



Sustainability Week

Borsa Italiana

September 6th, 2023



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STRATEGY

H1 2023
RESULTS

ANNEXES

ALL STRATEGIC PILLARS CONFIRMED

INVESTOR
DAY 2023

STRATEGY

H1 2023
RESULTS

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Green transition

- Support energy independence
- Counter climate change and responsible use of resources
- Electrification of consumptions



Local presence

- Strong technical expertise
- Capability to execute Repower EU funded investments
- Become a preferred partner for local stakeholders (Public-Private Partnership)



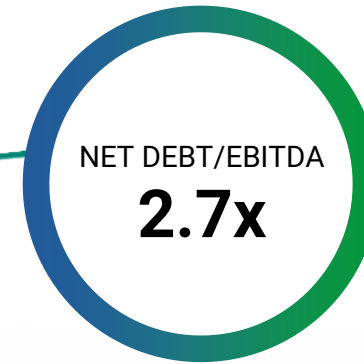
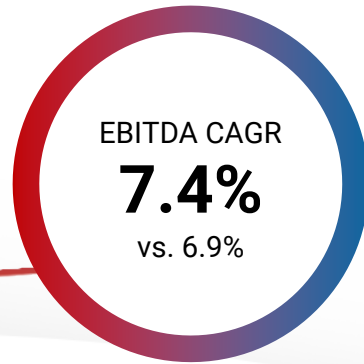
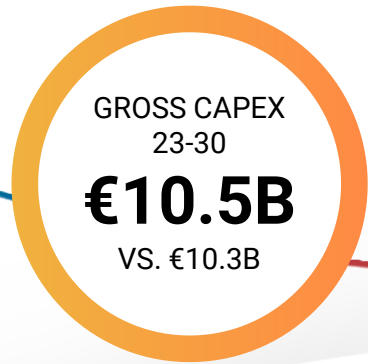
Service quality

- Reinforce competitive strength
- Expand offerings of integrated services
- Increase physical and digital presence

NEW BUSINESS PLAN MAIN KPIs

INVESTOR DAY 2023

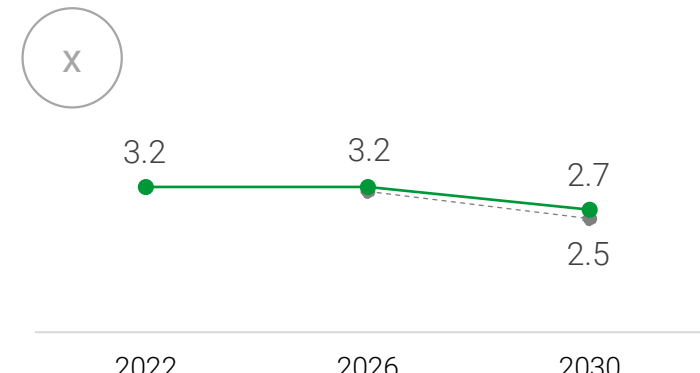
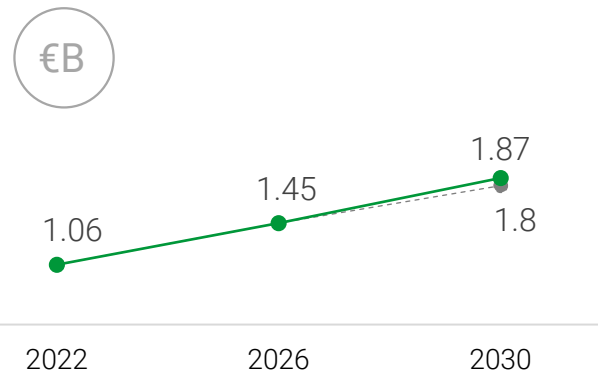
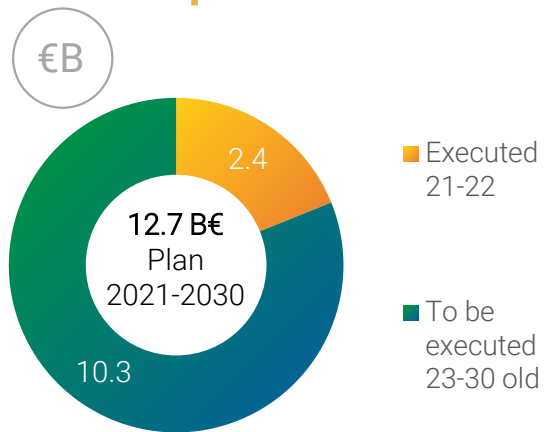
All main KPIs of the new plan are in line with the previous one thereby confirming the effectiveness of our strategy



STRATEGY

H1 2023 RESULTS

ANNEXES



— New BP - - - - Old BP





80%

of investments for a
SUSTAINABLE GROWTH

INVESTOR
DAY 2023

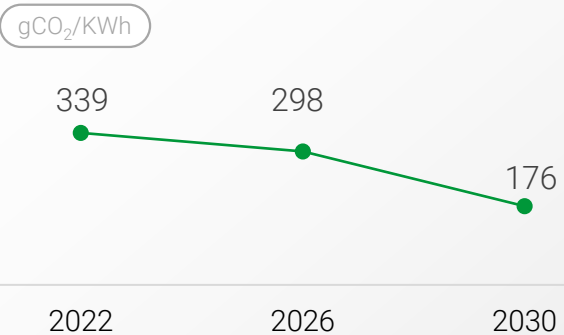
STRATEGY

H1 2023
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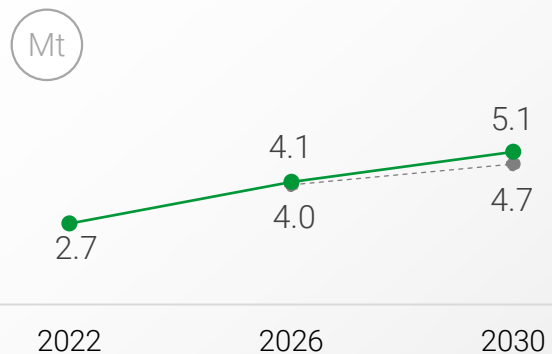
DECARBONIZATION

CARBON INTENSITY



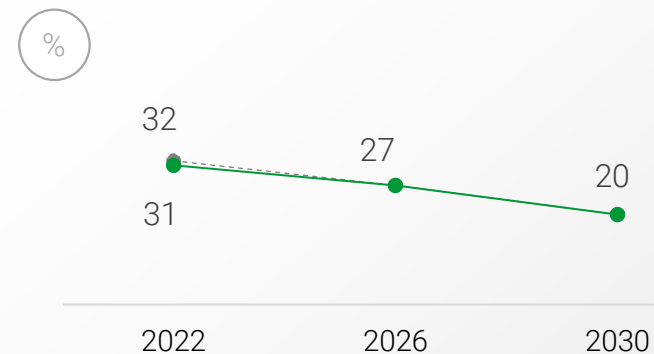
LEADER IN CIRCULAR ECONOMY

NET WASTE TREATMENT CAPACITY



SUSTAINABLE WATER MANAGEMENT

WATER LEAKAGES



— New BP - - - - - Old BP



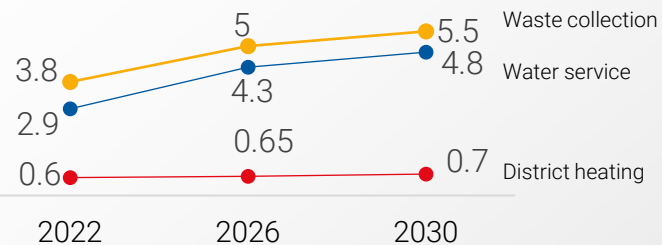


95%

of investments are IN OUR REFERENCE AREAS

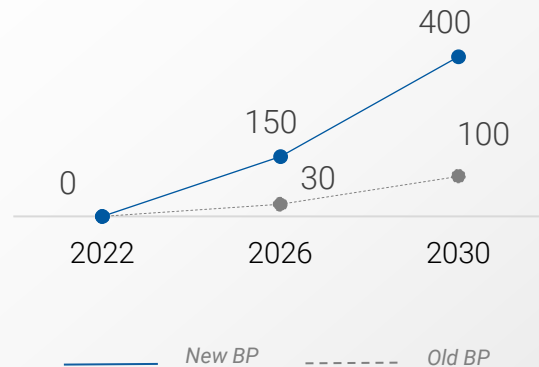
PREFERRED PARTNER

M inhabitants served



ENERGY COMMUNITIES

MW



KNOW-HOW TO SUPPORT THE NATIONAL SYSTEM





50%

of investments to improve our
SERVICE QUALITY

SERVICE QUALITY

PURIFICATION CAPACITY

+15%

E.E. INTERRUPTION FREQUENCY
(SAIFI)

-40%

DIGITALIZATION

E.E. & GAS SMART METERS

100%

WATER NETWORK
DISTRICTUALIZATION

90%

CUSTOMER SATISFACTION

INCREASE IN LOCAL PRESENCE

+55%

INSOURCING OF CUSTOMER OPERATIONS'
KEY ACTIVITIES

75%

INVESTMENTS FULFILLING ALL OUR STRATEGIC PILLARS: FOCUS ON RENEWABLES AND ENERGY COMMUNITIES



RENEWABLE ENERGY DEVELOPMENT

- Development of 3 GW of photovoltaic (70%) and wind (30%) onshore and offshore capacity including co-development projects
- 15% of total renewable capacity with “development and management” business model
- Acceleration of growth with minority financial partner

NEW

NEW



ENERGY COMMUNITIES

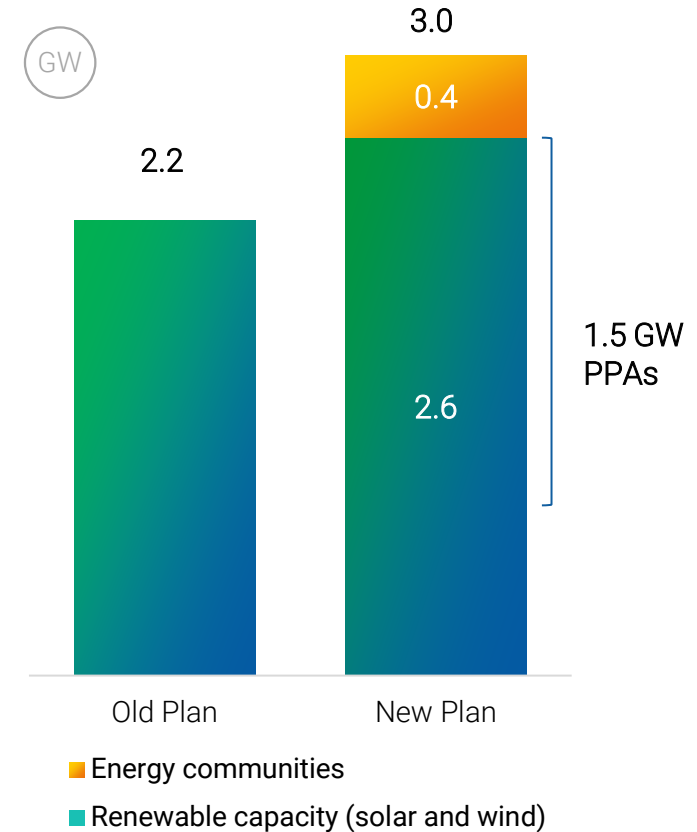
- Boost on energy communities in reference territories for 0.4 GW

NEW



STABILIZING ENERGY PRICES

- Renewable capacity development integrated with customer portfolio (B2C and B2B coverage)
- Long-term PPAs for effective energy management (60%)



Current renewable capacity (solar & wind) FY2022:

- 145 MW installed
- 70 MW under construction
- >400 MW under authorization

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DAY 2023

STRATEGY

H1 2023
RESULTS

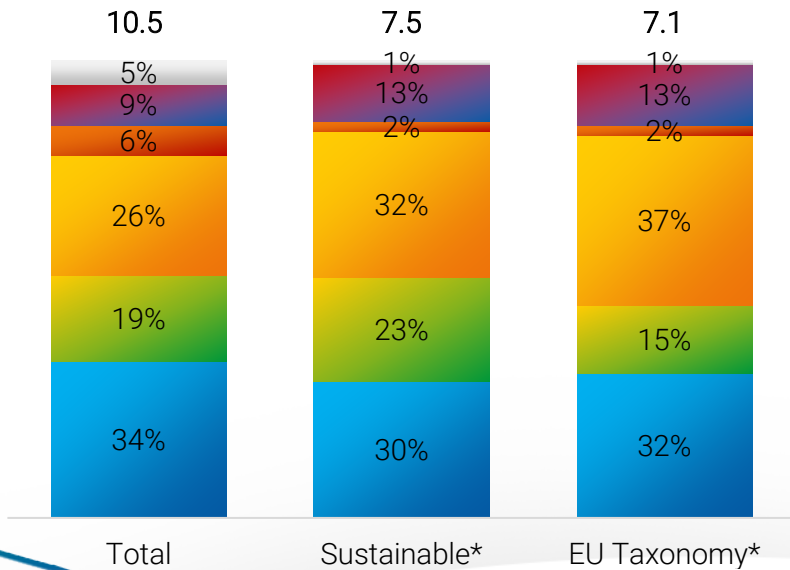
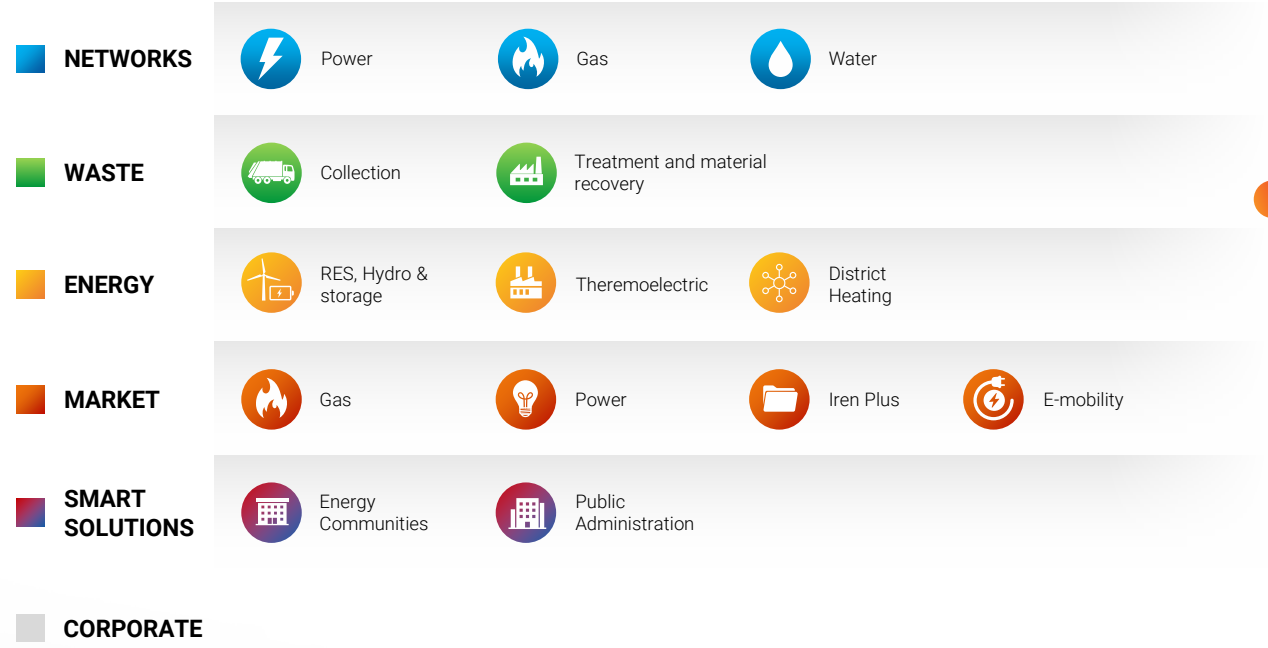
ANNEXES

HIGHLY SUSTAINABLE INVESTMENT PLAN

INVESTOR DAY 2023

B€

GROSS CAPEX



STRATEGY

H1 2023 RESULTS

ANNEXES

Resilient

70% regulated and semiregulated activities

Highly sustainable

80% sustainable investments*, 75% eligible* for EU Taxonomy

Flexible

30% mandatory investments

Including external growth

12% consolidation, M&A, tenders

Financially affordable

Incl. 20% external fundings/financial partners

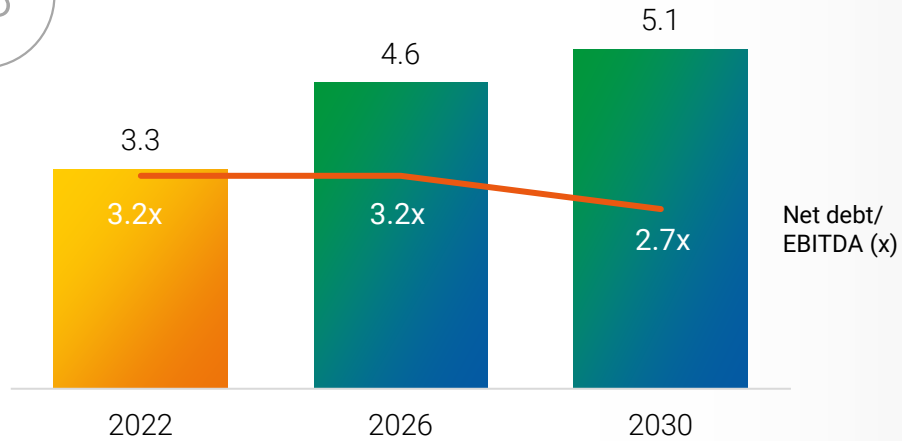


* Only organic investments

A SOUND AND LOW-RISK FINANCIAL PROFILE

NET DEBT EVOLUTION

€B



Strong financial ratings

S&P Global
Ratings

BBB

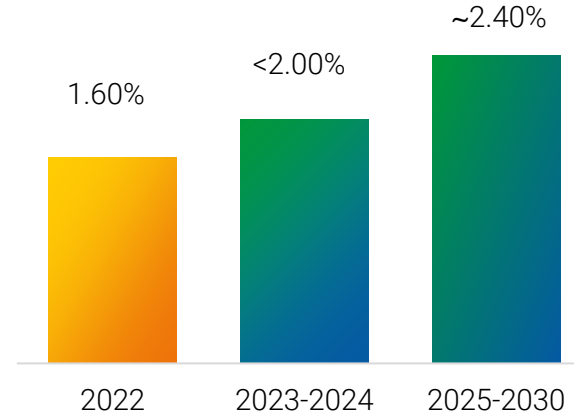
Stable

FitchRatings

BBB

Positive

AVERAGE COST OF DEBT



5.3 years*

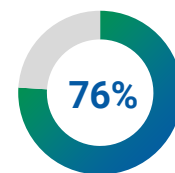
Average duration

96%*

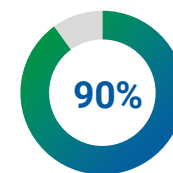
Fixed rate debt

* FY 2022

SUSTAINABLE FINANCE



2022



2024



2030

INVESTOR
DAY 2023

STRATEGY

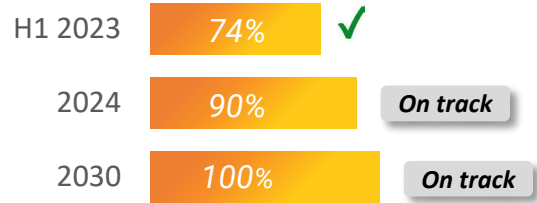
H1 2023
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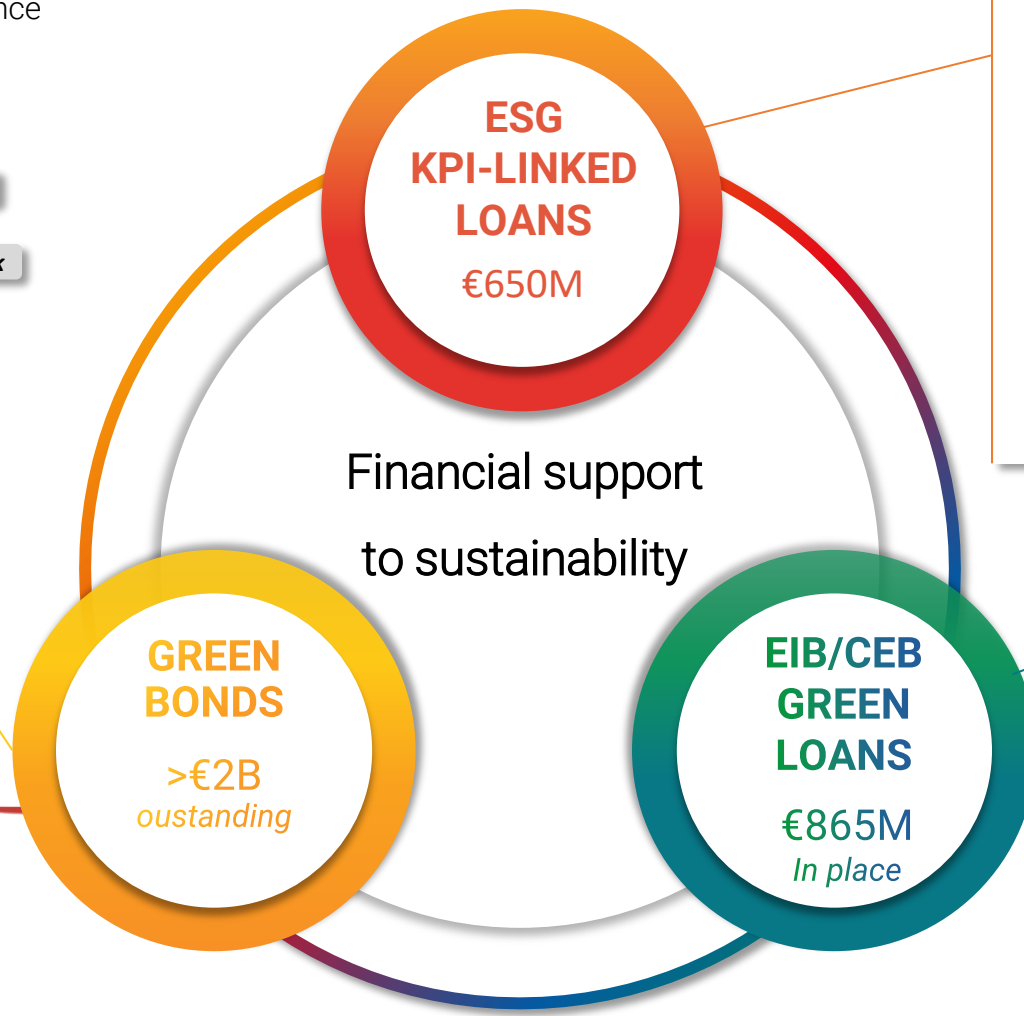


SUSTAINABLE FINANCE

Our commitment to Sustainable Finance
(% on Total Debt)



- €500m Green Bond #1 issued in 2017
 - €500m Green Bond #2 issued in 2018
 - €500m Green Bond #3 issued in 2019
 - €500m Green Bond #4 issued in 2021
 - €50m Green Private Placement issued in 2022
- To support eligible green projects in line with Sustainable Financing Framework and ICMA Principles



- In 2022, Iren entered 6 Term Loan agreements with several financial institutions for €650m
- ESG KPI-Linked Term Loans envisages KPIs included in Sustainable Financing Framework*:
 - ✓ Scope 1 GHG emissions reduction
 - ✓ Water leaks

- Very long-lasting relationship with multilateral banks (European Investment Bank and Council of Europe Development Bank) with €2B+ granted over the period
- Currently, financing facilities for approx. €865m are in place to finance Iren projects to support the green transition and the sustainable

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STRATEGY

H1 2023 RESULTS

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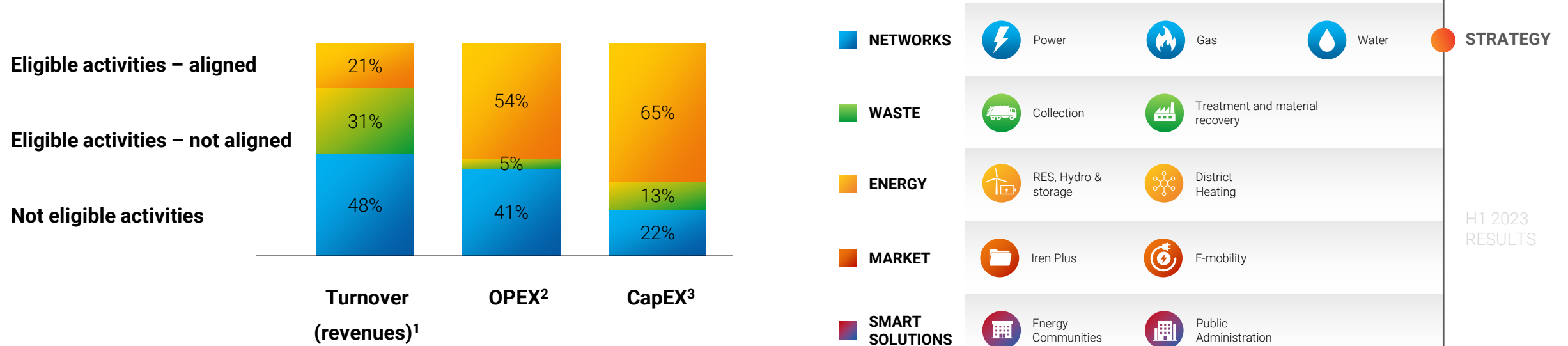
Green Bonds are issued under the €4B EMTN Program renewed on May 2023
* In one Term Loan the selected KPIs are i) Water Leaks and ii) Water Withdrawal from the environment



FOCUS ON EU TAXONOMY IN 2022

**INVESTOR
DAY 2023**

Eligible, aligned and non-eligible activities related to the KPIs required by the EU Taxonomy



H1 2023
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1) Revenues sterilized from the effects of IFRIC12. Only revenues from external sales considered in the numerator. Taxonomy does not consider as eligible activities such as the sale of electricity and gas (around 29% of total revenues), which could have a positive impact on climate change mitigation if geared towards the marketing of electricity from renewable sources or low-carbon gas. By sterilising this effect, the share of revenues related to eligible activities would be over 80%.

2) Excluding overheads, raw materials, personnel for the management of activities, management of R&D projects, electricity, fluids or reagents

3) Including, at the denominator, increases in tangible and intangible assets before depreciation, amortisation, impairment and any revaluation, including also increases resulting from corporate mergers and capitalised long-term leases (IFRS 16).



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**H1 2023
RESULTS**

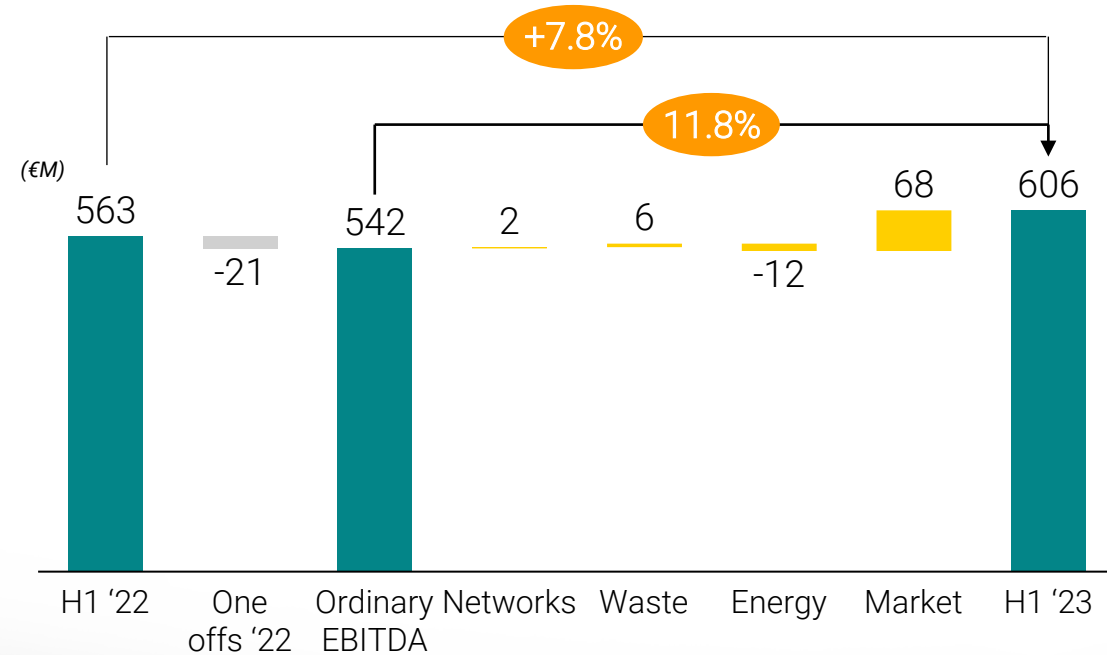
ANNEXES

EBITDA GROWTH SUPPORTED BY MARKET PROFITABILITY RECOVERY

€M

	H1 '22	H1 '23	Δ	Δ%
Revenues	3,712	3,214	-497	-13.4%
EBITDA	563	606	44	7.8%
EBIT	282	248	-33	-11.8%
EBIT Adj.**	282	282	-	0.2%
Group net profit	137	143	6	4.2%
Technical capex***	338	356	18	5.3%
Net Financial Position	3,347*	3,920	573	17.1%

EBITDA EVOLUTION



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DAY 2023

STRATEGY

H1 2023
RESULTS

ANNEXES

+

Positives

- Market BU profitability recovery
- Higher hydroelectric prices and volumes
- Full contribution from effective integration of collection operations in Tuscany

-

Challenges

- Lower Heat volumes and margins normalization
- Strong MSD reduction
- Inflation impact on regulated businesses' cost structure

* FY 2022 Data

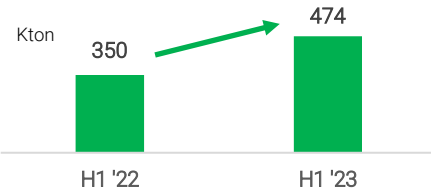
** Adjusted for provisions related to Italian Government's clawback decree on renewable prices (34€M)

*** Total investments, including M&A and other, at 563€M (-24% vs H1 2022)

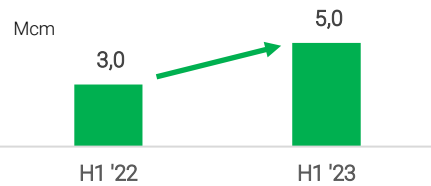


Green transition

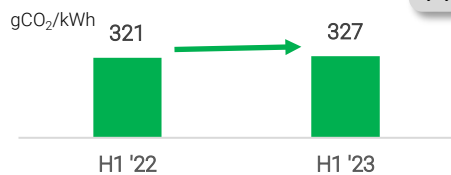
Material recovery in Iren's plants **On track** ✓



Biomethane from waste **On track** ✓

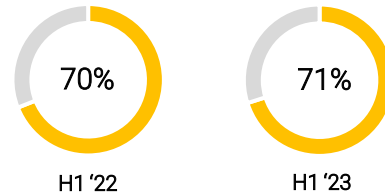


Carbon Intensity **On track by year-end** ✓

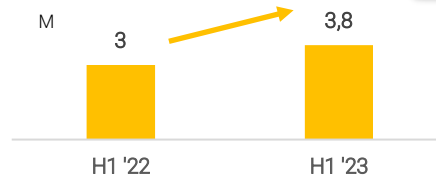


Local presence

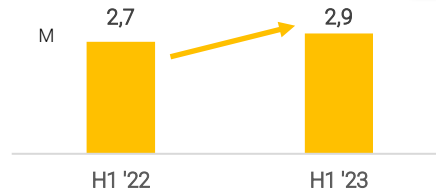
Sorted waste collection **On track** ✓



Inhabitants served in waste collection **On track** ✓

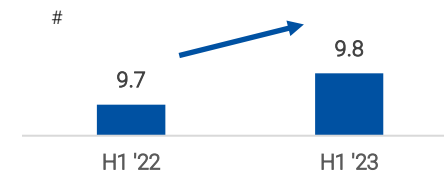


Inhabitants served in water services **On track** ✓

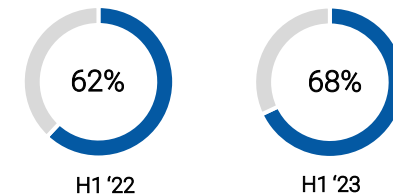


Service quality

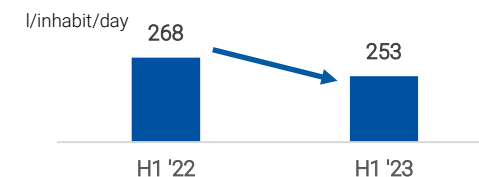
Stores' Customer Satisfaction Index **On track** ✓



Districtization activities on water cycle **On track** ✓



Water withdrawals **On track** ✓



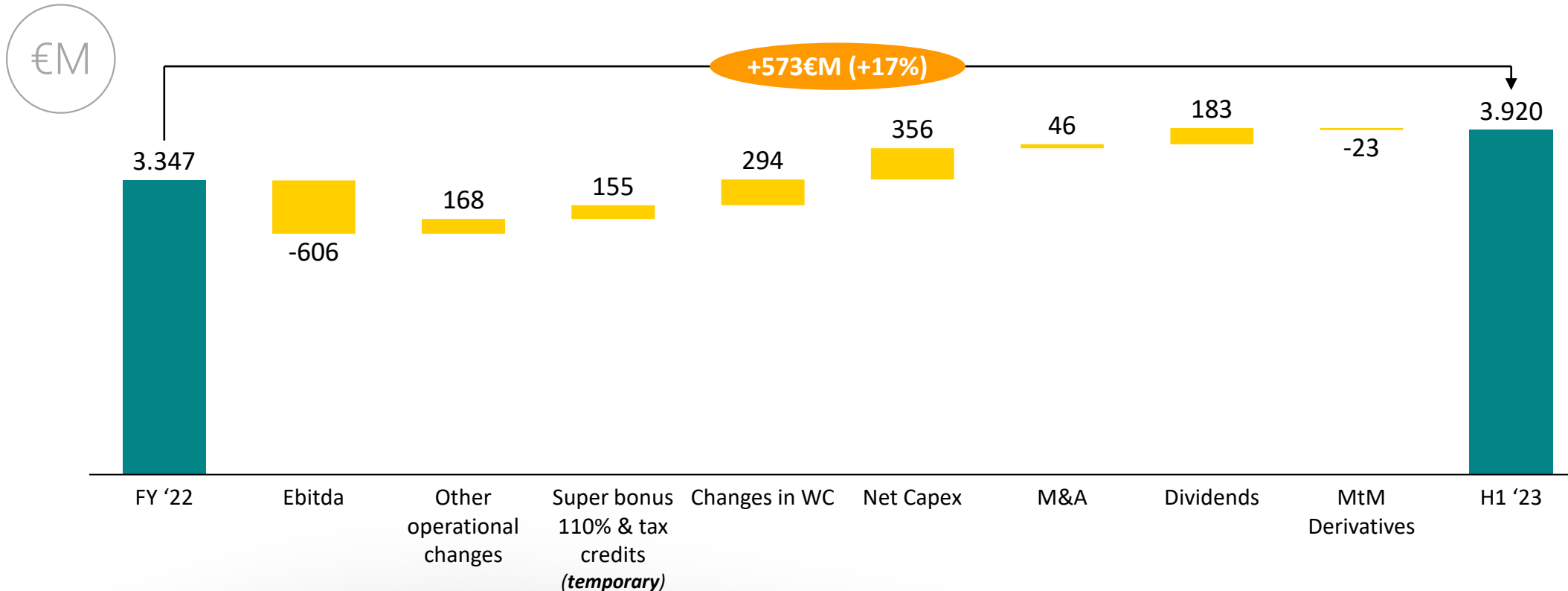
STRATEGY

H1 2023 RESULTS

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NET FINANCIAL POSITION EVOLUTION (H1 2023 VS FY2022)



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DAY 2023

STRATEGY

H1 2023
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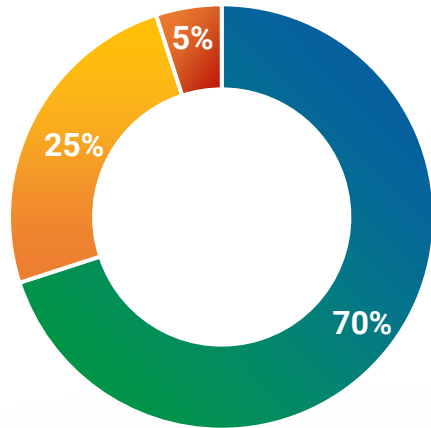
NWC expected to reabsorb by year-end (mainly in Q4) ~100€M of temporary factors affecting the semester, through:

- Gradual normalization of gas payment terms with energy suppliers (100% of contracts for new winter season secured)
- Acceleration of cash-in of Superbonus 110% tax credits; agreements with several financial institutions already in place

Sale of minority stake in gas distribution networks: binding offers expected by the end of July with closing targeted by year-end

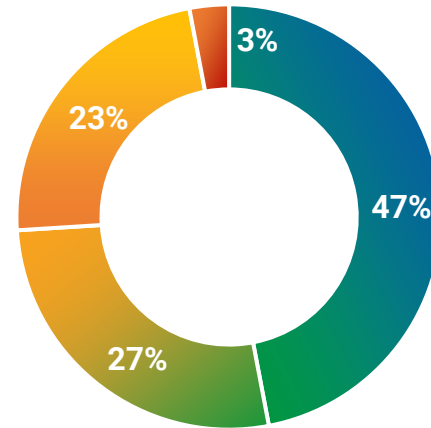
A SOUND AND SUSTAINABLE DEBT STRUCTURE

INTEREST RATE



■ Fixed ■ Fidex-rate swap ■ Variable

DEBT STRUCTURE



■ Green Bond ■ EIB-CEB ESG Loans ■ Bonds ■ Loans

95%

Fixed rate debt

4.8 years

Average duration

1.8%

Average cost

74%

Sustainable debt

INVESTOR DAY 2023

STRATEGY

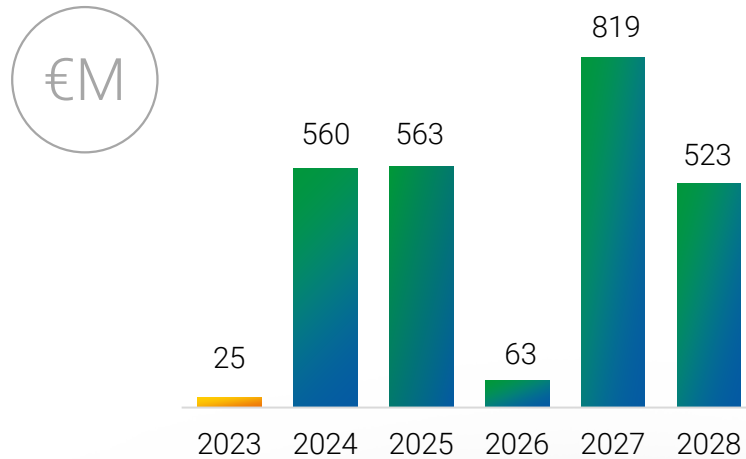
H1 2023 RESULTS

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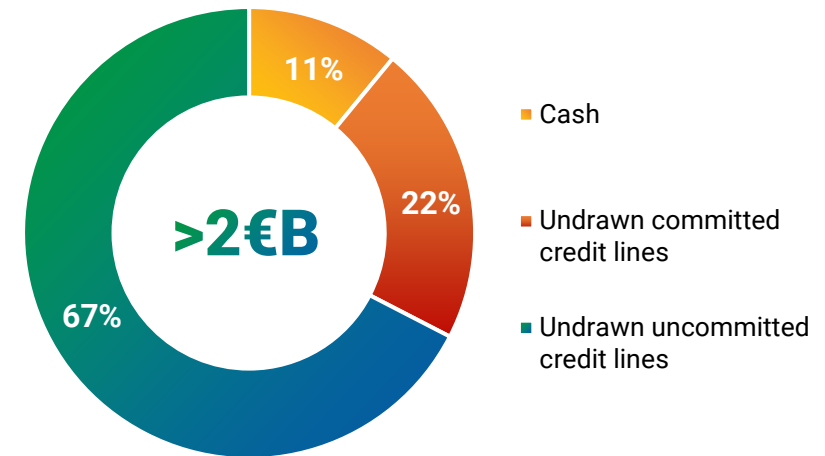


BROAD LIQUIDITY TO COPE WITH MATURITIES

MATURITY



LIQUIDITY



- First maturity in November 2024 and balanced maturity distribution during years
- Strong availability of undrawn uncommitted credit lines

INVESTOR DAY 2023

STRATEGY

H1 2023 RESULTS

ANNEXES

STRONG COMMITMENT TO MAINTAIN FINANCIAL SOLIDITY

INVESTOR DAY 2023

S&P Global Ratings

BBB

Stable

FitchRatings

BBB

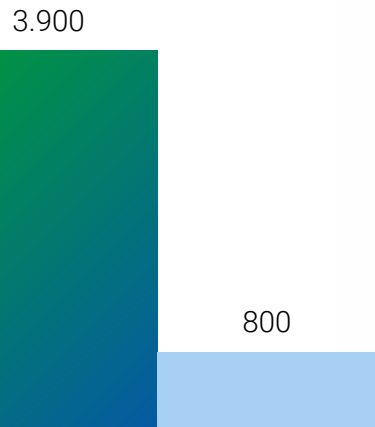
Positive

2023 Guidance confirmed on NFP/EBITDA at 3.3x. Rating KPIs are expected to be in line with metrics

Debt¹ e FFO², Mn Eur

20,6% (*)

MIN 18%



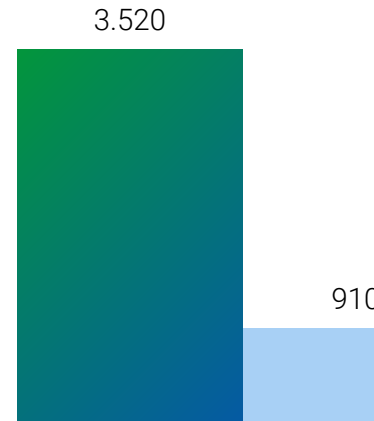
2022

FFO DEBT FFO/DEBT --- Soglia mantenimento rating S&P

NLAD¹ e FFO², Mn Eur

3,8x

MAX 5x



2022

FFO NLAD NLAD/FFO --- Soglia mantenimento rating Fitch

STRATEGY

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1. Debt (Adjusted Gross financial position according to S&P criteria)

2. Fund from Operations (according to S&P criteria)

3. (*) FFO/Debt 20.6% refers to the pro-formed data

1. Net Lease Adjusted Debt ((Adjusted Gross financial position according to Fitch criteria)

2. Fund from Operations (according to Fitch criteria)



GUIDANCE 2023 INCREASED

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EBITDA
+10%
vs. FY 2022

TOTAL
INVESTMENTS
~1.3€B*

NFP/EBITDA
~3.3x

STRATEGY

+

Positive

- Effective management of our hedging strategy combined with a favorable energy scenario
- Higher Hydro production
- Full availability of thermoelectric plant

- Continuous robust investments' growth

- Proven financial discipline underpinning strong commitment to maintain leverage targets

H1 2023
RESULTS

-

Challenges

- MSD reduction

ANNEXES

* Includes third party investments, contributions and M&A




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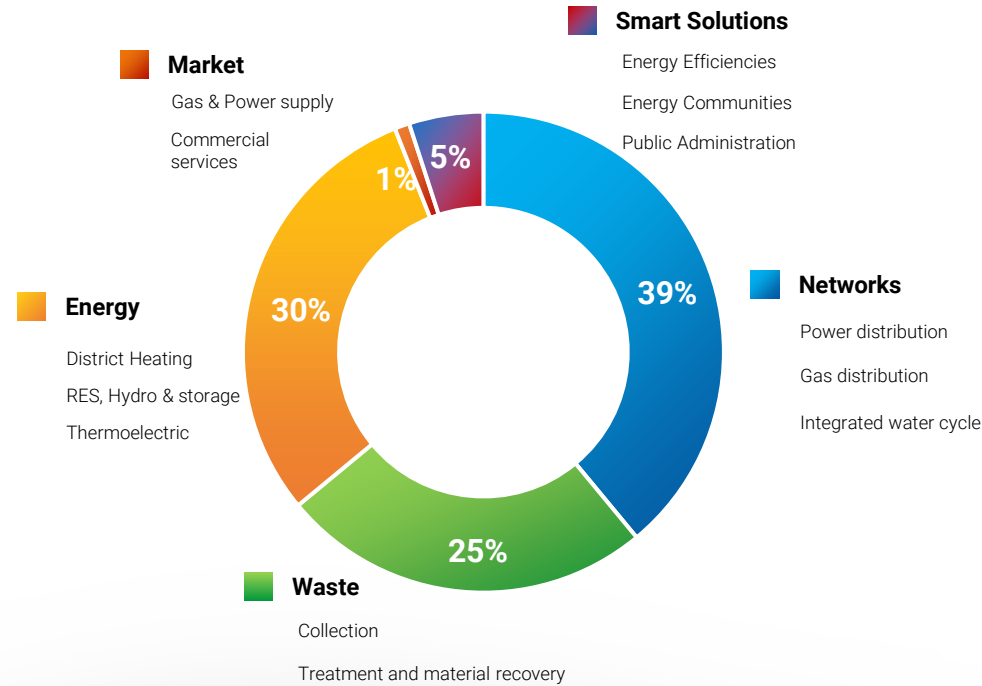
STRATEGY

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IREN AT A GLANCE



EBITDA FY 2022: 1.05B€

EBITDA made by:
 ~80% regulated and semi-regulated activities
 ~20% unregulated activities (mainly energy generation and supply)



- 1° National player in DH volumes with 101 mcm
- 4° National player in the water management with 2.9 million inhabitant served
- National player in electricity generation with a capacity of 3 GW of which 0.8GW renewables

- 2° National player with 3.8 million inhabitants served in the waste collection
- 3° National player in waste with 3.7 Mton managed
- National player in the energy sector with 2.2M customers

INVESTOR DAY 2023

STRATEGY

H1 2023 RESULTS

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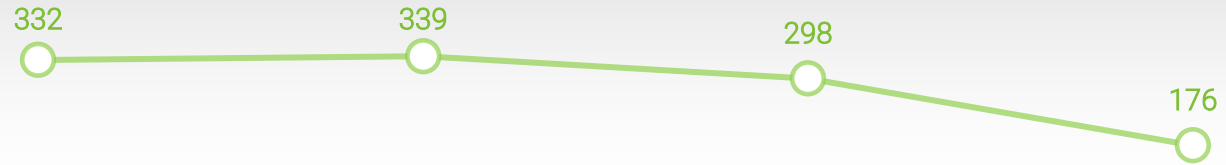
DECARBONIZATION



2020 2022 2026 2030

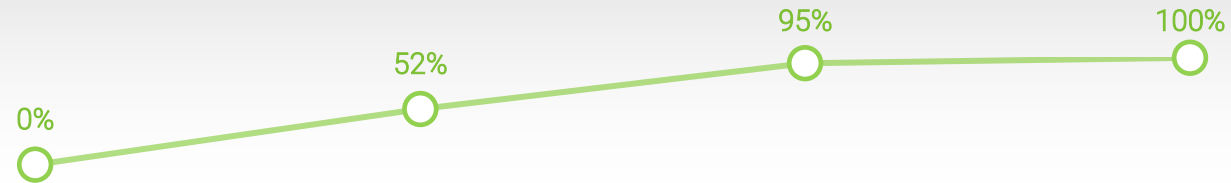
INVESTOR DAY 2023

Power generation carbon intensity (scope 1), gCO2/kWh



STRATEGY

Certified renewable electricity purchased (scope 2), %



H1 2023 RESULTS

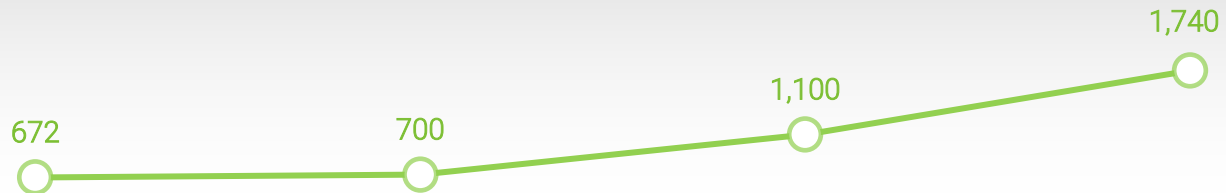
Scope 3 emissions

- USE OF SOLD PRODUCTS (GAS)
- FUEL AND ENERGY RELATED ACTIVITIES

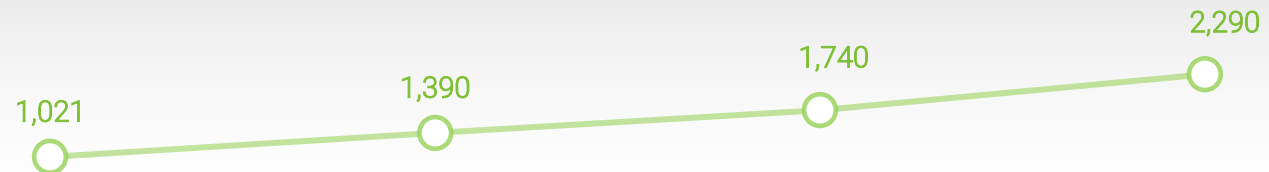


ANNEXES

Energy saving of production processes, kTep



Emissions avoided from waste recovery ktCO₂



CIRCULAR ECONOMY

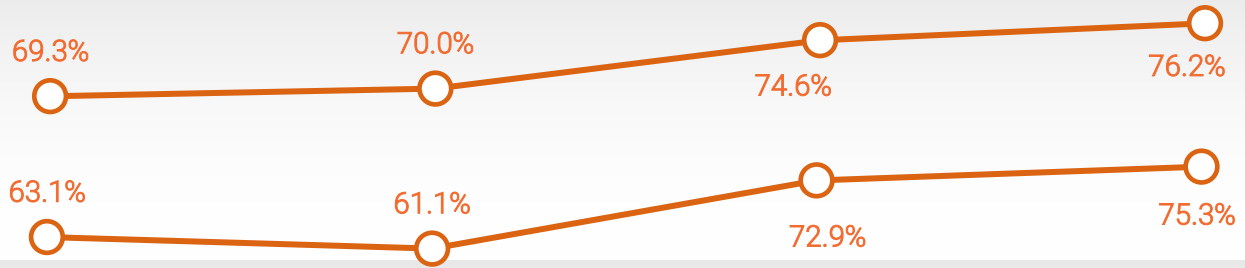


2020 2022 2026 2030

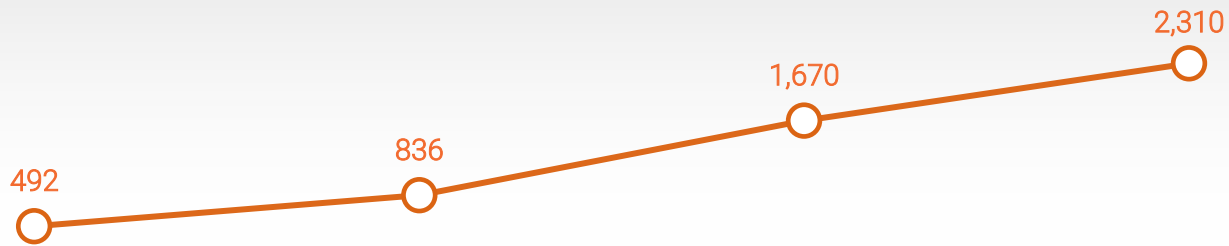
INVESTOR DAY 2023

Sorted waste collection, %

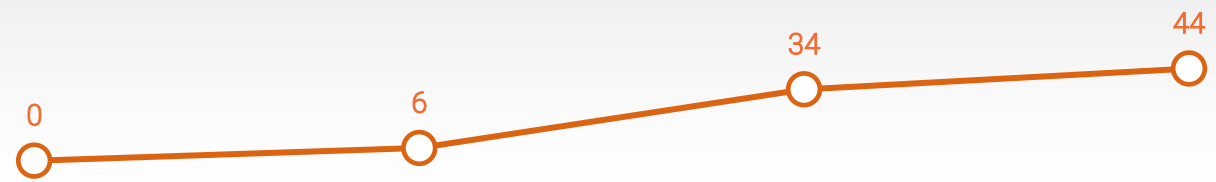
LEGACY REGIONS
NEW REGIONS



Waste recovered in Iren plants, kton



Biomethane produced from biodegradable waste, Mcm



Wastewater reused, Mcm



STRATEGY

H1 2023 RESULTS

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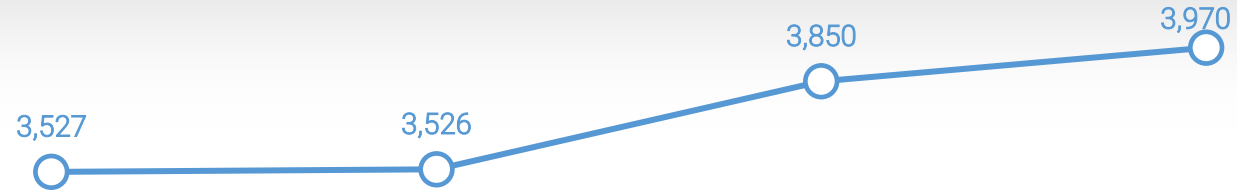
WATER SOURCES



2020 2022 2026 2030

INVESTOR DAY 2023

Wastewater plants capacity, k equivalent inhabitants



STRATEGY

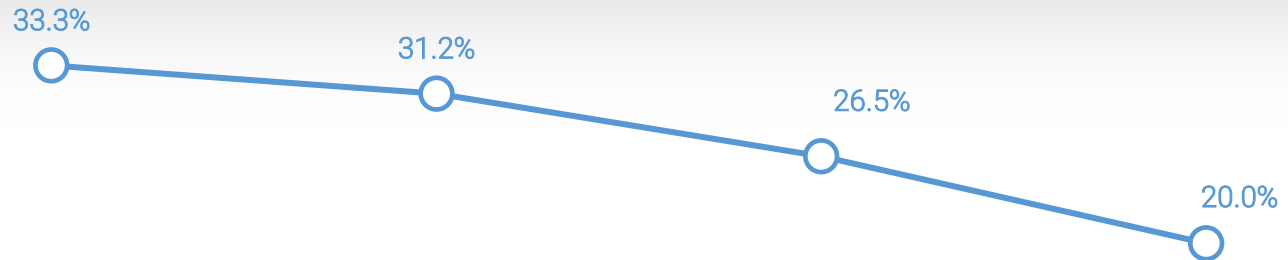
Water withdrawals from the environment, liters/inhabitant/day



H1 2023 RESULTS

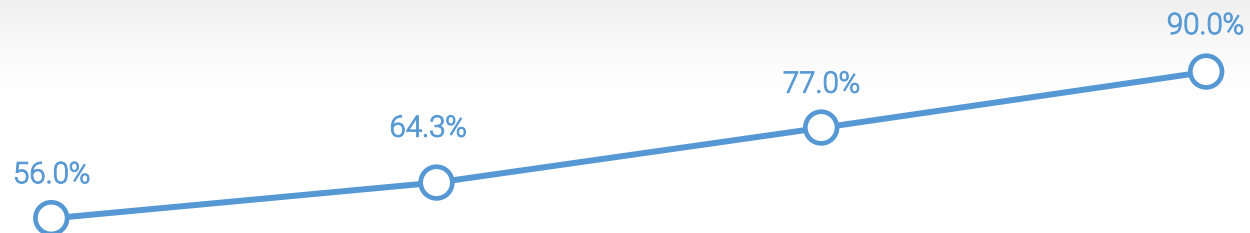
Water network leaks, %

LEGACY REGIONS



ANNEXES

Network division into small and equal areas (districts), %



RESILIENT CITIES



2020

2022

2026

2030

INVESTOR DAY 2023

District heated volumes, Mcm



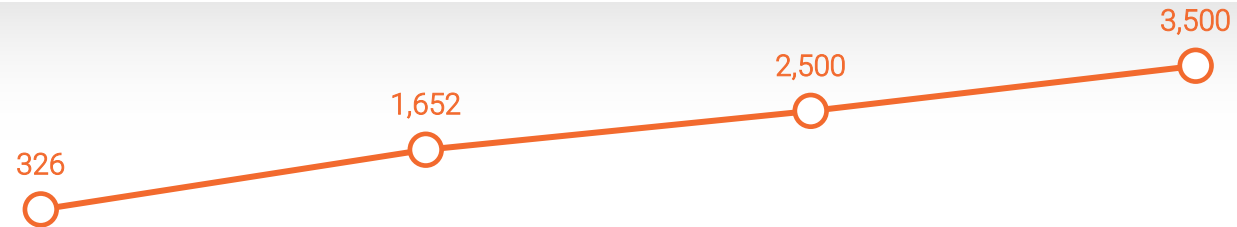
STRATEGY

Eco-vehicles on total fleet, %



H1 2023 RESULTS

Green electricity sold to retail clients, GWh



ANNEXES

Energy saving from Iren products/services, kTep



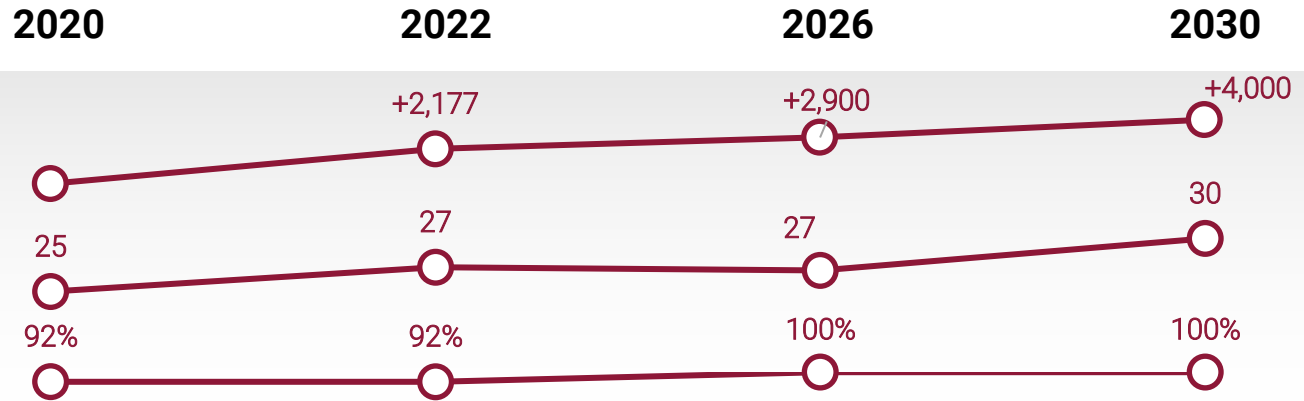
PEOPLE



INVESTOR DAY 2023

Employment, development and enhancement of skills

- NEW HIRES* N.
- TRAINING HOURS PER CAPITA, N.
- EMPLOYEES EVALUATED ON PERFORMANCE**, %



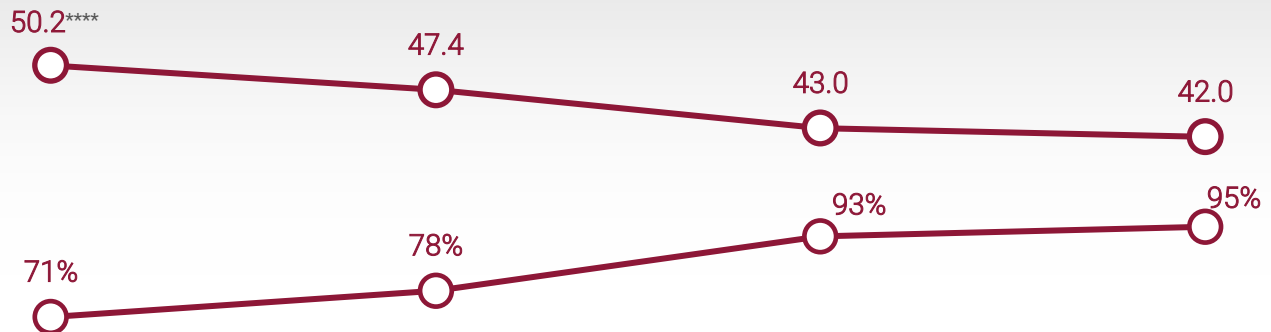
Diversity & Inclusion

- WOMEN IN MANAGERIAL ROLES, %
- HIRED UNDER 30 OUT OF TOTAL HIRES***, %



Welfare And people care

- ACCIDENT INCIDENCE INDEX, N.
- EMPLOYEES WITH SUPPLEMENTARY HEALTH CARE, %



STRATEGY

H1 2023 RESULTS

ANNEXES

* Progressive growth VS. 2020; ** On eligible population: executives, middle managers and white-collar workers in service for more than 6 months in the year; *** Progressive percentage on cumulative hires from 2020 on permanent contracts and independent of contracting and internalisation; **** 2020 figure is 40.4 influenced by Covid19 emergency, so 2019 was used as a basis.



ESG RATINGS AND INDEXES

INVESTOR DAY 2023



23.9 – Medium risk



Climate Change 2022: A-



B-



64/100



Well-below 2°C



Included in the index



Included in the index

2023, Iren first participation in CSA assessment

S&P Global Ratings

63/100

STRATEGY

H1 2023 RESULTS

ANNEXES



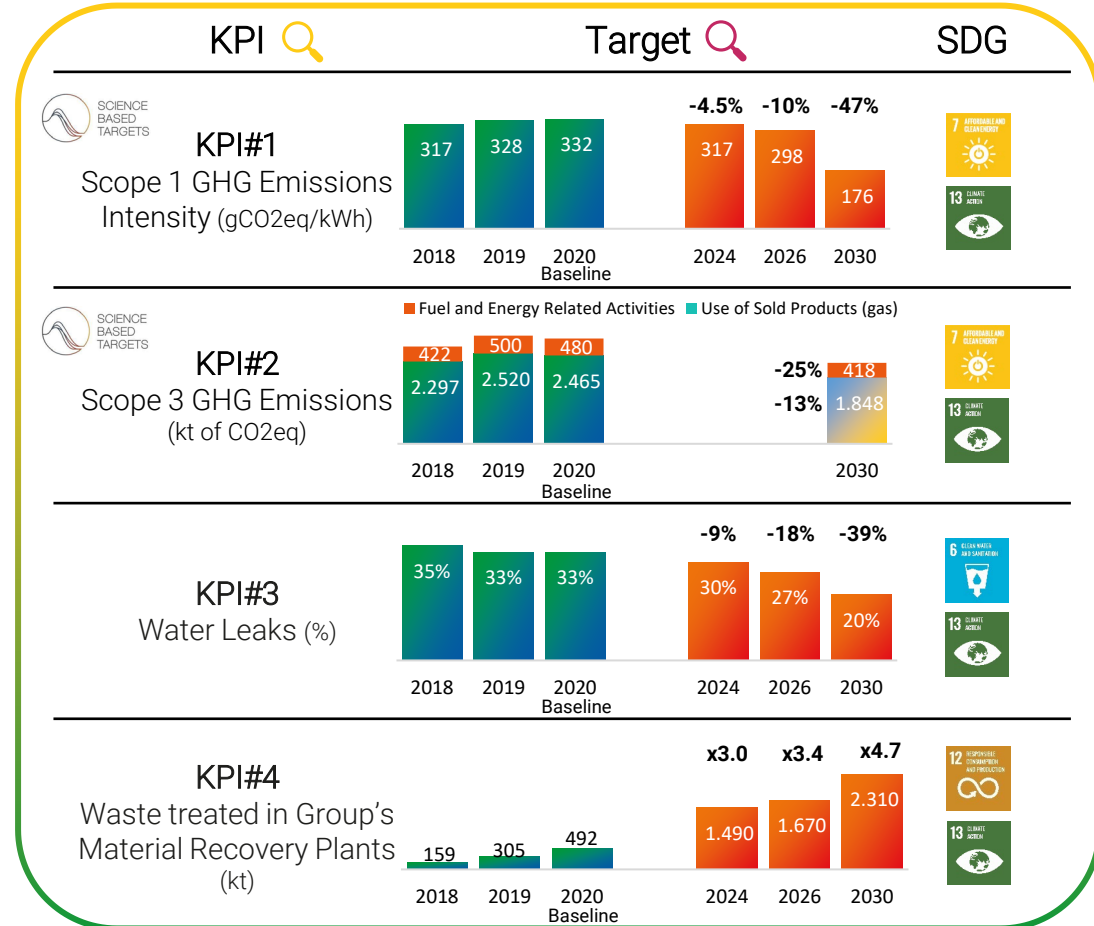
FRAMEWORK COMPONENTS

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



INVESTOR DAY 2023

STRATEGY

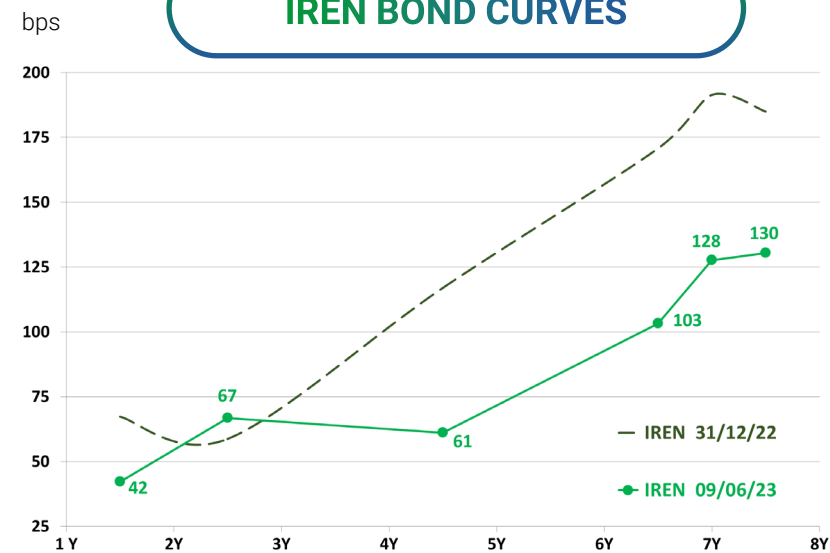
H1 2023 RESULTS

ANNEXES



BOND PORTFOLIO

- Balanced debt structure
- Frequent issuer with 7 bonds outstanding
- Strong value also in the secondary market
- 9 May 2023: last update of Iren's bond issue program "Euro Medium Term Notes" (EMTN), filed with the Irish Stock Exchange. The bonds to be issued under the Program, with a total maximum value of € 4B, will be placed with institutional investors.



INVESTOR DAY 2023

STRATEGY

H1 2023 RESULTS

ANNEXES

Bond	Cod ISIN	Issue quantity (€)	Outstanding amount (€)	Annual coupon (%)	Maturity (y)	Maturity date	Issue price (%)	Rating Fitch / S&P
Green Private Placement 2028	XS2512307229	50.000.000	50.000.000	2,88%	6	05/08/2028	100	BBB
Green Bond 2031	XS2275029085	200.000.000	200.000.000	0,25%	10	17/01/2031	94,95	BBB/BBB
Eurobond 2030	XS2197356186	300.000.000	300.000.000	1,00%	10	01/07/2030	99,03	BBB/BBB
Green Bond 2029	XS2065601937	500.000.000	500.000.000	1,00%	10	01/07/2030	98,144	BBB/BBB
Green Bond 2029	XS2065601937	500.000.000	500.000.000	0,88%	10	14/10/2029	99,345	BBB/BBB
Green Bond 2025	XS1881533563	500.000.000	500.000.000	1,95%	7	19/09/2025	99,129	BBB/BBB
Green Bond 2027	XS1704789590	500.000.000	500.000.000	1,50%	10	24/10/2027	98,356	BBB/BBB
Eurobond 2024	XS1511781467	500.000.000	500.000.000	0,88%	8	04/11/2024	98,974	BBB/BBB
Eurobond 2022	XS1314238459	500.000.000	refunded	2,75%	7	02/11/2022	99,398	BBB/BBB
Eurobond 2021	XS1086104681	300.000.000	refunded	3,00%	7	14/07/2021	99,225	BBB/BBB
Private Placement	XS0979548954	260.000.000	refunded	4,37%	7	14/10/2020	100,783	Not applicable
Private Placement	XS1030889411	100.000.000	refunded	3,00%	5	11/02/2019	98,728	Not applicable
TOTALE		4.210.000.000	3.050.000.000					