



FULL-YEAR 2021 RESULTS

29th March 2022

2021 Highlights

NEW PLANTS / OPENINGS

- ✓ Plastic treatment plant in San Giorgio (UD) entered into operation, with a capacity of 40 kt/y; already authorized expansion underway to reach a total capacity of 70 kt/y
- ✓ Biomethane production started in Cairo Montenotte (SV) and Santhià (VC) plants
- ✓ Paper & plastic treatment plant in Parma (PR) entered into operation, with a capacity of 135 kt/y
- ✓ First waste deliveries from expanded (+ 35,000mc) REI landfill in Collegno (TO)
- ✓ 5 new stores openings (Sarzana, Parma, Torino, Grugliasco, Modena)

TENDERS

- ✓ Participated to the integrated water service tender of Reggio Emilia
- ✓ Awarded 2 electrical storage (22MW at 51k€/MW/y) in Sardinia for 15 years and a CCGT revamping for 15 years (7MW at 75k€/MW/y)
- ✓ Confirmed capacity market on existing capacity (1.860MW)

ACQUISITIONS

- ✓ Futura S.p.A → mechanical biological treatment plant
- ✓ Nove S.p.A. → district heating service in Grugliasco (TO)
- ✓ Bosch Energy and Building Solutions Italy S.r.l.
- ✓ Gas distribution assets from A2A
- ✓ Alegas S.r.l. → 43,000 retail clients
- ✓ Sidiren S.r.l. → 52,000 gas customers
- ✓ 121.5 MW of photovoltaic plants from European Energy

OTHER MILESTONES

- ✓ Issued 200m€ Green Bond (“Tap Issue”)
- ✓ Presented the new Business Plan @2030
- ✓ S&P assigned new BBB- “Positive” rating and Fitch confirmed BBB “Stable”
- ✓ Released Sustainable Financing Framework



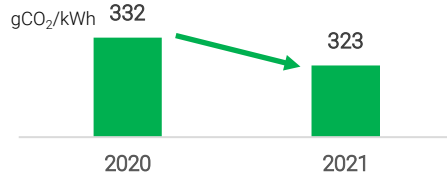
*Business Plan emission targets
validated by SBTi*

Improvement of all ESG KPIs

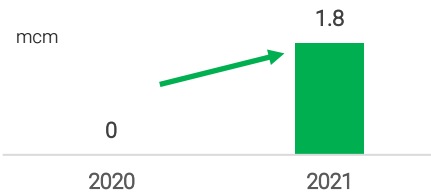


Green transition

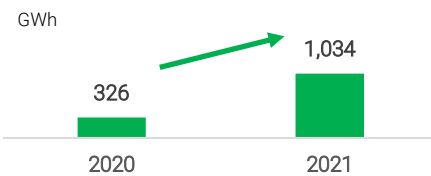
Carbon Intensity



Biomethane from waste

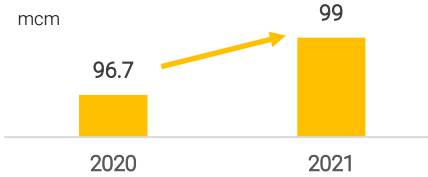


Green energy sold

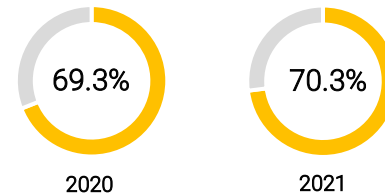


Local presence

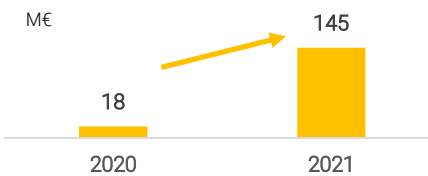
DH volumes



Sorted waste collection

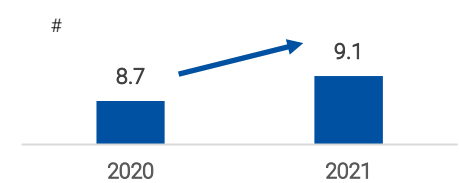


Rebuilding projects (cost of work)

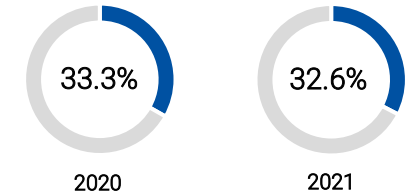


Service quality

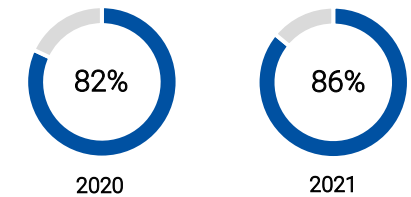
Customer Satisfaction Index



Water leakages



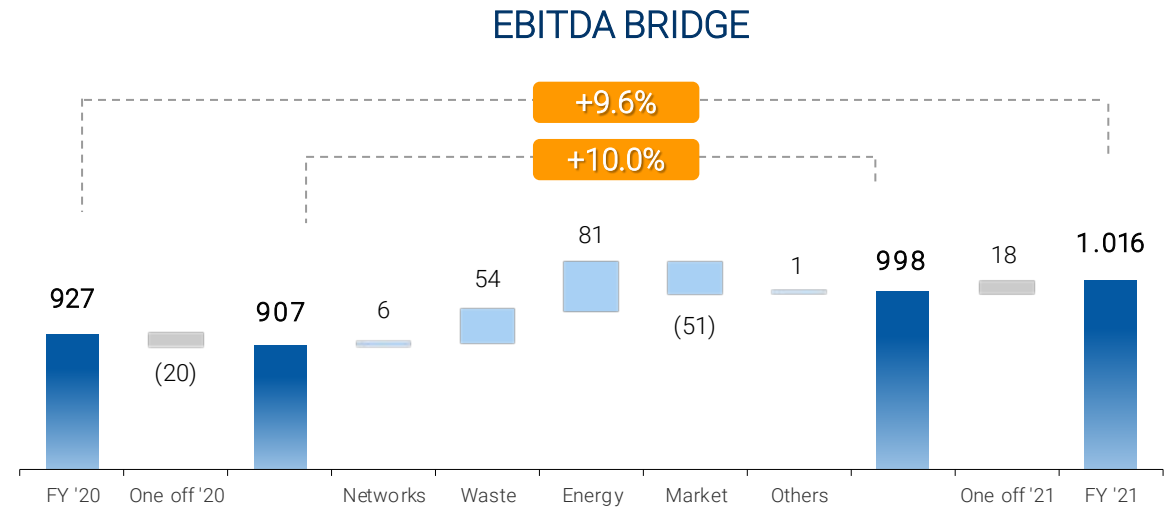
Protected steel gas network



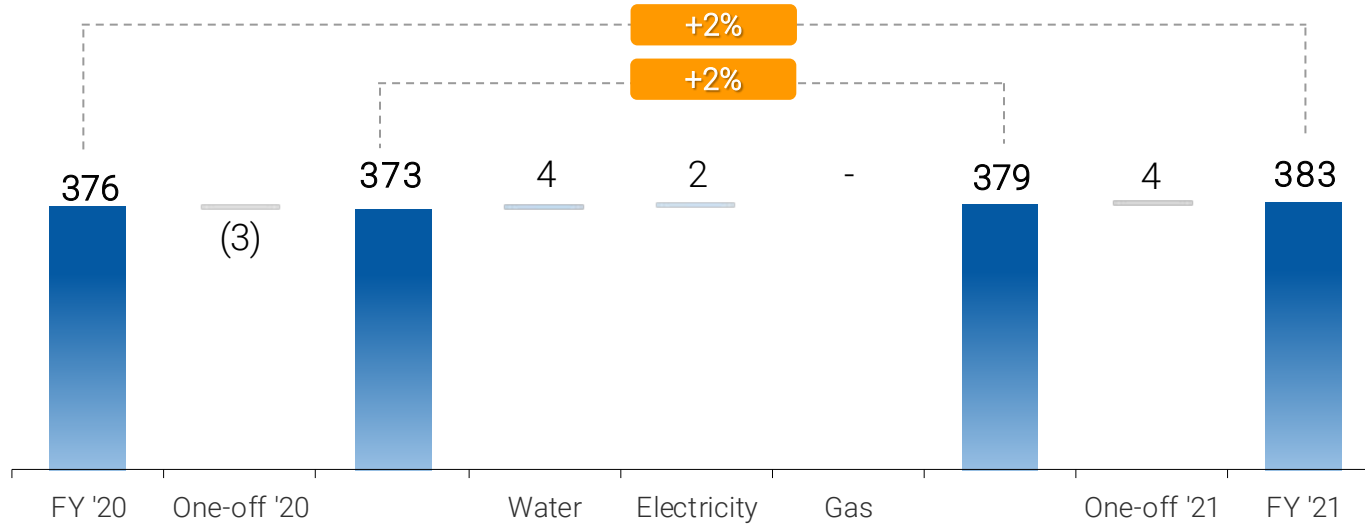
Robust growth despite unexpected challenges



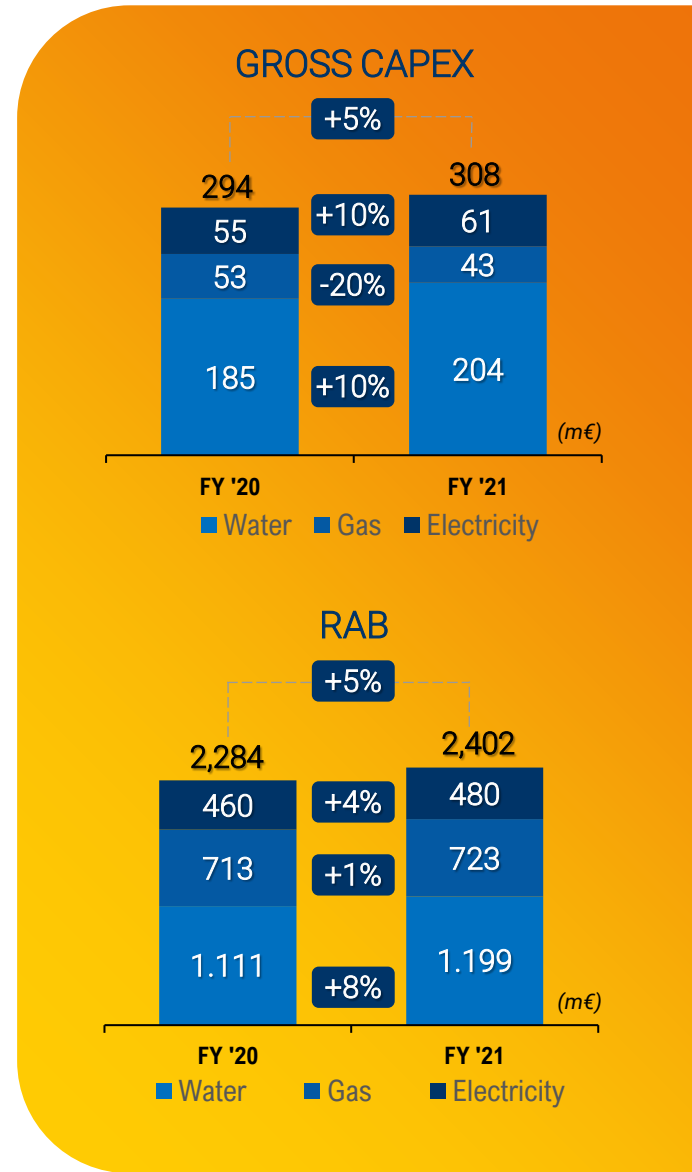
(m€)	FY '20	FY '21	Δ	Δ%
Revenues	3,726	4,956	1,230	33.0%
Ebitda	927	1,016	89	9.6%
Ebit	415	454	39	9.3%
Group net profit	239	303	64	26.7%
Gross investments	913	955	42	4.6%
NFP	2,948	2,906	-42	-1.4%



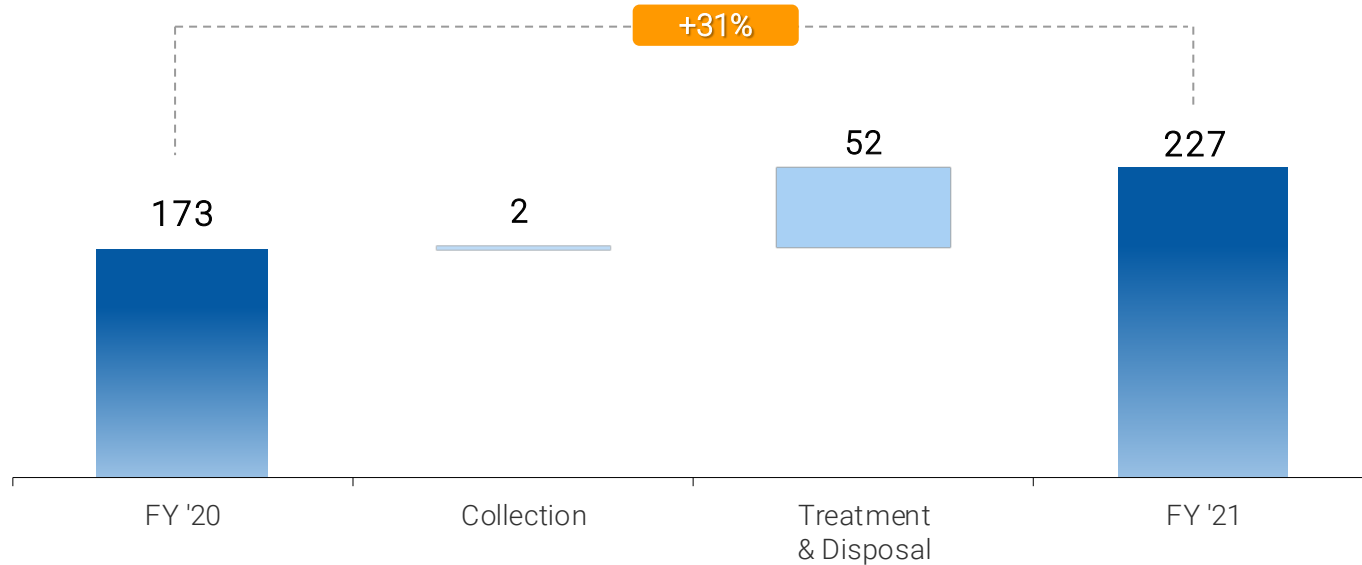
Solid results underpinned by RAB expansion



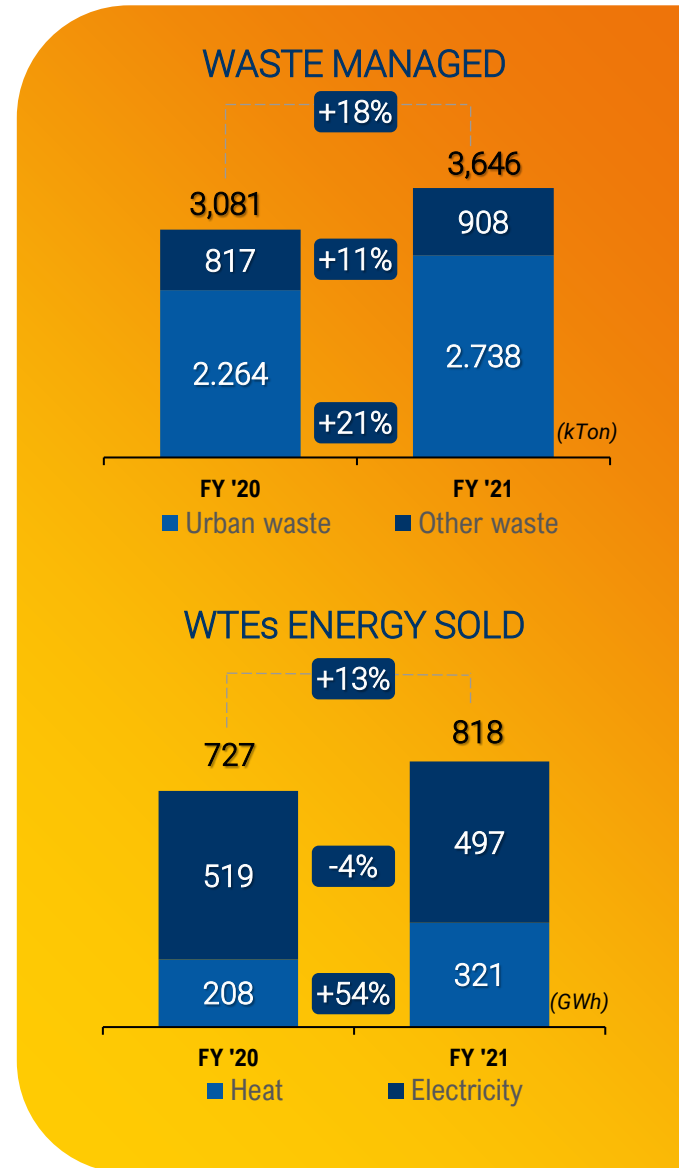
- Allowed revenues growth (+17m€) supported by previous years' investments (RAB), partially offset by extraordinary operational costs linked to service quality improvement and digitalization
- Investments increased by 14m€ vs PY, mainly in Water and Electricity Networks
- Districtization activities continue reaching 60%+ of the grid



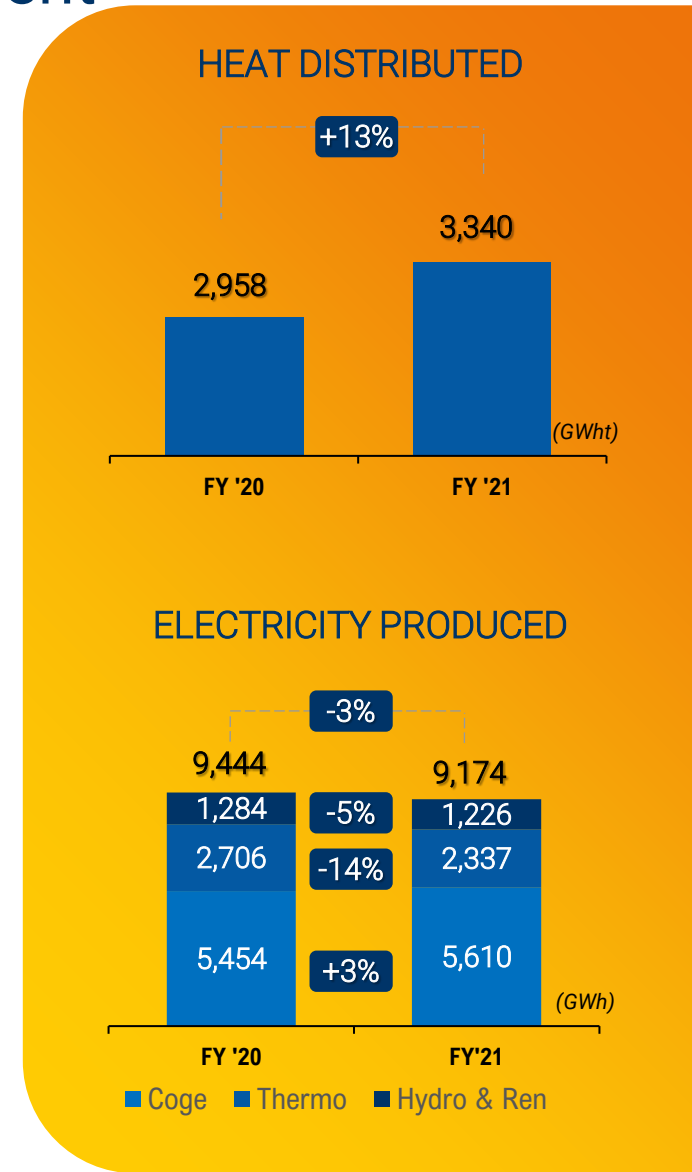
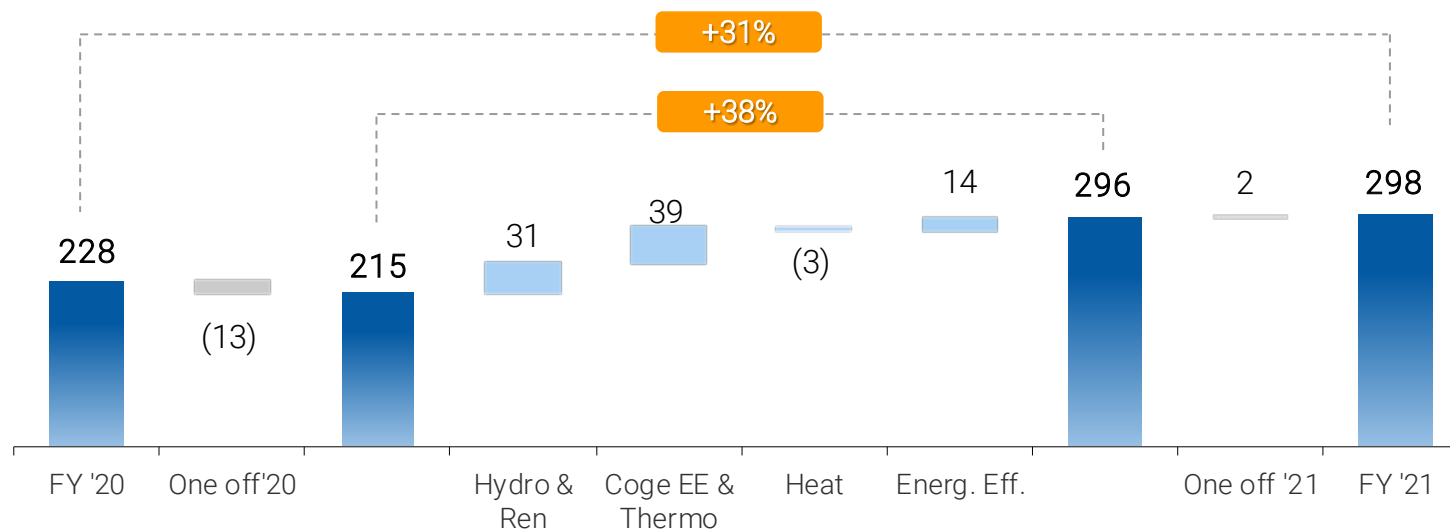
Favourable energy contribution, organic growth and consolidations drive profitability



- +22m€ contribution from full-year consolidation of Unieco and I.Blu
- Favorable energy scenario on electricity and heat sold thanks also to increase volumes
- Increase in profitability of recoverable waste
- Ceased contribution from REI landfill; re-start of operations with extended capacity from 2022
- Phase-in of new plants in Q4 2021



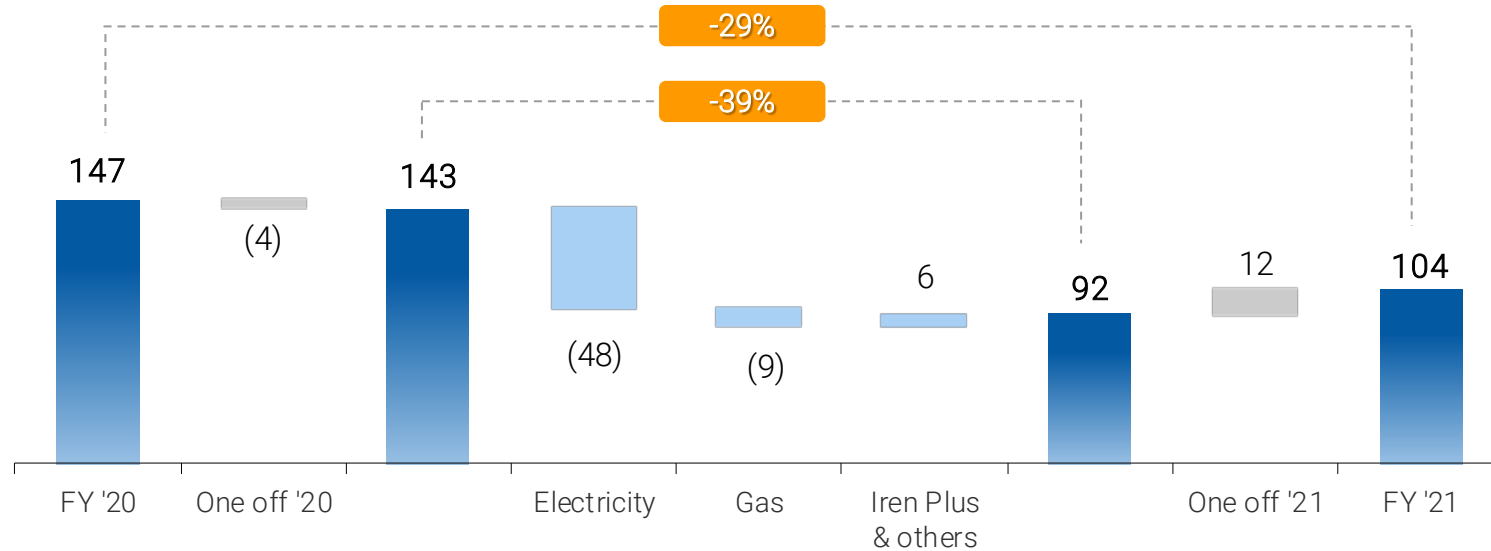
Profitability recovery driven by positive market evolution combined with strong organic development



- Resilience of the Group's business model demonstrated by the optimized balance between a positive energy scenario for renewables with a downstream market exposure (natural hedging)
- Extraordinary MSD at 128m€ (+47m€ vs PY) partially offset by lower spark spread on thermal
- Adverse clean spark spread on heat generation compensated by increase in volumes due to positive climate impact and organic development (networks expansion)
- +14m€ contribution from a robust growth in Iren Smart Solutions activities (energy efficiency)

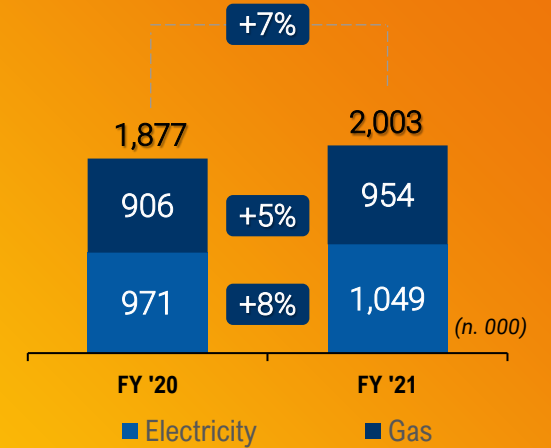


Integrated energy value chain enabling to counter adverse market scenario

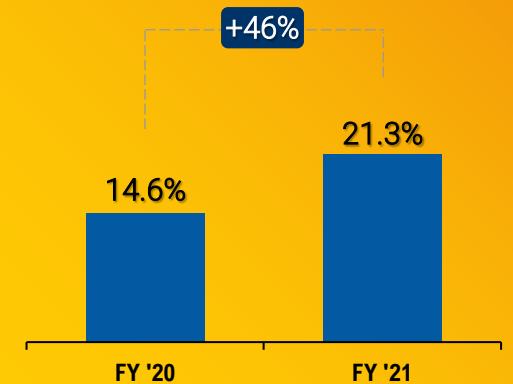


- Negative impact from unhedged volumes, recovered through hydro and WTE productions (natural hedging)
- Strong customer base growth vs PY, with +126k retail & SMEs clients
- Iren Plus positive results
- Higher volumes sold to end clients (electricity and gas)

RETAIL & SMEs CLIENTS






IREN PLUS – Penetration rate



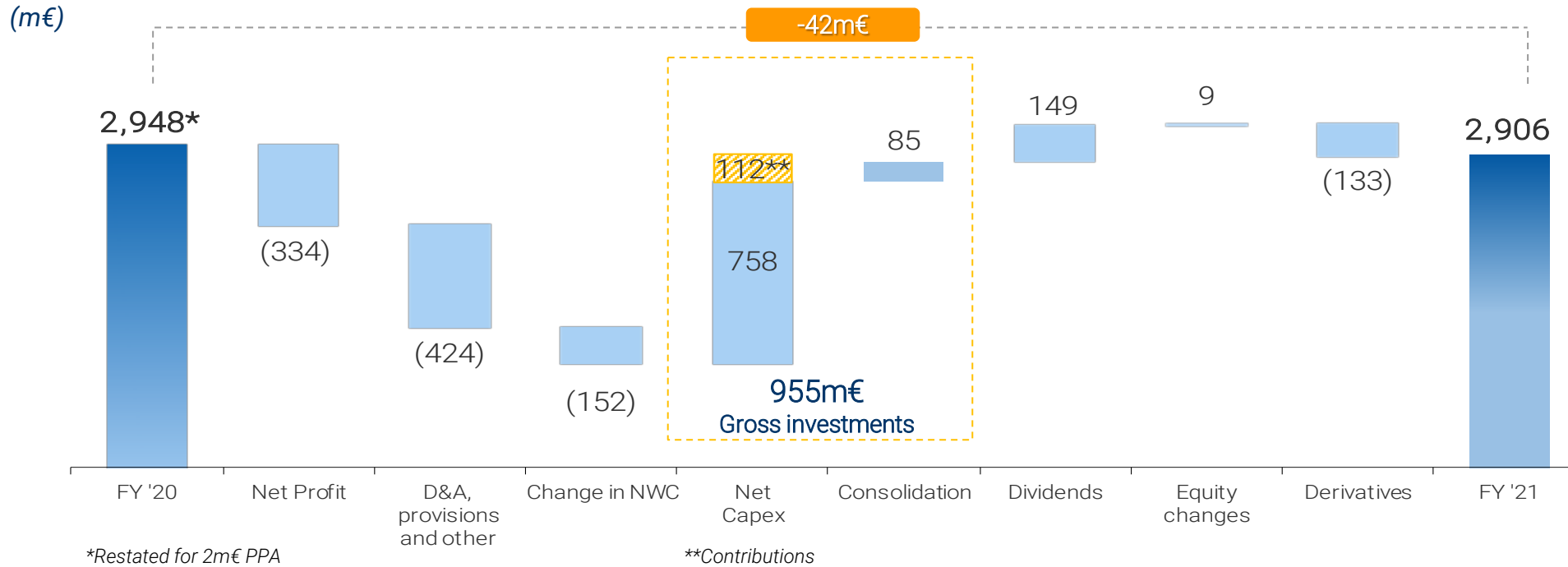
Ebitda to Group Net Profit reconciliation

(m€)

	FY '20	FY '21	Δ	Δ%
EBITDA	926.9	1,015.8	88.9	9.6%
<i>Depreciations</i>	-440.8	-477.9		
<i>Provisions to bad debt</i>	-61.7	-53.5		
<i>Other provisions and write-downs</i>	-9.0	-30.3		
EBIT	415.4	454.1	38.7	9.3%
<i>Financial charges</i>	-68.5	-63.8		
<i>Companies cons with e.m.</i>	6.5	10.3		
<i>Other financial</i>	15.9	23.2		
EBT	369.3	423.8	54.5	14.8%
<i>Taxes</i>	-100.0	-90.3		
<i>Minorities</i>	-30.1	-30.4		
Group net profit	239.2	303.1	63.9	26.7%

- 
 - Higher depreciations linked to increased investments, combined with I.Blu and Unieco full-year consolidations
 - Reduction of COVID-19 impact on bad debt provisions (10m€ in 2021 vs 25m€ in 2020)
 - Other provisions impacted by fund release in 2020 (16m€); 2021 impacted by selected assets write-downs
- 
 - Strong decrease in average cost of debt (1.7% in 2021 vs 2.1% in 2020)
- 
 - €32M one-off tax income as a result of “DL Agosto” 2020 (i.e. realignment of tax and book values of assets)
 - Ordinary tax rate at 29.0%

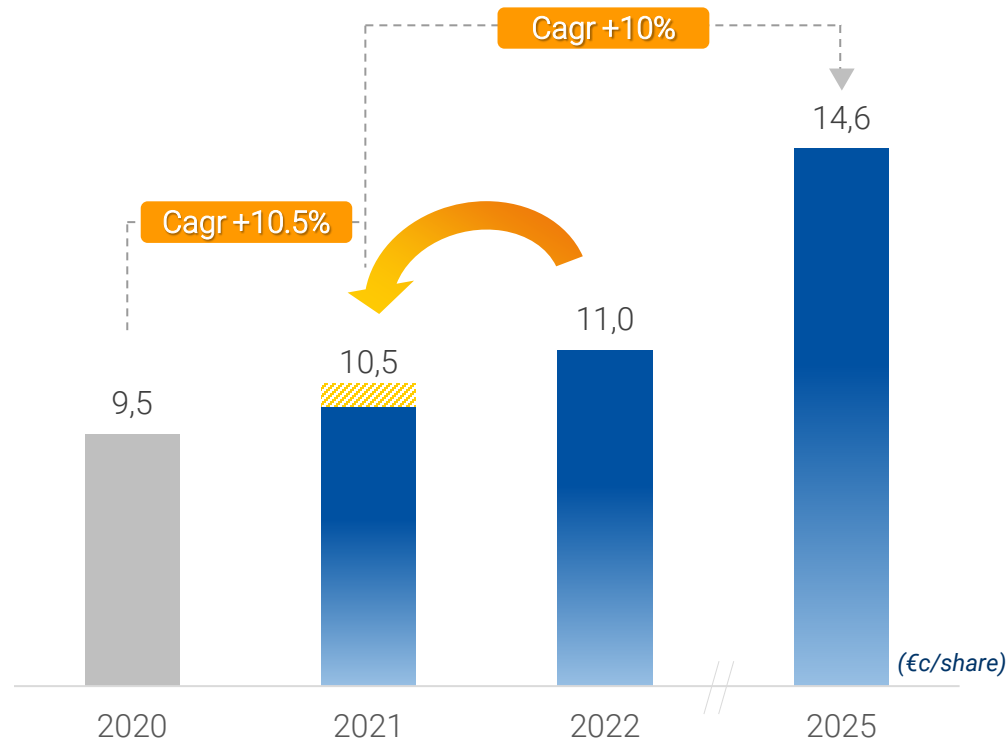
Net Financial Position Evolution (2021 vs 2020)



- Increase in investments more than offset by robust operating cash flow generation
- Effective and optimized net working capital management
- Positive contribution from derivatives mainly related to commodities

Having closed 2021 ahead of our Plan, we are proposing to pull-ahead the dividend per share growth initially forecasted for the next year

DPS IMPROVED +10.5%



➔ IREN reported solid 2021 results despite a very challenging market environment, thanks to the resilience of its business model & integrated energy value-chain and to the effectiveness of the measures taken during the year to counter the unexpected volatility of the energy scenario

➔ Our 2021 achievements combined with the actions executed in the first few months of 2022, confirm the validity of our strategic framework and its consistency vis-à-vis the current sector mainstreams

➔ Continuous organic development combined with the planned additional consolidations / acquisitions will be the main catalysts of our growth in the next year, further sustained by an acceleration in our target renewable investments

In 2022, IREN – in line with the rest of the industry – is expected to face several **headwinds** such as a continuously volatile energy scenario, likely changes in the generation market framework, released / announced government measures, WACC reduction and an adverse climate environment (i.e., drought)

Taking into account the mitigants (hedging policy, renewables development, organic growth and consolidation) already deployed by Iren to face the headwinds, we **confirm the guidance** on Ebitda while increasing investments

The resiliency of the business model allows to **accelerate the investments** related to our strategic pillars with a strong effort on renewables development to help Italy in the energy transition process

GUIDANCE FY 2022

- ✓ Ebitda: +6% vs 2021
- ✓ Gross investments: ~1.5 b€*
- ✓ NFP/Ebitda: ~3.4x

**Includes 250m€ of capex contribution/incentives*

ANNEXES



>7million

INHABITANTS IN IREN'S 3 LEGACY REGIONS

REGULATED ACTIVITIES (46% of Ebitda)

Energy Infrastructure	Water Service	Urban Waste Collection
<ul style="list-style-type: none"> RAB Electricity distribution: 480m€ RAB Gas distribution: 723m€ 2.75% electricity network leaks (vs. national avg. 6.4%) 	<ul style="list-style-type: none"> RAB water cycle management: 1,199m€ 32.6% water network leaks (vs. national avg. 42%) 	<ul style="list-style-type: none"> ~1.7m tons of waste collected 70.3% of sorted waste collection (vs. national avg. 63%)

QUASI REGULATED ACTIVITIES (24% of Ebitda)

Hydroelectric Green Certificates	District Heating	Urban Waste Disposal
<ul style="list-style-type: none"> 225 GWh GCs produced through hydro 560K tons CO2 emission avoided from hydro 	<ul style="list-style-type: none"> 99.0 mcm of district heated volumes 750K tons CO2 emission avoided from cogeneration 	<ul style="list-style-type: none"> 3 Waste To Energy plants (total capacity ~800Kton/y, 95MW of capacity) 100% energy or material recovery from waste managed

CUSTOMERS:

- ~2.0M in the energy sector
- ~2.7M inhabitants served in the water service
- ~3M inhabitants served in the waste sector
- ~0.6M inhabitants served in district heating

UNREGULATED ACTIVITIES (30% of Ebitda)

Generation	Energy Market	Special Waste
<ul style="list-style-type: none"> >2,700 MW of generation capacity 76% of electricity produced by environmentally friendly sources 	<ul style="list-style-type: none"> ~6.0 TWh electricity sold to end clients ~1.0 bcm gas sold to end clients 92% customer satisfaction 	<ul style="list-style-type: none"> ~881K tons of special waste managed 223.9K tons special waste to energy recovery

2021 Data

NETWORKS

	m€	FY '20	FY '21	Δ	Δ%
Revenues		1,041	991	-50	-5%
Ebitda		376	383	7	2%
<i>Electricity</i>		79	82	3	3%
<i>Gas</i>		85	90	5	5%
<i>Water</i>		212	211	-1	0%
Ebit		186	188	2	1%
Gross Capex		294	308	14	5%

WASTE

	m€	FY '20	FY '21	Δ	Δ%
Revenues		765	916	151	20%
Ebitda		173	227	54	32%
<i>Collection</i>		60	62	2	3%
<i>Treatment & disposal</i>		113	165	52	46%
Ebit		50	92	42	85%
Gross Capex		116	164	48	41%

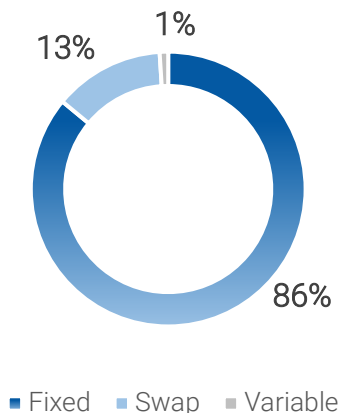
ENERGY

	m€	FY '20	FY '21	Δ	Δ%
Revenues		1.145	2.280	1135	99%
Ebitda		228	298	70	31%
<i>Hydro&Renewables</i>		56	80	24	43%
<i>Thermo/Coge, DH</i>		159	196	37	23%
<i>Energy efficiency</i>		13	22	9	69%
Ebit		111	157	46	41%
Gross Capex		172	170	-2	-1%

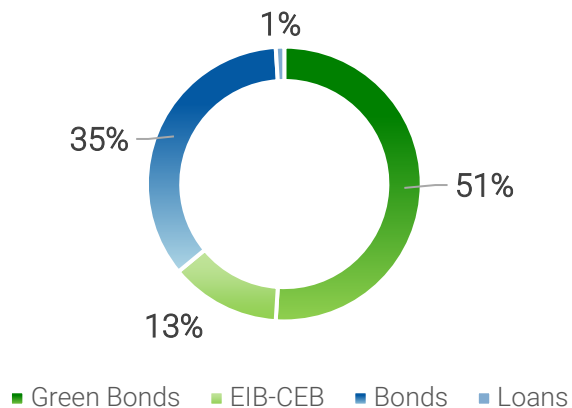
MARKET

	m€	FY '20	FY '21	Δ	Δ%
Revenues		2.085	3.071	986	47%
Ebitda		147	104	-43	-29%
<i>Electricity</i>		56	12	-44	-78%
<i>Gas&Heat</i>		91	92	1	1%
Ebit		67	15	-52	-78%
Gross Capex		51	65	14	28%

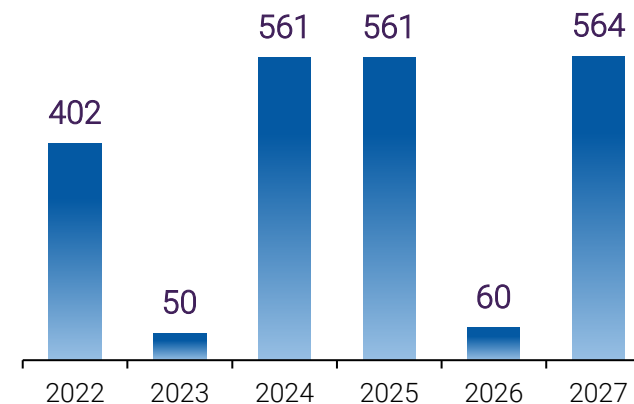
INTEREST RATE



DEBT STRUCTURE



MATURITIES



- 99% of gross debt at fixed interest rate
- Average long-term debt duration of about 5.7 years vs 6.1 years in FY2020
- Reduction in the average cost of debt (1.7% vs. 2.1% in FY2020)
- 64% of the Iren total debt is composed of green and assimilated instruments

- New Sustainability Financing Framework published
- New credit rating from S&P and confirmed of rating Fitch

S&P Global Ratings	<i>BBB-</i>	Outlook <i>Positive</i>
Fitch Ratings	<i>BBB</i>	Outlook <i>Stable</i>

	FY '20	FY '21	Δ%
Electricity distributed (GWh)	3,587	3,680	+3%
Gas distributed (mcm)	1,250	1,347	+8%
Water distributed (mcm)	175	175	-
Waste collected (Kton)	1,631	1,675	+3%
Waste treated (Kton)	2,253	2,926	+30%
Thermal production (GWh)	8,160	7,947	-3%
Renewable production (GWh)	1,284	1,226	-5%
<i>Hydro production (GWh)</i>	1,264	1,206	-5%
<i>Solar production (GWh)</i>	20	20	-
Electricity sold to end clients (TWh)	5.8	6.0	+3%
Gas sold to end clients (mcm)	926	954	+3%

	FY '20	FY '21	Δ%
Gas Demand (<i>bcm</i>)	70.7	76.2	+7.8%
PSV €/000 <i>scm</i>	11.0	48.5	>100%
Energy Demand (<i>Twh</i>)	301.2	318.1	+5.6%
PUN (€/Mwh)	38.9	125.5	>100%
CO2 €/Ton	24.8	53.3	>100%
Green Cert. Hydro (€/Mwh)	99.1	109.4	+10.4%
TEE (€/TEE)	270.6	259.5	-4.1%

Sustainable Financing Framework at a Glance

Iren New Sustainable Financing Framework

UPDATED

Green Financing Component

- Additional eligible green categories
- Alignment with EU Taxonomy substantial contribution to one of the Environmental Objectives to the greatest extent possible

1 Use of Proceeds

- Five green eligible project categories with clear environmental benefits

2 Process for Project Evaluation and Selection

- Relevant eligibility requirements set and supervised by the Sustainable Financing Committee

3 Management of Proceeds

- Bond by bond management approach
- Up to 24 months proceeds allocation period and 36 months look-back refinancing period

4 Reporting

- Annual reporting on proceeds' allocation and impacts

5 Verification

- Pre-issuance Second Party Opinion
- Post-issuance external review

NEW

Sustainability-Linked Component

- 4 KPIs covering all the IREN's business activities and in line with the Business Plan
- 2030 climate targets validated by the SBTi in line with Well-Below 2°C scenario

1 Selection of KPIs

- 4 environmental KPIs core, relevant and material

2 Calibration of SPTs

- 1 SPT for each KPI with multiple observation dates in line with IREN's 2030 sustainability strategy

3 Financial characteristics

- Coupon step-up or margin adjustment

4 Reporting

- Annual reporting on SPTs performance

5 Verification

- Pre-issuance Second Party Opinion
- Post-issuance external review
- Assurance on Non-Financial Reporting

Framework Components

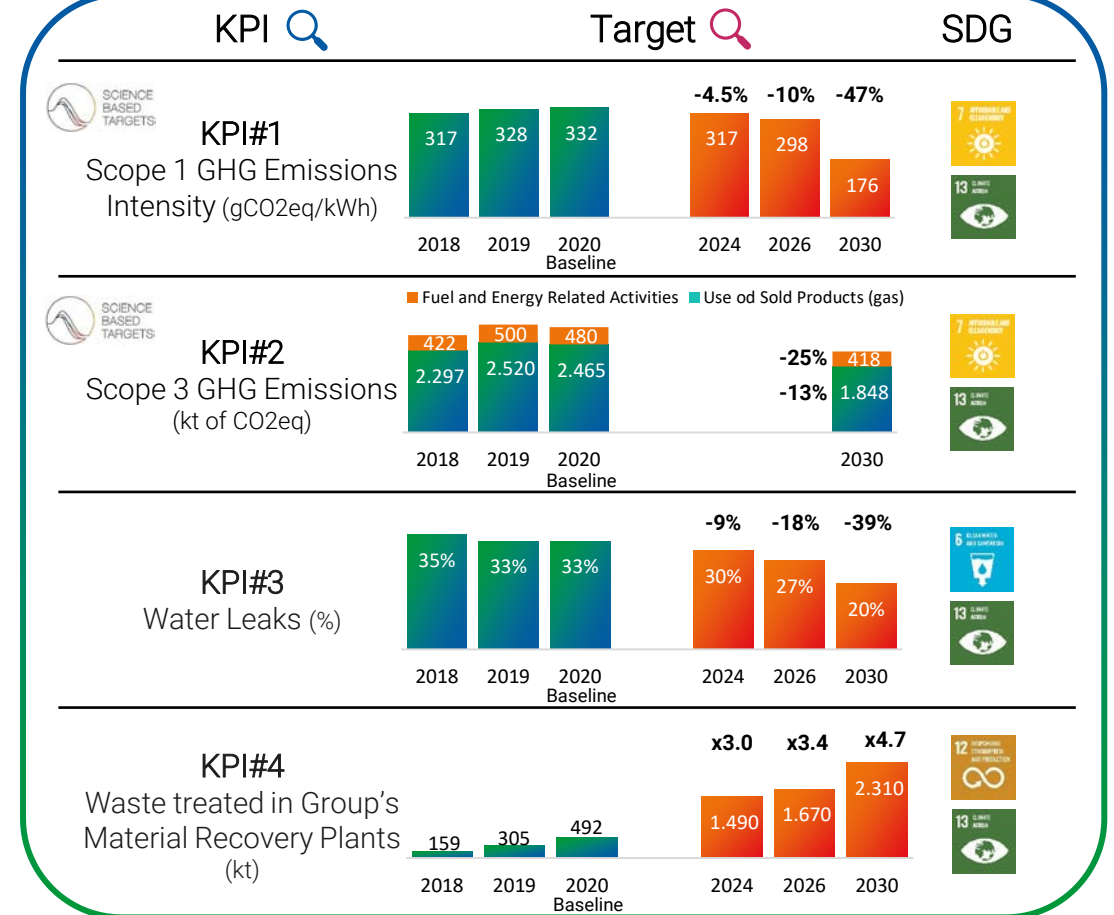
Green Financing Component







Category	Eligible Projects/Activities	SDG
Renewable Energy	<ul style="list-style-type: none"> Hydroelectric power electricity generation Solar PV electricity generation Wind power electricity generation 	
Energy Efficiency	<ul style="list-style-type: none"> Energy network development Electricity storage Thermal storage capacity Cogeneration facilities District heating networks Gas network hydrogenation Buildings energy efficiency Waste to Energy facilities Waste-to-chemical facilities 	
Circular Economy	<ul style="list-style-type: none"> Waste urban collection Waste urban recycling Waste urban treatment 	
Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> Wastewater treatment plant upgrades Water distribution network efficiency 	
Clean Transportation	<ul style="list-style-type: none"> Electric Vehicles E-mobility 	



Sustainability-Linked Component



Sustainability-Linked Rationale and Strategy

	 KPI#1 Scope 1 GHG Emissions Intensity (gCO2eq/kWh)	 KPI#2 Scope 3 GHG Emissions (kt of CO2eq)	 KPI#3 Water Leaks (%)	 KPI#4 Waste treated in Material Recovery Plants (kt)
Rationale	<ul style="list-style-type: none"> The target is coherent with the overall IREN's strategy to achieve net carbon neutrality in scope 1 emissions by 2040 Scope 1 emissions account for about 50% of the total Group emissions as of 2020 (baseline year) The 2030 target is validated by the Science Based Target Initiative (SBTi) - Well-below 2°C scenario 	<ul style="list-style-type: none"> The target is coherent with the overall IREN's decarbonization strategy Scope 3 emissions account for about 46% of the total Group emissions as of 2020 (baseline year) The 2030 target is validated by the SBTi - Well-below 2°C scenario 	<p>The percentage of total water leaks in Italy was 42% in 2018. The Istituto Nazionale di Statistica (ISTAT) reports that for every 100 litres introduced into the distribution network in 2018, over 42 do not reach the taps of the houses and it estimates that recovering these leaks could guarantee the water needs of about 44 million people in one year, more than two thirds of Italians¹</p>	<ul style="list-style-type: none"> Circular Economy is embedded in the IREN's sustainability strategy IREN will contribute to the achievement of the target of Waste Framework Directive² The largest potential to improve circularity is in plastics, where recycling rates today are low³, and CO2 gains would be substantial The recovery of organic waste contributes to CO2 reduction. Plastic, organic and wood waste recovery is part of the PNRR⁴
Strategy to Achieve the Target	<ul style="list-style-type: none"> Development of new RES assets, focused mainly on photovoltaic and wind power (+2.2 GW installed capacity) Renewal of hydro concessions, through revamping Divestment of thermoelectric assets (not functional to district heating) planned in the 2026-30 period Increase in the use of low carbon gases for energy production 	<ul style="list-style-type: none"> Purchase of 100% renewable electricity Biomethane from waste used for mobility and to feed the gas networks Gas networks hydrogenation Push towards electrification compensating for gas consumption reduction 	<ul style="list-style-type: none"> Renovation of water supply networks Grid compartmentation Smart solutions for the early identification of leakages 	<p>IREN has acquired in 2020 I.Blu, which operates in the selection of plastic waste to be sent to recovery and recycling. The Company plans to increase the existing plant's capacity and build a new plant to treat heterogeneous plastics (plasmix) that currently have no outlet in the recycling market</p> <p>Furthermore, IREN plans to improve its capacity of recycling organic waste, with the production of compost and biomethane, and wood, building new and increasing existing plants</p>

(1): https://www.istat.it/it/files//2021/03/GMA2021_ENG.pdf

(2): Waste Framework Directive (as amended by 2018/851) defines that by 2030, the preparing for re-use and the recycling of municipal waste shall be increased to a minimum of 60 % by weight

(3): Recycled volumes are just 10% of plastics in the market

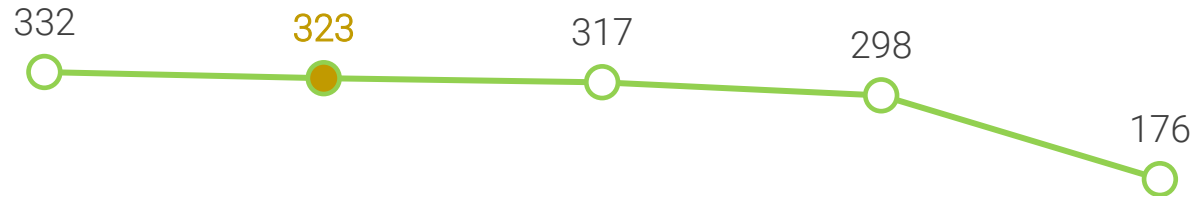
(4): National Recovery and Resilience Plan

Decarbonization

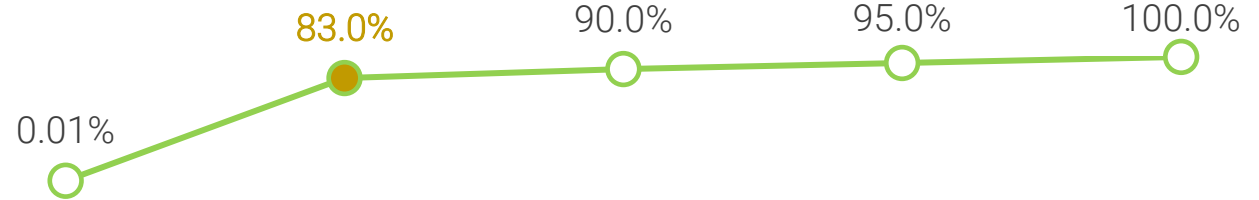


2020 2021 2024 2026 2030

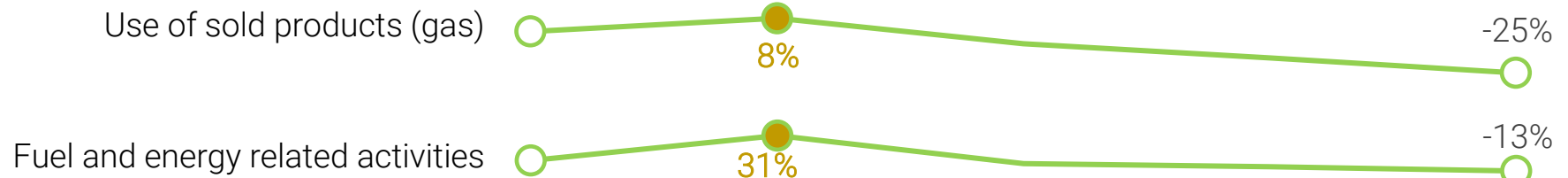
Power generation carbon intensity
(Scope 1) (gCO_{2eq}/kWh)



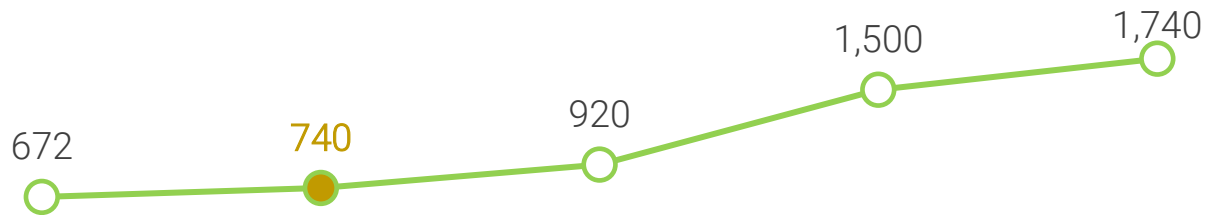
Certified renewable electricity purchased
(Scope 2) (%)



Scope 3 emissions



Energy saving of production processes
(energy production and storage, water cycle, waste enhancement, Group e-mobility) (kTep)



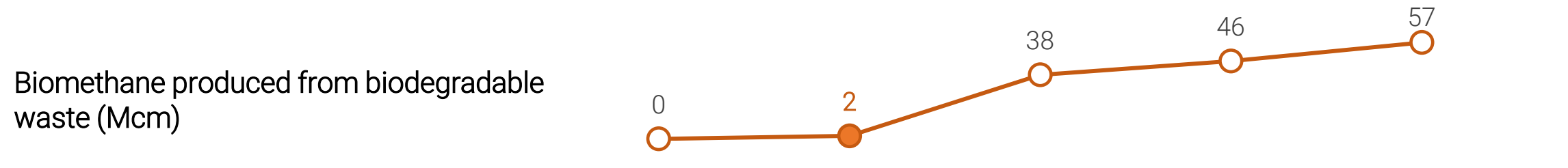
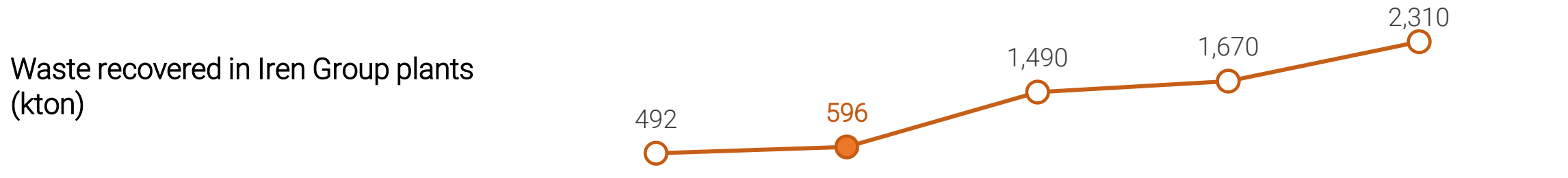
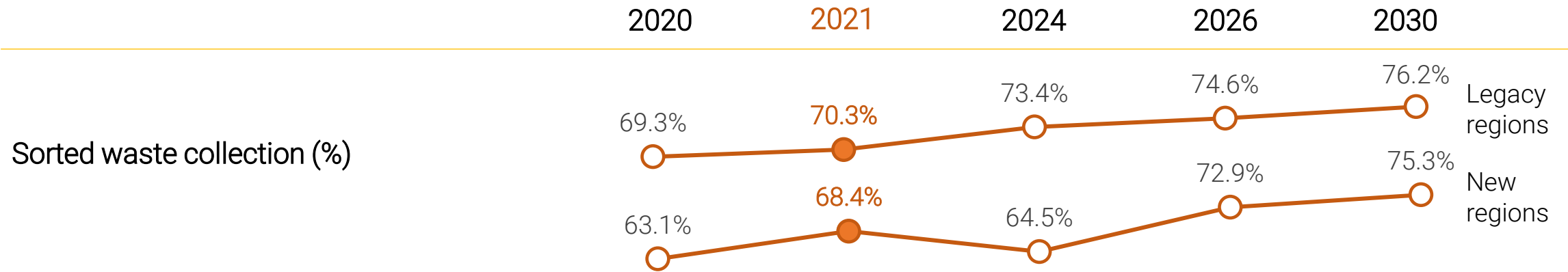
Emissions avoided from waste recovery (ktCO₂)



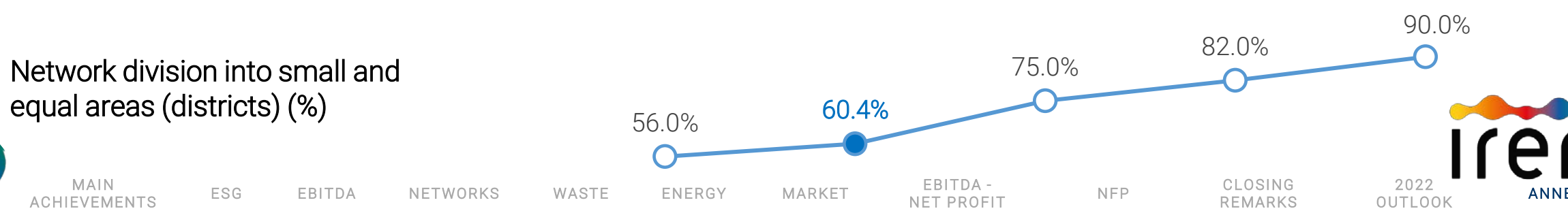
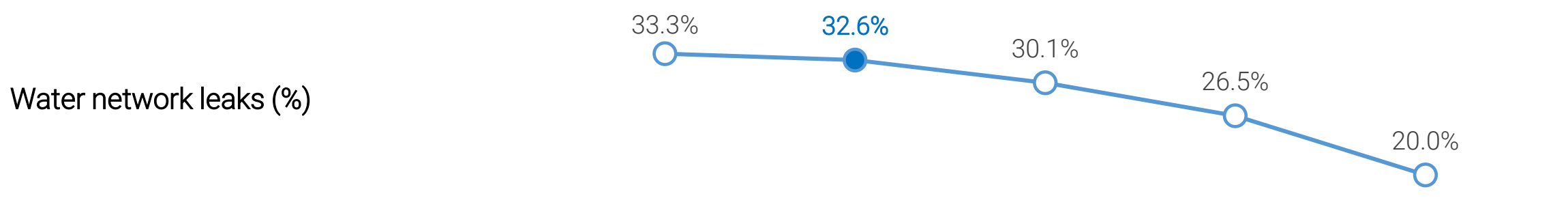
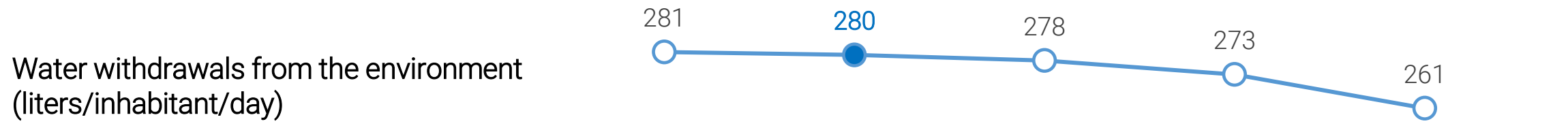
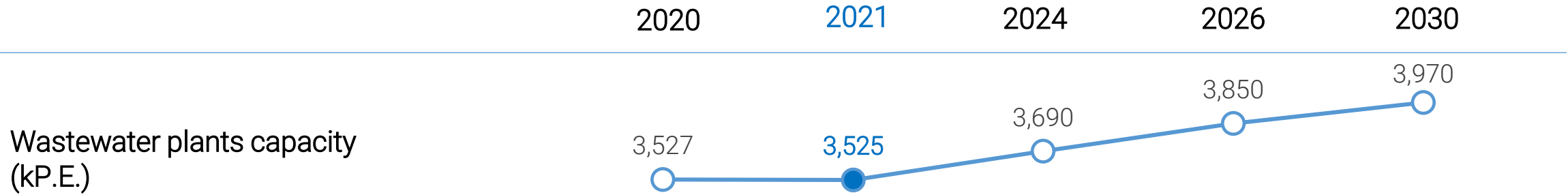
Validated by SBTi



Circular economy



Water resources

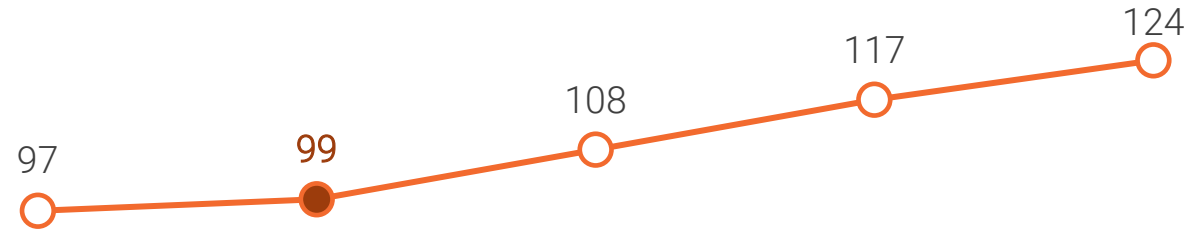


Resilient cities

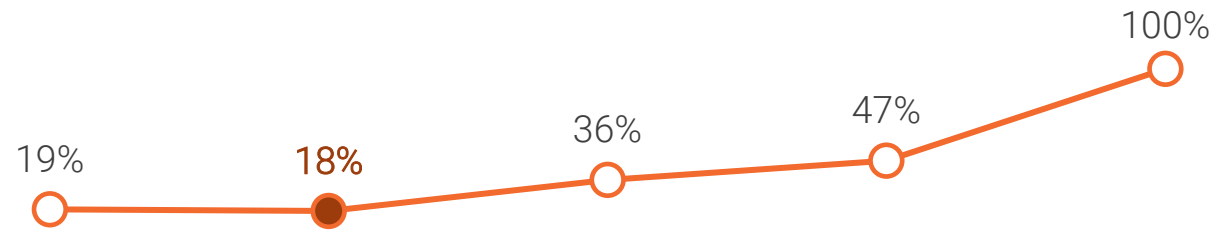


2020 2021 2024 2026 2030

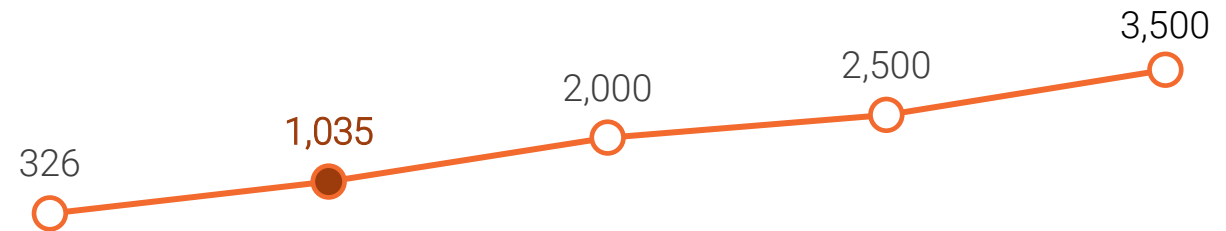
District heated volumes (Mcm)



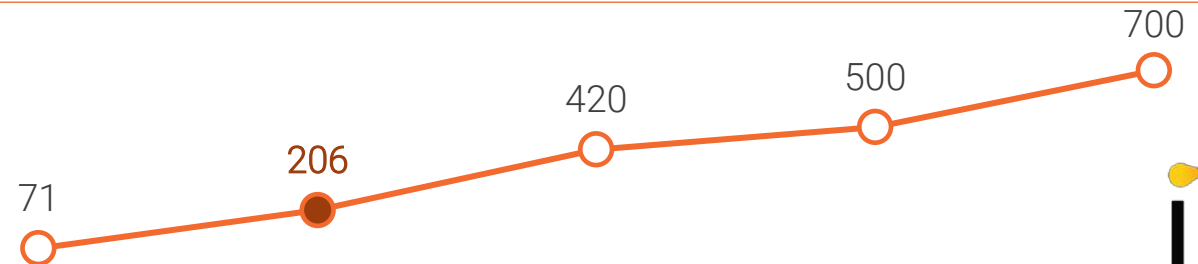
Eco-vehicles on total fleet (%)



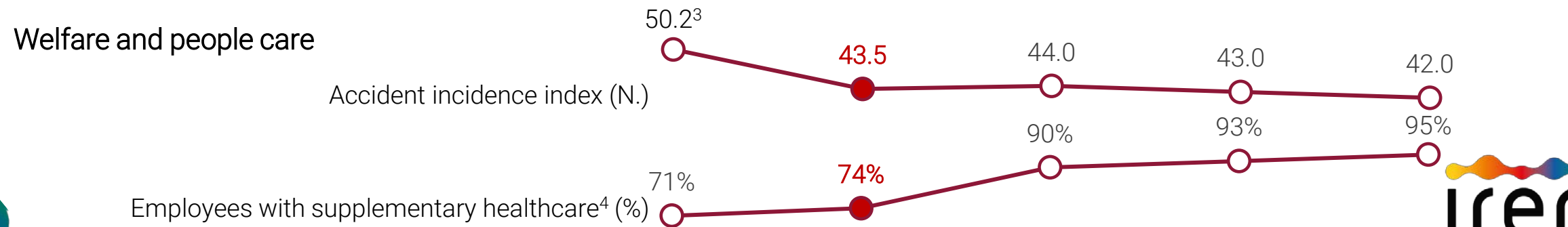
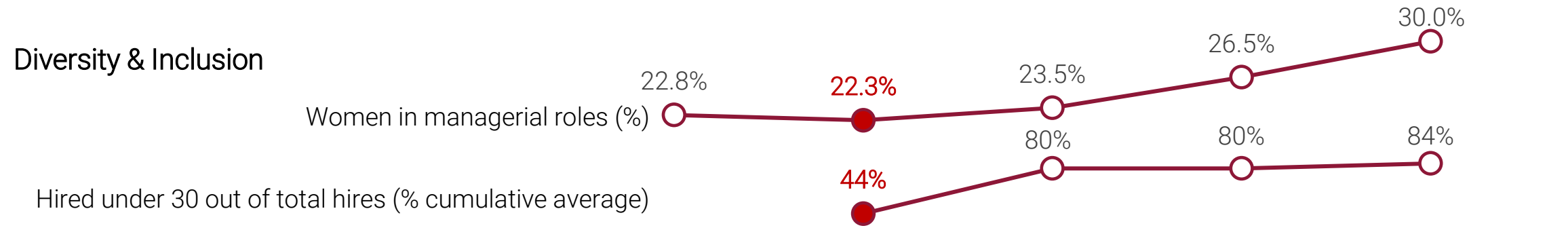
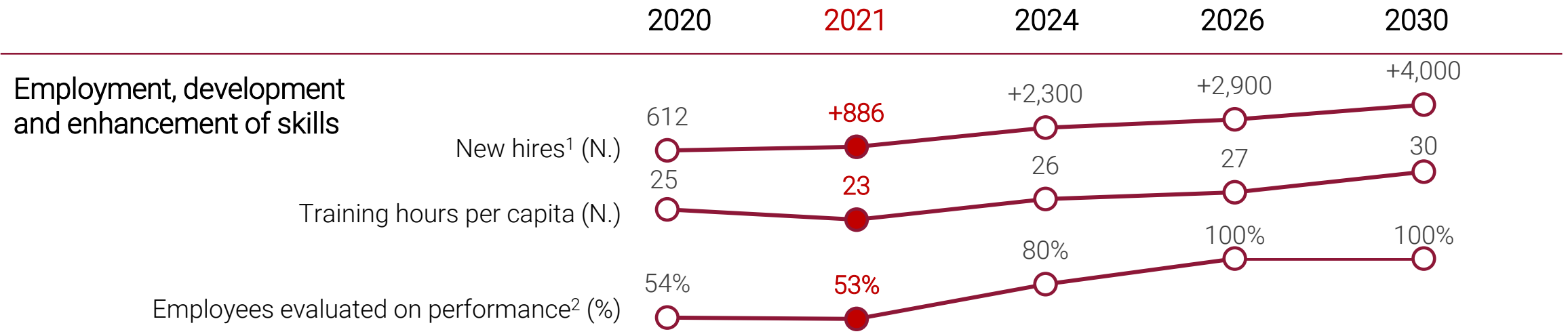
Green electricity sold to retail clients (GWh)



Energy saving from Iren Group products/services (kTep)



People



¹ Progressive growth compared to 2020; ² Excluding temporary employees, hired for less than 6 months, personnel from corporate acquisitions for less than a year, personnel with more than 6 months absences ; ³ 2019 figure not affected by the Covid19 emergency; ⁴ Excluding employees who joined the Group through extraordinary transactions in the last 12 months

The Manager in charge of drawing up the corporate accounting documents and the Chief Financial Officer of IREN S.p.A., Ms. Anna Tanganelli, hereby declares, pursuant to paragraph 2 of article 154 bis of the Consolidated Finance Act (Legislative Decree No 58/1998), that the accounting information contained in this presentation is consistent with the accounting documents, records and books.

This document was prepared by IREN mainly for use during meetings with investors and financial analysts. This document does not constitute an offer to sell or a solicitation to buy or subscribe shares and neither this entire document or any portion of it may constitute a basis or provide a reference for any contract or commitment.

Some of the information contained in this document may contain projected data or estimates that are based on current expectations and on opinions developed by IREN and are based on current plans, estimates, projections and projects. Consequently, it is recommended that they be viewed as indicative only.

Projected data and estimates entail risks and uncertainties. There are a number of factors that could produce significant differences between projected results and actual results. In addition, results may be affected by trends that are often difficult to anticipate, are generally beyond IREN's control and could produce results and developments that are substantially different from those explicitly or implicitly described or computed in the abovementioned projected data and estimates. The non-exhaustive list that follows being provided merely by way of example, these risks include: significant changes in the global business scenario, fluctuations in the prices of certain commodities, changes in the market's competitive conditions and changes in the general regulatory framework.

Notice is also given that projected data are valid only on the date they are produced. Except for those cases in which the applicable statutes require otherwise, IREN assumes no obligation to provide updates of the abovementioned estimates and projected data.