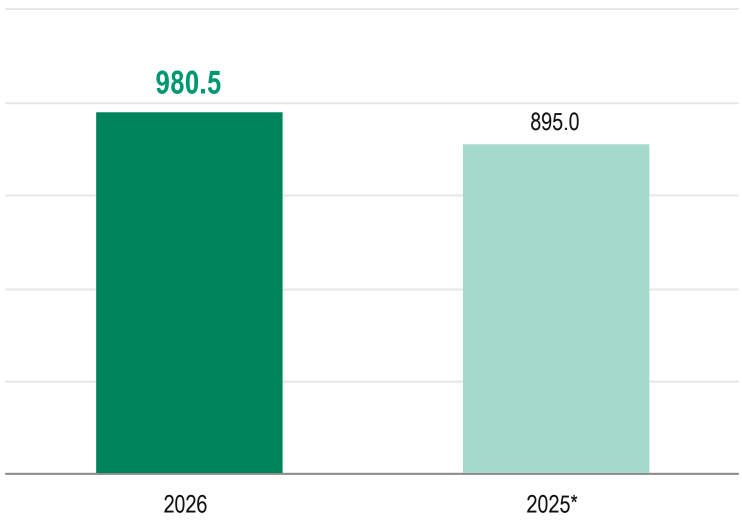
Here follows a summary of the adjusted operating profit for the business line:

STATEMENT OF PROFIT OR LOSS (MLN/€)	JUN-26*	% INC.	JUN-25(*) (**)	% INC.	CHANGE ABS.	CHANGE %
Revenue	980.5		895.0		85.5	9.6 %
Operating expenses	(675.4)	(68.9%)	(593.5)	(66.3%)	81.9	13.8 %
Personnel costs	(156.7)	(16.0%)	(141.8)	(15.8%)	14.9	10.5 %
Capitalised costs	30.1	3.1 %	15.8	1.8 %	14.3	90.2 %
EBITDA	**178.6**	**18.2 %**	**175.5**	**19.6 %**	**3.1**	**1.8 %**

* These are adjusted results, as highlighted in paragraph 1.02.02 Reconciliation of special items with consolidated financial statements. Please note that there are no special items relating to the Waste management business line for either of the periods above.

** The figures have been restated by reclassifying the circular economy segment from other services to waste management.

Revenue* (mln/€)



980.5

MILLION EURO
REVENUE*

(+9.6%)

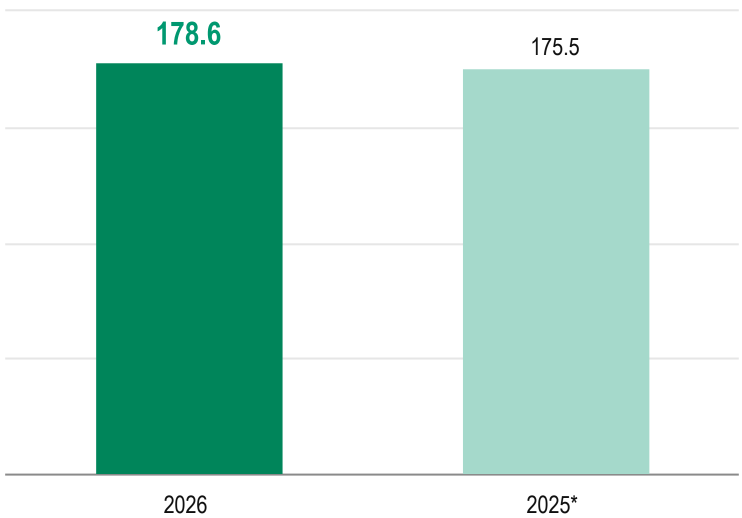
* The figures have been restated by reclassifying the circular economy segment from other services to waste

In the first half of 2026, revenue increased by 9.6% compared to the same period of the previous year. Note should be taken of the significant expansion in both the Recovery market, owing to the higher volumes sold by Aliplast, and the Industry market, owing to the development of ACR Spa's business and the recent acquisitions of the Sostelia Group and SEA.
Energy revenue showed a substantial alignment, with higher sales of electricity from WTE plants offset by a reduction in the average unit market price compared to the same period of the previous year.

In the urban waste service, higher regulated revenue was reported, mainly related to inflation adjustments on all territories managed and higher supplementary services required in the tender areas.

Operating expenses in June 2026 increased, mainly due to the higher volume of remediation activities and the changes in the scope of consolidation mentioned above. Also as regards urban waste collection, note the higher costs for activities related to the development of new sorted waste collection projects and higher supplementary services requested.

EBITDA* (mln/€)



178.6

MILLION EURO
EBITDA*

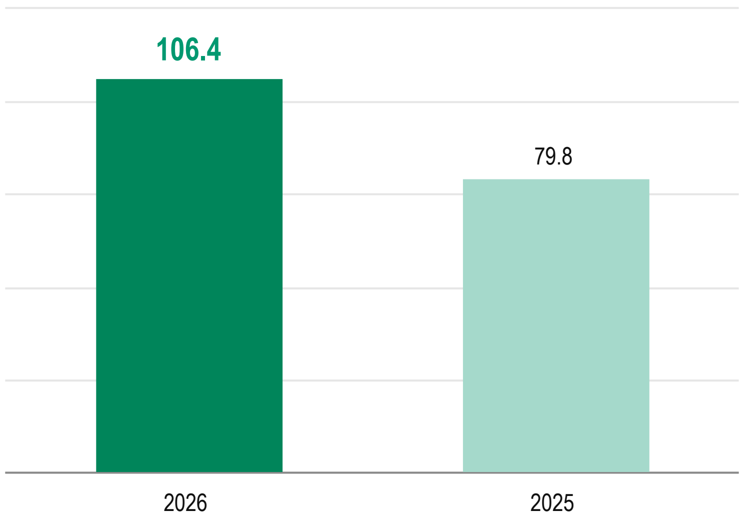
(+1.8%)

* The figures have been restated by reclassifying the circular economy segment from other services to waste

EBITDA for June 2026 increased by 3.1 million euro compared to the same period of the previous year due to the positive contribution of treatment and recovery activities, driven by the higher volumes sold by Aliplast Spa, and the strong performance of ACR Spa and the higher volumes of electricity sold by the WTEs, as well as the benefit of changes in the scope of consolidation due to the inclusion of the Sostelia Group and SEA. These factors more than offset the temporary shutdown of the Feronia landfill site and the lower revenue from the sale of electricity due to the effects mentioned above.

Environmental hygiene activities also grew, in particular due to the recognition of inflation and the increased demand for supplementary services in the managed areas that were the subject of tenders in previous years.

Capital expenditure (CAPEX) - Waste management (mln/€)



106.4

MILLION EURO CAPITAL EXPENDITURE

(+33.3%)

Capital expenditure (CAPEX) in the Waste management business line involved the maintenance and upgrading of waste treatment and recovery plants and waste collection equipment, and amounted to 106.4 million euro, up 26.6 million euro compared to the same period of the previous year.
In the treatment plants, investments increased by 16.2 million euro, mainly in waste-to-energy investments for works done by the company HestAmbiente Srl on line 4 of the Padua plant and in interventions on the sorting and recovery plants. Among the latter, investments in the rigid plastics and PE regeneration plants of the company Aliplast spa and in the FIB3R plant for the recovery of carbon fibres are particularly noteworthy. Investments in collection areas and equipment for the municipal waste service are also increasing.

Capital grants totalled 5.0 million euro and related to the NRRP projects.

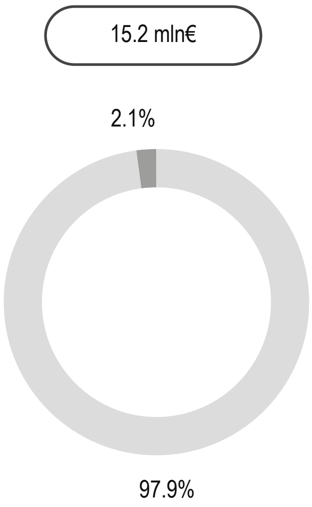
Details of operating investments in the Waste management business line are as follows:

WASTE MANAGEMENT (MLN/€)	JUN-26	JUN-25	CHANGE ABS.	CHANGE %
Treatment and recovery plants	79.3	63.1	16.2	25.7 %
Collection areas and equipment	32.1	24.4	7.7	31.6 %
Total waste management gross	**111.4**	**87.5**	**23.9**	**27.3 %**
Capital grants	5.0	7.7	(2.7)	(35.1%)
of which NRRP	4.4	7.7	(3.3)	(42.9%)
of which other grants	0.6	0.0	0.6	100.0 %
Total waste management net	**106.4**	**79.8**	**26.6**	**33.3 %**

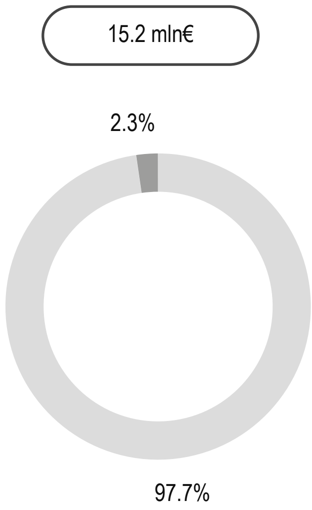
1.03.04 Other services

The other services business line covers the minor businesses managed by the Group, including telecommunications, in which the Group offers, through its own digital company HeraBit Spa, connectivity for private customers and companies, telephone and data centre services, and cemetery services, the latter only found in the municipality of Trieste, with twelve cemeteries managed in total. In June 2026, results from the other services line stood at 15.2 million euro, stable compared to the same period of the previous year.

EBITDA* other services 2026



EBITDA* other services 2025



The changes occurred in terms of EBITDA are as follows:

(MLN/€)	JUN-26*	JUN-25(*) (**)	CHANGE ABS.	% CHANGE
Business line EBITDA	**15.2**	**15.2**	**-**	**0.0 %**
Group EBITDA	715.5	665.5	50.0	7.5 %
Percentage weight	2.1 %	2.3 %	-0,2 p.p.	

* The "Group EBITDA " means the adjusted result as highlighted in paragraph 1.02.02 Reconciliation of special items with consolidated financial statements. Please note that there are no special items relating to the Other services business line for either of the periods above.

** The figures have been restated by reclassifying the circular economy segment from other services to waste management.

Quantitative indicators in the other services business line also include the more than 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, as well as Padua and Trieste, and provides companies and individuals with high-performance connectivity, high reliability and maximum security for systems, data and service continuity.

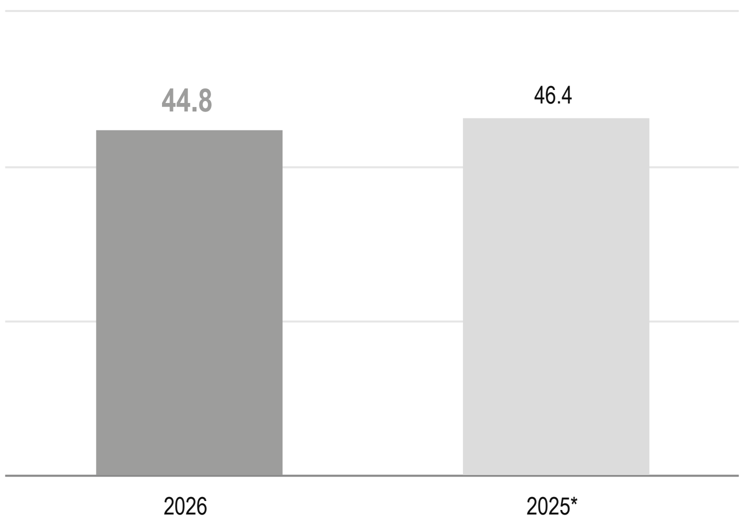
The business line's adjusted operating profit are provided in the table below:

STATEMENT OF PROFIT OR LOSS (MLN/€)	JUN-26*	% INC.	JUN-25(*) (**)	% INC.	CHANGE ABS.	% CHANGE
Revenue	44.8		46.4		(1.6)	(3.4%)
Operating expenses	(24.0)	(53.7%)	(25.3)	(54.5%)	(1.3)	(5.1%)
Personnel costs	(6.9)	(15.3%)	(7.1)	(15.4%)	(0.2)	(2.8 %)
Capitalised costs	1.2	2.8 %	1.3	2.7 %	(0.1)	(7.9%)
EBITDA	15.2	33.8 %	15.2	32.8 %	0.0	0.0 %

* These are adjusted results, as highlighted in paragraph 1.02.02 Reconciliation of special items with consolidated financial statements. Please note that there are no special items relating to the Other services business line for either of the periods above.

** The figures have been restated by reclassifying the circular economy segment from other services to waste management.

Revenue* (mln/€)

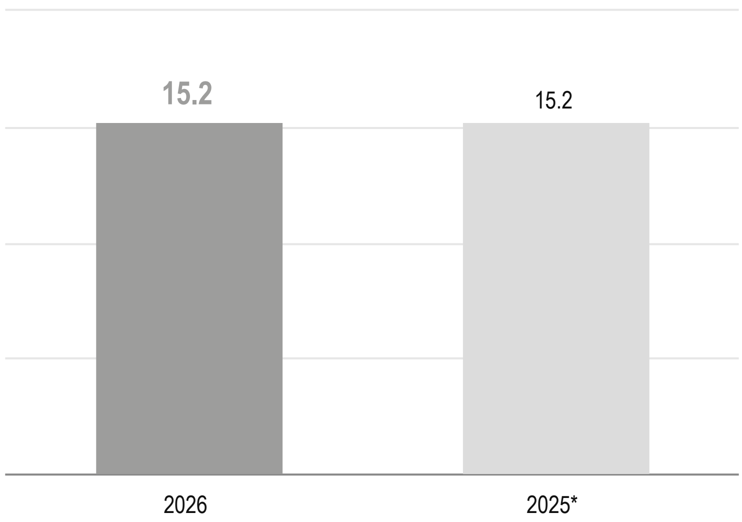


* The figures have been restated by reclassifying the circular economy segment from other services to waste.

At the end of the first half of 2026, revenue amounted to 44.8 million euro, a slight decrease of 3.4%, compared to June 2025, amounting to 1.6 million euro. 96% of turnover comes from the Telecommunications business, which comprises telephony and connectivity services, the design and development of security systems, the marketing of Data Centre services, and other technology services offered to the market.

Costs decreased by 1.3 million euro, in line with the trend in revenue.

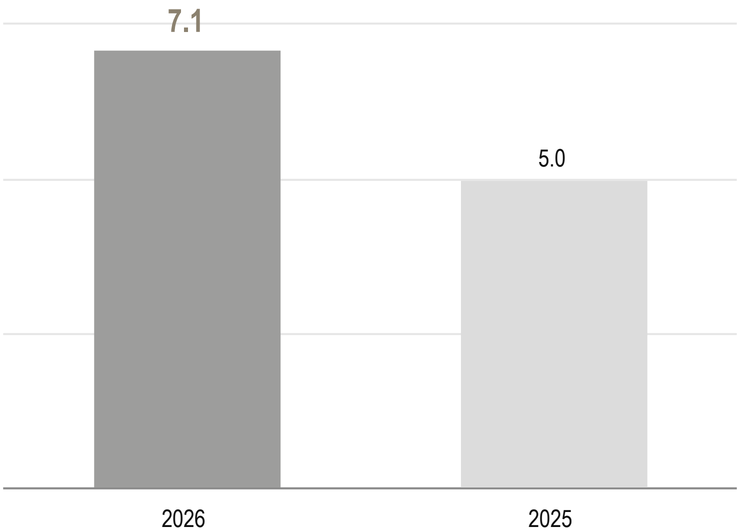
EBITDA* (mln/€)



* The figures have been restated by reclassifying the circular economy segment from other services to waste

In June 2026, EBITDA for the other services business stood at 15.2 million euro, in line with the equivalent period of 2025.

Capital expenditure (CAPEX) other services (mln/€)



7.1 MILLION

EURO CAPITAL EXPENDITURE

(+42.0%)

Capital expenditure (CAPEX) in the other services business line amounted to 7.1 million euro, up 2.1 million euro compared to the same period of 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.

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

OTHER SERVICES (MLN/€)	JUN-26	JUN-25	CHANGE ABS.	CHANGE %
TLC	7.1	5.0	2.1	42.0 %
Total other services gross	**7.1**	**5.0**	**2.1**	**42.0 %**
Capital grants	0.0	0.0	0.0	- %
Total other services net	**7.1**	**5.0**	**2.1**	**42.0 %**

2

CONSOLIDATED FINANCIAL STATEMENTS

2.01 FINANCIAL STATEMENTS

2.01.01 Statement of profit or loss

MLN€	NOTES	1ST HALF OF 2026	1ST HALF OF 2025
Revenue	1	6,505.8	6,786.2
Other income	2	95.5	78.2
Raw and other materials	3	(3,651.2)	(3,970.0)
Service costs	4	(1,873.2)	(1,816.4)
Personnel costs	5	(381.3)	(360.8)
Other operating expenses	6	(38.4)	(42.9)
Capitalised costs	7	69.5	47.4
Depreciation, amortisation, provisions and impairment losses	8	(329.0)	(338.5)
Operating profit		**397.7**	**383.2**
Finance income	9	59.3	76.3
Financial expenses	10	(104.0)	(115.5)
Net finance expense		**(44.7)**	**(39.2)**
Share of profits pertaining to joint ventures and associates	11	6.9	7.2
Pre-tax profit		**359.9**	**351.2**
Income tax expense	12	(106.2)	(101.8)
Profit for the period		**253.7**	**249.4**
Attributable to:			
Owners of the parent		235.5	229.3
Non-controlling interests		18.2	20.1
Earnings per share:			
Basic	17	0.160	0.157
Diluted	17	0.160	0.157

2.01.02 Statement of comprehensive income

MLN€	NOTES	1ST HALF OF 2026	1ST HALF OF 2025
Profit for the period		**253.7**	**249.4**
Items that may be reclassified to profit or loss			
Fair value of derivatives, change for the period	27	5.4	(3.1)
Related tax		(1.7)	1.0
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans	28	5.0	5.5
Equity investments measured at fair value	25	(4.1)	3.4
Total comprehensive income for the period		**258.3**	**256.2**
Attributable to:			
Owners of the parent		242.2	233.6
Non-controlling interests		16.1	22.6

2.01.03 Statement of financial position

MLN€	NOTES	30-JUN-26	31-DEC-25
ASSETS			
Non-current assets			
Property, plant and equipment	21	2,416.5	2,321.9
Rights-of-use assets	22	91.4	92.3
Intangible assets	23	5,494.1	5,240.6
Goodwill	24	1,026.4	950.0
Equity-accounted investments	25	122.1	137.2
Other equity investments	25	51.1	54.0
Non-current financial assets	18	147.3	151.8
Deferred tax assets	14	339.9	340.1
Total non-current assets		**9,688.8**	**9,287.9**
Current assets			
Inventories	30	191.5	213.2
Trade receivables	31	2,657.0	2,605.9
Current financial assets	18	138.9	75.1
Current tax assets	13	10.4	56.2
Contract assets	33	150.5	89.5
Other current assets	35	669.4	778.5
Derivative instruments	27	319.4	178.5
Cash and cash equivalents	18	1,294.4	845.3
Total current assets		**5,431.5**	**4,842.2**
TOTAL ASSETS		**15,120.3**	**14,130.1**

MLN€	NOTES	30-JUN-26	31-DEC-25
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	15	1,473.6	1,477.7
Reserves	15	2,362.8	2,139.4
Profit for the period	15	235.5	464.3
Equity attributable to the owners of the parent		**4,071.9**	**4,081.4**
Non-controlling interests	16	300.5	318.3
Total equity		**4,372.4**	**4,399.7**
Non-current liabilities			
Non-current financial liabilities	19	4,920.2	4,317.9
Non-current lease liabilities	22	60.7	62.4
Employee benefits	28	69.9	74.3
Provisions	29	712.8	706.0
Deferred tax liabilities	14	187.1	155.4
Total non-current liabilities		**5,950.7**	**5,316.0**
Current liabilities			
Current financial liabilities	19	823.1	611.9
Current lease liabilities	22	25.2	24.4
Trade payables	32	1,768.3	1,839.9
Current tax liabilities	13	27.0	12.8
Contract liabilities	34	40.3	26.1
Other current liabilities	36	1,787.9	1,696.3
Derivative instruments	27	325.4	203.0
Total current liabilities		**4,797.2**	**4,414.4**
TOTAL LIABILITIES		**10,747.9**	**9,730.4**
TOTAL EQUITY AND LIABILITIES		**15,120.3**	**14,130.1**

2.01.04 Statement of cash flows

MLN€	NOTES	30-JUN-26	30-JUN-25
Pre-tax profit		**359.9**	**351.2**
Adjustments to reconcile profit for the year to the cash flow from operating activities			
Depreciation, amortisation and impairment losses	8	290.4	280.5
Provisions to funds	8	38.6	58.0
Effects of equity-accounting	11	(6.9)	(7.2)
Net finance expense	9, 10	44.7	39.2
(Gains) losses and other non-monetary items		(20.8)	(28.4)
Change in provisions	29	(20.9)	(22.0)
Change for employee benefits	28	(4.9)	(4.4)
Total cash flows before changes in net working capital		**680.1**	**666.9**
(Increase) decrease in inventories	37	26.9	(10.1)
(Increase) decrease in trade receivables	37	(70.5)	713.5
Increase (decrease) in trade payables	37	(92.6)	(1,026.6)
Increase/decrease in other current assets/liabilities, including contract assets/liabilities	37	158.6	318.9
Changes in working capital		**22.4**	**(4.3)**
Dividends received	37	9.9	9.8
Interest income and other finance income collected	37	25.1	32.4
Interest expense, net losses on derivatives and other finance costs paid	37	(110.2)	(120.8)
Taxes paid	37	(29.0)	(32.0)
Cash flows from operating activities (a)		**598.3**	**552.0**
Investments in property, plant and equipment	21	(169.1)	(117.4)
Investments in intangible assets	23	(341.4)	(296.6)
Investments in consolidated companies and business units net of cash and cash equivalents	26	(108.8)	(1.7)
Other equity investments	26	(1.2)	(0.4)
Proceeds from disposals of property, plant, equipment and intangible assets		1.9	1.9
Divestment of equity investments and contingent consideration	26	-	0.2
(Increase) decrease in other investing activities	26	(58.3)	(120.2)
Net cash flows used in investing activities (b)		**(676.9)**	**(534.2)**
New stipulations of long-term financial debt	20	660.0	517.1
Repayments of non-current financial liabilities	20	(1.8)	-
Repayments and other net changes in financial liabilities	20	140.7	(168.6)
Repayments of lease liabilities	20	(11.4)	(11.7)
Proceeds from the sale of shares without loss of control	20	-	0.8
Acquisition of investments in consolidated companies	20	(1.3)	(234.1)
Dividends paid out to Hera shareholders and non-controlling interests	20	(243.1)	(249.5)
(Investments) disinvestments in treasury shares	15	(15.4)	102.5
Net cash flows from/(used in) financing activities (c)		**527.7**	**(43.5)**
Increase (decrease) in cash and cash equivalents (a+b+c)		**449.1**	**(25.7)**
Cash and cash equivalents at the beginning of the period	18	845.3	1,315.6
Cash and cash equivalents at the end of the period	18	1,294.4	1,289.9

2.01.05 Statement of changes in equity

MLN€	SHARE CAPITAL	RESERVES	HEDGING RESERVES	ACTUARIAL RESERVES	FAIR VALUE RESERVES	PROFIT FOR THE PERIOD	EQUITY	NON-CONTROLLING INTERESTS	TOTAL
Balance at 01 Jan 25	**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)
Remeasurements of defined benefit plans				5.1			5.1	0.4	5.5
Fair value of investments in subsidiaries/associates, change for the period					3.4		3.4		3.4
Comprehensive profit 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 profit for the period:									
Dividends paid						(220.1)	(220.1)	(31.7)	(251.8)
Allocation to reserves		274.4				(274.4)	-		-
Balance at 30-Jun-25	**1,466.4**	**2,136.7**	**(2.0)**	**(26.6)**	**(7.3)**	**229.3**	**3,796.5**	**298.1**	**4,094.6**
Balance at 01-Jan-26	**1,477.7**	**2,175.0**	**0.3**	**(31.7)**	**(4.2)**	**464.3**	**4,081.4**	**318.3**	**4,399.7**
Profit for the period						235.5	235.5	18.2	253.7
Other components of comprehensive income:									
Fair value of derivatives, change for the period			6.2				6.2	(2.5)	3.7
Remeasurements of defined benefit plans				4.5			4.5	0.5	5.0
Fair value of investments in subsidiaries/associates, change for the period					(4.1)		(4.1)		(4.1)
Comprehensive profit for the period	**-**	**-**	**6.2**	**4.5**	**(4.1)**	**235.5**	**242.1**	**16.2**	**258.3**
Change in treasury shares	(4.1)	(11.3)					(15.4)		(15.4)
Change in the scope of consolidation							-	0.8	0.8
Allocation of profit for the period:									
Dividends paid						(236.2)	(236.2)	(34.7)	(270.9)
Allocation to reserves		228.1				(228.1)	-		-
Balance at 30-Jun-26	**1,473.6**	**2,391.8**	**6.5**	**(27.2)**	**(8.3)**	**235.5**	**4,071.9**	**300.5**	**4,372.4**

2.02 EXPLANATORY NOTES

2.02.01 Introduction

The half-year financial report as at 30 June 2026 have been prepared in compliance with the provisions of Article 154-ter of Legislative Decree No. 58 of 24 February 1998 (Consolidated Law on Finance - "TUF"), including subsequent amendments and additions, and in application of IAS 34. They do not include all the information required by IFRS standards in the preparation of the annual financial statements and must therefore be read in conjunction with the Group's consolidated financial statements at 31 December 2025.

More specifically, these half-year financial statements were prepared in compliance with Regulation (EC) No. 1606/2002 of 19 July 2002, observing the International 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 Legislative Decree no. 38/2005. IFRSs also include the International Accounting Standards (IAS) currently in force, the interpretations issued by the International Financial Reporting Standards Interpretations Committee (IFRSIC) and the previous Standing Interpretations Committee (SIC).

The directors considered the applicability of the going concern assumptions in drafting the half-year financial report 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 during the next 12 months.

Sufficient obligatory information to present a true and fair view of the Group's statement of financial position as well as its economic performance has been provided. Information on the Group's activities is provided in chapters 1.02 and 1.03 of the Directors' report. Events after the reporting period are reported at the end of this paragraph.

The general principle adopted in preparing these half-year financial statements is the cost principle, except for the assets and liabilities (including the derivative instruments), which were measured at fair value.

The data included in these half-year financial statements is comparable to the same data of the previous year, unless otherwise indicated in the notes commenting on the individual items. When comparing the individual items in the statement of profit or loss and statement of financial position, the changes in the scope of consolidation reported below in the specific paragraph must also be taken into account.

These half-year financial statements as at 30 June 2026 were drawn up by the Board of Directors and approved by the same at the meeting held on 29 July 2026. They were subjected to a limited audit by KPMG Spa.

Basis of presentation

These consolidated financial statements comprise:

- primary financial statements: these are the same as those already used for the consolidated financial statements as at 31 December 2025 and have the following characteristics:
  - the statement of profit or loss includes individual items analysed by nature. We believe that this type of presentation, which is also used by major industry operators and is in line with international practice, best represents the Group's results;
  - the statement of comprehensive income is presented in a separate document and shows items that may and may not be reclassified subsequently to profit or 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 reporting date;
  - the statement of cash flows presents cash flows from operating, investing and financing activities. Cash flows from operating activities are reported using the indirect method, whereby profit for the period 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 equity reports the items of other comprehensive income, as well as the operations that took place with our shareholders;
- explanatory notes.

Any non-recurring costs and revenue are shown separately in the financial statements. Moreover, with reference to Consob resolution 15519 of 27 July 2006 on financial statements, specific supplementary formats of statement of profit or loss, statement of financial position and statement of cash flows have been included, highlighting the most significant balances with related parties, in order to avoid altering the overall clarity of the financial statements.

The financial statements 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 2026 include the financial statements of the Parent Hera Spa and those of its subsidiaries. Control is obtained when the Parent has the power to determine the financial and operating policies of a company, by way of currently valid rights, in such a way as to obtain benefits from the company's activity. Jointly controlled assets (joint operations), in the form of corporate vehicles, are recognised in proportion to the Group's shareholding. 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 is insignificant in relation to the Group's economic and financial position are excluded from consolidation and measured at fair value. These companies are reported in note 25, item "Other equity investments".

The main exchange rates used to convert the figures of the foreign investees are as follows:

	1st HALF OF 2026	30-JUN-26	31-DEC-25	31-DEC-25	1st HALF OF 2025	30-JUN-25
	Average	Specific	Average	Specific	Average	Specific
Bulgarian Lev	-	-	1.9558	1.9558	1.9558	1.9558
Polish Zloty	4.2397	4.2210	4.2397	4.2210	4.2313	4.2423

As of 1 January 2026, Bulgaria has officially adopted the euro as its currency.

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

Changes in the scope of consolidation and transactions to acquire control

The table below shows changes in the scope of consolidation introduced during the first half of 2026 as compared to the consolidated financial statements at 31 December 2025.

On 9 March 2026, Herambiente Servizi Industriali Srl acquired a further 52% in SEA - Servizi Ecologici Ambientali Srl, a company operating in the Marche region in the management and treatment of hazardous and non-hazardous special waste, including liquid, solid and sludge waste. Through this transaction, the Group acquired control of the company, increasing its ownership to 83% of the share capital. Therefore, the company, which was previously measured using the equity method, is fully consolidated since March 2026. The transaction also entailed the acquisition of control of the real estate company AES Srl, which is wholly owned by SEA Srl and is excluded from consolidation due to the immateriality of its financial and operating results and is reported among the non-consolidated subsidiaries.

As described previously, on 16 March 2026, Hera Spa acquired control of the Sostelia Group, a major privately owned Italian player operating in the development and sale of technologies for the treatment of industrial and civil water. The Sostelia Group comprises the following companies: Sostelia Spa (formerly STA - Società Trattamento Acque Spa), Arcobaleno GC Srl, CID Srl, Cid-Čistilne Naprave d.o.o., Coms Srl, NPC Srl, NTW Srl and Trentino Acque Srl. The group also includes the subsidiary Cid Vietnam Italia Co. Ltd, which is included among the non-consolidated subsidiaries due to the immateriality of its financial position and performance, the joint venture Acque della Concordia Srl and the associates Depura Srl.

In addition, during the first half-year, further business combination transactions, as detailed below, were carried out through the acquisition of business units.

With effect from 1 January 2026, the Parent Hera Spa acquired the Savl business unit from Acquedotto Valle del Lamone Srl, thereby taking over the existing business unit lease agreement between Con.Ami and Savl Srl for the concession of use, in favour of the latter company, of water diversion structures and facilities owned by Con.Ami.

With effect from 1 April 2026, Hera Luce Srl acquired from SG Dynamics Srl the business unit relating to the concession for public lighting in the Municipality of Dolo (VE).

With effect from 1 May 2026, Hera Spa acquired the laboratories business unit from Veolia Italia Spa, relating to the analysis of water, soil, sediment, waste and air. At the same time, the aforementioned business unit (excluding the property complex and equipment) was transferred by Hera Spa to the subsidiary Heratech Srl.

With effect from 11 May 2026, Hera Spa acquired the photovoltaic business unit from Coop. Sole Ravenna Scc. The branch consists of all the activities of management, ordinary and extraordinary maintenance, production and sale of renewable electricity generation in relation to a plant located on a site used as an environmental landfill already owned by the subsidiary Herambiente Spa.

Finally, it should be noted that on 12 March 2026, following the conclusion of the liquidation proceedings, the special purpose entity Tri-generazione Scarl in liquidation, which was the previous operator of the customer Elettra Sincrotrone Trieste Scpa, currently managed by the subsidiary Elettra CHP Srl, was removed from the Companies Register.

For an overview of the acquisitions of controlling interests carried out during the period, see paragraph 1.02.01 "Key events during the year" of the Directors' report and the "Business combinations (supplementary information)" in paragraph 2.02.10 "Other Information" for accounting implications and the measurement details of assets and liabilities acquired.

Other corporate operations

On 20 February 2026, Hera Spa established the special-purpose entity Helisa Srl. This special-purpose entity was established for the award of a public-private partnership concession for the design, construction and operation of a plant for the generation of electricity from renewable sources to serve the Cineca data centre at the Tecnopolo Bologna site and an adjacent area designated for public green space. The entity is currently in the start-up phase and is included among the non-consolidated subsidiaries due to the insignificance of its figures.

On 30 June 2026, Sostelia Spa acquired from the non-controlling investor the residual stake held by the latter in Trentino Acque Srl, equal to 25.5% of the share capital, thus obtaining 100% of the company. It should be noted that the company was already consolidated on a line-by-line basis by virtue of contractual agreements signed between the parties that provided for a put option in favour of the non-controlling investor.

Significant estimates and judgements

The preparation of the consolidated financial statements and the related notes requires the directors to make estimates and judgements that affect the figures in the financial statements; these are based on historical data and on expectations regarding events that are reasonably likely to occur on the basis of the information currently available. These estimates, by definition, are an approximation of the final figures. Hence the main areas characterised by judgements and assumptions that could give rise to variations in the carrying amounts of assets and liabilities within the following 12 months are reported below.

Recognition of revenue
Revenue from the sale of electricity, gas and water is recognised and recorded at the time of supply only if it is considered probable that the payment will be received. It includes the provision for supplies made between the date of the last meter reading and the end of the half-year, but which have not yet been invoiced. This allocation is based on estimates 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.

Accruals to the loss allowance
These accruals were made using 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 and other receivables as soon as they arise and progressively according to their increasing seniority. This approach allows the Group to reduce the concentration and exposure to credit risk posed by both business and household customers. With regard to receivables from small-sized customers, accruals to the loss allowance are carried out 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 impaired.

Provisions to funds
These provisions 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 assumptions concerning future expenses for post-mortem costs of the landfills, following the revision of the estimated costs identified by external consultants.

Amortisation and depreciation
Amortisation and depreciation are calculated on the basis of the useful life of an asset. The useful life is determined by management at the time the asset is recognised in the financial statements; assessments of the useful life are based on historical experience, market conditions and expectations of future events that could affect the useful life, including technological changes. Therefore, the actual useful life might differ from the estimated useful life.

Income tax expense
Income tax expense is recognised on the basis of the best estimate of the weighted average rate expected for the entire year, also taking into account any tax effects resulting from regulatory provisions introduced during the reporting period.

Impairment test
The Group carries out an analysis of the recoverable amount of goodwill as well as of its investment (not majority investment) in companies holding assets for generating thermoelectric energy, through impairment tests, at least once a year. This test is based on the calculation of its value in use, which requires the use of estimates. In the absence of a trigger event (a circumstance that was verified with reference to the first half of 2026), the assets are subject to impairment testing at the end of the 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 measurement 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 measurement techniques that employ parameters that cannot be observed on the market, using internal estimates exclusively.

It is also noted that certain measurement processes, specifically the more complex ones such as establishing any impairment of non-current assets, are generally carried out in full only for the preparation of the annual financial statements, except in cases where there are impairment indicators that require an immediate impairment test.

Events after the reporting period

On 29 May 2026, Inalca Spa, a minority shareholder of Biorg Srl, expressed its intention to exercise the put option relating to the entire stake held by it in the company, equal to 30% of the share capital. The transfer of the aforementioned shareholding to Herambiente Spa was completed in July 2026. Consequently, as of the date of the transfer, the Group holds 100% of the share capital of Biorg Srl. However, the company has already been included in the Hera Group since the first consolidation with a 100% interest by virtue of the aforementioned put option in favour of the non-controlling interests, as established by the contractual agreements signed between the parties, and, consequently, the financial outlay was already fully reflected in the net financial position of the Hera Group.

During the month of July 2026, the Italian Data Protection Authority adopted measures against the Group in connection with certain data processing activities carried out in the context of credit checks on potential energy business customers. These measures resulted in the imposition of fines totalling 7.2 million euro, which had already been provided for in the financial statements in prior years. The Group is thoroughly analysing the content and grounds of the aforementioned measures, also in light of the steps already implemented and the favourable elements acknowledged by the Authority, while reserving the right to evaluate every appropriate course of action before the competent authorities, including the possible filing of a challenge within the statutory deadlines.

2.02.02 Operating and financial performance

Paragraphs 1.02 and 1.03 of the Directors' report contain an analysis of the operating performance for the period, including by business line, to which reference should be made for a specific analysis of the changes in the main items of revenue and operating costs, as well as in financial management as a whole.
A breakdown of the most significant operating items by business sector is provided in the section "Reporting by operating sector" included in paragraph 2.02.10 "Other Information".

1 Revenue

	1ST HALF OF 2026	1ST HALF OF 2025	CHANGE
Revenue from sales and services	6,467.7	6,748.9	(281.2)
Change in work in progress	38.1	37.3	0.8
Total	**6,505.8**	**6,786.2**	**(280.4)**

"Revenue from sales and services": the decrease compared to the same period of the previous year is primarily attributable to the following offsetting effects:

- reduction in volumes brokered on the wholesale natural gas markets, partially offset by the increase on the wholesale electricity market;
- reduction in sales volumes to end customers of natural gas and electricity due to the smaller customer base served;
- increase in network services for which the Group manages infrastructure under concession, in application of the intangible asset accounting model, correlated with the significant increase in investments made compared to the comparison period;
- increase in revenue for the businesses in the environment sector as a result of the acquisitions that took place in the first half of the year, as well as the development in the plastic regeneration market, the services provided to industrial customers and the greater number of supplementary services carried out in the field of urban hygiene.

"Changes in work in progress", includes the effect for the period of changes in contract work, determined on the basis of the percentage of work in progress.

Revenue from related parties is presented in section 2.03.01, "Statement of profit or loss as per Consob resolution 15519/2006".

2 Other income

	1ST HALF OF 2026	1ST HALF OF 2025	CHANGE
White certificates	26.8	16.7	10.1
Operating grants	2.4	7.3	(4.9)
Grants related to plants	7.2	9.5	(2.3)
Gains from asset disposals	0.7	1.0	(0.3)
Other income	58.4	43.7	14.7
Total	**95.5**	**78.2**	**17.3**

"White certificates" represent the revenue calculated on the basis of energy efficiency objectives as established by the GSE and regulated in relation to the Cassa per i Servizi Energetici e Ambientali, amounting to 26.8 million euro (16.7 million at 30 June 2025). The change compared to the comparison period is attributable to:

- higher income in relation to the redemption mechanism of virtual securities used in previous years to comply with the assigned obligations;
- higher income from tariff contributions relating to the increase in the obligation to deliver white certificates for 2026 as a result of the ministerial decree that redefined the national energy-saving targets for the period 2025-2030.

"Other income" also includes insurance reimbursements for 16.1 million euro (4.8 million euro at 30 June 2025) and the recovery of expenses for 10.2 million euro (10 million euro at 30 June 2025).

3 Raw and other materials

	1ST HALF OF 2026	1ST HALF OF 2025	CHANGE
Raw materials	3,449.2	3,783.4	(334.2)
Plastic materials	37.5	33.6	3.9
Environmental certificates	31.9	27.5	4.4
Expenses and revenue from derivatives	(30.7)	(9.5)	(21.2)
Maintenance and other materials	163.3	135.0	28.3
Total	**3,651.2**	**3,970.0**	**(318.8)**

"Raw materials", net of changes in stocks and the write-downs introduced, mainly include supplies of natural gas, electricity and water earmarked for sale. The change compared with the first half of 2025 is due to the reduction in volumes traded on the wholesale natural gas market and sold to the Group's end customers, partially offset by the increase in wholesale electricity trading activity.

"Expenses and revenue from derivatives" include the effects of derivatives on commodities, as described in note 27, "Derivative instruments".

"Maintenance and other materials", net of changes in supplies, mainly include consumables used in the management of the Group's operating activities and, marginally, products purchased to be resold to end customers. The significant increase in the period is due mainly to the higher volumes purchased for the investments in network services operated under concession and to the effect of the acquisition of control of the Sostelia Group.

4 Service costs

	1ST HALF OF 2026	1ST HALF OF 2025	CHANGE
Transport and storage	919.1	958.0	(38.9)
Work and maintenance expenses	361.8	292.3	69.5
Waste collection, transport and disposal services	308.9	291.0	17.9
IT and data processing services	46.2	45.7	0.5
Fees paid to local authorities	32.1	35.2	(3.1)
Technical services	27.4	31.8	(4.4)
Professional services	23.1	27.4	(4.3)
Commissions and other costs related to agents	16.5	20.2	(3.7)
Other service costs	138.1	114.8	23.3
Total	**1,873.2**	**1,816.4**	**56.8**

"Transport and storage" include the costs of transporting and storing gas as well as the costs of gas and electricity distribution, including system charges. The latter, in particular, represent cost components charged to end customers and therefore not substantially affecting the Group's results. The change compared to the same period of the previous year is mainly attributable to lower costs of transporting natural gas due to the lower volumes handled directly at the Remi substations.

"Work and maintenance expenses" refer to the costs for the construction or improvement of infrastructures under concession pursuant to the application of the accounting model for intangible assets for public services held under concession, costs for maintaining the plants managed by the Group and costs incurred for carrying out energy efficiency measures. The change compared to the same period of the previous year is mainly due to the higher investing activities carried out in relation to the integrated water service business under concession and to the activities related to the district heating business.

"Waste collection, transportation and disposal services" mainly include the operating costs of urban sanitation and waste treatment activities. The change compared to the same period of the previous year is mainly attributable to:

- higher costs for waste transport and treatment, due both to the change in the scope of consolidation for the acquisitions carried out during the period and to the greater use of plants outside the Group, in view of the closure of the landfill managed by Asa Scpa due to the authorised volume of deliverable waste being reached and the temporary shutdown of Feronia Srl;
- the activation of supplementary services and projects aimed at achieving greater sorted waste collection.

"Other service costs" include all other costs for services not specified in the above categories. The change is attributable, among other things, to the increase in third-party services performed for remediation activities, higher expenses for commercial promotion campaigns and the increase in insurance costs. Note that the item "Other service costs" also includes instalments relating to short-term leases and low-value leases.

5 Personnel costs

	1ST HALF OF 2026	1ST HALF OF 2025	CHANGE
Salaries and wages	273.4	259.4	14.0
Social security costs	87.5	82.4	5.1
Other costs	20.4	19.0	1.4
Total	**381.3**	**360.8**	**20.5**

The increase compared to the previous year is mainly attributable to:

- the increase in the average number of employees, partly as a result of the acquisitions made in the first half of the 2026;
- changes in salaries provided for by the national collective labour agreements.

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

	AVERAGE			SPECIFIC		
	1ST HALF OF 2026	1ST HALF OF 2025	CHANGE	1ST HALF OF 2026	1ST HALF OF 2025	CHANGE
Managers	159	157	2	159	153	6
Middle managers	643	609	34	652	603	49
White-collar workers	6,078	5,854	224	6,197	5,874	323
Blue-collar workers	4,087	3,780	307	4,201	3,811	390
Total	**10,967**	**10,400**	**567**	**11,209**	**10,441**	**768**

The average labour cost per capita in the first half of 2026 is essentially in line with the same period of the previous year:

THOUSAND €	1ST HALF OF 2026	1ST HALF OF 2025	CHANGE
Average cost of labour per capita	34.8	34.7	0.1

6 Other operating expenses

	1ST HALF OF 2026	1ST HALF OF 2025	CHANGE
Taxes, fees and non-income taxation	13.0	13.1	(0.1)
Fees paid to institutional authorities	7.6	7.8	(0.2)
Losses on the sale and disposal of assets	3.9	4.1	(0.2)
Other expenses	13.9	17.9	(4.0)
Total	**38.4**	**42.9**	**(4.5)**

"Other expenses" comprise other residual items including membership fees, indemnities, sanctions and fines. The change compared to the previous period is due to the reduction in regulatory sanctions and penalties applied by Arera as of 2024 in relation to the distribution of natural gas and electricity, which, on the other hand, had a negative impact during the first half of the 2025.

7 Capitalised costs

	1ST HALF OF 2026	1ST HALF OF 2025	CHANGE
Increase of self-constructed assets	69.5	47.4	22.1

The increase compared to the same period of the previous year is mainly attributable to the construction of the new line of the Padua waste-to-energy plant and the extension of the district heating networks.

8 Depreciation, amortisation, provisions and impairment losses

	1ST HALF OF 2026	1ST HALF OF 2025	CHANGE
Depreciation, amortisation and impairment losses	290.4	280.5	9.9
Provisions	38.6	58.0	(19.4)
Total	**329.0**	**338.5**	**(9.5)**

Details of the item "Provisions" are as follows:

	NOTES	1ST HALF OF 2026	1ST HALF OF 2025	CHANGE
Accruals to the loss allowance	31	26.5	40.7	(14.2)
Provisions for risks and charges	29	18.0	19.8	(1.8)
De-provisioning	29, 31	(5.9)	(2.5)	(3.4)
Total		**38.6**	**58.0**	**(19.4)**

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

9 Finance income

	1ST HALF OF 2026	1ST HALF OF 2025	CHANGE
Customers	20.9	25.8	(4.9)
Discounting of energy efficiency receivables	11.3	18.1	(6.8)
Bank interests	9.4	17.3	(7.9)
Dividends	4.2	7.0	(2.8)
Discounting of non-current financial receivables	3.2	3.1	0.1
Income from fair value measurement of financial assets and liabilities	-	0.7	(0.7)
Other finance income	10.3	4.3	6.0
Total	**59.3**	**76.3**	**(17.0)**

"Customers" mainly include interest on arrears in the gas and electricity sales, primarily in last-resort markets. The change compared to the same period of the previous year is essentially attributable to the reduction in customers and volumes handled in the energy commodity sales businesses.

"Discounting of energy efficiency receivables" represents the measurement at amortised cost of tax credits deriving from the application of the discount included in invoices for apartment building redevelopment work intended to be compensated within the Group by using its tax capacity, mainly related to the 110% superbonus allowance. The change compared to the same period of the previous year reflects the lower volume of receivables in the tax accounts of the Group companies.

"Bank interests" include income from the short-term use of available liquidity in the Group's current accounts, which was down compared to the same period of the previous year due to a lower average balance and a lower average interest rate applied.

"Other finance income": the change mainly relates to the remeasurement at fair value, for 7 million euro, of the non-controlling interests, equal to 31%, previously held in the company SEA Srl, in relation to the acquisition of control of the same, in accordance with the provisions of IFRS 3 in cases of business combinations carried out in several stages.

10 Financial expenses

	1ST HALF OF 2026	1ST HALF OF 2025	CHANGE
Expenses from bonds and loans	66.4	68.0	(1.6)
Measurement at amortised cost of financial liabilities	12.0	14.2	(2.2)
Factoring charges and disposals of tax credits	11.9	15.5	(3.6)
Discounting of provisions	9.0	9.6	(0.6)
Discounting of options and consideration on equity investments	0.7	5.5	(4.8)
Leases	1.6	1.4	0.2
Expenses from measurement at fair value of financial assets and liabilities	(4.0)	(1.3)	(2.7)
Other financial expenses	6.4	2.6	3.8
Total	**104.0**	**115.5**	**(11.5)**

"Expenses from bonds and loans", essentially in line with the same period of the comparative year, include accrued interest on the bond instruments issued by the Parent Hera Spa and interest on loans granted by banks and other lenders.

"Factoring charges and disposals of tax credits": the change compared to the previous financial year is attributable to the optimisation of sale transactions and the reduction in the relevant market rates for these transactions.

“Discounting of provisions” is broken down as follows:

	NOTES	1ST HALF OF 2026	1ST HALF OF 2025	CHANGE
Post-closure landfills	29	6.9	7.5	(0.6)
Post-employment benefits and other employee benefits	28	1.0	1.1	(0.1)
Restoration of third-party assets	29	1.0	0.9	0.1
Plant dismantling	29	0.1	0.1	-
Total		**9.0**	**9.6**	**(0.6)**

"Discounting of options and consideration on equity investments": the decrease is mainly due to the exercise, in the first half of 2025, of the option on Estenergy Spa by the non-controlling interests Ascopiave Spa, which represented the most significant balance among the discounted payables for put options recorded in the Group's financial statements.

“Expenses from measurement at fair value of financial assets and liabilities”: this item refers to tax credits from energy efficiency and specifically to the reversal of the measurement position related to previous years, which occurred mainly following the sale of tax credits in the first half of 2026, the final charges for which are instead classified under the item “Factoring charges and disposals of tax credits”.

“Other financial expenses”, which are of a residual nature, mainly comprise interest on current account overdrafts, financial intermediation charges and interest relating to deferred payments.

11 Share of profits pertaining to joint ventures and associates

	1ST HALF OF 2026	1ST HALF OF 2025	CHANGE
Share of profits of joint ventures	0.6	1.3	(0.7)
Share of profits of associates	6.3	5.9	0.4
Total	**6.9**	**7.2**	**(0.3)**

The share of profits of joint ventures and associates includes the effects generated by the measurement of the companies included in the scope of consolidation carried out using the equity method. For details, please refer to note 25 “Equity-accounted investments and Other equity investments”.

2.02.03 Taxation

12 Taxes

	1ST HALF OF 2026	1ST HALF OF 2025	CHANGE
Income tax expense	106.2	101.8	4.4
Pre-tax profit	**359.9**	**351.2**	**8.7**
Tax rate	**29.5 %**	**29.0 %**	

The change in the tax rate compared to the comparison period is mainly attributable to the following offsetting effects:

- increase in the IRAP rate for Group companies operating in the energy businesses following the entry into force of Decree-Law 21/2026 (the "Bills Decree");
- higher deductions for hyper-depreciation relating to investments in the period, following the increases provided for by the 2026 Budget Law;
- positive effects arising from an increase in the deductibility for IRAP purposes of net financial interest in relation to the regulation of industrial holding companies.

13 Current tax assets and liabilities

	30-JUN-26	31-DEC-25	CHANGE
Income tax assets	9.6	55.4	(45.8)
IRES refund assets	0.8	0.8	-
Total current tax assets	**10.4**	**56.2**	**(45.8)**
Income tax liabilities	27.0	12.8	14.2
Total current tax liabilities	**27.0**	**12.8**	**14.2**

"Income tax assets" refer to the excess of advances paid for IRES and IRAP direct taxes over the current tax burden for the period, in addition to the balance for direct taxes from the previous year not yet used for offsetting.

"Income tax liabilities" mainly include IRES and IRAP taxes allocated on an accrual basis on the income generated in the first half of 2026, net of advances paid and any previous balances not yet offset, in addition to the tax assets for the previous year still to be paid to the tax authorities.

14 Deferred tax assets and liabilities

	30-JUN-26	31-DEC-25	CHANGE
Deferred tax assets	480.7	470.1	10.6
Offsetting of deferred taxes	(141.0)	(130.2)	(10.8)
Substitute tax credit	0.2	0.2	-
Total net deferred tax assets	**339.9**	**340.1**	**(0.2)**
Deferred tax liabilities	328.1	285.6	42.5
Offsetting of deferred taxes	(141.0)	(130.2)	(10.8)
Total net deferred tax liabilities	**187.1**	**155.4**	**31.7**

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets against the corresponding current tax liabilities.
The change in deferred tax liabilities compared to the previous year is mainly related to the tax effects associated with the recognition or adjustment of assets and liabilities in the consolidated financial statements following the acquisition of control in the first half of 2026.

2.02.04 Equity and financial structure

Equity

15 Equity attributable to owners of the parent

	30-JUN-26	31-DEC-25	CHANGE
Share capital (nominal value)	1,489.5	1,489.5	-
Treasury share reserve	(15.2)	(11.1)	(4.1)
Share capital increase costs	(0.7)	(0.7)	-
Share capital	**1,473.6**	**1,477.7**	**(4.1)**
Legal reserve	172.9	159.5	13.4
Other reserves	2,179.3	1,964.6	214.7
Components of other comprehensive income (OCI)	(29.0)	(35.6)	6.6
Reserve for treasury share transactions	39.6	50.9	(11.3)
Reserves	**2,362.8**	**2,139.4**	**223.4**
Profit for the year	**235.5**	**464.3**	**(228.8)**
Total	**4,071.9**	**4,081.4**	**(9.5)**

The share capital as at 30 June 2026 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 as at 30 June 2026 was 15,266,642 (11,165,079 at 31 December 2025).

The item "Legal reserve" of the Parent 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 2025.

Compared to 31 December 2025, equity decreased, mainly due to the combination of the following:

- dividend payments amounting to 236.2 million euro;
- profit for the period of 235.5 million euro;
- transactions carried out on treasury shares in the first half of 2026, which resulted in a negative change totalling 15.4 million euro;
- a change in other components of comprehensive income of a positive 6.6 million euro, primarily driven by the change in reserves relating to employee benefits and equity investments measured at fair value.

As at 30 June 2026, a portion of equity, amounting to 67.3 million euro, consists of capital and reserves subject to tax deferral, the distribution of which would give rise to tax liability under current legislation.

16 Non-controlling interests

	30-JUN-26	31-DEC-25	CHANGE
Share capital and reserves	287.1	277.1	10.0
Other comprehensive income (OCI)	(4.8)	(2.8)	(2.0)
Profit for the period	18.2	44.0	(25.8)
Total	**300.5**	**318.3**	**(17.8)**

This item mainly comprises the non-controlling interests of the Herambiente Group and the Marche Multiservizi Group. The change, compared to a profit for the period of 18.2 million euro, is mainly attributable to dividends paid to non-controlling interests amounting to 34.7 million euro and to the reduction in comprehensive income components of 2 million euro. Lastly, it should be noted that the business combination of the Sostelia Group resulted in the acquisition of non-controlling interests amounting to 0.8 million euro.

Reconciliation statement

The following is a reconciliation statement between the Parent's separate financial statements and the consolidated financial statements for the first half of 2026 and 31 December 2025.

	PROFIT FOR THE PERIOD 30-JUN-26	EQUITY 30-JUN-26	EQUITY 31-DEC-25
Balances as per Parent's financial statements	281.2	2,872.0	2,844.9
Excess of equity (including the profit for the year) over the carrying amounts of investments in consolidated companies	355.5	638.0	783.6
Intra-group dividends	(397.6)	-	-
Consolidation adjustments			-
equity-accounting of companies recognised in the separate financial statements at cost	(3.0)	49.1	53.6
difference between purchase price and corresponding carrying-amount of equity	0.7	533.5	418.9
elimination of intra-group transaction effects	(1.3)	(20.7)	(19.6)
Total	**235.5**	**4,071.9**	**4,081.4**
Allocation of non-controlling interests	18.2	300.5	318.3
Balances as per the consolidated financial statements	**253.7**	**4,372.4**	**4,399.7**

17 Earnings per share

	1ST HALF OF 2026	1ST HALF OF 2025
Profit for the period attributable to holders of ordinary shares of the parent (A)	235.5	229.3
Weighted average number of shares outstanding for the purposes of calculating earnings (loss) per share		
basic (B)	1,476,293,832	1,459,985,534
diluted (C)	1,476,293,832	1,459,985,534
Earnings (loss) per share (in euro)		
basic (A/B)	**0.160**	**0.157**
diluted (A/C)	**0.160**	**0.157**

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

At the date of preparation of these consolidated financial statements, the share capital of the Parent Hera Spa consisted of 1,489,538,745 ordinary shares, unchanged from 31 December 2025, 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 position indicator, which adds non-current financial assets to the regulatory statement.

		30-JUN-26	31-DEC-25
A	Cash	1,294.4	845.3
B	Cash equivalents	-	-
C	Other current financial assets	138.9	75.1
D	**Liquidity (A+B+C)**	**1,433.3**	**920.4**
E	Current financial debt	(381.4)	(228.3)
F	Current portion of non-current financial debt	(466.9)	(408.0)
G	**Current financial indebtedness (E+F)**	**(848.3)**	**(636.3)**
H	**Net current financial indebtedness (G+D)**	**585.0**	**284.1**
I	Non-current financial debt	(1,049.3)	(895.3)
J	Debt instruments	(3,931.6)	(3,485.0)
K	Non-current trade and other payables	-	-
L	**Non-current financial debt (I+J+K)**	**(4,980.9)**	**(4,380.3)**
M	**Total financial position (H+L) ESMA guidelines 32 - 382 - 1138**	**(4,395.9)**	**(4,096.2)**
	Non-current financial assets	147.3	151.8
	Net financial debt	**(4,248.6)**	**(3,944.4)**

To better understand the events associated with the financial exposure that occurred during the course of the first half of 2026, see the statement of cash flows and the comments shown in the Directors' report in paragraph 1.02.04 "Financial structure and adjusted net financial debt".

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

The following is an analysis of the items included in the calculation of net financial position, with the exception of financial assets and liabilities related to interest rate derivative financial instruments, which, where present, are detailed in note 27 "Derivative instruments", and lease liabilities, which are shown in note 22 "Right-of-use assets and lease liabilities".

18 Financial assets, cash and cash equivalents

	30-JUN-26	31-DEC-25	CHANGE
Receivables for construction services	112.2	114.1	(1.9)
Loans	4.3	6.5	(2.2)
Portfolio securities	2.7	2.0	0.7
Other financial assets	28.1	29.2	(1.1)
Total non-current financial assets	**147.3**	**151.8**	**(4.5)**
Loans	41.7	39.1	2.6
Receivables for construction services	8.7	8.3	0.4
Portfolio securities	1.0	-	1.0
Other financial assets	87.5	27.7	59.8
Total current financial assets	**138.9**	**75.1**	**63.8**
Total cash	**1,294.4**	**845.3**	**449.1**
Total financial assets, cash and cash equivalents	**1,580.6**	**1,072.2**	**508.4**

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

	30-JUN-26			31-DEC-25		
	NON-CURRENT PORTION	CURRENT PORTION	TOTAL	NON-CURRENT PORTION	CURRENT PORTION	TOTAL
Aimag Spa	-	30.0	30.0	-	30.0	30.0
Set Spa	-	3.7	3.7	1.8	3.6	5.4
Tamarete Energia Srl	-	-	-	-	0.5	0.5
Other minor companies	4.3	8.0	12.3	4.7	5.0	9.7
Total	**4.3**	**41.7**	**46.0**	**6.5**	**39.1**	**45.6**

Loans to the companies Set Spa and Tamarete Energia Srl (the latter already impaired in previous years), vehicles through which the Group holds production shares in electricity generation plants, in the absence of a trigger event (the latter circumstance verified with reference to the first half of 2026) are subject to impairment testing at the end of the year.

"Other financial assets" involve the following counterparties:

	30-JUN-26			31-DEC-25		
	NON-CURRENT PORTION	CURRENT PORTION	TOTAL	NON-CURRENT PORTION	CURRENT PORTION	TOTAL
Acosea Impianti	12.8	-	12.8	12.8	-	12.8
Municipality of Padua	5.6	-	5.6	7.3	1.7	9.0
Collinare Consortium	5.8	-	5.8	5.8	0.5	6.3
Cato and Veneto Region	-	3.9	3.9	-	4.6	4.6
Former CMV municipalities	2.6	-	2.6	2.6	-	2.6
Market data exchange	-	-	-	-	7.1	7.1
Other financial assets	1.3	83.6	84.9	0.7	13.8	14.5
Total	**28.1**	**87.5**	**115.6**	**29.2**	**27.7**	**56.9**

The change compared to 31 December 2025 is mainly attributable to the following effects:

- advances paid at the end of June 2026 for the purchase of tax credits amounting to 49.2 million euro. This transaction was finalised and became effective in July when the credits were accepted in the Group's tax account;
- operation for assigning energy performance tax credits concluded at the end of the first half of 2026, formally validated and accepted by the bank counterparty, the collection of which took place in the subsequent month of July, amounting to 12.8 million euro.

"Cash and cash equivalents" consist of bank and postal deposits amounting to 1,294.4 million euro as at 30 June 2026 (845.3 million euro at 31 December 2025). To better understand the change in the amount of cash and cash equivalents, see the statement of cash flows.

19 Financial liabilities

	30-JUN-26	31-DEC-25	CHANGE
Bonds and loans	4,866.4	4,286.3	580.1
NCI' option to sell	52.7	31.1	21.6
Payables to acquire controlling shareholdings and contingent consideration	0.9	0.3	0.6
Other financial liabilities	0.2	0.2	-
Total non-current financial liabilities	**4,920.2**	**4,317.9**	**602.3**
Bonds and loans	448.2	394.6	53.6
Overdrafts and interest liabilities	62.6	161.4	(98.8)
Payables to acquire controlling shareholdings and contingent consideration	8.6	3.1	5.5
NCI' option to sell	1.5	1.4	0.1
Other financial liabilities	302.2	51.4	250.8
Total current financial liabilities	**823.1**	**611.9**	**211.2**
Total financial liabilities	**5,743.3**	**4,929.8**	**813.5**

Changes in the non-current portion of “Bonds and loans” are due, in addition to the reclassification to the current portion of the portions of loans and bonds maturing in the following twelve months, primarily to the net effect of the following transactions:

- Issuance of the first European green bond, listed on the markets of the Irish, Luxembourg and Italian stock exchanges, with a nominal value of 500 million euro, a term of 6 years and a nominal coupon of 3.5%;
- subscription of bank loans for a total of 160 million euro, mainly at a variable rate, with repayment of the principal in a single payment at maturity and an average duration of approximately three years.

The current portion of "Bonds and loans" includes the portions of medium- and long-term debt maturing within the next financial year and some bonds maturing in October 2026 (with a residual nominal value of 325.4 million euro) and May 2027 (with a residual nominal value of 60 million euro) respectively.

The main conditions of the bonds outstanding as at 30 June 2026 are as follows:

BONDS	DURATION (YEARS)	MATURITY	NOMINAL VALUE (MN€)	COUPON	ANNUAL RATE
Bond	10	14/10/26	325,44 Eur	Fixed, annual	0.88 %
Bond*	15/20	14/05/2027-2032	102,5 Eur	Fixed, annual	5.25 %
Green bond	8	05/07/27	357,2 Eur	Fixed, annual	0.88 %
Bond	15	29/01/28	483,63 Eur	Fixed, annual	5.2 %
Green bond	7	25/05/29	500 Eur	Fixed, annual	2.50 %
Bond	10	03/12/30	500 Eur	Fixed, annual	0.250 %
Green bond	6.5	15/07/31	500 Eur	Fixed, annual	3.25 %
European Green Bond	6	04/06/32	500 Eur	Fixed, annual	3.50 %
Sustainability-linked bond	10	20/04/33	600 Eur	Fixed, annual	4.250 %
Sustainability-linked bond	12.5	25/04/34	500 Eur	Fixed, annual	1.00 %

* Unlisted instrument

As at 30 June 2026, the outstanding bonds, totalling a nominal value of 4,368.7 million euro (3,868.7 million euro at 31 December 2025), recorded at amortised cost of 4,315.1 million euro (3,807.4 million euro at 31 December 2025), have a fair value of 4,246.6 million (3,749.9 million euro at 31 December 2025) 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 at the reporting date, this covenant has been complied with.

"Overdrafts and interest liabilities" mainly include interest expense for the period not yet paid as at 30 June 2026 amounting to 47.9 million euro (72.2 million euro at 31 December 2025) and payables for the subscription of short-term loans, in the form of hot money, amounting to 12 million euro (82 million euro at 31 December 2025).

"Non-controlling interests' option to sell" includes the fair value measurement of the sale options that are granted, with specific contractual arrangements, to non-controlling interests on their own shares.

The following are the changes for the period, compared with the previous period:

	OPENING VALUE	ACQUISITIONS	FINANCIAL EXPENSE	CHANGES UNDER THE SCENARIO	FLOWS PAID OUT	CLOSING VALUE
30-giu-25						
Equity value	262.6	-	4.7	(0.1)	(234.1)	33.1
Future dividends	28.2	-	0.8	-	(22.0)	7.0
Total	**290.8**	**-**	**5.5**	**(0.1)**	**(256.1)**	**40.1**
30-giu-26						
Equity value	27.4	22.3	0.6	-	(1.3)	49.0
Future dividends	5.1	-	0.1	-	-	5.2
Total	**32.5**	**22.3**	**0.7**	**-**	**(1.3)**	**54.2**

With reference to the changes that occurred in the first half of 2026, acquisitions include the effects of the business combination that took place during the period, as illustrated in the section "Business combination (supplementary information)" of paragraph 2.02.10 "Other information". The flows paid out, on the other hand, include the payment made in June 2026 to the minority shareholder for the purchase of the remaining 25.5% of the share capital of Trentino Acque Srl (a company included in the acquisition of the Sostelia Group).
It should be noted that the period of comparison reflects the payment, made in June 2025, to Ascopiave Spa, a minority shareholder of EstEnergy Spa, of both the sums contracted in relation to the exercise of the put option in its possession and the dividends pertaining to it, a transaction that resulted in the acquisition of the entire share capital by the Hera Group.

"Payables to acquire controlling shareholdings and contingent consideration", the change compared to the previous year is mainly due to the recognition of the deferred consideration for the purchase of 52% of the shares of SEA Srl, as part of the transaction that led the Group to acquire control, amounting to 5.3 million euro.

"Other financial liabilities" mainly concern the following cases:

	30-JUN-26			31-DEC-25		
	NON-CURRENT PORTION	CURRENT PORTION	TOTAL	NON-CURRENT PORTION	CURRENT PORTION	TOTAL
Factoring	-	237.9	237.9	-	23.6	23.6
Fund for energy and waste management services (CSEA)	-	27.0	27.0	-	17.1	17.1
Market data exchange	-	18.7	18.7	-	-	-
Other minor items	0.2	18.6	18.8	0.2	10.7	10.9
Total	**0.2**	**302.2**	**302.4**	**0.2**	**51.4**	**51.6**

- Factoring mainly includes collections yet to be transferred to financial institutions at the end of the period, in relation to receivables subject to non-recourse assignments for which the Group has maintained collection activities on behalf of factor companies;
- Fund for energy and waste management services (CSEA) mainly includes revenue to be retroceded since it has already been advanced by CSEA mainly in relation to the reports made by the Group for the activities carried out in the gas and electricity sales markets subject to tenders, as commented on in note 36 "Other current liabilities" which can be consulted for more details;
- Data market exchange includes advance payments relating to electricity exchange contracts concluded on the EXX and ICE platforms, which provide for the daily settlement of unrealised fair value differentials. As at 31 December 2025, this item showed a receivable of 7.1 million euro; The change is due to the fluctuation in commodity prices as a result of the international macroeconomic environment;

- Other minor items mainly include payables to the tax authorities relating to the collection of the Rai licence fee charged to customers in the electricity bill by the Group's sales companies, amounting to 16.4 million euro (5.9 million euro at 31 December 2025).

The following table shows financial liabilities broken down by nature as at 30 June 2026, with an indication of their maturity:

TYPE	AMOUNT AS AT 30-JUN-26	PORTION DUE WITHIN THE YEAR	PORTION DUE WITHIN THE 2ND YEAR	PORTION DUE WITHIN THE 5TH YEAR	PORTION BEYOND THE 5TH YEAR
Bonds	4,315.1	383.5	818.3	993.8	2,119.5
Loans	999.4	64.6	53.2	516.0	365.6
NCI' options to sell	54.2	1.5	11.6	34.1	7.0
Payables to acquire controlling shareholdings and contingent consideration	9.5	8.6	0.8	0.1	-
Other financial liabilities	62.6	62.6	-	-	-
Overdrafts and interest liabilities	302.5	302.3	0.1	0.1	-
Total	**5,743.3**	**823.1**	**884.0**	**1,544.1**	**2,492.1**

20 Cash flows related to financing activities

Changes in financial liabilities

The following table sets out information on changes in financial liabilities during the first half of 2026, broken down into cash and non-cash flows.

TYPE	30-JUN-26	31-DEC-25	CHANGE (A)	NON-CASH FLOWS				CASHFLOWS (F)=(A)-[(B)+(C)+(D)+(E)]
				ACQUISITIONS AND DISPOSALS (B)	MEASUREMENT-RELATED ECONOMIC COMPONENTS (C)	CHANGES IN FAIR VALUE (D)	OTHER CHANGES (E)	
Non-current financial liabilities	4,920.2	4,317.9	602.3	25.5	11.6		(93.0)	658.2
Current financial liabilities	823.1	611.9	211.2	39.9	1.1		29.5	140.7
Cash flows related to financial liabilities	**5,743.3**	**4,929.8**	**813.5**	**65.4**	**12.7**	**-**	**(63.5)**	**798.9**
of which								
New issue of long-term financial debt								660.0
Repayments of non-current financial liabilities								(1.8)
Repayments and other net changes in financial liabilities								140.7
Lease liabilities	**85.9**	**86.8**	**(0.9)**	**4.0**			**6.5**	**(11.4)**
Financial liabilities generated by financing activities	**5,829.2**	**5,016.6**	**812.6**	**69.4**	**12.7**	**-**	**(57.0)**	**787.5**

"Acquisitions and disposals" includes the effects arising from transactions involving the acquisition of control carried out during the first half of 2026, as set out in the section "Business combinations (supplementary information)" of paragraph 2.02.10 "Other information".

"Measurement related economic components" include:

- charges from the amortised cost measurement of bonds and loans in the amount of 12 million euro, as reported in note 10 "Financial expense";

- discounting charges related to the options to sell of non-controlling interests and earn-outs contracted as part of the acquisition of control over companies and business units, amounting to 0.7 million euro, as reported in note 10 "Financial expense".

"Other changes" include, among others, the following effects:

- balances with Group companies arising from acquisition transactions and eliminated on first-time consolidation of negative 33.4 million euro, which have their counterpart within the cash flows from investing activities;
- interest expense pertaining to the previous year paid in the first half of 2026, net of interest pertaining to the first half of 2026 not yet paid, amounting to a negative 24.3 million euro, as the cash flow of interest expense is included in the cash flows from operating activities.

Dividends paid out to Hera shareholders and non-controlling interests
The figure relates to dividends paid during the 2026 financial year to:

- Parent's shareholders in the amount of 233.4 million euro;
- non-controlling interests in the amount of 9.7 million euro.

Finally, it should be noted that non-monetary flows due to exchange rate differences were absent in the first half of 2026.

2.02.05 Investing activities

21 Property, plant and equipment

	30-JUN-26	31-DEC-25	CHANGE
Land and buildings	687.7	683.0	4.7
Plant and machinery	1,133.0	1,147.3	(14.3)
Other movable assets	133.3	131.8	1.5
Assets under construction	460.9	358.2	102.7
Total operating assets	**2,414.9**	**2,320.3**	**94.6**
Investment property	1.5	1.6	(0.1)
Total	**2,416.5**	**2,321.9**	**94.6**

Operating assets, stated net of their accumulated depreciation, are broken down below with details of the changes during the year:

	NET OPENING BALANCE	INVESTMENTS	DISINVESTMENTS	DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES	CHANGES IN THE SCOPE OF CONSOLIDATION	OTHER CHANGES	NET CLOSING VALUE	OF WHICH GROSS CLOSING VALUE	OF WHICH ACCUMULATED DEPRECIATION
30-JUN-25									
Land and buildings	663.3	1.6	(0.1)	(10.5)	-	0.4	654.7	1,015.8	(361.1)
Plant 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)**
30-JUN-26									
Land and buildings	683.0	2.9	(0.4)	(11.3)	5.1	8.4	687.7	1,077.9	(390.2)
Plant and machinery	1,147.3	11.1	(1.2)	(64.9)	2.9	37.8	1,133.0	3,493.1	(2,360.1)
Other movable assets	131.8	7.4	(0.3)	(15.4)	4.0	5.8	133.3	569.3	(436.0)
Assets under construction	358.2	147.7	-	-	0.9	(45.9)	460.9	460.9	-
Total	**2,320.3**	**169.1**	**(1.9)**	**(91.6)**	**12.9**	**6.1**	**2,414.9**	**5,601.2**	**(3,186.3)**

The composition and changes, where significant, within the various categories are commented on below, while for a detailed commentary on the investments made during the period, please refer to paragraph 1.03 "Analysis by business line" of the Directors' report. Non-current assets acquired as part of business combinations, where present, are separately reported in movements and classified as “Changes in the scope of consolidation”.

“Land and buildings” consist of 124.2 million euro in land and 563.5 million euro in buildings. These are owned sites that house the Group’s production plants and, to a lesser extent, its offices.

“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 2026 concern waste treatment activities, amounting to 8.8 million euro. Disinvestments concern demolitions and divestitures of obsolete or damaged plants.

“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 75.4 million euro and motor vehicles amounting to 57.9 million euro.

“Assets under construction” mainly consist of investments in progress for waste and plastic treatment plants amounting to 229.9 million euro, for developing the district heating network amounting to 83.2 million euro and for the electricity distribution network amounting to 49.2 million euro. The investments for the period are mainly attributable to the construction of new assets in the waste disposal and treatment business for 55.9 million euro (40.7 million euro at 30 June 2025), district heating for 31.2 million euro (12 million euro at 30 June 2025) and electricity distribution for 20.1 million euro (10.9 million euro at 30 June 2025).

“Other changes” mainly covers the reclassification of assets under construction to the specific categories for assets brought into operation during the period, as well as possible reclassifications from rights of use assets (in the event of the redemption of leased assets) and from/to intangible assets, especially for goods used in activities under concession.

22 Right-of-use assets and lease liabilities

The following tables show the breakdown of right-of-use assets (reported net of the accumulated depreciation) and lease liabilities at the transition date and the related movements. Contracts taken over as part of business combinations are separately reported and classified as “Changes in the scope of consolidation”. The leases signed during the period are also shown in the column "New contracts and contractual changes", as well as the update of the underlying assumptions relating to the options for renewal, purchase or early termination of existing contracts.

	30-JUN-26	31-DEC-25	CHANGE
Right-of-use land and buildings	59.5	60.6	(1.1)
Right-of-use plant and machinery	4.1	4.5	(0.4)
Right-of-use other movable assets	27.8	27.2	0.6
Total	**91.4**	**92.3**	**(0.9)**

	NET OPENING BALANCE	NEW CONTRACTS AND CONTRACTUAL CHANGES	DECREASES	DEPRECIATION AND IMPAIRMENT LOSSES	CHANGES IN THE SCOPE OF CONSOLIDATION	OTHER CHANGES	NET CLOSING VALUE	OF WHICH GROSS CLOSING VALUE	OF WHICH ACCUMULATED DEPRECIATION
30-JUN-25									
Right-of-use land and buildings	52.1	8.0		(4.5)	2.7	-	58.3	112.2	(53.9)
Right-of-use plant and machinery	5.4	0.7		(0.7)		-	5.4	13.0	(7.6)
Right-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)**
30-JUN-26									
Right-of-use land and buildings	60.6	0.7	-	(4.2)	2.6	(0.2)	59.5	118.4	(58.9)
Right-of-use plant and machinery	4.5	0.6	-	(0.7)	-	(0.3)	4.1	13.3	(9.2)
Right-of-use other movable assets	27.2	5.3	-	(5.7)	1.4	(0.4)	27.8	56.8	(29.0)
Total	**92.3**	**6.6**	**-**	**(10.6)**	**4.0**	**(0.9)**	**91.4**	**188.5**	**(97.1)**

"Right-of-use land and buildings" consist of 49.6 million euro in buildings and 9.9 million euro in land. The buildings refer mainly to contracts concerning the real estate structures used for headquarters, offices and customer service help-desks.

"Right-of-use plant and machinery" mainly refer to contracts regarding purification and composting plants.

"Right-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, plant and equipment due to their nature.

Leasel liabilities show the following composition and change, compared with the same period of the previous year:

	NET OPENING BALANCE	NEW CONTRACTS AND CONTRACTUAL CHANGES	DECREASES	FINANCIAL EXPENSE	CHANGES IN THE SCOPE OF CONSOLIDATION	OTHER CHANGES	NET CLOSING VALUE
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
30-JUN-26							
Lease liabilities	**86.8**	**6.5**	**(13.0)**	**1.6**	**4.0**	**-**	**85.9**
of which							
non-current liabilities	62.4						60.7
current liabilities	24.4						25.2

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

TYPE	TOTAL	PORTION DUE WITHIN THE YEAR	PORTION DUE WITHIN THE 2ND YEAR	PORTION DUE WITHIN THE 5TH YEAR	PORTION BEYOND THE 5TH YEAR
1st half of 2025	83.0	24.2	15.5	24.5	18.8
1st half of 2026	85.9	25.2	16.8	27.6	16.3

23 Intangible assets

	30-JUN-26	31-DEC-25	CHANGE
IT applications	128.4	141.6	(13.2)
Concessions and other rights	122.8	76.5	46.3
Public services under concession	3,606.2	3,604.1	2.1
Customer lists	561.3	532.5	28.8
Other intangible assets	135.6	134.3	1.3
Intangible assets under development, public services under concession	801.5	637.4	164.1
Intangible assets under development	138.3	114.2	24.1
Total	**5,494.1**	**5,240.6**	**253.5**

Intangible assets, stated net of their accumulated amortisation, are broken down below with details of the changes during the year:

	NET OPENING BALANCE	INVESTMENTS	DISINVESTMENTS	AMORTISATION AND IMPAIRMENT LOSSES	CHANGES IN THE SCOPE OF CONSOLIDATION	OTHER CHANGES	NET CLOSING VALUE	OF WHICH GROSS CLOSING VALUE	OF WHICH ACCUMULATED AMORTISATION
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)
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 under development, public services under concession	443.4	213.0	(0.4)	-	-	(68.6)	587.4	587.4	-
Intangible assets under development	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)**
30-JUN-26									
IT applications	141.6	1.8	-	(25.3)	0.3	10.0	128.4	766.6	(638.2)
Concessions and other rights	76.5	0.2	-	(7.7)	53.3	0.5	122.8	543.9	(421.1)
Public services under concession	3,604.1	19.5	(2.9)	(106.4)	0.4	91.5	3,606.2	6,658.1	(3,051.9)
Customer lists	532.5	-	-	(20.2)	49.0	-	561.3	869.2	(307.9)
Other intangible assets	134.3	29.6	-	(28.6)	0.3	-	135.6	483.4	(347.8)
Intangible assets under development, public services under concession	637.4	257.3	(0.2)	-	-	(93.0)	801.5	801.5	-
Intangible assets under development	114.2	33.0	-	-	2.2	(11.1)	138.3	138.3	-
Total	**5,240.6**	**341.4**	**(3.1)**	**(188.2)**	**105.5**	**(2.1)**	**5,494.1**	**10,261.0**	**(4,766.9)**

The composition and changes, where significant, within the various categories are commented on below, while for a detailed commentary on the investments made during the period, please refer to paragraph 1.03 "Analysis by business line" of the Directors' report. Intangible assets acquired as part of business combinations, where present, are separately reported and classified as “Changes in the scope of consolidation”.

“Concessions and other rights” mainly include:

- concessions, for 18.1 million euro, primarily involving the rights relating to the activities of gas distribution and integrated water service, classified as intangible assets even before IFRIC 12 “Service concession arrangements” was first applied;
- the authorisation relating to the operation of the Camerata Picena waste management and treatment plant, amounting to 50.3 million euro, an asset recorded as part of a business combination carried out in the first half of 2026 and amortised on the basis of the duration of the authorisation, which is approximately 16 years;
- the authorisation to operate the Serravalle Pistoiese landfill, for 40.3 million euro, an asset recorded as part of a business combination carried out in previous periods and amortised on the basis of the number of tons consigned.

The item “Public services under concession” includes assets relating to gas distribution, electricity distribution (Imola area), the integrated water service and public lighting activities (except for the latter, as specified in note 18 “Financial assets, cash and cash equivalents”) provided through contracts awarded by the respective public bodies. The increase in amortisation in the first half of 2026 compared to the comparison period reflects in particular the effect of the capitalisations that took place in 2025 and during the period, which show a significant increase, as can also be seen from the comparison with the amount of the item "Other changes".

“Customer lists” are recorded as a result of business combination transactions and the consequent measurement of the assets acquired at fair value. The amortisation period of these customer lists is correlated to the churn rate identified for each individual transaction. Specifically, a customer list was recorded in the period in relation to the acquisition of control of the Sostelia Group, amounting to 49 million euro.

The item “Other intangible assets” refers mainly to the incremental costs incurred for obtaining new sale contracts represented exclusively by commissions. Capital expenditure was also significant for the first half of 2026 as a result of the commercial strategy put in place, amounting to 29.4 million euro (30.4 million euro at 30 June 2025).

“Intangible assets under development, public services under concession” include investments related to concessions that are still to be completed at the end of the period and mainly refers to the water networks, in the amount of 51 4.4 million euro, gas distribution networks, in the amount of 165.9 million euro and urban sanitation in the amount of 51.3 million euro, as well as to electricity distribution networks for 56.9 million euro. Investments in the first half of 2026 mainly concerned water networks, amounting to 158.1 million euro (139 million euro in the first half of 2025), and gas distribution networks, amounting to 59.9 million euro (44.7 million euro in the first half of 2025).

“Intangible assets under development” essentially comprise IT projects not yet completed.

“Other changes” mainly include reclassifications of assets under development to their specific categories for assets that began to be used during the period and reclassifications to property, plant and equipment, especially when goods used in activities under contract are involved.

24 Goodwill

	30-JUN-26	31-DEC-25	CHANGE
Goodwill	1,026.4	950.0	76.4

In the first half of 2026, goodwill increased by 76.4 million euro due to the business combination transactions carried out, relating to the acquisition of control of SEA Srl and the Sostelia Group. For further details on business combination operations, see the section “Business combinations (supplementary information)” of paragraph 2.02.10 “Other information”.

2.02.06 Equity investments

25 Equity-accounted investments and Other equity investments

	30-JUN-26	31-DEC-25	CHANGE
Equity-accounted investments	122.1	137.2	(15.1)
Other equity investments	51.1	54.0	(2.9)
Total	**173.2**	**191.2**	**(18.0)**

The changes in joint ventures and associates as compared to 31 December 2025 take into account the pro-quota losses and profits reported by the respective companies (including the components of the other comprehensive income) as well as the possible impairment losses for any dividends that were distributed and impairment losses due to the impairment test. Lastly, they include changes in the scope of consolidation that occurred in the first half of 2026.

Changes in consolidated equity-accounted investments are as follows:

	OPENING VALUE	INVESTMENTS AND DISINVESTMENTS	PROFIT (LOSS) FOR THE YEAR	DIVIDENDS PAID	CHANGES IN THE SCOPE OF CONSOLIDATION	IMPAIRMENT LOSSES AND OTHER CHANGES	CLOSING VALUE
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**
Associates							
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 associates	**107.3**	**-**	**5.9**	**(4.0)**		**(0.1)**	**109.1**
Total	**127.3**	**-**	**7.2**	**(5.8)**	**-**	**(0.1)**	**128.6**
30-JUN-26	-		-				
Joint ventures							
Enomondo Srl	20.7	-	0.5	(1.9)	-	-	19.3
Set Spa	1.7	-	0.1	-	-	-	1.8
Total joint ventures	**22.4**	**-**	**0.6**	**(1.9)**	**-**	**-**	**21.1**
Associates							
Aimag Spa	49.8	-	2.3	(2.2)	-	-	49.9
Sgr Servizi Spa	34.1	-	3.1	(4.6)	-	-	32.6
ASM SET Srl	19.3	-	0.7	(1.4)	-	(0.1)	18.5
SEA - Servizi Ecologici Ambientali Srl	11.6	-	0.2	-	(11.8)	-	-
Total associates	**114.8**	**-**	**6.3**	**(8.2)**	**(11.8)**	**(0.1)**	**101.0**
Total	**137.2**	**-**	**6.9**	**(10.1)**	**(11.8)**	**(0.1)**	**122.1**

During the period, there were no impairment losses or gains for the companies included in the scope of consolidation.

The "Changes in the scope of consolidation" reflect the full consolidation of the company SEA Srl, of which the Group acquired control in March 2026.

Other equity investments in companies not included in the scope of consolidation mainly relate to Ascopiave Spa for 33.8 million euro (37.9 million euro at 31 December 2025) and Calenia Energia Spa for 5.1 million euro (unchanged compared to 31 December 2025). In the case of shareholdings with a level 1 fair value hierarchy, the fair value, recognised in other comprehensive income, makes it possible to align the carrying amount of the shares with the market prices at the end of the period. In the case of investments with hierarchy 3, also in light of the insignificant value of the investments in the portfolio, the change in fair value was not significant as at 30 June 2026.

26 Cash flows related to investing activities

Investments in subsidiaries and business units net of cash and cash equivalents

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

30-giu-26	SEA SRL	SOSTELIA GROUP	OTHER MINOR ITEMS	TOTAL INVESTMENTS
Cash outlays leading to the acquisition of control	21.0	109.8	5.9	136.7
Cash acquired	(10.1)	(17.8)	-	(27.9)
Investments in subsidiaries and business units net of cash and cash equivalents	**10.9**	**92.0**	**5.9**	**108.8**
Cash outflows for investments in non-consolidated subsidiaries	-	-	1.2	1.2
Investments in subsidiaries, business units and other equity investments	**10.9**	**92.0**	**7.1**	**110.0**

Increase/decrease in other investing activities

The following is a breakdown of information on changes in the other investing activities during the first half of 2026, differentiating between cash flows and non-cash flows.

TYPE	30-JUN-26	31-DEC-25	CHANGE (A)	NON-CASH FLOWS				CASH FLOWS (F) = [(B)+(C)+(D)+(E)] - [A]
				ACQUISITIONS AND DISPOSALS (B)	MEASUREMENT-RELATED ECONOMIC COMPONENTS (C)	CHANGES IN FAIR VALUE (D)	OTHER CHANGES (E)	
Current and non-current financial assets	286.2	226.9	59.3	10.5	4.4	-	(13.9)	(58.3)

"Acquisitions and disposals" include the effects deriving from the acquisition of control carried out in the first half of 2026.

"Economic measurement components" mainly include income from discounting non-current financial receivables amounting to 3.2 million euro, as reported in note 9 "Finance income" as well as the economic effects of the reversal of impairment losses on loans granted to equity-accounted companies for 1.1 million euro.

"Other changes" mainly include the following effects:

- balances with Group companies arising from acquisition transactions and eliminated on first-time consolidation of negative 33.4 million euro, which have their counterpart within the cash flows from financing activities;
- the amount of the sales of tax credits made at the end of June 2026, which were collected in July for a positive amount of 12.8 million euro;
- the reclassification relating to accrued interest income not yet collected as at the reporting date, net of interest pertaining to the previous year collected in the first half of 2026, for a positive 6.7 million euro, as the cash flow relating to interest income is shown within the cash flows from operating activities.

2.02.07 Derivatives and related instruments

27 Derivative instruments

	30-JUN-26			31-DEC-25			CHANGE
	FAIR VALUE ASSETS	FAIR VALUE LIABILITIES	NET EFFECT	FAIR VALUE ASSETS	FAIR VALUE LIABILITIES	NET EFFECT	NET EFFECT
Commodity derivatives							
Commercial portfolio	305.5	299.4	6.1	174.6	173.9	0.7	5.4
Trading portfolio	13.9	26.0	(12.1)	3.9	29.1	(25.2)	13.1
Total commodity derivatives	**319.4**	**325.4**	**(6.0)**	**178.5**	**203.0**	**(24.5)**	**18.5**
of which non-current	-	-		-	-		
of which current	319.4	325.4		178.5	203.0		

As at 30 June 2026, the Group only shows an exposure relating to derivatives on energy commodities, segregated within two different portfolios, commercial and trading, an improvement compared to the previous year.

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	FAIR VALUE HIERARCHY	30-JUN-26			31-DEC-25		
		NOTIONAL	FAIR VALUE ASSETS	FAIR VALUE LIABILITIES	NOTIONAL	FAIR VALUE ASSETS	FAIR VALUE LIABILITIES
Gas formulas	3	44,923,358 MWh	260.6	-	26,759,961 MWh	164.9	-
Electricity formulas	2	2,777,792 MWh	43.8	-	1,784,953 MWh	9.7	-
Other commodities	3	3.650 Ton	0.8	-	-	-	-
Exchange	2	USD 17,182,000	0.3	-	USD 3,845,000	-	-
Gas formulas	3	48,350,607 MWh	-	280.6	26,938,628 MWh	-	163.9
Electricity formulas	2	1,510,751 MWh	-	18.4	2,364,228 MWh	-	9.9
Other commodities	3	7,269 tonnes	-	0.4	7,356 tonnes	-	-
Exchange	2	2.113.000 Usd	-	-	USD 11,423,000	-	0.1
Totale fair value			**305.5**	**299.4**		**174.6**	**173.9**

As at 30 June 2026, commodity derivatives in the commercial portfolio showed a positive net exposure of 6.1 million euro, a slight increase compared to the previous year. The significant change in the fair values of assets and liabilities compared to 31 December 2025 is primarily driven by the following effects:

- Higher notional amounts outstanding at the end of the period, in particular in relation to gas formula contracts;
- the forward trend of the energy commodity curves, which are affected by higher reference prices compared to 31 December 2025 for both the methane gas commodity and the electricity commodity as a result of international geopolitical tensions.

Overall effect of these instruments on the statement of other comprehensive income is broken down as follows:

COMMERCIAL PORTFOLIO HEDGES	30-JUN-26			31-DEC-25		
	POSITIVE ELEMENTS	NEGATIVE ELEMENTS	NET EFFECT	POSITIVE ELEMENTS	NEGATIVE ELEMENTS	NET EFFECT
Changes to expected cash flows	26.4	-	26.4	(9.0)	-	(9.0)
Reserve transferred to the statement of profit or loss	689.1	(710.1)	(21.0)	1,228.2	(1,218.7)	9.5
Effect of hedging derivatives on statement of other comprehensive income	**715.5**	**(710.1)**	**5.4**	**1,219.2**	**(1,218.7)**	**0.5**

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

The effect on the statement of profit or loss of the realised of gains or losses on derivative or similar contracts, whether physical or financial, may be broken down as follows:

REALISATION OF COMMERCIAL PORTFOLIO	PHYSICAL CONTRACTS TREATED AS DERIVATIVES	FINANCIAL DERIVATIVE CONTRACTS	OVERALL EFFECT
Sales revenue	710.1	-	710.1
Purchasing costs*	(709.9)	20.8	(689.1)
Effect of realising hedging derivatives	**0.2**	**20.8**	**21.0**

* the amount includes income and expenses 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 may be broken down into the following types:

TYPE	FAIR VALUE HIERARCHY	30-JUN-26			31-DEC-25		
		NOTIONAL	FAIR VALUE ASSETS	FAIR VALUE LIABILITIES	NOTIONAL	FAIR VALUE ASSETS	FAIR VALUE LIABILITIES
Electricity formulas	2	922,111 MWh	13.9	-	1,494,802 MWh	3.9	-
Electricity formulas	2	1,352,932 MWh	-	26.0	2,086,858 MWh	-	29.1
Totale fair value			**13.9**	**26.0**		**3.9**	**29.1**

NET EFFECT ON THE STATEMENT OF PROFIT OR LOSS	30-JUN-26			30-JUN-25		
	PHYSICAL CONTRACTS TREATED AS DERIVATIVES	FINANCIAL DERIVATIVE CONTRACTS	NET EFFECT	PHYSICAL CONTRACTS TREATED AS DERIVATIVES	FINANCIAL DERIVATIVE CONTRACTS	NET EFFECT
Assessment of derivatives	13.0	0.1	13.1	11.8	(1.0)	10.8
Realised cash flows	29.7	(3.2)	26.5	22.7	-	22.7
Economic effect of derivatives	**42.7**	**(3.1)**	**39.6**	**34.5**	**(1.0)**	**33.5**

As at 30 June 2026, commodity derivatives in the trading portfolio showed a negative net exposure of 12.1 million euro, an improvement compared to the previous year. The change in the fair values of assets and liabilities compared to 31 December 2025 is driven by the following offsetting effects:

- lower volumes outstanding at the end of the period due to the realisation in the first half of 2026 of part of the contracts outstanding at 31 December 2025;
- prospective trend of the energy commodity price curves, as already reported with reference to the commercial portfolio.

The effect on the statement of profit or loss of the realised of gains or losses on derivative or similar contracts, whether physical or financial, may be broken down as follows:

REALISATION OF TRADING PORTFOLIO	PHYSICAL CONTRACTS TREATED AS DERIVATIVES	PHYSICAL CONTRACTS TREATED AS DERIVATIVES	OVERALL EFFECT
Sales revenue	32.0	-	32.0
Purchasing costs*	(2.3)	(3.2)	(5.5)
Effect of realising derivatives	**29.7**	**(3.2)**	**26.5**

* the amount includes income and expenses from financial derivatives

2.02.08 Provisions and contingent liabilities

28 Employee benefits

	OPENING VALUE	SERVICE COST	FINANCIAL EXPENSE	ACTUARIAL PROFIT (LOSS)	UTILISATIONS	OTHER CHANGES	CHANGES IN THE SCOPE OF CONSOLIDATION	CLOSING VALUE
30-JUN-25								
Post-employment benefits	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**
30-JUN-26								
Post-employment benefits	64.8	0.6	0.9	(5.2)	(4.4)	-	3.9	60.6
Other benefits	9.5	-	0.1	0.2	(0.5)	-	-	9.3
Total	**74.3**	**0.6**	**1.0**	**(5.0)**	**(4.9)**	**-**	**3.9**	**69.9**

"Changes in the scope of consolidation" include the post-employment benefit acquired following the business combinations carried out during the period.

29 Provisions

	OPENING VALUE	ACCRUALS	FINANCIAL EXPENSE	UTILISATIONS	OTHER CHANGES	CHANGES IN THE SCOPE OF CONSOLIDATION	CLOSING VALUE
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 lawsuits 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 plants 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**
30-JUN-26							
Provision for third-party asset restoration	248.7	2.0	1.0	-	-	-	251.7
Provision for closure and post-closure landfill expenses	216.7	0.8	6.9	(8.1)	2.8	-	219.1
Provision for personnel lawsuits and disputes	14.5	0.6	-	(0.9)	(1.8)	-	12.4
Provisions for waste disposal	9.6	8.7	-	(8.8)	-	0.1	9.6
Provision for plants dismantling	7.2	-	0.1	-	-	-	7.3
Other provisions	209.3	5.9	-	(3.1)	(3.3)	3.9	212.7
Total	**706.0**	**18.0**	**8.0**	**(20.9)**	**(2.3)**	**4.0**	**712.8**

"Other provisions" comprise accruals made against sundry risks. Below, there is a description of the main items:

MLN€	TYPE	30-JUN-26	31-DEC-25
Non-recognition of expenses reported in regulated energy markets	Likely	15.8	15.8
Guarantee on financial exposure granted by AcegasApsAmga Spa in case of abandonment of the operations run for the most part by the foreign subsidiary AresGas (Bulgaria).	Contingent	11.3	11.3
Risk of disputes with the Italian Competition Authority	Likely	10.0	10.0
Non-recognition of the cogeneration plants' green certificates amount, calculated according to the difference between auxiliary services resulting from total self-consumption and services estimated on the basis of the benchmark percentage	Likely	8.9	8.9
Non-recognition of the higher cost of the electricity used in the water service in 2022, for having exceeded the maximum allowable limit under the tariff system	Likely	8.3	9.3
Risks arising from the activity of energy efficiency upgrading of buildings carried out on behalf of end customers, particularly apartment buildings	Likely	6.6	6.6
Risk of non-reimbursement by the Customs Agency, relating to surcharges on electricity reimbursed to end-users	Likely	5.9	7.8
Expenses for future work on the plants impacted by the 2023 flood covered by insurance reimbursements already received	Likely	5.9	6.1

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

The "Changes in the scope of consolidation" include the provisions acquired as a result of the business combination transactions concluded during the period.

2.02.09 Net working capital

30 Inventories

	30-JUN-26	31-DEC-25	CHANGE
Gas stocks	107.4	132.5	(25.1)
Raw materials and stocks	69.0	72.3	(3.3)
Materials earmarked for sale and finished products	15.1	8.4	6.7
Total	**191.5**	**213.2**	**(21.7)**

"Gas storage" represents the measurement of methane gas stocks intended for sale. It should be noted that, at the end of the supply season in March 2026, the stocks in place at 31 December 2025 were fully withdrawn for sale to customers and, consequently, the provision for inventory write-down recorded in the financial statements in the previous year is fully utilised. The change compared to the comparison period is due to the following offsetting effects:

- lower volumes in stock in June 2026, as the procurement process for the 2026-2027 thermal year is still ongoing;
- the increase in purchase prices recorded in the first half of 2026, which led to a higher average cost;

Finally, as at 30 June 2026, the carrying amount of methane gas inventories was lower than the estimated realisable value net of selling costs.

31 Trade receivables

	30-JUN-26	31-DEC-25	CHANGE
Receivables from customers	2,308.0	2,220.4	87.6
Receivables from customers for bills and invoices not yet issued	1,094.3	1,114.8	(20.5)
Loss allowance	(745.3)	(729.3)	(16.0)
Total	**2,657.0**	**2,605.9**	**51.1**

Trade receivables comprise estimated consumption, for the portion pertaining to the period, relating to bills and invoices which will be issued after 30 June 2026, as well as receivables for revenue coming due during the period, referring to the water sector which will be billed in the following months, in accordance with the billing methods for final customers established by the relevant Authority.

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

- increase in receivables relating to brokerage transactions on the wholesale markets for the electricity commodity carried out at the end of the period, partly due to the increase in market prices compared to the values recorded in the last months of the 2025 financial year;
- increase in receivables relating to the sale of the electricity commodity, mainly attributable to reportable customers in the safeguard market;
- decrease in receivables in relation to intermediation operations on the wholesale market and the sale of natural gas to end customers, due to the seasonality of the business and the reduction in volumes sold.

The value of trade receivables reported in the financial statements as at 30 June 2026 represents the Group's maximum exposure to credit risk. Changes in the associated loss allowance is as follows:

	OPENING BALANCE	ACCRUALS	CHANGES IN THE SCOPE OF CONSOLIDATION	USES AND OTHER MOVEMENTS	CLOSING BALANCE
1st half of 2025	710.1	40.7	-	(13.6)	737.2
1st half of 2026	729.3	26.5	0.9	(11.4)	745.3

The change in accruals compared to the same period of the previous year is mainly attributable to the different scope managed by the Group on the gas markets, following the natural expiry of the last resort supply service that the Group had been awarded for the period 2023-2025.

32 Trade payables

	30-JUN-26	31-DEC-25	CHANGE
Payables to suppliers	522.7	627.9	(105.2)
Payables to suppliers for invoices not yet received	1,245.6	1,212.0	33.6
Total	**1,768.3**	**1,839.9**	**(71.6)**

The change in trade payables compared to the previous year is mainly due to the seasonality effect that characterises the natural gas business, an effect partially offset by the increase in payables relating to the brokerage activity on the wholesale markets of the electricity commodity, which is also determined by the increase in reference prices compared to December 2025.

33 Contract assets

	30-JUN-26	31-DEC-25	CHANGE
Treatment and disposal	71.0	29.1	41.9
Public lighting	35.2	25.6	9.6
Water services	21.2	19.4	1.8
Energy services and energy upgrading buildings	17.5	14.1	3.4
Other minor items	5.6	1.3	4.3
Total	**150.5**	**89.5**	**61.0**

The change compared to the previous year is mainly attributable, in the area of waste treatment and disposal, to the following effects:

- acquisition of control of the Sostelia Group in the first half of 2026;
- development of site remediation, waste management and civil works activities on behalf of industrial customers.

34 Contract liabilities

	30-JUN-26	31-DEC-25	CHANGE
Advances for works in progress	27.7	10.4	17.3
Deferred liabilities	12.5	14.7	(2.2)
Other advance payments	0.1	1.0	(0.9)
Total	**40.3**	**26.1**	**14.2**

"Advances for works", the increase compared to the previous year is attributable to the acquisition of control of the Sostelia Group in the first half of 2026.

35 Other current assets

	30-JUN-26	31-DEC-25	CHANGE
Tax credits, benefits and other tax credits	275.3	465.4	(190.1)
Fund for energy and waste management services for equalisation and system components	86.8	61.3	25.5
Prepaid costs	73.2	44.3	28.9
Security deposits	60.0	38.0	22.0
Energy efficiency certificates and emission trading	44.0	22.6	21.4
VAT, excise and additional taxes	36.3	40.4	(4.1)
Advances to suppliers	31.8	33.1	(1.3)
Other assets	62.0	73.4	(11.4)
Total	**669.4**	**778.5**	**(109.1)**

"Tax credits, benefits and other tax credits" mainly include:

- tax credits arising from the application of the invoice discount to end customers, stated at amortised cost, in relation to subsidised energy efficiency works carried out on apartment buildings for the most part, amounting to 267.8 million euro (456.3 million euro at 31 December 2025). The significant decrease compared to the previous year is attributable to the use during the period of these receivables to offset taxes and duties owed by the Group, an effect only partially offset by the receivables for invoice discounts relating to interventions carried out in 2025, shown at 31 December 2025 under trade receivables, and recognised, on the basis of current tax legislation, as tax credits in the first months of the 2026 financial year;
- credits for investments in capital goods, including those related to Industry 4.0, totalling 5.8 million euro (7.2 million euro at 31 December 2025), which will be used to offset taxes and contributions in subsequent periods on the basis of the annual limits provided for.

"Fund for energy and waste management services for equalisation and system components" reflects receivables from the Fund for energy and waste management services for equalisation in the amount of 73.8 million euro (48.4 million euro at 31 December 2025) and for system components of the gas, electricity and water services in the amount of 13 million euro (12.9 million euro at 31 December 2025). Equalisation receivables increased by 25.4 million euro compared to the previous year. This change is mainly attributable to the time lag between the accrual of receivables and their settlement by the regulatory body. In fact, both the receivable recorded in the previous year, not yet collected at the end of the half-year, and the equalisation components accrued during the period contribute to the value of June 2026.

"Prepaid costs" mainly include the portions relating to future periods, including the second half of 2026, of external services and work, costs incurred for insurance coverage, sureties and bank fees, as well as costs for licences, fees payable and concession fees for network services and personnel costs for the unaccrued portion of the fourteenth monthly payment paid in June.

"Security deposits" mainly include deposits provided as security for participation in foreign platforms that deal in commodity contracts, auctions on the electricity market, and to ensure operations on wholesale markets for electricity and natural gas, totalling 50.1 million euro (28.4 million euro at 31 December 2025). This item also includes the deposits required by current legislation from operators that produce, hold, process or sell excisable products, amounting to 2.3 million euro (in line with the figure at 31 December 2025).

"Energy efficiency certificates and emission trading", include the following:

	30-JUN-26	31-DEC-25	CHANGE
White certificates	35.1	18.0	17.1
Grey certificates	8.9	4.6	4.3
Total	**44.0**	**22.6**	**21.4**

- The portfolio of white certificates includes the measurement of the certificates calculated on the basis of the energy efficiency targets set by the GSE for gas and electricity distribution companies, net of the settlements that took place in the period, amounting to 33.5 million euro (8.4 million euro at 31 December 2025), and, on a residual basis, the certificates originating from the energy efficiency works carried out by the Group, amounting to 1.6 million euro (unchanged compared with 31 December 2025). As at 30 June 2026, there were no certificates acquired on the market and held in the portfolio in excess of the requirements for the period (8 million euro at 31 December 2025). The increase, pending the financial settlement in the second half of the year of the certificates already valued at 31 December 2025 and not yet collected as at 30 June 2026, is mainly due to the recognition of contributions recorded against the redemption of the virtual certificates that took place in May, as well as the recognition of the half-yearly accrual for the targets assigned to the Group for the obligation year 2026. For further details, see note 2 "Other income";

- the portfolio of grey certificates reflects the measurement of both securities held by the Group for 8.1 million euro (4.4 million euro at 31 December 2025) and the exposure for forward contracts to buy and sell greenhouse gas emission allowances for 0.8 million euro (unchanged compared with 31 December 2025). The change, in the presence of a slight decrease in the market price compared to the previous year, is mainly affected by the greater number of securities held in the portfolio at the end of the period.

"VAT, excise and additional taxes" include payables for VAT in the amount of 8.9 million euro (13.2 million euro at 31 December 2025), and excise and additional taxes in the amount of 27.4 million euro (27.2 million euro at 31 December 2025). The reduction in value added tax compared to the previous year is mainly due to the use, to offset other taxes and duties, of the credit relating to the companies established during the 2025 financial year, which entered the Group's VAT tax regime from 1 January 2026, as well as the collection of the VAT for the previous year claimed for refund in the first six months of the 2026 financial year.
In relation to excise duties and surcharges, which are essentially in line with the previous year, it should be noted that the new provisions on excise duties on natural gas and electricity came into effect on 1 January 2026. These provisions replaced the system of payment on account in constant instalments based on historical consumption with the introduction of a payment mechanism based on the actual consumption of the previous month, subject to two half-yearly adjustments. In any case, the new regulations produce only effects of a financial nature and a different temporal distribution of cash flows related to the payment of excise duties over the twelve-month period.

The item "Other assets" is broken down as follows:

	30-JUN-26	31-DEC-25	CHANGE
Non-recurring subsidies	13.0	13.0	-
Receivables from asset companies	6.2	6.2	-
Dividends	5.5	1.0	4.5
Incentives from renewable sources	4.3	8.6	(4.3)
Contributions	-	14.6	(14.6)
Other minor items	33.0	30.0	3.0
Total	**62.0**	**73.4**	**(11.4)**

The change compared to the previous year is mainly attributable to the collection in January 2026 of relief for the management of the flood emergency in the 2024 financial year and NRRP grants for project activities relating to the water networks in the areas managed under concession by the Group, for a total of 14.6 million euro.

36 Other current liabilities

	30-JUN-26	31-DEC-25	CHANGE
Payables for advances to the fund for energy and waste management services	675.1	635.3	39.8
Plant investment grants	413.5	367.1	46.4
Security deposits from customers	146.2	146.4	(0.2)
Fund for energy and waste management services for equalisation and system components	139.0	161.7	(22.7)
Personnel and employee withholding	112.6	105.5	7.1
Payables to social security institutions	91.6	88.4	3.2
VAT, excise and additional taxes	40.3	29.5	10.8
Energy efficiency certificates and emission trading	18.4	16.0	2.4
Deferred revenue and other accrued expenses	14.8	10.5	4.3
Other liabilities	136.4	135.9	0.5
Total	**1,787.9**	**1,696.3**	**91.6**

"Payables for advances to the fund for energy and waste management services", consisting of non-interest-bearing advances granted by the Cassa per i servizi energetici e ambientali, mainly to cover the reimbursement of the higher costs incurred for the management of the service under the safeguard regime, the last resort market in the natural gas sector (Fui, Ftd and Fdd), the free electricity market regime and the transitional protection scheme (customers who can be disconnected). The change compared to the previous year is mainly attributable to the collections made in the first half of 2026 following the statements made, only partially offset by the refunds relating to payments received from customers.

"Plant investment grants" increased due to the receipt of public grants, including those related to the NRRP, and decreased in proportion to the depreciation rates calculated on the relevant non-current assets. The item includes:

	30-JUN-26	31-DEC-25	CHANGE
New water system investment fund	120.2	103.6	16.6
Purification and sewerage systems	108.3	102.3	6.0
Purification plant in Servola (Trieste)	24.7	25.9	(1.2)
Gas and electricity distribution networks	23.5	18.4	5.1
Construction of rolling basins and underwater pipes in the area of Rimini	17.5	16.6	0.9
Other minor items	119.3	100.3	19.0
Total	**413.5**	**367.1**	**46.4**

"Fund for energy and environmental services for equalisation and system components", which reflects payables from the Fund for energy and environmental services for system components of the gas, electricity and water services in the amount of 139 million euro (160.6 million euro at 31 December 2025). As at 31 December 2025, it also reflected the equalisation of the electricity distribution service for 1.1 million euro. The change in payables for system components compared to the previous reporting period primarily reflects the following effects:

- a decrease in the debt position in relation to the components of the gas distribution business, attributable to the seasonality of the volumes distributed;
- a decrease in the debt position in relation to the components of the electricity distribution business, attributable to the regulatory changes introduced in the first half of 2026, which provided for the advance payment of system charges, resulting in a lower exposure at the end of the period compared to previous years.

"VAT, excise and additional taxes" include payables for VAT in the amount of 36.6 million euro (20.1 million euro at 31 December 2025), and excise and additional taxes in the amount of 3.7 million euro (9.4 million euro at 31 December 2025).
With reference to value added tax, note that the balance at the end of the 2025 financial year is impacted by the payment of the advance in December (which reduces the amount), while the balance at 30 June 2026 is increased due to the quarterly VAT settlement of the companies operating in the business of selling energy commodities to end customers.
With regard to excise duties and surcharges, we note the introduction from 1 January 2026 of new methods for paying advances, as reported in note 35 "Other current assets", to which reference should be made for further details.

"Energy efficiency certificates and emission trading", which include the following:

	30-JUN-26	31-DEC-25	CHANGE
White certificates	9.6	4.9	4.7
Grey certificates	5.9	5.3	0.6
Guarantee of origin certificates	2.9	5.8	(2.9)
Total	**18.4**	**16.0**	**2.4**

- white certificates represent the measurement of the exposure in relation to the redelivery obligations towards the respective Authorities for energy efficiency certificates not yet in the portfolio. The change compared to 31 December 2025, in a market context that showed prices essentially in line with the previous year, is mainly due to the recognition of the liability to cover the half-yearly accrual of the targets assigned to the Group for the obligation year 2026;
- grey certificates reflect the measurement of both the obligation to redeliver certificates calculated on the basis of current regulations, amounting to 5.6 million euro (5 million euro at 31 December 2025) and the forward sales contracts for greenhouse gas emission quotas, amounting to 0.3 million euro (unchanged compared with 31 December 2025). The change compared to the previous financial year is due to higher surrender obligations for FY 2026, an effect partially offset by a decrease in market prices;
- 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 due to the measurement of the return obligation allocated on an accrual basis in June 2026, against the settlement of the entire obligation of the previous year that took place in the first half of 2026.

The item "other liabilities" mainly comprises the following:

	30-JUN-26	31-DEC-25	CHANGE
Payables for dividends	28.5	0.6	27.9
Arrears payments for electricity, gas and other sectors	20.3	41.8	(21.5)
Insurance deductibles	7.4	7.4	-
Other minor items	80.2	86.7	(6.5)
Total	**136.4**	**136.5**	**(0.1)**

In particular:

- Payables for dividend include dividends not yet paid as at 30 June 2026 to the shareholders of the parent company, amounting to 2.9 million euro, and to minority shareholders, amounting to 25.6 million euro;
- the arrears payments for the electricity, gas and other sectors decreased mainly due to the settlement of the items that took place during the period, showing a normalisation compared to the particularly significant exposure recorded at 31 December 2025 and due to the award of seven lots for the safeguard service for the two-year period 2025-2026.

37 Cash flows from operating activities

Changes in net working capital

The following is a breakdown of information on changes in net working capital during the first half of 2026, differentiating between cash flows and non-cash flows.

TYPE	30-JUN-26	31-DEC-25	CHANGE (A)	NON-CASH FLOWS				CASH FLOWS (F) = [(B) + (C) + (D) + (E)] - (A)
				ACQUISITIONS AND DISPOSALS (B)	RELATED ECONOMIC COMPONENTS (C)	CHANGES IN FAIR VALUE (D)	OTHER CHANGES (E)	
Inventories	191.5	213.2	(21.7)	4.6	0.6	-	-	26.9
Trade receivables	2,657.0	2,605.9	51.1	36.8	(25.8)	-	(30.4)	(70.5)
Trade payables	(1,768.3)	(1,839.9)	71.6	(20.9)	-	-	(0.1)	(92.6)
Other current assets/ liabilities, including contracts with customers	(1,008.3)	(854.4)	(153.9)	5.7	18.1	2.6	(21.7)	158.6
Changes in working capital	**71.9**	**124.8**	**(52.9)**	**26.2**	**(7.1)**	**2.6**	**(52.2)**	**22.4**

"Acquisitions and disposals" include the effects arising from acquisitions of control during the first half of 2026, as illustrated in paragraph 2.02.10 "Other information".

"Related economic components" mainly include:

- the accrual to the loss allowance for a negative 26.5 million euro;
- income related to the discounting process for tax credits to be discounted directly in invoices, amounting to a positive 11.3 million euro, as reported in note 9 "Finance 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 7.3 million euro, as stated in note 2 "Other income".

"Other changes" comprise offsets within net working capital of transactions involving the gross recognition of assets and liabilities. The item also includes:

- dividends approved during the first half of 2026, but not yet paid as at 30 June 2026;
- the value of the cash flows of the tax credits, which were collected in July 2026, as already reported in note 26 "Cash flows from investing activities";
- the utilisation of tax credits recognised under "Other current assets" in order to reflect the actual cash outflows for income taxes paid during the period.

Dividends received
During the first half of 2026, dividends for 7 million euro (4 million at 30 June 2025) were collected from equity-accounted investees according to the equity method and 2.9 million euro (5.8 million euro at 30 June 2025) from shareholdings held in other companies. For further details, please see note 9 "Finance income" and 25 "Equity-accounted investments and Other equity investments".

Net interest paid
Set out below is the reconciliation between the finance income and expenses shown in the financial statements and the corresponding net cash flows for the financial period.

TYPE	30-JUN-26 (A)	NON-CASH COMPONENTS		OTHER CHANGES (D)	MONETARY COMPONENTS (E)=(A)-[(B)+(C)+(D)]
		MEASUREMENT-RELATED ECONOMIC COMPONENTS (B)	CHANGES IN FAIR VALUE (C)		
Finance income	59.3	15.6	7.0	11.6	25.1
Financial expense	(104.0)	(22.2)	4.0	24.4	(110.2)
Total	**(44.7)**	**(6.6)**	**11.0**	**36.0**	**(85.1)**

"Measurement related economic components" mainly include income and expenses arising from both the measurement at amortised cost and the discounting of receivables and liabilities characterised by monetary flows to be carried out in future financial periods, as illustrated in note 9 "Finance income" and note 10 "Financial expense".

"Changes in fair value" include:
- remeasurement at fair value of the interest held in the share capital of SEA Srl prior to the acquisition of control for a positive amount of 7 million euro, as reported in note 9 "Finance income";
- tax receivables related to the application of the discount included in invoices linked to energy performance interventions carried out at end customers amounting to a positive 4 million euro, as reported in note 10 "Financial expense".

"Other changes" mainly include the adjustment of interest income and expenses recorded on an accrual basis, in order to show the actual cash flows realised in the first half of 2026 amounting to 31 million euro, and the dividends paid by other minor equity investments, whose cash flow for the period is shown in a specific item of the statement of cash flows, amounting to 4.2 million euro.

It should also be noted that the cash flow related to financial interest paid includes the amount paid in the period for lease expenses, which amounted to 1.6 million euro.

Taxes paid
Taxes paid includes the amount paid by the Group in relation to IRES and IRAP balances of the previous year and advance payments due for income generated in the current year.

2.02.10 Other information

Business combinations (supplementary information)

Business combinations have been accounted for on the basis of evaluations conducted by management in respect of analyses of the fair value measurement of assets and liabilities and contingent liabilities, in line with information concerning facts and events available at the date of acquisition. The measurement process for determining the fair values of assets, liabilities and contingent liabilities is still ongoing for all business combinations, in some cases also with reference to the consideration transferred. Consequently, as required by IFRS 3, the initial accounting for the business combination was determined provisionally. The table below shows the assets and liabilities acquired as part of business combinations carried out during the first half-year, recognised at their fair value.

	SEA SRL	SOSTELIA GROUP	OTHER MINOR ITEMS	TOTAL BUSINESS COMBINATIONS
Non-current assets				
Property, plant and equipment	3.2	6.0	3.7	12.9
Rights-of-use assets	0.2	3.8	-	4.0
Intangible assets	51.6	52.3	1.6	105.5
Financial assets	1.5	1.0	0.7	3.2
Deferred tax assets	1.2	0.4	-	1.6
Current assets				
Inventories	0.1	4.0	0.5	4.6
Trade receivables	4.2	30.6	2.0	36.8
Financial assets	7.1	0.2	-	7.3
Current tax assets	-	0.7	-	0.7
Contract assets	-	28.8	-	28.8
Other current assets	0.2	4.6	0.2	5.0
Cash	10.1	17.8	-	27.9
Non-current liabilities				
Financial liabilities	(0.2)	(3.2)	-	(3.4)
Lease liabilities	(0.1)	(2.7)	-	(2.8)
Employee benefits	(0.6)	(3.1)	(0.2)	(3.9)
Provisions	(3.3)	(0.7)	-	(4.0)
Deferred tax liabilities	(15.2)	(13.8)	-	(29.0)
Current liabilities				
Financial liabilities	(0.1)	(33.8)	-	(33.9)
Lease liabilities	(0.1)	(1.1)	-	(1.2)
Trade payables	(1.0)	(19.0)	(0.9)	(20.9)
Current tax liabilities	(0.2)	(2.1)	-	(2.3)
Contract liabilities	-	(19.9)	-	(19.9)
Other current liabilities	(1.0)	(6.6)	(0.6)	(8.2)
Total net assets acquired	**57.6**	**44.2**	**7.0**	**108.8**
Fair value consideration	26.5	109.8	6.3	142.6
Fair value of interest held	18.8	-	-	18.8
Non-controlling interests	-	0.8	-	0.8
Minority shareholders' options to sell	21.0	1.3	-	22.3
Total value of the combination	**66.3**	**111.9**	**6.3**	**184.5**
(Goodwill)/Profit	**(8.7)**	**(67.7)**	**0.7**	**(75.7)**

The evaluation process resulted in the following adjustments to the carrying amounts recorded in the financial statements of the acquired entities/branches, as well as the following considerations in relation to the amount transferred:

	SEA SRL	SOSTELIA GROUP	OTHER MINOR ITEMS	TOTAL BUSINESS COMBINATIONS
Carrying amount of net assets acquired	**23.2**	**9.2**	**5.5**	**37.9**
Adjustments for fair value measurement			**-**	**-**
Property, plant and equipment	-	-	0.5	0.5
Intangible assets	51.4	49.0	1.0	101.4
Provisions	(2.6)	-	-	(2.6)
Current assets/(liabilities)	-	(0.4)	-	(0.4)
Deferred tax assets (liabilities)	(14.4)	(13.6)	-	(28.0)
Fair value of net assets acquired	**57.6**	**44.2**	**7.0**	**108.8**
Cash outlay	21.0	109.8	5.9	136.7
Fair value of interest held	18.8	-	–	18.8
Non-controlling interests	–	0.8	–	0.8
Deferred/contingent consideration	26.5	1.3	0.4	28.2
Fair value consideration	**66.3**	**111.9**	**6.3**	**184.5**

The fair value measurement of the identifiable assets acquired and liabilities incurred, which also considered the recoverable amount of the assets, led to the following amendments being identified:

- SEA Srl - the authorisation related to the waste treatment activity at the production site in the municipality of Camerata Picena was valued at fair value at 51.4 million euro. This value was determined on the basis of the characteristics of the reference context of the transaction using the incremental cash flow method (Meem). The expected useful life of the intangible asset, approximately 16 years, is linked to the remaining duration of the authorisation. The value of the provision for environmental risks was adjusted upwards by 2.6 million euro, bringing it in line with the fair value determined at the date of the transaction;
- Sostelia Group - customer list of 49 million euro was recorded, established on the basis of both the characteristics of the reference context of the transaction and using the incremental cash flow method (Meem). The amortisation period was determined on the basis of the churn rate established by analysing the historical series of the turnover of the clients. Further financial assets and liabilities were adjusted for a net amount of 0.4 million euro.

With reference to the acquisition of SEA Srl, a cross-option was negotiated to buy and sell the minority shareholding, the current value of which at the date of the transaction is 21 million euro.
With reference to the acquisition of the Sostelia Group, a cross-option was negotiated to buy and sell the minority shareholding held by the third-party shareholder in Trentino Acque Srl, the present value of which at the date of the transaction was 1.3 million euro.
The existence of such rights held by the minority shareholders led to the need to classify the options in the consolidated financial statements under financial liabilities, as illustrated in note 19 "Financial liabilities".

The effects reported above resulted, where applicable, in the recognition of deferred tax liabilities determined on the basis of the applicable nominal tax rate.

Finally, it should be noted that:

- with reference to the acquisition of control of SEA Srl, a company in which the Group previously held a 31% interest, the stake held was measured at fair value, with income of 7 million euro being recorded, as reported in note 9 "Finance income";
- with reference to the acquisition of control of the Laboratori branch from Veolia Italia Spa, a transaction represented under Other minor items, the Group recognised an aggregation income of 0.7 million euro.

Please see note 26 "Cash flows from investing activities" for an analysis of the cash flows associated with the combination operations described above.

Changes to the accounting standards

Standards, amendments and interpretations applicable from 1 January 2026

With reference to the areas pertaining to the Group, beginning 1 January 2026 the following accounting standards and amendments to accounting standards issued by the International Accounting Standards Board (IASB) and endorsed by the European Union through an EU Regulation are mandatory:

Amendments to IFRS 9 and IFRS 7 - Changes to financial instruments classification and measurement. Document issued by the IASB on 30 May 2024, applicable from 1 January 2026 with early application allowed. The amendments include specifically:
- the derecognition of a financial liability through electronic payment systems. It is clarified that the settlement date of a liability settled by electronic payment is the date on which the liability is extinguished. Under certain specific criteria, derecognition may still be possible even before the provision of liquidity on the settlement date;
- the classification of certain financial assets, including those with features related to environmental, social and corporate governance (ESG) factors, which may now meet the IFRS 9 Solely payments for principle and interest criterion (SPPI), provided that their cash flows are not materially different from those of an identical financial asset without such a feature;
- Clarifications on the accounting treatment of financial assets with non-recourse features and contractually linked instruments;
- financial statement disclosures in relation to investments in shareholdings irrevocably measured at fair value through the statement of other comprehensive income, for which separate disclosure is required for income and expenses for the period arising from the possible disposal of assets from income and expenses arising from the measurement at the end of the period;

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 relate to the need to support entities in reporting the financial effects of contracts for renewable electricity purchase (often structured as Power Purchase Agreements). On the basis of these contracts, the amount of electricity generated and purchased may vary depending on non-controllable factors such as weather conditions. The amendments include specifically:
- clarification of the application of the "own use" requirements to this type of contract;
- criteria for enabling such contracts to be accounted for as hedging derivatives;
- disclosure requirements to enable the users of financial statements to understand the effect these contracts have on an entity's financial performance and cash flows.

On 18 July 2024 the IASB published the document "Improvements to the IFRS Accounting standards - Volume 11". These improvements include amendments to existing international accounting standards, including:
- **IFRS 1** - First-time Adoption of International Financial Reporting Standards. The improvement resolves a potential source of error due to the inconsistency in IFRS 1 with the requirements for hedge accounting under IFRS 9 'Financial Instruments';
- **IFRS 7** - Financial Instruments: financial statement disclosure. The IASB introduced three amendments:
  - gains or losses recognised at the time of derecognition. The improvement resolves a potential source of confusion in relation to the recognition of gains or losses on derecognition as IFRS 7 had a reference to a paragraph deleted from the accounting standard when IFRS 13 "Fair Value Measurement" was issued;
  - disclosure concerning differences between fair value and transaction price. The improvement corrects an inconsistency between IFRS 7 and its implementation guidelines;
  - introduction and disclosure on credit risk. The improvement resolves a potential source of confusion by clarifying that the implementation guidelines do not necessarily explain all the requirements set out in IFRS 7, and also simplifies some explanations;
- **IFRS 9** - Financial Instruments. The IASB introduced two amendments:
  - derecognition by the lessor of a lease liability. The improvement resolves a potential lack of clarity in the application of the requirements within IFRS 9 in connection with the lessee's accounting for the extinguishing of a lease liability;
  - transaction price. The improvement resolves a source of potential confusion arising from the reference in Appendix A of IFRS 9 concerning the definition of "transaction price" in IFRS 15 "Revenue from Contracts with Customers", as the term "transaction price" is used in various places in IFRS 9 with a meaning that is not necessarily consistent with the definition found in IFRS 15;
- **IFRS 10** - Consolidated financial statements. This improvement addresses a potential source of confusion caused by an inconsistency in IFRS 10 and clarifies that the mere ability to direct the party acting on behalf of the investor is not a sufficient indicator to identify a "de facto" agent;

- **IAS 7** - Statement of cash flows. The improvement resolves a potential source of error in the application of paragraph 37 of IAS 7 resulting from the use of the term "cost method", which is no longer defined within the International Financial Reporting Standards.

With regard to the application of the standards and amendments set out above, no impact on the Group's consolidated financial statements has been identified.

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 standards and amendments will be mandatory from the following financial years onwards, having also already been endorsed by the EU:

IFRS 18 - Presentation and disclosure in financial statements. The standard was issued by the 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 corporate performance in terms of comparability, transparency and usefulness of published information, and introduces substantial changes in the structure of financial statements with particular reference to the statement of profit or loss and, to a more limited extent, the statement of financial position and the statement of cash flows. In particular:
- some classifications of revenue and expenses are amended, introducing the distinction between the operating section, investing section and financial section, as well as confirming the already existing categories of taxes and discontinued operations;
- two new sub-totals (operating profit or loss and profit or loss before net finance result and income taxes) are introduced;
- the use of the operating profit or loss is required as the starting point for the presentation of the statement of cash flows prepared under the indirect method;
- provision is made for the elimination of certain alternative classification options of currently permissible items in the statement of cash flows, such as interest and dividends earned and paid.

Entities are also required to identify and disclose non-IFRS performance measures used by management to comment on economic and financial trends, substantiating and reconciling them with the items set out by the international accounting standards.

Finally, the standard introduces new criteria for the aggregation and disaggregation of information within the explanatory notes.

With regard to the application of the standards and amendments set out above, the directors are currently assessing the potential impact on the Group's consolidated financial statements.
In particular, with regard to the introduction of IFRS 18, the Group is assessing, with the assistance of independent professionals, the impacts on the presentation of and disclosures in its financial statements, and has initiated a process to adapt its financial statement formats and the related explanatory notes.
At the date of approval of this Consolidated half-yearly report, the analyses are still ongoing. Based on the assessments made to date, the Group does not expect any effects on the criteria for recognising and measuring assets and liabilities, as the new standard mainly affects the methods of presenting and disclosing operating and financial results. The Group, which has not identified any specific core business as defined by the standard, does expect impacts on the structure of the consolidated statement of profit or loss and statement of cash flows, on the disclosure of alternative performance indicators and on the organisation of the financial statement disclosures.
The analyses will continue in the second half of 2026, also through simulations and restatements of the comparative economic statements required by the transitional provisions of the standard. To date, the Group believes that the areas most affected by the implementation of IFRS 18 are the classification of economic components in the new operating, investing and financing categories, as well as the identification and reconciliation of the performance indicators used by management in external financial communications (Mpm).

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

The following standards, amendments and updates of IFRSs (already approved by IASB) and interpretations that are relevant for the Group are currently being endorsed by the relevant bodies of the European Union:

Amendments to IAS 21 – Translation to a Hyperinflationary Presentation Currency. Document issued by the IASB on 12 November 2025, applicable from 1 January 2027 with early application allowed. The amendments introduced provide a clearer basis for reporting financial statements in a hyperinflationary currency.

IFRS 20 - Regulatory assets and regulatory liabilities. The standard was issued by the IASB on 27 May 2026, applicable from 1 January 2029 with early application allowed. The standard helps to fill a gap in the international accounting standards framework by providing information on the economic returns to which a company is entitled for the regulatory goods or services it provides in a given period, thus offering a more complete presentation of the revenue generated by these activities. The information will enable investors to better assess a company's financial performance, financial position and future cash flows, improving comparability between companies, and thus facilitate investment decisions.

Amendments to IAS 28 - Fair value option for investments in associates and joint ventures. The amendment was issued by the IASB on 26 June 2026, applicable from 1 January 2027 with early application allowed. Companies are required to apply the amendments to IAS 28 at the same time as they apply IFRS 18 for the first time. The amendments are limited in scope and concern the revision of paragraphs 18 and 19 of IAS 28. In particular:

- they extend the fair value measurement option to companies whose main activity consists of investing in certain categories of assets, in line with the concept of Specified main business activities provided for in paragraph 49(a) of IFRS 18;
- they remove the example relating to an investment-linked insurance fund.

As a result, more companies may now be eligible to choose the fair value option. The IASB amended only IAS 28 and made no amendments to IFRS 18. However, the choices made by a company regarding the measurement criteria provided for in IAS 28 may have effects on the way in which results are presented in the financial statements according to IFRS 18.

With reference to the application of the standards and amendments described above, the directors are currently evaluating what possible effects introducing them might have on the Group's consolidated financial statements.

Reporting by operating sector

As explained in the Directors' report at paragraph 1.03, "Analysis by business lines", with a view to continuously improving information for investors and stakeholders, the Hera Group has introduced, starting with the 2026 half-yearly financial report, an analysis of operating results for each business line, managed as an alternative to the historical representation based on strategic business areas (Gas, Electricity, Water Service, Environment and Other Services).

This representative model re-aggregates the Cash-Generating Units relating to the individual services managed by the Group into four business lines:

- **Networks**: includes gas and electricity distribution, district heating and water cycle services. This latter includes aqueduct, purification and sewage services;
- **Energy**: includes the sale of natural gas and electricity, energy services, energy production and public lighting;
- **Waste management**: includes waste collection, treatment, recovery and disposal services;
- **Other services**: includes telecommunications and other minor services.

In order to ensure full comparability of the amounts expressed in the disclosure by operating segment, the comparison period for both the statement of financial position and the statement of profit or loss has also been reclassified according to the business line model.

The following table sets out the assets and liabilities by operating segment for the first half of 2026 and the financial year 2025:

30-JUN-26	NETWORKS	ENERGY	WASTE MANAGEMENT	OTHER SERVICES	TOTAL
Current year					
Assets (property, plant and equipment and intangible)	5,340.7	786.2	1,775.5	99.6	8,002.0
Goodwill	156.7	470.7	378.3	20.7	1,026.4
Equity investments	57.1	80.4	35.6	0.1	173.2
Non-attributed non-current assets	-	-	-	-	152.8
Net non-current assets	**5,554.5**	**1,337.3**	**2,189.4**	**120.4**	**9,354.4**
Attributed net working capital	(216.6)	155.1	152.5	(19.1)	71.9
Non-attributed net working capital	-	-	-	-	(22.6)
Net working capital	**(216.6)**	**155.1**	**152.5**	**(19.1)**	**49.3**
Other provisions	(390.2)	(72.5)	(316.3)	(3.7)	(782.7)
Net invested capital	**4,947.7**	**1,419.9**	**2,025.6**	**97.6**	**8,621.0**

31-DEC-25	NETWORKS	ENERGY	WASTE MANAGEMENT	OTHER SERVICES	TOTAL
Previous year					
Assets (property, plant and equipment and intangible)	5,127.8	818.3	1,609.8	98.9	7,654.8
Goodwill	156.7	470.7	301.9	20.7	950.0
Equity investments	61.0	82.0	48.1	0.1	191.2
Non-attributed non-current assets	-	-	-	-	184.7
Net non-current assets	**5,345.5**	**1,371.0**	**1,959.8**	**119.7**	**8,980.7**
Attributed net working capital	(283.5)	330.0	102.1	(23.8)	124.8
Non-attributed net working capital					18.9
Net working capital	**(283.5)**	**330.0**	**102.1**	**(23.8)**	**143.7**
Other provisions	(391.8)	(76.1)	(308.6)	(3.8)	(780.3)
Net invested capital	**4,670.2**	**1,624.9**	**1,753.3**	**92.1**	**8,344.1**

The main measures of result by operating segment for 30 June 2026 and the corresponding period of the previous year are shown below:

1ST HALF OF 2026	NETWORKS	ENERGY	WASTE MANAGEMENT	OTHER SERVICES	STRUCTURE	TOTAL
Current year						
Direct revenue	906.5	4,735.4	912.0	20.9	26.5	6,601.3
Infra-cycle revenue	122.1	170.2	50.2	23.7	33.4	399.7
Total direct revenue	**1,028.6**	**4,905.7**	**962.2**	**44.7**	**59.9**	**7,001.0**
Indirect revenue	38.2	3.2	18.3	0.2	(59.9)	-
Total revenue	**1,066.7**	**4,908.9**	**980.5**	**44.8**	**-**	**7,001.0**
EBITDA	**284.9**	**248.1**	**178.6**	**15.2**	**-**	**726.7**
Direct amortisations/depreciations and provisions	119.7	66.6	91.4	8.9	42.5	329.0
Indirect amortisations/depreciations and provisions	20.8	4.4	17.1	0.1	(42.5)	-
Total amortisations/depreciations and provisions	**140.5**	**71.0**	**108.5**	**8.9**	**-**	**329.0**
Operating profit	**144.4**	**177.1**	**70.0**	**6.2**	**-**	**397.7**

1ST HALF OF 2025	NETWORKS	ENERGY	WASTE MANAGEMENT	OTHER SERVICES	STRUCTURE	TOTAL
Previous year						
Direct revenue	849.4	5,125.9	838.0	20.6	30.5	6,864.4
Infra-cycle revenue	115.8	170.7	38.4	25.6	32.3	382.8
Total direct revenue	**965.2**	**5,296.6**	**876.4**	**46.2**	**62.8**	**7,247.2**
Indirect revenue	40.9	3.1	18.6	0.2	(62.8)	-
Total revenue	**1,006.1**	**5,299.7**	**895.0**	**46.4**	**-**	**7,247.2**
EBITDA	**292.3**	**238.6**	**175.5**	**15.2**	**-**	**721.7**
Direct amortisations/depreciations and provisions	117.6	80.1	89.6	8.5	42.7	338.5
Indirect amortisations/depreciations and provisions	21.7	4.2	16.7	0.1	(42.7)	-
Total amortisations/depreciations and provisions	**139.4**	**84.3**	**106.3**	**8.6**	**-**	**338.5**
Operating profit	**153.0**	**154.4**	**69.2**	**6.7**	**-**	**383.2**

At last, it should be noted that starting with the data stated as at 31 December 2025, within Waste management, certain minor activities related to the circular economy, previously included in the Other services segment, were reclassified; consequently, the reclassification was applied to the comparative period at 30 June 2025. For more details, refer to chapter 1.03 "Analysis by business line".

2.03 FINANCIAL STATEMENTS AS PER CONSOB RESOLUTION 15519/2006

In accordance with the relevant Group policies, the economic, equity and financial reports in effect as at 30 June 2026 and the associated period of comparison with related parties are as follows.

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

With regard to the disclosure required by Consob resolution No. 17221 of 12 March 2010 and subsequent amendments and additions, it should be noted that no major transactions were carried out in the first half of 2026.

2.03.01 Statement of profit or loss as per Consob resolution 15519/2006

	NOTES	1st half of 2026	OF WHICH RELATED PARTIES					%	1st half of 2025	OF WHICH RELATED PARTIES					%
			A	B	C	D	TOTAL			A	B	C	D	TOTAL	
Revenue	1	6,505.8	2.2	20.4	124.3	6.8	153.7	2.4 %	6,786.2	-	30.0	134.3	7.1	171.4	2.5 %
Other income	2	95.5	-	0.4	(2.6)	-	(2.2)	(2.3%)	78.2	-	0.2	-	-	0.2	0.3 %
Raw and other materials	3	(3,651.2)	-	(5.6)	-	(25.0)	(30.6)	0.8 %	(3,970.0)	-	(9.5)	-	(23.9)	(33.4)	0.8 %
Service costs	4	(1,873.2)	(0.1)	(6.2)	(5.1)	(19.1)	(30.5)	1.6 %	(1,816.4)	-	(7.3)	(8.9)	(13.3)	(29.5)	1.6 %
Personnel costs	5	(381.3)	-	-	-	-	-		(360.8)	-	-	-	-	-	
Other operating expenses	6	(38.4)	-	-	(2.3)	(0.3)	(2.6)	6.8 %	(42.9)	-	-	(2.4)	(0.3)	(2.7)	6.3 %
Capitalised costs	7	69.5	-	-	-	-	-		47.4	-	-	-	-	-	
Depreciation, amortisation, provisions and impairment losses	8	(329.0)	-	-	(0.2)	-	(0.2)	0.1 %	(338.5)	-	-	-	-	-	
Operating profit		**397.7**	**2.1**	**9.0**	**114.1**	**(37.6)**	**87.6**		**383.2**	**-**	**13.4**	**123.0**	**(30.4)**	**106.0**	
Finance income	9	59.3	-	1.9	0.2	-	2.1	3.5 %	76.3	-	3.6	-	3.1	6.7	8.8 %
Financial expenses	10	(104.0)	-	-	(0.1)	-	(0.1)	0.1 %	(115.5)	-	(0.1)	(0.1)	-	(0.2)	0.2 %
Net finance expense		**(44.7)**	**-**	**1.9**	**0.1**	**-**	**2.0**		**(39.2)**	**-**	**3.5**	**(0.1)**	**3.1**	**6.5**	
Share of profits pertaining to joint ventures and associates	11	6.9	-	6.7	-	-	6.7	97.1 %	7.2	-	7.2	-	-	7.2	100.0 %
Pre-tax profit		**359.9**	**2.1**	**17.6**	**114.2**	**(37.6)**	**96.3**		**351.2**	**-**	**24.1**	**122.9**	**(27.3)**	**119.7**	
Income tax expense	12	(106.2)	-	-	-	-	-		(101.8)	-	-	-	-	-	
Profit for the period		**253.7**	**2.1**	**17.6**	**114.2**	**(37.6)**	**96.3**		**249.4**	**-**	**24.1**	**122.9**	**(27.3)**	**119.7**	
Attributable to:															
Owners of the parent		235.5							229.3						
Non-controlling interests		18.2							20.1						
Earnings per share:															
Basic	17	0.160							0.157						
Diluted	17	0.160							0.157						

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

	NOTES	30-JUN-26	OF WHICH RELATED PARTIES					%	31-DEC-25	OF WHICH RELATED PARTIES					%
			A	B	C	D	TOTAL			A	B	C	D	TOTAL	
ASSETS															
Non-current assets															
Property, plant and equipment	21	2,416.5	-	-	-	-	-		2,321.9	-	-	-	-	-	
Rights-of-use assets	22	91.4	-	-	-	-	-		92.3	-	-	-	-	-	
Intangible assets	23	5,494.1	-	-	-	-	-		5,240.6	-	-	-	-	-	
Goodwill	24	1,026.4	-	-	-	-	-		950.0	-	-	-	-	-	
Equity-accounted investments	25	122.1	-	122.1	-	-	122.1	100.0 %	137.2	-	137.2	-	-	137.2	100.0 %
Other equity investments	25	51.1	1.3	4.2	-	5.3	10.8	21.1 %	54.0	0.2	4.0	-	5.3	9.5	17.6 %
Non-current financial assets	18	147.3	1.0	2.6	5.6	16.7	25.9	17.6 %	151.8	-	4.4	7.3	16.7	28.4	18.7 %
Deferred tax assets	14	339.9	-	-	-	-	-		340.1	-	-	-	-	-	
Total non-current assets		**9,688.8**	**2.3**	**128.9**	**5.6**	**22.0**	**158.8**		**9,287.9**	**0.2**	**145.6**	**9.0**	**22.0**	**175.1**	
Current assets															
Inventories	30	191.5	-	-	-	-	-		213.2	-	-	-	-	-	
Trade receivables	31	2,657.0	2.6	5.4	45.2	19.2	72.4	2.7 %	2,605.9	0.2	12.6	59.7	19.3	91.8	3.5 %
Current financial assets	18	138.9	-	34.2	4.0	0.6	38.8	27.9 %	75.1	-	34.1	4.1	0.6	38.8	51.7 %
Current tax assets	13	10.4	-	-	-	-	-		56.2	-	-	-	-	-	
Contract assets	33	150.5	-	-	-	-	-		89.5	-	-	-	-	-	
Other current assets	35	669.4	-	5.0	(5.8)	9.0	8.2	1.2 %	778.5	-	2.4	(6.6)	3.9	(0.3)	- %
Derivative instruments	27	319.4	-	-	-	-	-		178.5	-	-	-	-	-	
Cash and cash equivalents	18	1,294.4	-	-	-	-	-		845.3	-	-	-	-	-	
Total current assets		**5,431.5**	**2.6**	**44.6**	**43.4**	**28.8**	**119.4**		**4,842.2**	**0.2**	**49.1**	**57.2**	**23.8**	**130.3**	
TOTAL ASSETS		**15,120.3**	**4.9**	**173.5**	**49.0**	**50.8**	**278.2**		**14,130.1**	**0.4**	**194.7**	**64.5**	**45.8**	**305.4**	

	NOTES	30-JUN-26	OF WHICH RELATED PARTIES					%	31-DEC-25	OF WHICH RELATED PARTIES					%
			A	B	C	D	TOTAL			A	B	C	D	TOTAL	
EQUITY AND LIABILITIES															
Share capital and reserves															
Share capital	15	1,473.6	-	-	-	-	-		1,477.7	-	-	-	-	-	
Reserves	15	2,362.8	-	-	-	-	-		2,139.4	-	-	-	-	-	
Profit for the period	15	235.5	-	-	-	-	-		464.3	-	-	-	-	-	
Equity attributable to the owners of the parent		**4,071.9**	**-**	**-**	**-**	**-**	**-**		**4,081.4**	**-**	**-**	**-**	**-**	**-**	
Non-controlling interests	16	300.5	-	-	-	-	-		318.3	-	-	-	-	-	
Total equity		**4,372.4**	**-**	**-**	**-**	**-**	**-**		**4,399.7**	**-**	**-**	**-**	**-**	**-**	
Non-current liabilities															
Non-current financial liabilities	19	4,920.2	-	-	-	-	-		4,317.9	-	-	-	-	-	
Non-current lease liabilities	22	60.7	-	-	2.9	0.1	3.0	4.9 %	62.4	-	-	3.1	0.2	3.3	5.3 %
Employee benefits	28	69.9	-	-	-	-	-		74.3	-	-	-	-	-	
Provisions	29	712.8	-	-	-	-	-		706.0	-	-	-	-	-	
Deferred tax liabilities	14	187.1	-	-	-	-	-		155.4	-	-	-	-	-	
Total non-current liabilities		**5,950.7**	**-**	**-**	**2.9**	**0.1**	**3.0**		**5,316.0**	**-**	**-**	**3.1**	**0.2**	**3.3**	
Current liabilities															
Current financial liabilities	19	823.1	-	0.8	0.5	-	1.3	0.2 %	611.9	-	10.0	0.5	-	10.5	1.7 %
Current lease liabilities	22	25.2	-	-	1.3	0.1	1.4	5.6 %	24.4	-	-	1.3	0.1	1.4	5.7 %
Trade payables	32	1,768.3	-	3.4	19.5	16.2	39.1	2.2 %	1,839.9	-	9.0	20.5	21.3	50.8	2.8 %
Current tax liabilities	13	27.0	-	-	-	-	-		12.8	-	-	-	-	-	
Contract liabilities	34	40.3	-	-	0.1	-	0.1	0.2 %	26.1	-	0.4	0.2	-	0.6	2.3 %
Other current liabilities	36	1,787.9	0.6	0.3	3.8	0.4	5.1	0.3 %	1,696.3	-	0.4	6.1	0.6	7.1	0.4 %
Derivative instruments	27	325.4	-	-	-	-	-		203.0	-	-	-	-	-	
Total current liabilities		**4,797.2**	**0.7**	**4.4**	**25.2**	**16.7**	**47.0**		**4,414.4**	**-**	**19.8**	**28.7**	**21.9**	**70.4**	
TOTAL LIABILITIES		**10,747.9**	**0.7**	**4.4**	**28.1**	**16.8**	**50.0**		**9,730.4**	**-**	**19.8**	**31.8**	**22.1**	**73.7**	
TOTAL EQUITY AND LIABILITIES		**15,120.3**	**0.7**	**4.4**	**28.1**	**16.8**	**50.0**		**14,130.1**	**-**	**19.8**	**31.8**	**22.1**	**73.7**	

2.03.03 Statement of cash flows as per Consob resolution 15519/2006

	30-JUN-26	OF WHICH RELATED PARTIES
Pre-tax profit	**359.9**	
Adjustments to reconcile profit for the year to the cash flow from operating activities		
Depreciation, amortisation and impairment losses	290.4	
Provisions to funds	38.6	
Effects of equity-accounting	(6.9)	
Net finance expense	44.7	
(Gains) losses and other non-monetary items	(20.8)	
Change in provisions	(20.9)	
Change for employee benefits	(4.9)	
Total cash flows before changes in net working capital	**680.1**	
(Increase) decrease in inventories	26.9	
(Increase) decrease in trade receivables	(70.5)	19.4
Increase (decrease) in trade payables	(92.6)	(11.7)
Increase/decrease in other current assets/liabilities, including contract assets/liabilities	158.6	(6.3)
Changes in working capital	**22.4**	
Dividends received	9.9	7.0
Interest income and other finance income collected	25.1	0.9
Interest expense, net losses on derivatives and other finance costs paid	(110.2)	(0.2)
Taxes paid	(29.0)	
Cash flows from operating activities (a)	**598.3**	
Investments in property, plant and equipment	(169.1)	
Investments in intangible assets	(341.4)	
Investments in consolidated companies and business units net of cash and cash equivalents	(108.8)	
Other equity investments	(1.2)	(1.2)
Proceeds from disposals of property, plant, equipment and intangible assets	1.9	
Divestment of equity investments and contingent consideration	-	
(Increase) decrease in other investing activities	(58.3)	4.8
Net cash flows used in investing activities (b)	**(676.9)**	
New stipulations of long-term financial debt	660.0	
Repayments of non-current financial liabilities	(1.8)	
Repayments and other net changes in financial liabilities	140.7	(3.1)
Repayments of lease liabilities	(11.4)	(0.2)
Proceeds from the sale of shares without loss of control	-	
Acquisition of investments in consolidated companies	(1.3)	
Increase in non-controlling interests	-	
Dividends paid out to Hera shareholders and non-controlling interests	(243.1)	90.9
(Investments) disinvestments in treasury shares	(15.4)	
Other minor changes	-	
Net cash flows from/(used in) financing activities (c)	**527.7**	
Increase (decrease) in cash and cash equivalents (a+b+c)	**449.1**	
Cash and cash equivalents at the beginning of the period	845.3	
Cash and cash equivalents at the end of the period	1,294.4	

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

		30-JUN-26	OF WHICH RELATED PARTIES A	B	C	D	31-DEC-25	OF WHICH RELATED PARTIES A	B	C	D
A	Cash	1,294.4	-	-	-	-	845.3	-	-	-	-
B	Cash equivalents	-	-	-	-	-	-	-	-	-	-
C	Other current financial assets	138.9	-	35.6	4.0	0.6	75.1	-	34.1	4.1	0.6
D	**Liquidity (A+B+C)**	**1,433.3**					**920.4**				
	of which related parties		**-**	**35.6**	**4.0**	**0.6**		**-**	**3.5**	**4.1**	**0.6**
E	Current financial debt	(381.4)	-	(0.8)	(0.5)	-	(228.3)	-	(10.0)	(0.5)	-
F	Current portion of non-current financial debt	(466.9)	-	-	(1.3)	(0.1)	(408.0)	-	-	(1.3)	(0.1)
G	**Current financial indebtedness (E+F)**	**(848.3)**					**(636.3)**				
	of which related parties		**-**	**(0.8)**	**(1.8)**	**(0.1)**		**-**	**(10.0)**	**(1.8)**	**(0.1)**
H	**Net current financial indebtedness (G+D)**	**585.0**					**284.1**				
	of which related parties		-	34.8	2.2	0.5		-	24.1	2.3	0.5
I	Non-current financial debt	(1,049.3)	-	-	(2.9)	(0.1)	(895.3)	-	-	(3.0)	(0.2)
J	Debt instruments	(3,931.6)	-	-	-	-	(3,485.0)	-	-	-	-
K	Non-current trade and other payables	-	-	-	-	-	-	-	-	-	-
L	**Non-current financial debt (I+J+K)**	**(4,980.9)**					**(4,380.3)**				
	of which related parties		**-**	**-**	**(2.9)**	**(0.1)**		**-**	**-**	**(3.0)**	**(0.2)**
M	**Total financial position (H+L) ESMA guidelines 32 - 382 - 1138**	**(4,395.9)**					**(4,096.2)**				
	of which related parties		**-**	**34.8**	**(0.7)**	**0.4**		**-**	**24.1**	**(0.7)**	**0.3**
	Non-current financial assets	**147.3**					**151.8**				
	of which related parties		**1.0**	**1.2**	**5.6**	**16.7**		**-**	**4.4**	**7.3**	**16.7**
	Net financial debt	**(4,248.6)**					**(3,944.4)**				
	of which related parties		**1.0**	**36.0**	**4.9**	**17.1**		**-**	**28.5**	**6.6**	**17.0**

2.03.05 List of related parties

The figures reported in the tables as at 30 June 2026 refer to the related parties listed below:

Group A - Non-consolidated subsidiaries

AES Srl
Cid Vietnam Italia Co. Ltd
CircularYard Srl
Helisa Srl

Group B- Associates and joint ventures

Acqua della Concordia Srl
Adria Link Srl
Aimag Spa
ASM SET Srl
Aurora Srl
Depura Srl
Enomondo Srl
H.E.P.T. Co. Ltd
Natura Srl in liquidation
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 Srl
Acquedotto del Dragone Impianti Spa
Aspes Spa
Calenia Energia Spa
Fiorano Gestioni Patrimoniali Srl
Formigine Patrimonio Srl
Maranello Patrimonio Srl
Romagna Acque Spa
Sassuolo Gestioni Patrimoniali Srl
Serramazzoni Patrimonio Srl
Te.Am Società Territorio Ambiente Srl
Team Srl - Assets
Unica Reti Spa - Asset

Statutory auditors, directors, strategic managers, family members and entities related to strategic managers

2.03.06 Explanatory notes to related party transactions

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, treatment and 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 served in the Emilia-Romagna, Veneto, Friuli-Venezia Giulia and Marche regions. It is carried out on the basis of agreements with the relevant local agencies, with a variable duration, which is 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 use as well as sewerage and water purification service. The agreements signed with the local area authorities also require the operator to carry out the planning and construction of new networks and plants aimed at providing the service. The agreements regulate the economic aspects of the contractual agreement, as well as the modes of managing the service, and the performance and quality standards.

Responsibility for regulating the water service is delegated to the national Authority ARERA, both in terms of tariffs and quality of service. The current regulatory 2024-2029 period (Arera resolution 639/2023/R/idr) is the fourth tariff period. ARERA resolution 582/2025/R/idr defined the parameters for the 2026-2027 biennial update.

In order to ensure greater stability and development for the water service, the duration of the fourth regulatory period has been extended to six years, thus covering the 2024-2029 period, with the introduction of some new elements such as the promotion of energy and environmental sustainability actions, additional technical quality objectives, and the enlargement of the regulatory scope to include storm water management. Each operator is granted a guaranteed revenue (VRG) independently of the trends of the volumes distributed and it is established on the basis of operating costs (efficient and exogenous) and capital costs in relation to the investments made, as well as for the Rimini area, the outcome of the tender procedure that led to the new concession contract signed for the period 2022-2039.

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.

The Hera Group's relations with its customers are governed by the supply regulations, as well as by the service charters drawn up on the basis of reference frameworks approved by the local authorities, in accordance with ARERA's provisions regarding service and resource quality.

Waste management sector

The urban 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 treatment and recovery and 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 urban waste service was given to ARERA, which defined an initial regulatory two-year period 2020-2021 concerning integrated waste management only (ARERA resolution 443/2019/R/rif) and a subsequent update for the period 2022-2025 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/R/rif).

With Arera resolution 397/2025/R/rif, the waste tariff method for the third regulatory period 2026-2029 (MTR-3) was approved, and with Arera resolution 480/2025/R/rif, the parameters for the tariff update for the two-year period 2026-2027 were defined.
Therefore, the annual fee for the management of this service was determined with reference to the aforementioned national regulation, taking into account, to supplement the results, the competitive procedures concluded for the areas of Ravenna and Cesena, Bologna, Modena, Abano Terme, Ponte San Nicolò, Albignasego and Casalserugo.

The urban 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 urban waste treatment plants, the Hera Group is required to obtain provincial authorisations.

In accordance with the principle of continuity of public service, and pursuant to the existing agreements, the operator is required to continue providing the service even in areas where the contract's expiry date has already passed, and until the new contracts come into 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 (so-called Letta Decree, transposing Directive 98/30/EC) and by subsequent reforms of the energy market. Inrete Distribuzione Energia Spa, a Hera Group company that took over natural gas and electricity distribution from Hera SpA, is taking advantage of longer residual terms established for operators that have promoted partial privatisations 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 regarding the distribution of natural gas or other similar fuels for heating, domestic, artisan 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 area in which the Group, through its distribution companies, provides gas distribution services is divided into rate zones in which a uniform distribution rate is applied to different categories of customers. The tariff regulations in force at the time of approval of these half-year financial report are primarily represented by ARERA resolution 574/25/R/gas of 23 December 2025 (Update of tariffs for gas distribution and metering services for 2026), which replaced the previous similar resolution 587/2024/R/gas of 27 December 2024 and which approved, for 2026, the mandatory tariffs for natural gas distribution, metering and supply services pursuant to Article 42 of the Gas Distribution Regulatory Framework (Rtdg), the tariff options for non-standard gases pursuant to Article 69 of the Rtdg, and the amounts of the bimonthly equalisation advance payments for the natural gas distribution service pursuant to Article 47 of the Rtdg for the year 2026.

The tariff rates valid as from 1 January 2026 are shown in Table 1 of the A attachment to the aforementioned resolution. The tariffs for 2026 form part of the so-called 2020–2027 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, whose validity has been extended for 2026-2027 by resolution 532/2025/R/gas, came into force.

In accordance with the provisions of Art. 43 of the Rtdg 2020-2027, the mandatory natural gas distribution and metering tariffs are broken down into different rate areas:

- north-west area, which includes the regions of Valle d'Aosta, Piedmont and Liguria;
- north-east 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 Marche;
- central-south-eastern area, including the regions of Abruzzo, Molise, Apulia and Basilicata;
- central-south-western area, including the Lazio and Campania regions;
- southern area, including the regions of Calabria and Sicily;
- Sardinia area, including the region of Sardinia.

With regard to the values of the tariff components intended to cover general charges and the additional gas sector components Gs, Re, Rs, Ug1, Ug2 and Ug3 referred to in paragraph 42.3(c), (d), (e), (f), (g) and (h) of the 2020-2027 Rtdg, it should be noted that these are subject to quarterly updates by ARERA.

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 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 distribution company that seriously affect the performance of the distribution

and metering of electricity. The distribution company is obliged to apply to its customers (so called distribution users) the rates set by current regulations and resolutions adopted by the sector Authority. The tariff regulations in effect at the time the half-year financial report were approved, refers to the Authority's resolution 616/2023/R/Eel of 27 December 2023 (Rate regulations for electricity distribution and metering, for the regulatory period 2024-2027), which replaced the previous Authority resolution 654/2015/R/Eel of 23 December 2015 and subsequent amendments and additions (Rate regulations for electricity transmission, distribution and metering services for the regulatory period 2016-2023) in force until 31 December 2023.
With this resolution, the Authority issued the provisions on the tariff regulation of electricity distribution and measurement services for the 2024-2027 regulatory period, as well as the corresponding Integrated Texts for Distribution (Tit) Measurement (Time) and Connection Service (Tic).

The tariffs for distribution and metering services cover the costs of transporting and metering of electricity along distribution networks. The tariffs are applied to all customers and have a trinomial structure expressed in euro cents 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, each year, by the ARERA Authority through appropriate measures.

For 2026, the update of the tariffs for the use of electricity distribution and metering service infrastructure for domestic and non-domestic customers, and of the economic conditions for the provision of the connection service, was determined by resolution 575/2025/R/Eel of 23 December 2025 (update, for 2026, of the tariffs for the use of electricity distribution and metering service infrastructure for domestic and non-domestic customers, and of the economic conditions for the provision of the connection service; extension of the terms of the proceedings started with Authority resolution 89/2024/R/Eel, decisions regarding 2G and quality of service directives).

Finally, also for the electricity sector, the values of the tariff components intended to cover general charges and the additional components ASOS, ARIM, UC3 and UC6 - referred to in paragraph 3.1(a) and (b) and paragraph 3.4(a) and (b) of the TIPPI (Annex A to resolution 618/2023/R/com as subsequently amended and supplemented) in force since 1 January 2024 - are subject to quarterly updates by ARERA.

2.04 LIST OF CONSOLIDATED COMPANIES

2.04.01 List of consolidated companies

Subsidiaries

REGISTERED NAME	REGISTERED OFFICE	SHARE CAPITAL (EURO) (*)	CONSOLIDATED PERCENTAGE		TOTAL INTEREST
			DIRECT	INDIRECT	
A.C.R. di Reggiani Albertino (A.C.R) 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 %
Ambiente Energia Srl	Schio (Vi)	100,000		75.00 %	75.00 %
Arcobaleno GC Srl	Mantua (MN)	50,250		99.50 %	99.50 %
Aresenergy Eood	Varna (Bulgaria)	25,565		100.00 %	100.00 %
AresGas Ead	Sofia (Bulgaria)	11,541,181		100.00 %	100.00 %
Ares Trading Eood	Varna (Bulgaria)	25,565		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)	2,556		100.00 %	100.00 %
Cid Srl	Colloredo di Monte Albano (Ud)	100,000		100.00 %	100.00 %
Cid-Čistilne Naprave doo	Capodistria (Slovenia)	51,990		65.00 %	65.00 %
Coms Srl	Talmassons (Ud)	10,000		100.00 %	100.00 %
ElettraCHP Srl	Udine	100,000		84.50 %	84.50 %
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 %
HERAcquaModena Srl	Bologna	10,000,000	100.00 %		100.00 %
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	2,600,000	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 %
NPC Srl	Marene (Cn)	20,000		100.00 %	100.00 %
NTW Srl	Cornuda (Tv)	100,000		100.00 %	100.00 %
Primagas AD	Varna (Bulgaria)	587,923		97.34 %	97.34 %
Recycla Spa	Maniago (Pn)	90,000		75.00 %	75.00 %
SEA - Servizi Ecologici Ambientali Srl	Camerata Picena (AN)	100,000		75.00 %	75.00 %
Sostelia Spa	Mantua (MN)	2,659,838	100.00 %		100.00 %
Tiepolo Srl	Bologna	1,305,000	100.00 %		100.00 %
Trentino Acque Srl	Lavis (TN)	80,000		100.00 %	100.00 %
Triveneta Luce Scarl	Vicenza	400,000		100.00 %	100.00 %
T.R.S. 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

Jointly controlled entities

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

Associates

REGISTERED NAME	REGISTERED OFFICE	SHARE CAPITAL (EURO) (*)	CONSOLIDATED PERCENTAGE		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 %
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 this company consists of 67,577,681 euro of ordinary shares and 10,450,000 euro of related shares.

2.05 STATEMENT OF THE HALF-YEAR FINANCIAL REPORT PURSUANT TO ART. 154-BIS OF LEGISLATIVE DECREE 58/98

1 - The undersigned Orazio Iacono, in his capacity as CEO, and Massimo Vai, in his capacity as the Officer responsible for preparing Hera Spa's corporate accounting documents, state, also 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 characteristics of the Group and
- the effective application

of the administrative and accounting procedures for the preparation of the half-year financial report during the first half of 2026.

2 - they also state that:

2.1 - the half-year financial report:

a. have been prepared in accordance with the International Financial Reporting Standards endorsed 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 results of the accounting books and records;

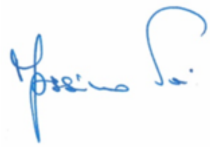
c. are suitable for providing a true and fair view of the financial position and cash flows of the issuer and of all the companies included in the scope of the consolidation.

2.2 - The Directors' report includes a reliable analysis of the references to the important events that occurred in the first six months of the year and their impact on the half-year financial report, together with a description of the main risks and uncertainties for the remaining six months of the year. The Directors' report also includes a reliable analysis of significant transactions with related parties.

The Chief Executive Officer

Orazio Iacono

The Officer responsible for preparing
the company's corporate accounting documents



Massimo Vai

Bologna, 29 July 2026

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

Hera Group

Condensed interim consolidated financial statements as at and for the six months ended 30 June 2026

(with report on review thereof)

KPMG S.p.A.

3 August 2026

KPMG S.p.A.
Revisione e organizzazione contabile
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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 2026 and the statements of profit or loss, comprehensive income, changes in 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 2026 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, 3 August 2026

KPMG S.p.A.

(signed on the original)

Andrea Polpettini
Director of Audit

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Share capital i.v. € 1.489.538.745,00
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