



Investor Presentation

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Presenting Team



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Iren Key Credit Highlights



- 1 **Solid position in Italy** as one of the largest multi-utilities **concentrated in some of Italy's wealthiest regions** in the northwest
- 2 **Strong business risk profile** which benefits from the significant contribution of **fully regulated** water, gas, and power distribution and waste collection **activities**
- 3 **Largest district heating network in Italy**, characterized by long-term contracted nature of the service
- 4 **Above average resilience** showed during pandemic emergency, **with FY2021 results higher than pre-pandemic (FY2019) results**
- 5 **Healthy cash generation and conservative financial structure** will allow the Company to maintain investment-grade metrics despite the expectation to have a leverage peak in 2024 due to accelerated investments
- 6 **Stronger sustainable commitment as declared under the 2021-2030 business plan**: the Company plans to reduce its carbon intensity substantially by increasing its share of renewables in the generation mix and decommissioning its thermal generation by 2026

Agenda

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- II. Business Plan@2030

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- II. Iren Regulatory Framework
- III. SDGs Implementation in Iren Strategy



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Company Overview

Iren at a Glance



>7million

INHABITANTS IN IREN'S 3
LEGACY REGIONS

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

**REGULATED
ACTIVITIES**
(46% of Ebitda)



Energy Infrastructure

- RAB Electricity distribution: 480m€
- RAB Gas distribution: 723m€
- 2.75% electricity network leaks (vs. national avg. 6.4%)



Water Service

- RAB water cycle management: 1,199m€
- 32.6% water network leaks (vs. national avg. 42%)



Urban Waste Collection

- ~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

- 225 GWh GCs produced through hydro
- 560K tons CO2 emission avoided from hydro

District Heating

- 99.0 mcm of district heated volumes
- 750K tons CO2 emission avoided from cogeneration

Urban Waste Disposal

- 3 Waste To Energy plants (total capacity ~800Kton/y, 95MW of capacity)
- 100% energy or material recovery from waste managed

**UNREGULATED
ACTIVITIES**
(30% of Ebitda)

Generation

- 2,800 MW of generation capacity
- 76% of electricity produced by environmentally friendly sources

Energy Market

- ~6.0 TWh electricity sold to end clients
- ~1.0 bcm gas sold to end clients
- 92% customer satisfaction

Special Waste

- ~881K tons of special waste managed
- 223.9K tons special waste to energy recovery

2021 Data

2021 – 2030 Strategic plan ambitions



green

- Progressively **decarbonize** all activities
- Strengthen **leadership in circular economy**



local

- Extend **footprint in legacy** regions, also inorganically
- Evolve into **preferred partner** for local stakeholders



quality

- Excel in **networks performance and resilience**
- Boost **customer satisfaction** across businesses

Investments '21 – '30

Sustainability



80%

Legacy regions



85%

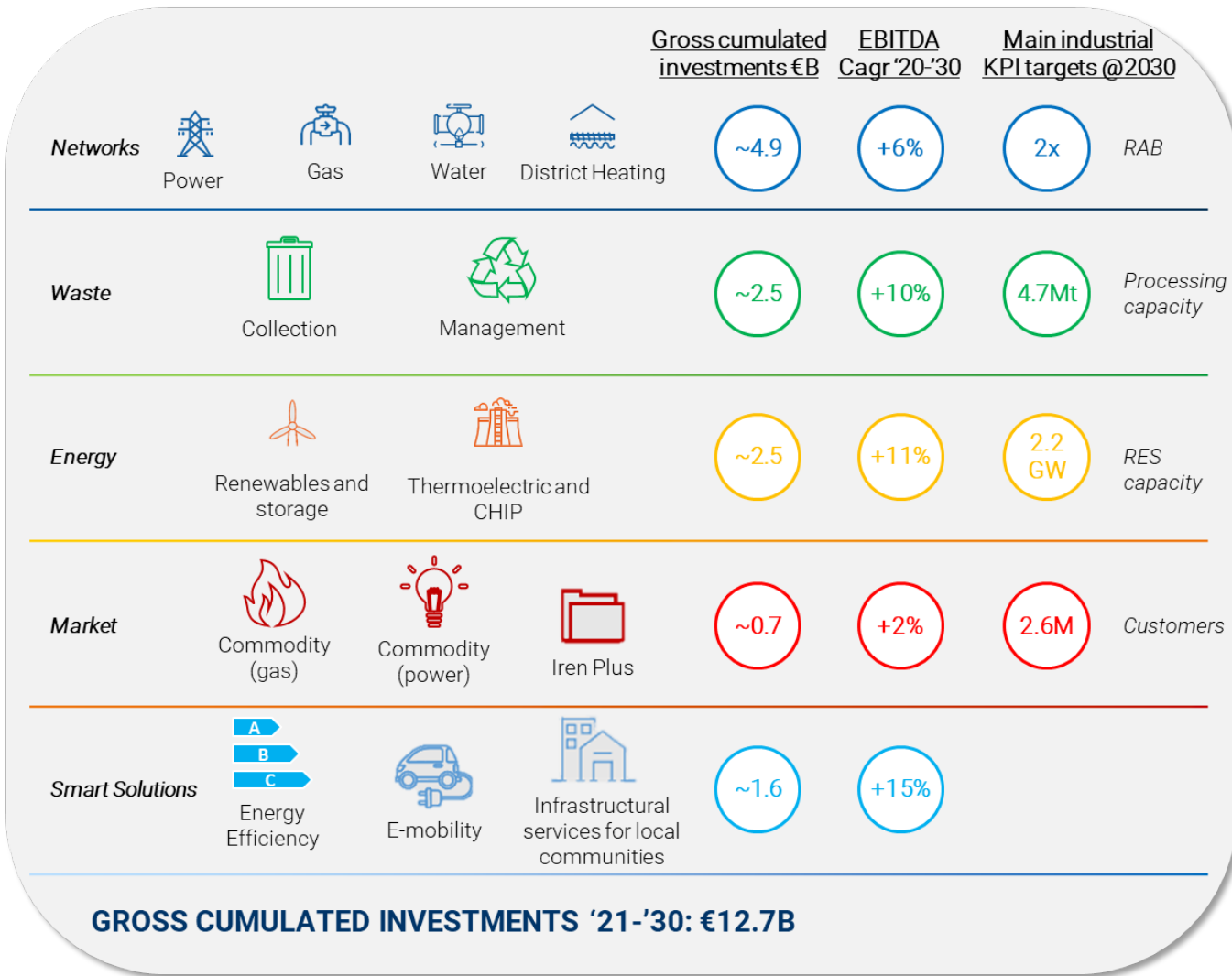
Quality improvement



50%

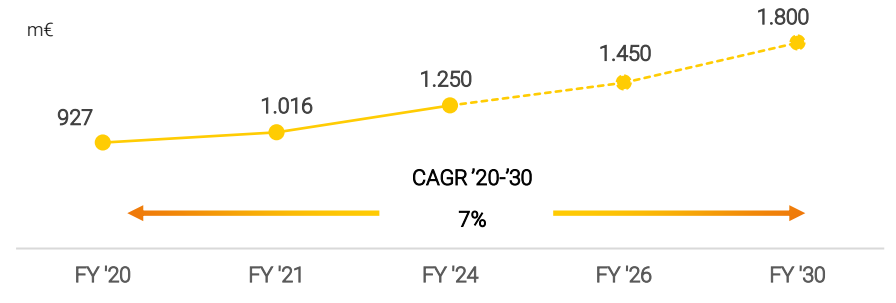
Business Plan@2030:

Strong growth led by the most ambitious Investment Plan ever

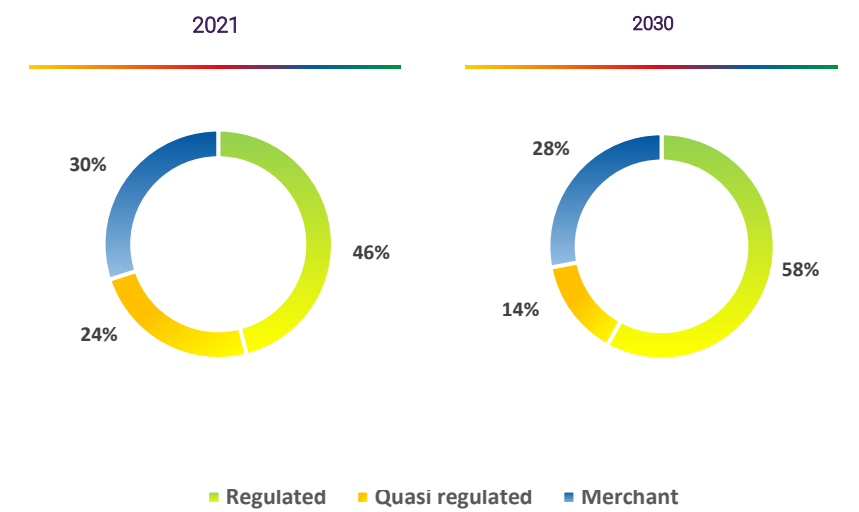


GROSS CUMULATED INVESTMENTS '21-'30: €12.7B

EBITDA

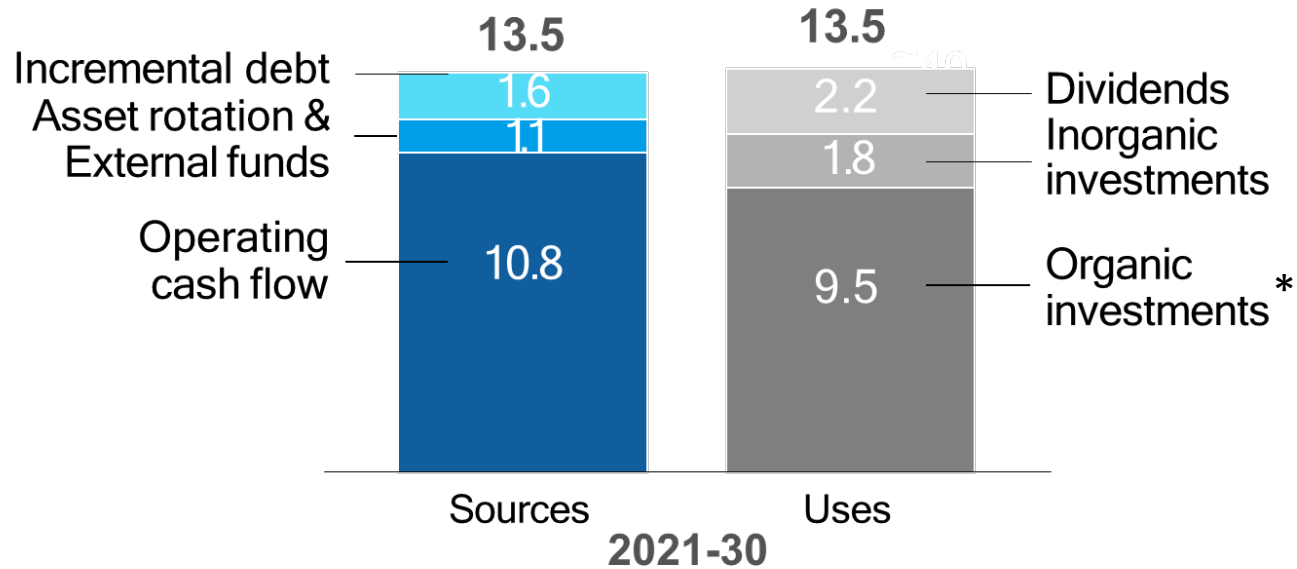


EBITDA BREAKDOWN BY ACTIVITY

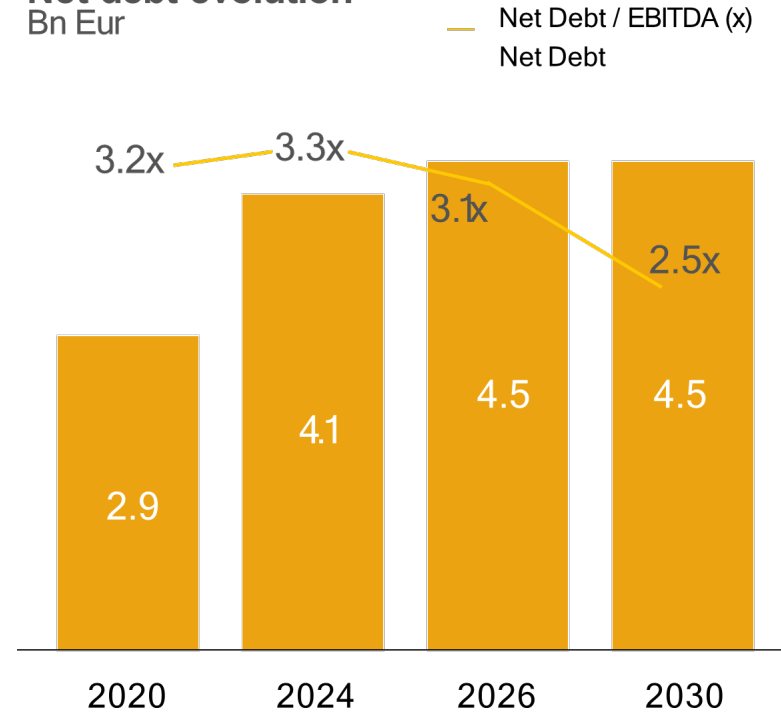


Strong cash flow generation underpinning sound capital structure profile & metrics

Sources and uses of funds
Bn Eur



Net debt evolution
Bn Eur



* Net of capex contribution/incentives for €1.4b





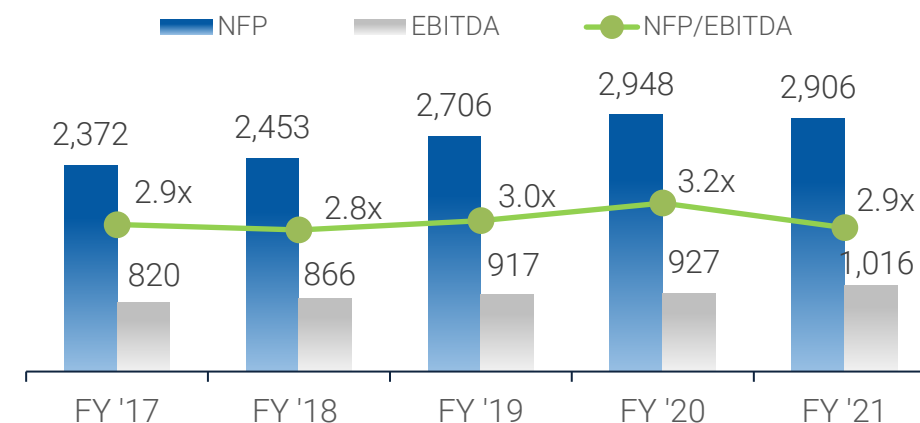
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Financial Overview

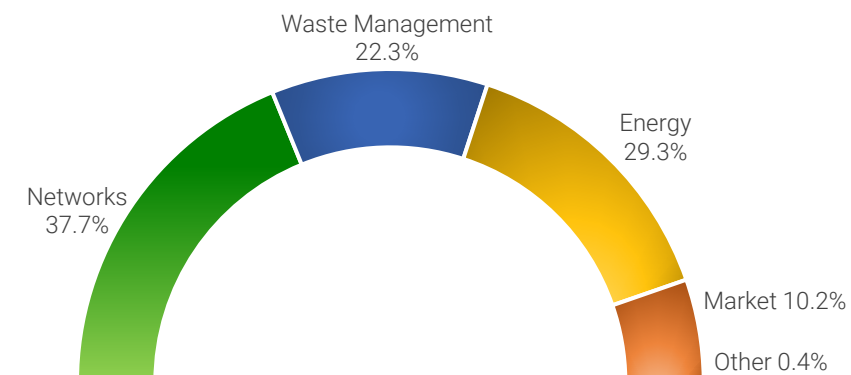
FY2019 – FY2021 Financial Key Figures

(millions of euros)	FY2019	FY2020	FY2021	Δ% 2021 vs 2020
Revenue	4,275	3,726	4,956	32.9%
Networks BU (energy and water infrastructures)	1046	1,041	991	-4.8%
Waste Management BU	715	765	916	19.8%
Energy BU (Generation, TLR, Energy Efficiency)	1,473	1,145	2,280	99.2%
Market BU	2,746	2,085	3,071	47.3%
Services and other	22	25	26	5.4%
Netting and adjustments	-1,727	-1,335	-2,328	74.6%
Gross Operating Profit (EBITDA)	917	927	1,016	9.6%
Networks BU (energy and water infrastructures)	373	376	383	1.7%
Electrical infrastructure	75	79	82	3.0%
Gas infrastructures	89	85	90	5.3%
Water infrastructures	209	211	211	-0.2%
Waste Management BU	158	173	227	31.6%
Energy BU (Generation, TLR, Energy Efficiency)	274	228	298	30.6%
Market BU	110	147	104	-28.9%
Electricity	35	56	12	-77.7%
Gas and other services	75	91	92	1.1%
Services and Other	2	3	4	19.8%
Operating Profit (EBIT)	452	415	454	9.3%
Networks BU (energy and water infrastructures)	198	186	188	1.1%
Waste Management BU	56	50	92	85.2%
Energy BU (Generation, TLR, Energy Efficiency)	140	111	157	41.4%
Market BU	57	67	15	-78.0%
Services and Other	1	1	2	75.7%
Net Profit	236	239	303	26.7%
Net Financial Position (NFP)	2,706	2,948	2,906	-1.4%

Leverage Trend

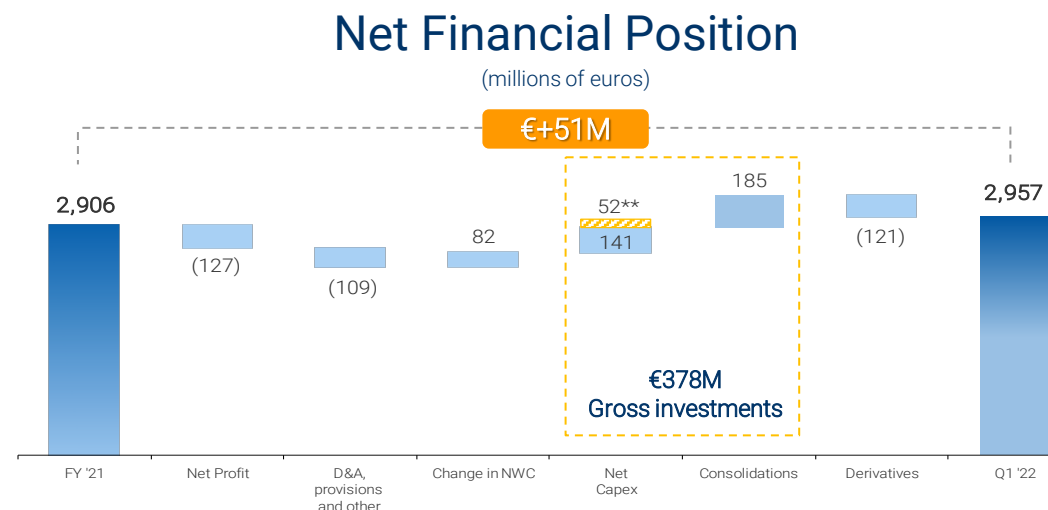
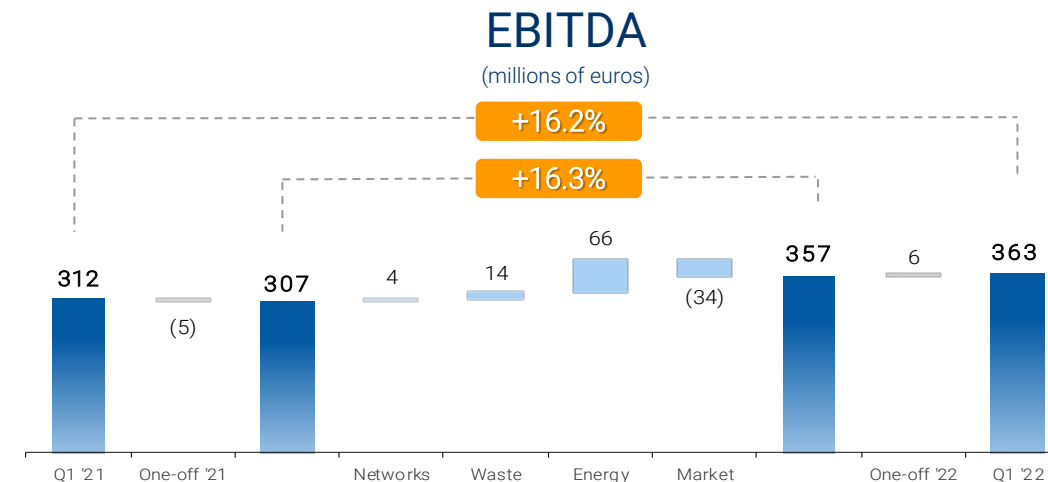


FY2021 EBITDA Breakdown



Q1 2022 Financial Key Figures

(millions of euros)	Q1 2021	Q1 2022	Δ% 2022 vs 2021
Revenue	1,139	2,186	91.8%
Networks BU (energy and water infrastructures)	252	257	2.1%
Waste Management BU	217	244	12.6%
Energy BU (Generation, TLR, Energy Efficiency)	397	1,295	(*)
Market BU	721	1,941	(*)
Services and other	6	6	14.6%
Netting and adjustments	-454	-1,557	(*)
Gross Operating Profit (EBITDA)	312	363	16.2%
Networks BU (energy and water infrastructures)	94	95	0.3%
Electrical infrastructure	19	19	0.4%
Gas infrastructures	22	21	-4.8%
Water infrastructures	54	55	1.9%
Waste Management BU	51	65	26.3%
Energy BU (Generation, TLR, Energy Efficiency)	93	165	78.1%
Market BU	74	35	-48.1%
Electricity	13	-15	(*)
Gas and other services	61	53	-13.1%
Services and Other	1	0	-29.4%
Operating Profit (EBIT)	184	226	22.9%
Networks BU (energy and water infrastructures)	48	48	0.2%
Waste Management BU	25	37	48.1%
Energy BU (Generation, TLR, Energy Efficiency)	58	128	(*)
Market BU	53	14	-74.3%
Services and Other	0	0	(*)
Net Profit*	120	118	-1.7%
Net Financial Position (NFP)	2,916	2,957	1.8%



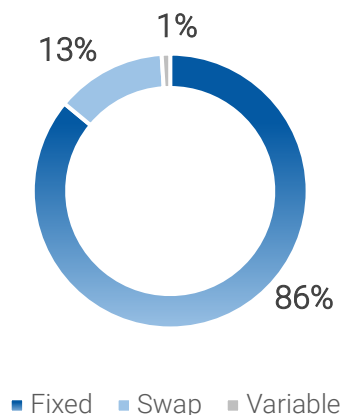
**Capex contributions / incentives

* Q1 '21 affected by a €12M pre-tax positive one-off effect linked to Unieco debt optimization; Q1 '22 impacted by "Contributo di solidarietà - ex art. 37 DL Taglia Prezzi" decree for estimated €24M (including impact of new measures announced and approved by Government on May 2)

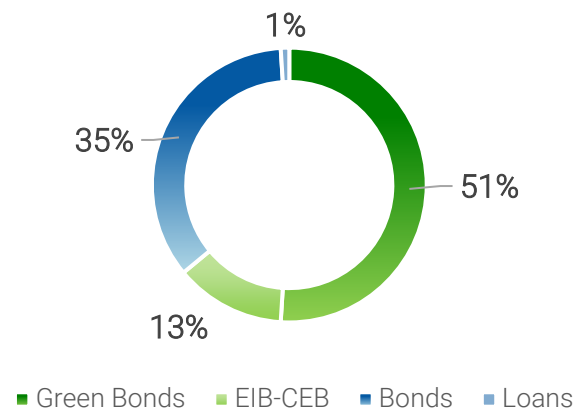


Iren Debt Structure

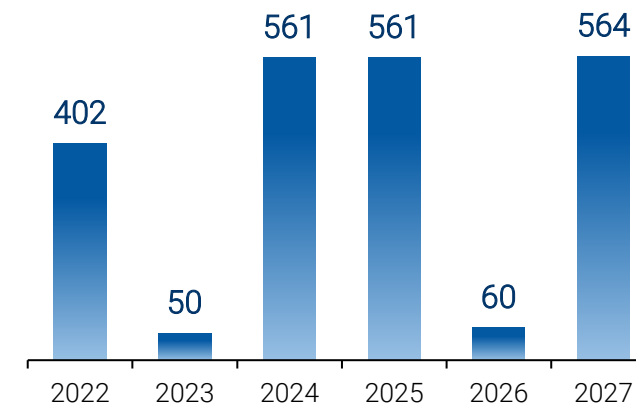
INTEREST RATE



DEBT STRUCTURE



MATURITIES



- ◊ 99% of gross debt at fixed interest rate
- ◊ Average long-term debt **duration** of about **5.4 years** vs 5.9 years in Q1 2021
- ◊ Reduction in the **average cost of debt** (1.7% vs. 1.8% in Q1 '21)
- ◊ **64%** of the Iren total **debt** is composed of **green and assimilated** instruments
- ◊ € 1,328 Mln liquidity position, of which:
 - € 553 Mln cash
 - € 775 Mln committed bank facilities

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

Outstanding Bonds

Issuer	Cpn (%)	Issue Date	Maturity	Amount (EUR)
IREN SPA	2.750	11/2/2015	11/2/2022	359,634,000
IREN SPA	0.875	11/2/2016	11/4/2024	500,000,000
IREN SPA	1.950	9/19/2018	9/19/2025	500,000,000
IREN SPA	1.500	10/24/2017	10/24/2027	500,000,000
IREN SPA	0.875	10/14/2019	10/14/2029	500,000,000
IREN SPA	1.000	7/1/2020	7/1/2030	500,000,000
IREN SPA	0.250	12/17/2020	1/17/2031	500,000,000

Green bond in green

Overview of Iren Rating Positioning

NEW

Standard & Poor's (BBB- / Positive Outlook)

S&P Global
Ratings

- Iren's credit quality reflects its solid position in Italy as one of the largest multi-utilities and its **high share of regulated activities**
- The positive outlook on Iren reflects our expectation that it will continue to **strengthen its position in the regulated segment**, thanks to its ambitious capex plan, while improving its credit metrics
- If Iren successfully executes its plan, we believe it can maintain adjusted FFO to debt of about 20% over 2021-2023, with debt to EBITDA not increasing substantially above 4.0x

Factors that could lead to a positive Rating Action/ Upgrade:

- Adjusted FFO to debt increase above 20%
- Adjusted debt to EBITDA trends below 4.0x

Factors that could lead to a negative Rating Action/ Downgrade:

- Adjusted FFO to debt remains below 20%
- Adjusted debt to EBITDA does not decline below 4.0x

CONFIRMED

Fitch (BBB / Stable Outlook)

Fitch Ratings

- The affirmation of Iren S.p.A.'s Issuer Default Rating (IDR) reflects the company's updated business plan up to 2026-2030 that is broadly in line with its historical strategic pattern and has a focus on regulated and quasi-regulated activities
- Overall, the business plan's financial targets renew Iren's commitment towards a capital structure that is consistent with the current rating. Fitch Ratings deems **Iren fairly placed for a 'BBB' rating**, as Fitch expects funds from operations (FFO) net leverage to remain at 4.5x on average until 2026

Factors that could lead to a positive Rating Action/ Upgrade:

- FFO net leverage declining below 4.3x
- FFO interest coverage sustained above 5.0x

Factors that could lead to a negative Rating Action/ Downgrade:

- FFO net leverage above 5.0x
- FFO interest coverage below 4.0x over a sustained period
- Growing exposure to unregulated activities

Key Rating Agencies
Messages

Rating Sensitivities



3

Sustainability Strategy

Sustainability at Iren Group

Iren Sustainability Pillars



Green Transition

Taking the lead in the ecological transition to accelerate sustainability in all businesses

- Progressive decarbonization of businesses
- Strengthening leadership in the circular economy

80% of the total investment is sustainable

47% reduction of scope 1 GHG intensity per MWh generated by 2030 from a 2020 base year

Treated waste +180% by 2030



Territoriality

Territorial expansion to maximize opportunities for growth and synergies among all businesses serving the territory

- Entry into new territories, also through acquisitions
- Becoming a reference partner for local stakeholders

85% of investments involve the territories in which we are present

2.5x Province served by more than 4 services by 2030

65,000 electric charging stations installed by 2030



Quality of service

Improve services' quality in all business sectors to be the first choice of reference in the territory

- Excel in network performance and resilience
- Strengthen customer satisfaction in all business sectors

50% of the investment aims to achieve quality standards of excellence in all businesses

-15% electricity service interruptions by 2030

Water leaks <20% by 2030

100% digital gas and energy meters by 2030

Iren ESG Ratings and Indexes



Well-below 2°C



73/100



2021 Listed: A-



A rating



E-2 S-2 G-2



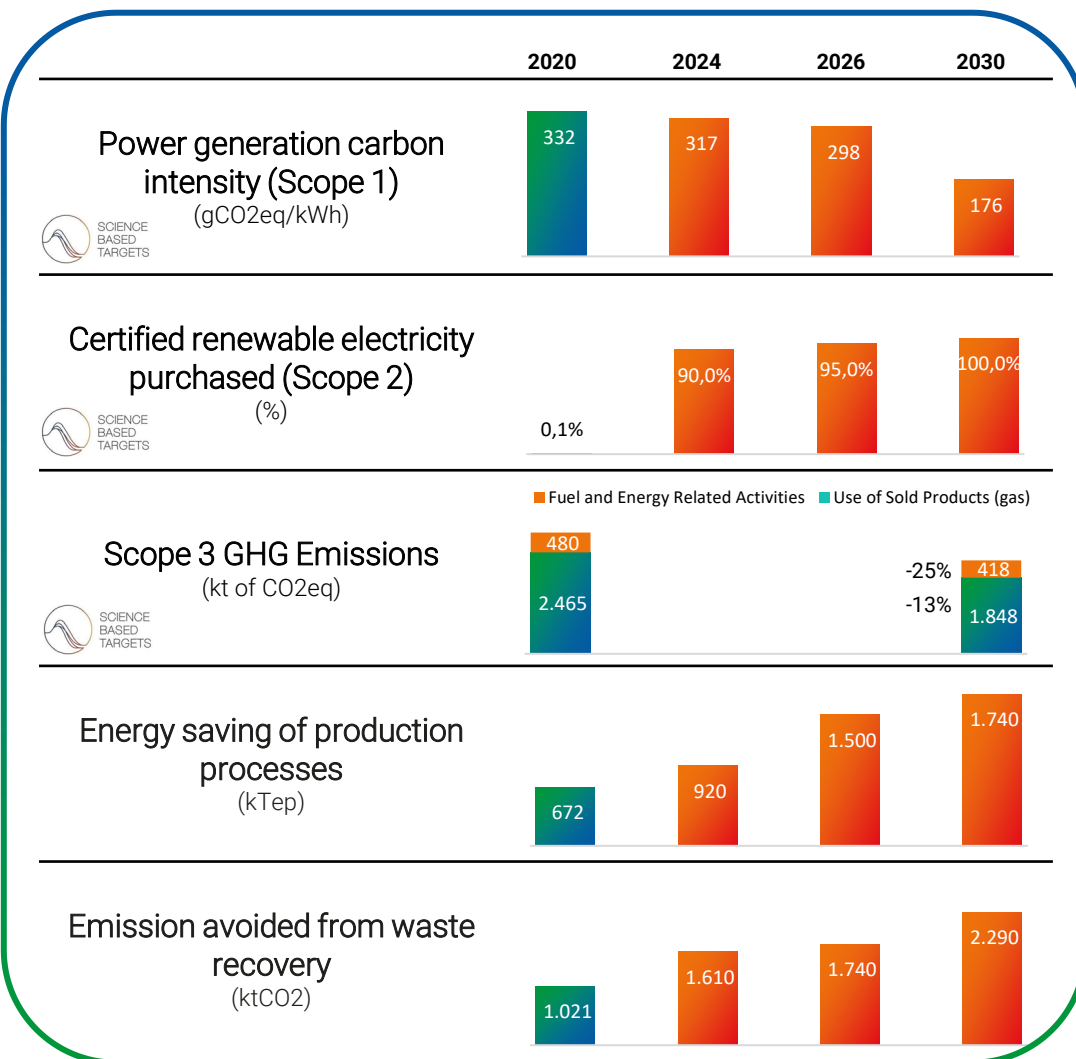
B-



Sustainability Targets – Decarbonization



Decarbonization



Main projects

- Targets functional to SBTi ambition, in line with WB2D scenario, and to carbon neutrality by 2040
- Renewable capacity growth (0.5GW new power capacity by 2026 and 2.2 GW by 2030)
- Emissions' reduction also through:
 - divestment of thermo assets (not functional to DH),
 - developing CO₂ capture systems on WTEs
 - increase of green energy purchase with a guarantee of origin
 - waste recovery, thanks to the development of several recovery plants, in order to avoid incineration
 - use hydrogen blending in CCGT plants



Sustainability Targets – Circular Economy



Circular Economy



Main projects

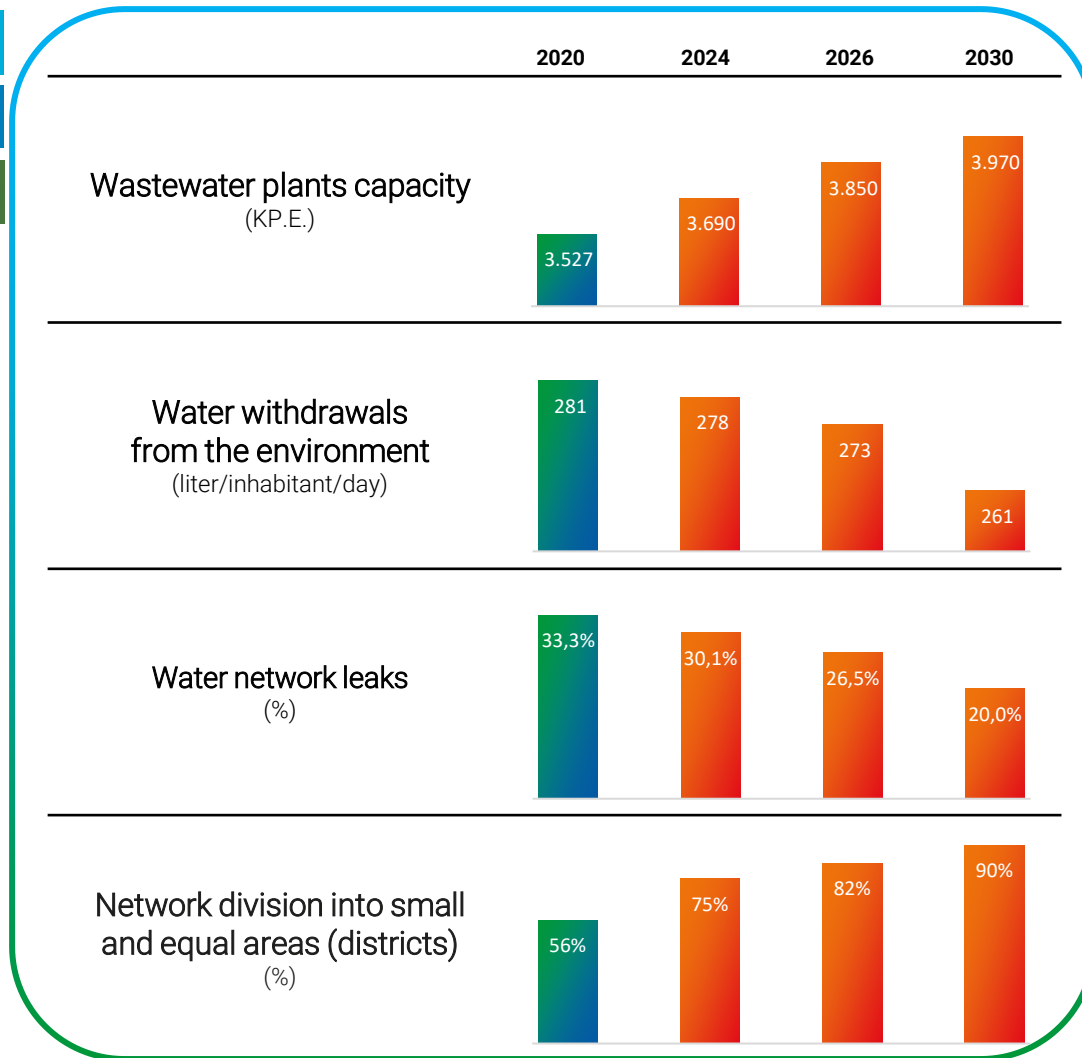
- Roll-out of “Pay as you throw” model (64% of inhabitants in 2030 vs 18%)
- Increase in waste treatment capacity (+3.0 Mn tons by 2030 with 21 new plants, 14 already authorized)
- Strong focus on waste-to-material (+2.0 Mn tons by 2030)
- Innovative project on WtC technology, leveraging public funding
- Increase in WtE capacity (+0.3 Mn tons by 2030), to close the gap on end of waste cycle
- 6 new organic treatment plants with biomethane production
- Development of several new wastewater treatment plants



Sustainability Targets – Water Resources



Water Resources



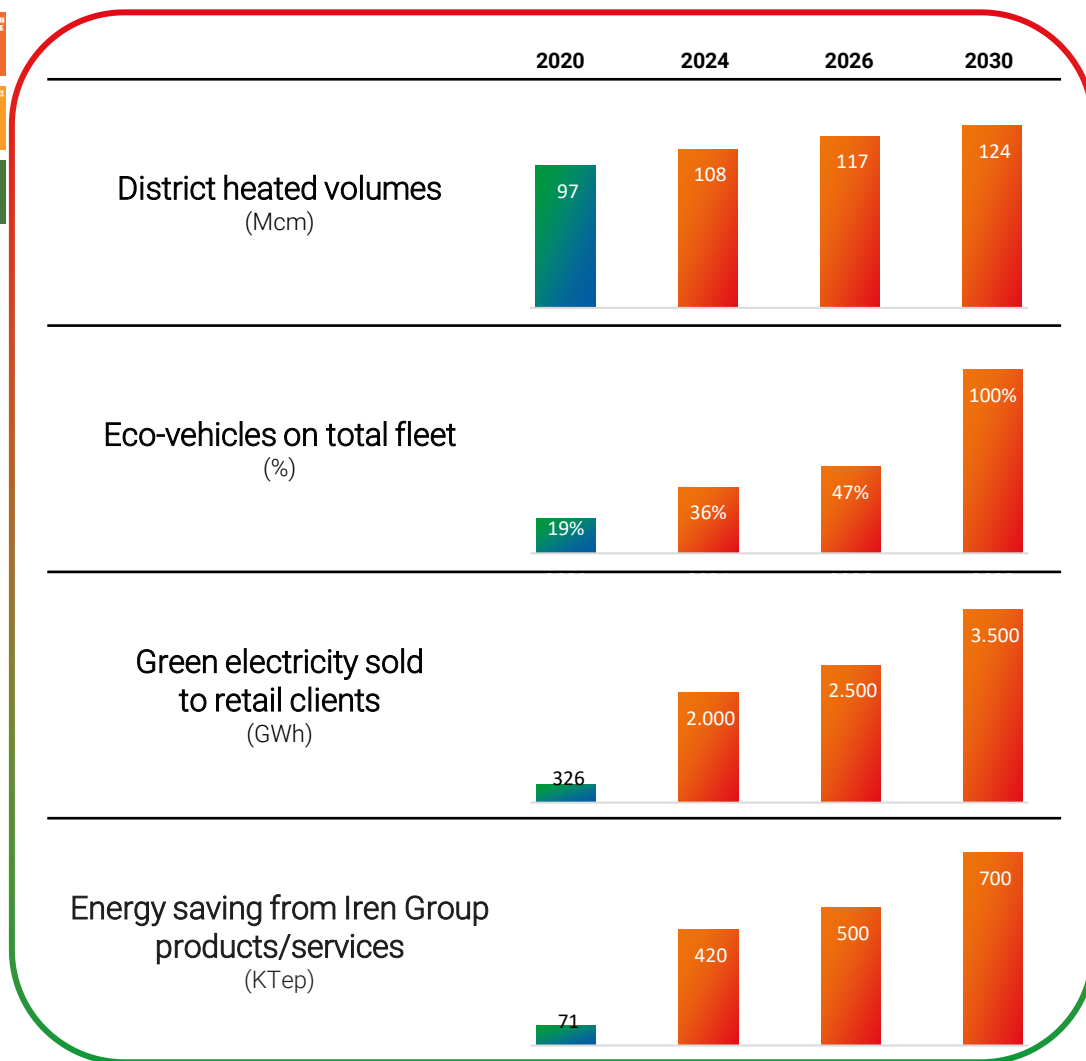
Main projects

- Renovation of water supply networks to reduce network leaks by replacing old pipes
- Grid districtization to increase the management efficiency thanks to a modular-based system
- Grids digitalization program with the installation of smart meters and sensors, digital detections to guarantee constant monitoring and preventive maintenance approach
- 4 new water sewage plants to a better quality of the water distributed

Sustainability Targets – Resilient Cities



Resilient Cities



Main projects

- DH extension, through the saturation of our plants and the development in existing and new areas
- Growth in e-mobility through development of public / semi-public charging infrastructure (4k in 2030) and electrification of local public transportation (~15 e-bus lines), leveraging Project Finance and public funds
- Strong boost in the short-term driven by “Superbonus 110%”
- Development of an integrated service portfolio
- Expansion of service portfolio and management of urban renovation and infrastructural projects, becoming preferred partner for municipalities



4

Sustainable
Financing
Framework

Sustainable Financing Framework at a Glance

Iren New Sustainable Financing Framework

UPDATED

Green Financing Component

- Additional sustainable projects among revised 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

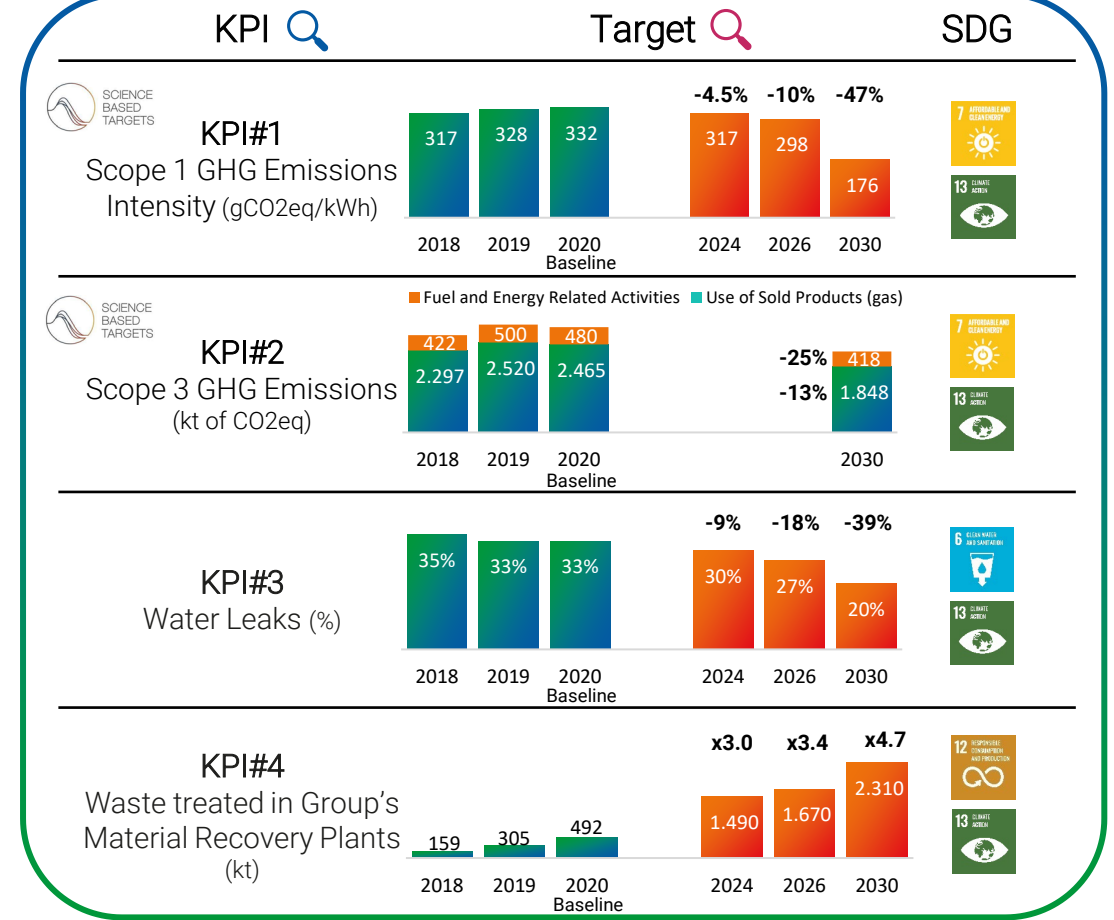
Green Financing Component



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 49% 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 49% 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

Second Party Opinion Provided by



Green Financing Component

DNV is of the opinion that Iren's Framework is aligned with



SDGs Mapping



Framework Pillars	DNV Opinion
Use of Proceeds	✓ <i>Expected environmental benefits are clear, precise, relevant and measurable</i>
Project Evaluation and Selection	✓ <i>The process is appropriately described</i>
Management of Proceeds	✓ <i>The proceeds will be appropriately managed</i>
Reporting	✓ <i>The procedures are appropriately described</i>

Sustainability-Linked Component

DNV is of the opinion that Iren's Framework is aligned with



SDGs Mapping



Framework Pillars	DNV Opinion
Selection of KPIs	<ul style="list-style-type: none"> ✓ <i>KPIs are material, robust, reliable and clearly defined</i> ✓ <i>The process for selection is clearly defined</i>
Calibration of SPTs	<p><i>SPTs are:</i></p> <ul style="list-style-type: none"> ✓ <i>Leading compared to peers</i> ✓ <i>Beyond a "Business as Usual" trajectory</i> ✓ <i>Set on a predefined timeline and referred to science</i>
Financial characteristics	✓ <i>In line with the requirements of the Principles</i>
Reporting and Verification	✓ <i>In line with the requirements of the Principles</i>



A

Annexes

Iren Shareholding Structure




- FSU (Municipality of Genoa) 18.85%
- FCT (Municipality of Turin) 13.80%
- Municipality of Reggio Emilia 6.43%
- Munic. In Reggio Emilia Province 5.29%
- Municipality of Parma 3.16%
- Metro Holding 2.50%
- Municipality of La Spezia 1.81%
- Municipality of Piacenza 1.37%
- Treasury Shares 1.37%
- Other Municipalities 0.04%
- Free Float 45.38%



Shareholder's Agreements

Four main shareholder pacts (patti parasociali) between municipalities guarantee that no single municipality can act unilaterally on the company's most important strategic decisions

Iren Regulatory Framework

	 Gas distribution	 Electricity distribution	 Water service	Integrated waste collection service & regulated plants ¹
Regulatory period	6 years (2020 – 2025)	8 years (2016 – 2023)	4 years (2020 – 2023)	4 years (2022-2025)
WACC methodology update	6 years (2022 – 2027)	6 years (2022 – 2027)	4 years (2020 – 2023)	6 years (2022-2027)
WACC parameters update	Every three years for general parameters (2025); specific parameters ² in 2023	Every three years for general parameters (2025); specific parameters ² in 2024	Every two years (2024)	General and specific parameters every three years (2025)
WACC	5.6%	5.2%	4.8%	5.6%

1. Regulated Plants: methodology applied from 2022

2. Specific Parameters: Beta and Gearing

SDGs Implementation in Iren Strategy



- 34% Resilient cities
- 30% Decarbonisation
- 19% Water resources
- 17% Circular economy

Environmental

- Decarbonization across activities
- Leadership in the circular economy
- Sustainable use of natural resources
- Halved carbon intensity
- 5x waste recovery
- Best-in-class water leakages reduction

Social

- Diversity and inclusion
- ESG best practices dissemination and support to local communities
- 30% women in managerial positions
- Engagement of supply chain in ESG best practices

Governance

- Top management ESG accountability
- ESG best-in-class transparency and communication
- Strengthen ESG-linked variable remuneration
- Boost up ESG-oriented policies (H&S, supply chain, climate change)

Disclaimer

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.

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