



# iren

## Upscaling our business model

Business Plan@2024

26 September 2019





Confirming  
strategic guidelines  
with higher focus on  
sectors' mainstreams

Empowering our  
organization with  
technological  
investments and  
workforce enhancement  
while strengthening our  
balance sheet

Doors open to:

- further organic investments supporting a “steady” growth
- potential M&A transactions boosting an “accelerated” growth



## MACRO TRENDS



Some of the trends outlined in the previous years are showing a higher acceleration rate: accordingly, IREN's positioning will be consistent to the evolution of the industries.

The Client and Sustainability continue to be the focal points of the long term view of the Company.

Technology, supported by the primary role of digitalization, will enhance IREN's strategy at 360°.

## Pillars confirmed in light of market trends and embodied into a wider strategic platform

### DIGITALIZATION



Pivotal role of **data**, crucial asset to guide **business decisions**

**Across-the-board IT platforms** to exploit **synergies** and better support **operations**

### PEOPLE



Focus on **training** and **reskilling** to enhance employees' **capabilities**

Acceleration of **recruitment**, **career design processes** and **reward mechanisms**

### SUSTAINABILITY



**Circular Economy**, landmark of Iren's **commitment** to the **environment**

**Asset management** and **infrastructure optimization** to **reduce the wastage** of resources

### EFFICIENCY



**Agile & Smart organization** to guarantee **lean** and **collaborative processes**

**Continuous improvement** and strong **integration capability**

### GROWTH



Unceasing **organic growth** path **development**

Ability to seize upside **investment opportunities** and **M&A options**

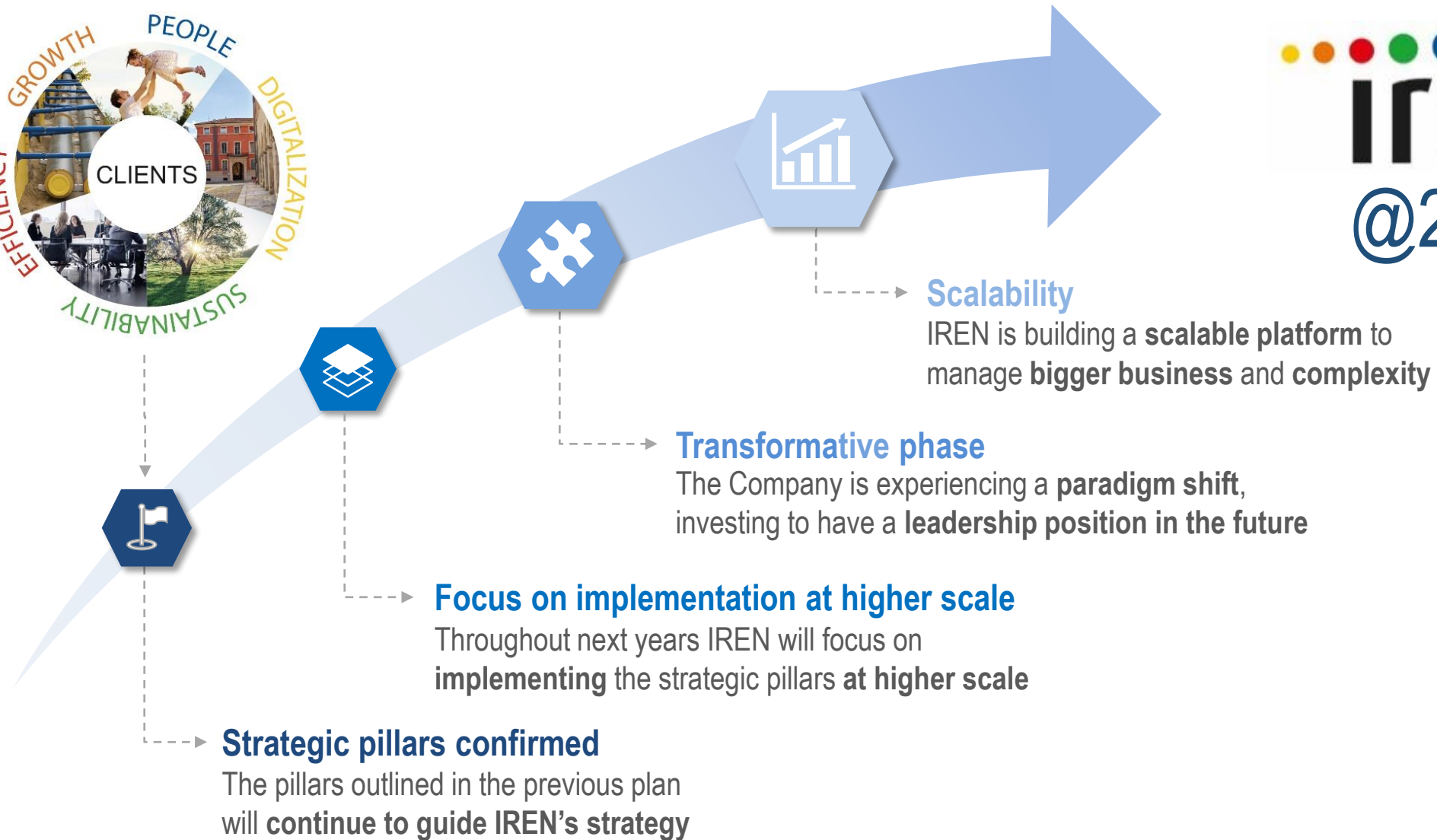
### CLIENT



**Value added services** above the commodity

**Attention** and **closeness** to **communities** and **territories**








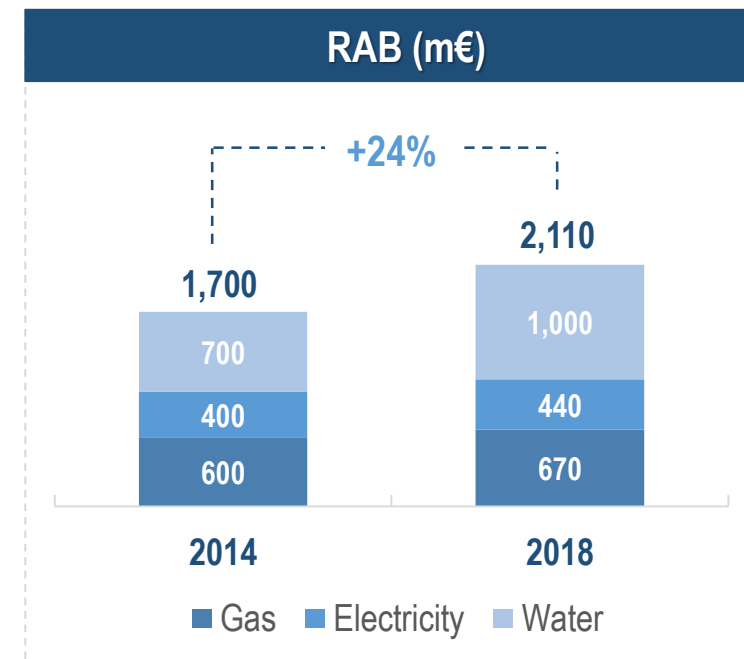
Improved **efficiency** and **quality of service** thanks to significant investments in the networks development

Increased the **resilience** of the system and **reduced the leakages**, replacing out-of-date pipes with **state-of-the-art materials**

Developed an **organizational model** that allowed to increase tasks efficiency and rapidly integrate acquired firms

Reached relevant **cost synergies** thanks to strong **performance improvement** initiatives and the creation of an operational model bringing to a **cultural shift** and a new approach to modern technologies

 Launched core **digitalization projects** to change the paradigm of **workforce and asset management**






### Growing in investments to significantly increase RAB and networks' resilience

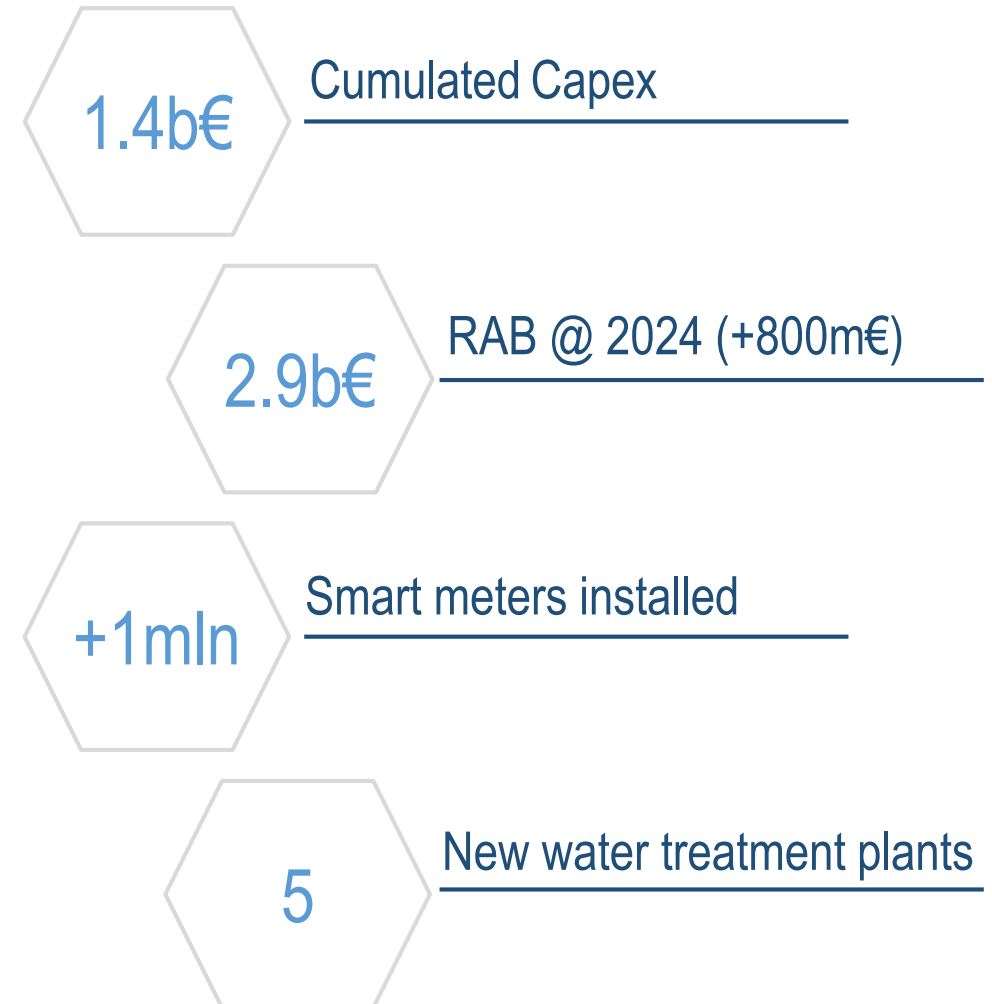
Strong **RAB growth**, increasing **efficiency, quality of service** and **resilience** of networks

Award of **gas tenders** where incumbent

Development of **water treatment plants** with the aim of closing the water treatment cycle

 Focus on **smart grid** development through the massive installation of **smart meters** at scale

 Second phase of **digitalization** focused on **predictive maintenance, quality of service** and **operational efficiency**

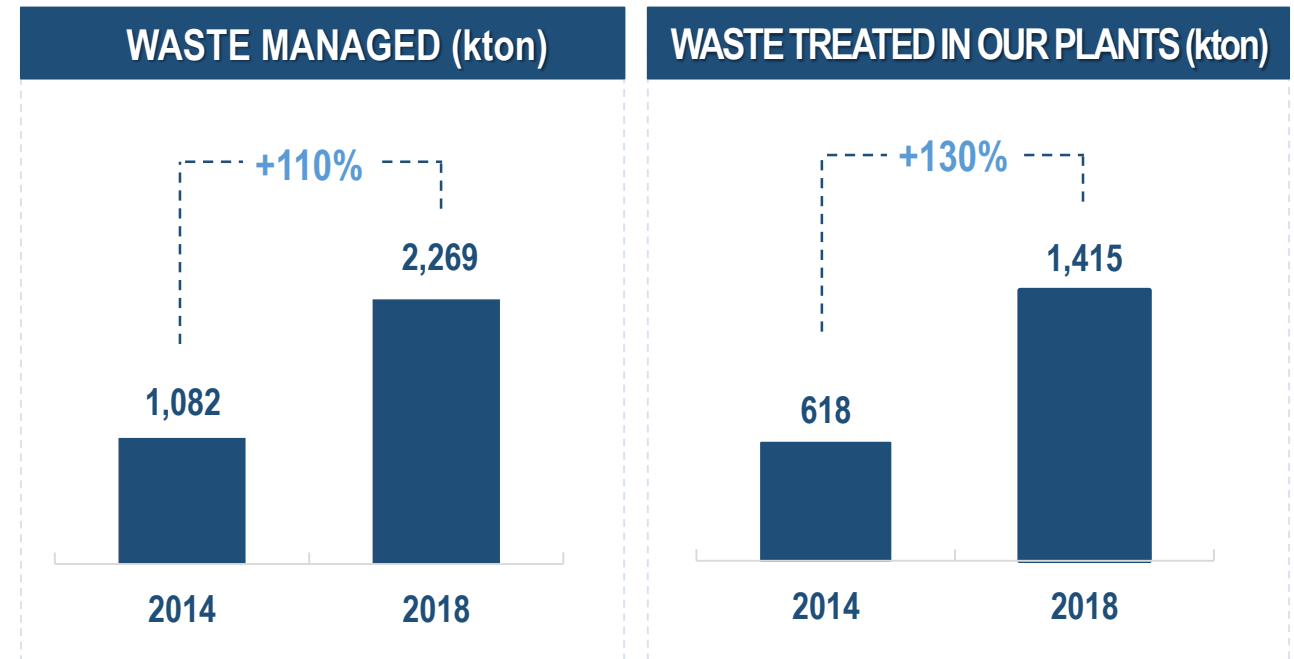




Widened **door-to-door collection** system in order to improve the percentage of **sorted waste collection**



Increased the **capacity of treatment** and disposal in our plants, pushing the **special waste** trading segment



Achieved growth and extension in new areas thanks to a structured **M&A strategy** in a highly fragmented market

Invested heavily in a **new digital platform, Just Iren**, aimed at smartly handling the full waste management cycle

## Developing circular economy paradigm, integrating vertically to create a closed-cycle ecosystem

Completion of selection chains by building **new plants for treatment and recovery of selected materials**, giving priority at revenue stability (i.e. organic fraction, selection)

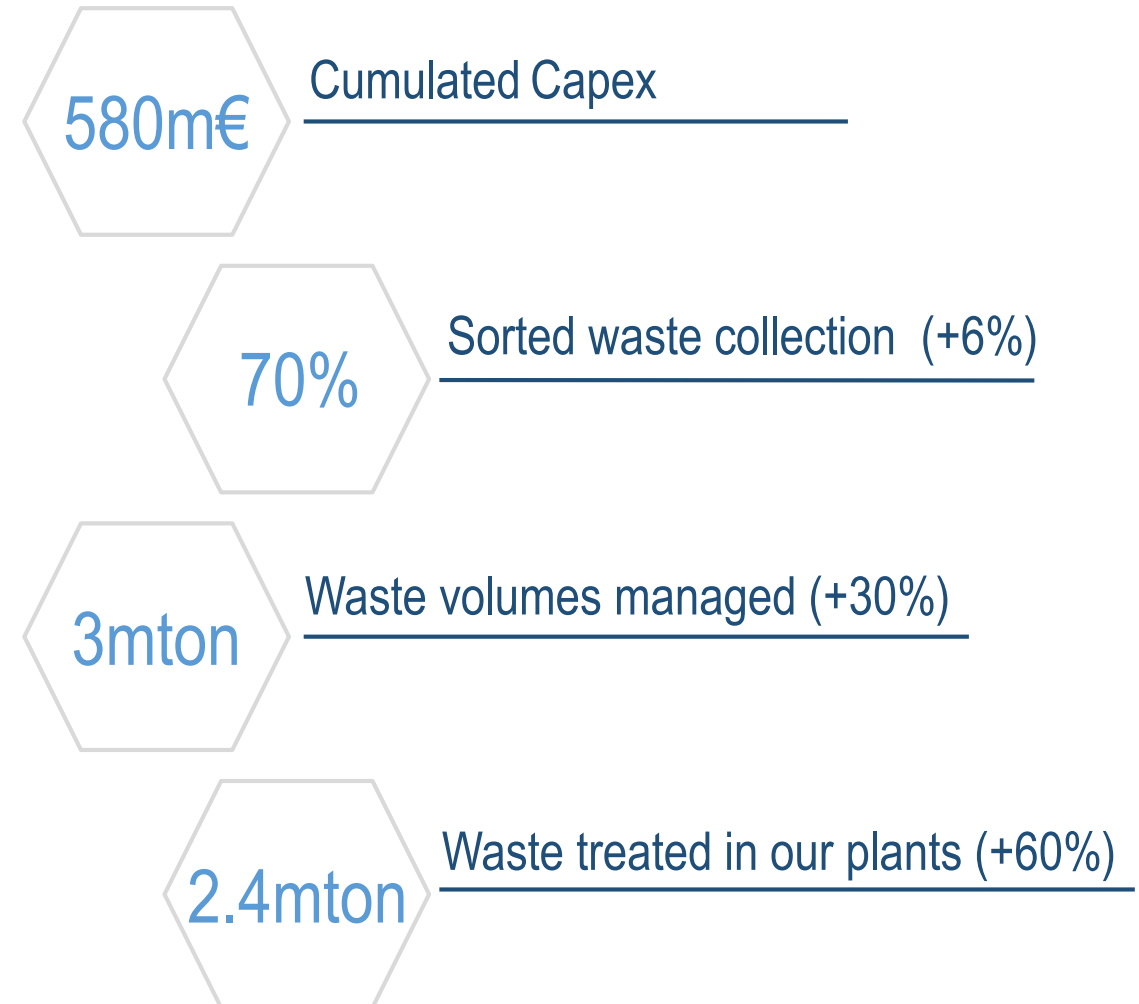
Vertical integration allowing for:

- **margins insourcing**, expanding to further activities along the value chain
- developing further options in **plastic recycling** activities (i.e. granule production, plastic to fuel)

Further **territorial consolidation**, gradually covering the full value chain

Confirmation of **existing concessions** and further widening of **D2D** and **pay-as-you-throw** collection systems

 Full launch of **Just Iren project** in 2020 and deployment of innovative initiatives





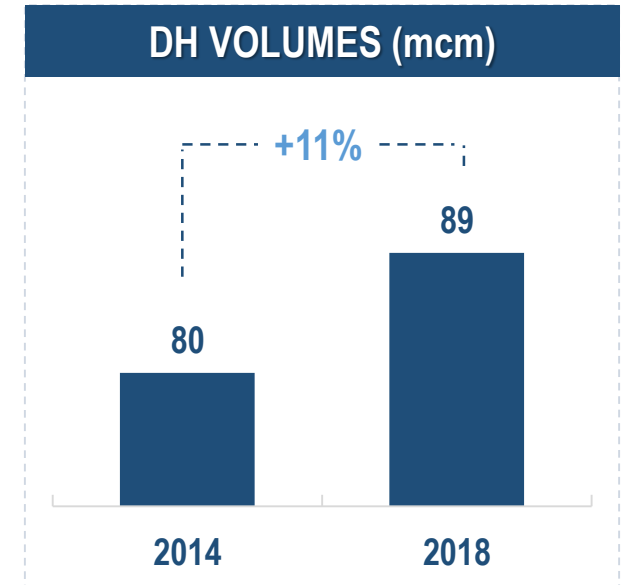
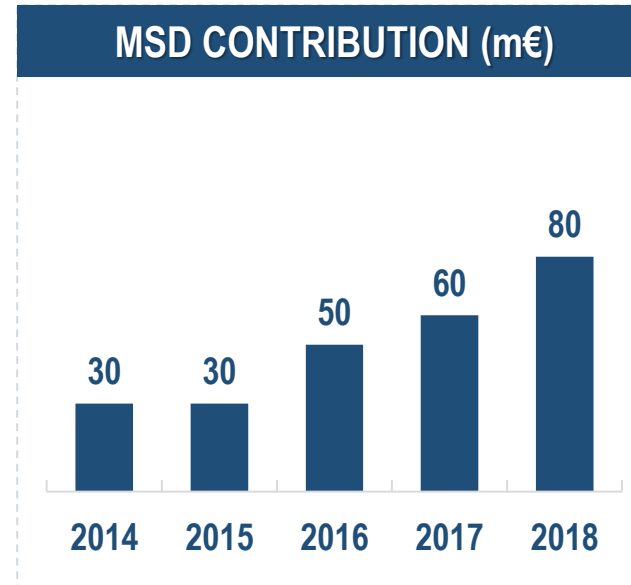
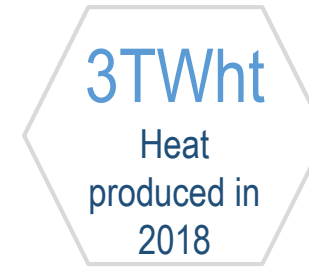
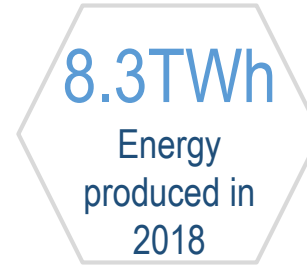
Increased plants **flexibility**, obtaining important results in the **MSD market**

Increased **district heating** volumes and saturated the capacity of cogeneration plants also thanks to **heat storage investments**

Optimized the full **hydroelectric assets** pool via revamping

 Launched the first **Industry 4.0 initiatives**

Launched the new **energy efficiency** business line, **Iren Smart Solutions**



## Increasing plants' flexibility and further developing district heating network

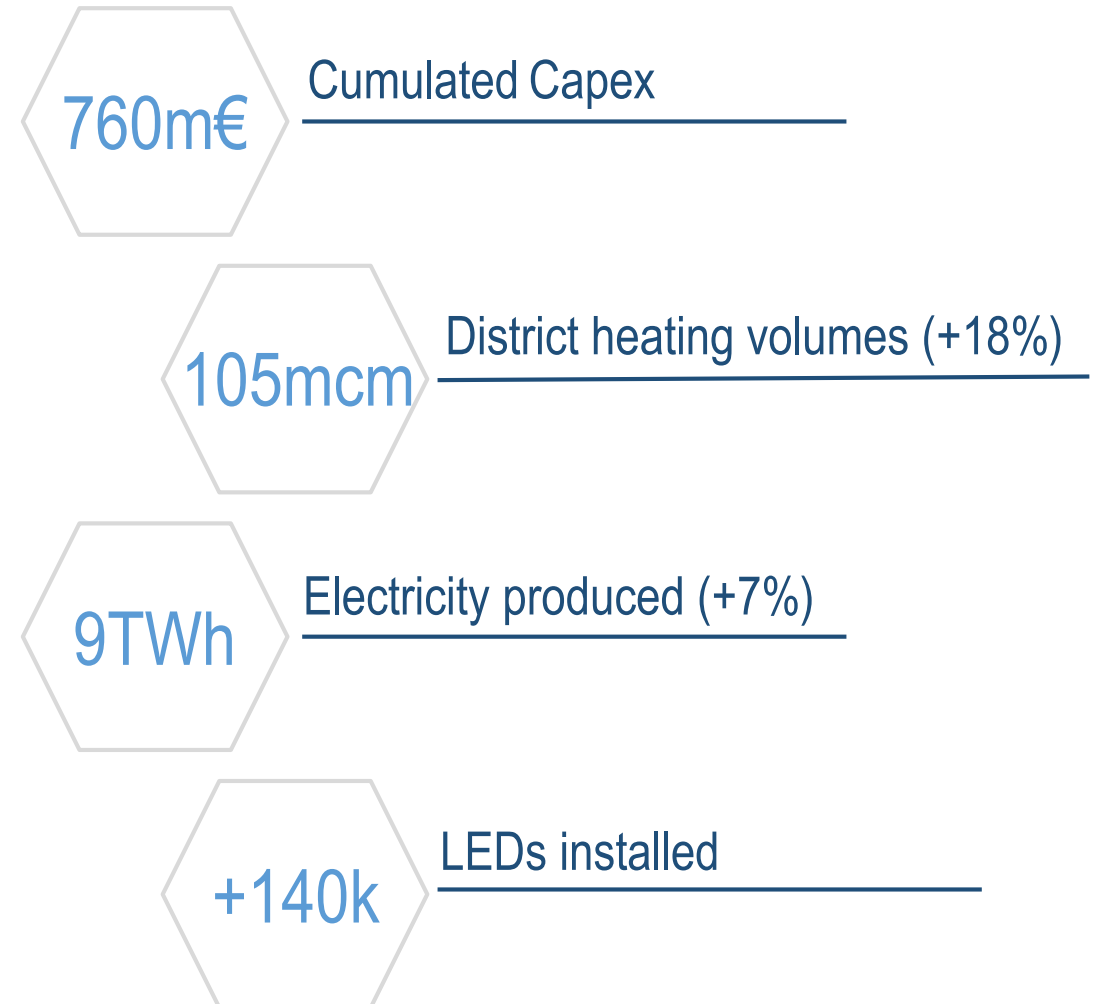
Improvement in **flexibility**, **efficiency** and **availability** of plants in order to be more competitive in **ancillary services** and in the upcoming **capacity market**

Extension of **district heating** systems and saturation of the existing infrastructure

Development of **hydro assets**, both via repowering and realization of **mini-hydro** plants, while investing for hydro **concessions renewal**

Growth in the **energy efficiency** segment mainly focusing on residential and public buildings, as well as large tenders

 Full deployment of **Industry 4.0** program and leverage on advanced systems for **power management**



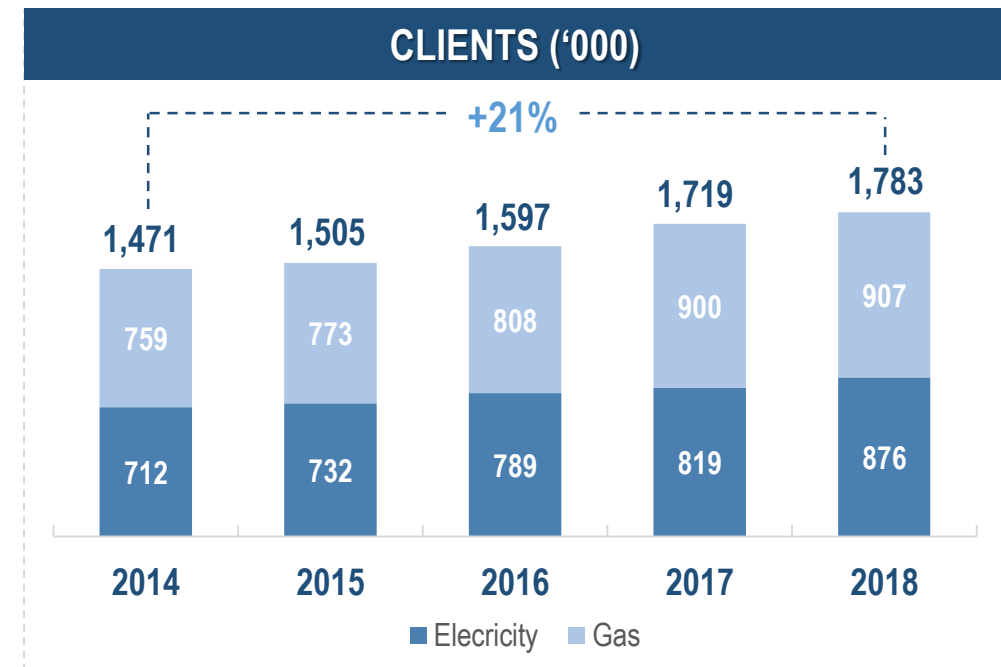
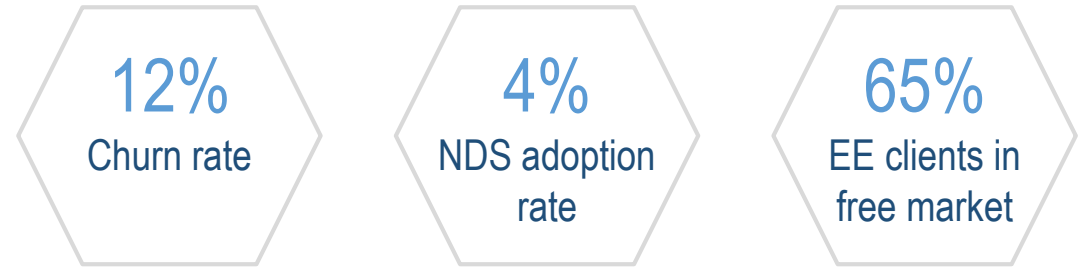


Transformed the BU from a standard commodity provider to a leader in **high value-added services**, launching New Downstream and E-mobility business lines

Organically **increased the customer base** and significantly reduced the **churn rate** thanks to a strong commercial development; cut the **cost-to-serve** through process synergies and a **full-digital strategy**


Developed an **omni-channel** sales approach, pushing on **digital processes** and leveraging on **physical store network** and **relevant partnerships**


Achieved the **balance of the electricity produced and sold** to our end users, optimizing the full energy value chain also via a significant growth in size




## Growing in the customer base, aiming at 2.25 million clients at 2024

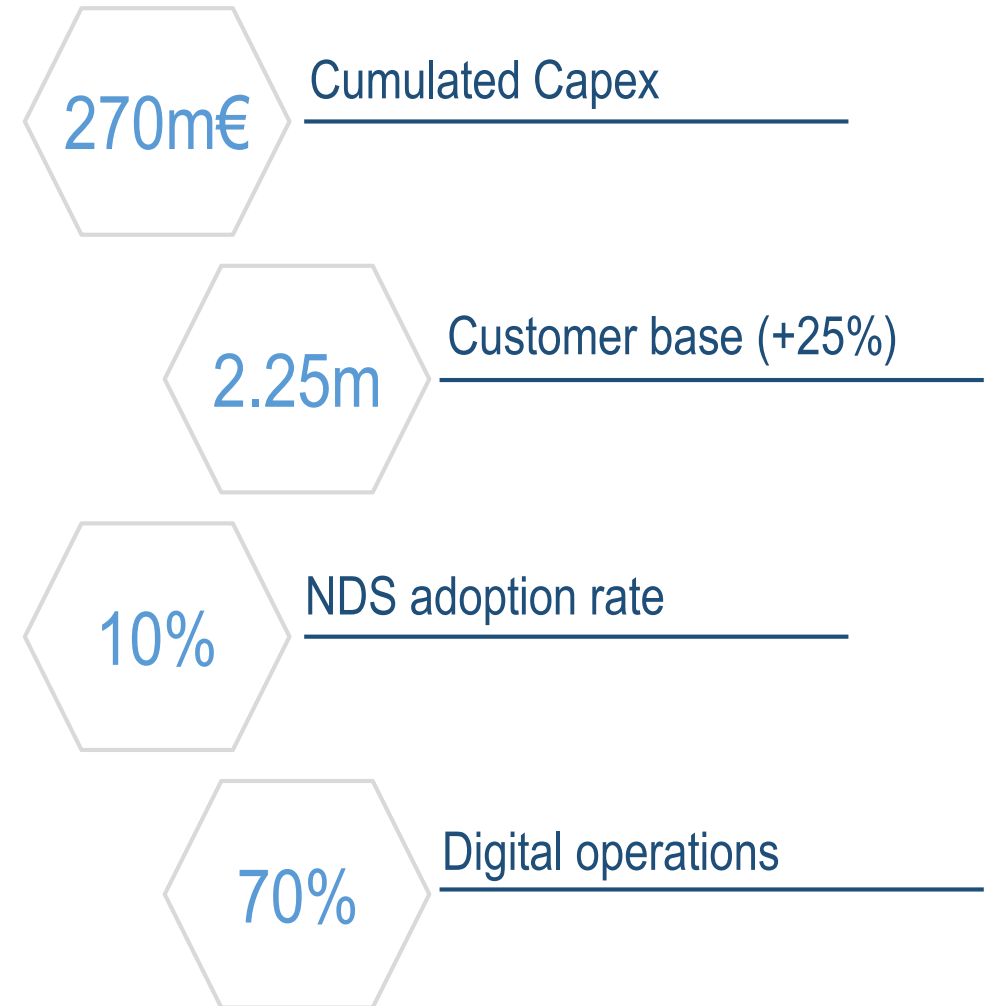
Further **growth in the customer base**, also outside the core territories, leveraging on the retailing best practices of other cutting-edge industries

 Strong focus on a **full digital strategy** including new CRM system, outstanding customer experience and innovative marketing paradigms

 Entry in the **fintech** and digital payments ecosystems, grabbing the first-mover advantages of the **PSD2** opportunities

**Margins stabilization** thanks to an advanced energy portfolio management

 Full deployment of **Iren Go** offering to be a leader in the wider **sustainable mobility** ecosystem, enrichment of the **NDS** portfolio with end-to-end **smart home** proposition





Pursued **restructuring**, functional **reorganization** and **rationalization**

**Redesigned HR and Performance management processes**

 Completed **digitalization** of legacies and core processes

Increased **procurement efficiency**


About 20 **M&A transactions** and **transformed Finance**





## Pushing on digitalization and people as key enablers of an efficient operating model

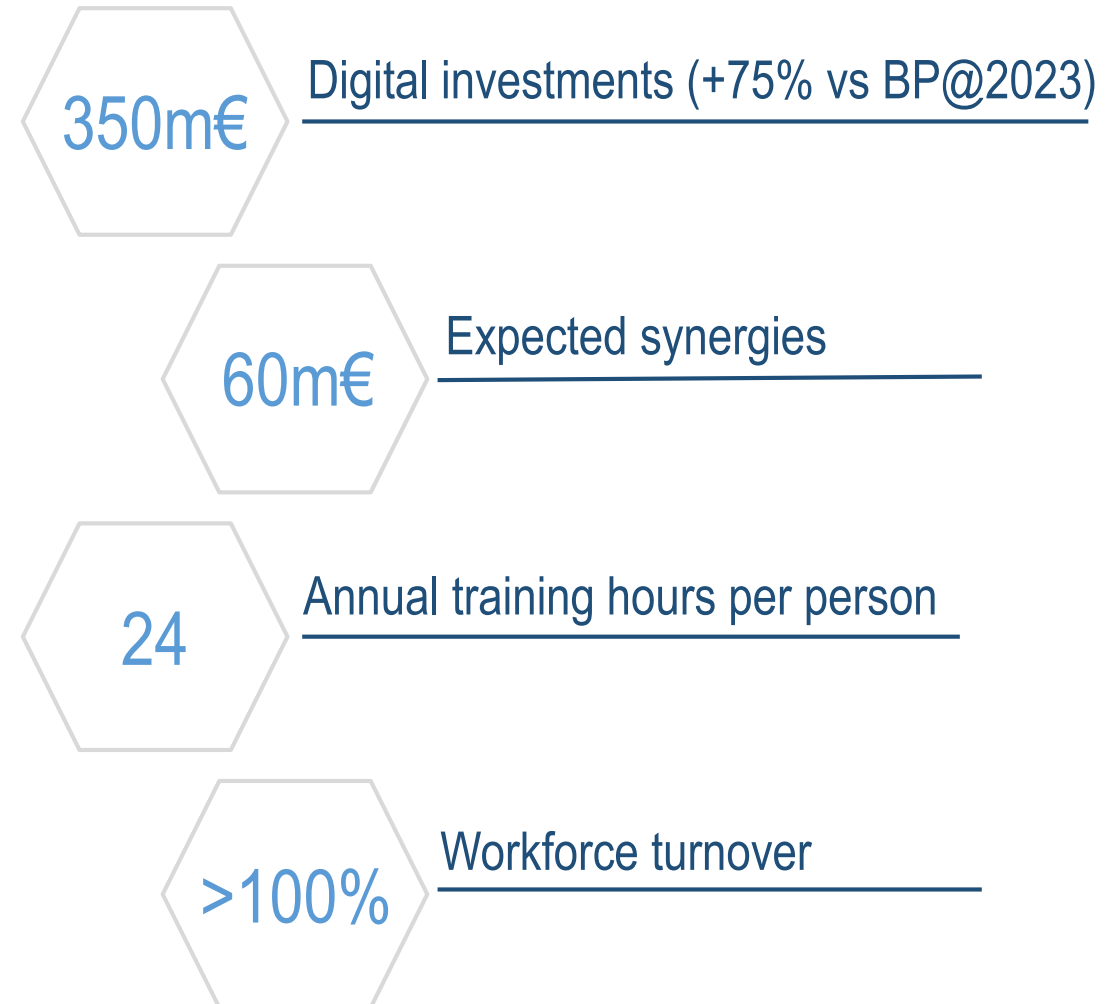
Focus on **company transformation** and **scalable business model**

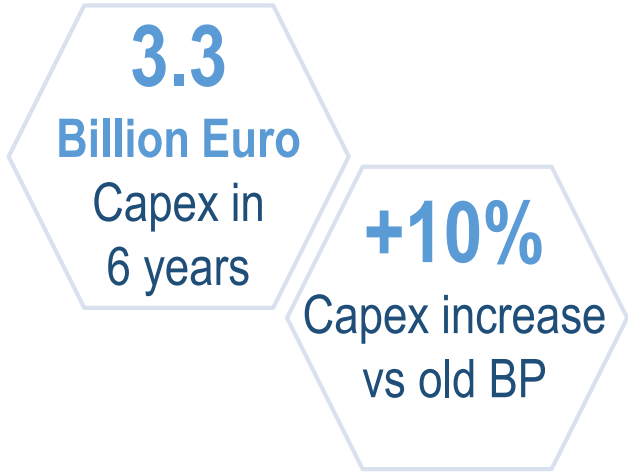
 Strong **acceleration of digitalization at scale**, deployment of a new **IT model** and **advanced platforms** (i.e. Analytics, RPA)

Transformation in a **lean organization** with agile management model enabling further synergies

Implementation of a new **employee journey**, **generational turnover** and **reskilling**

Coping with potential **larger M&A** deals





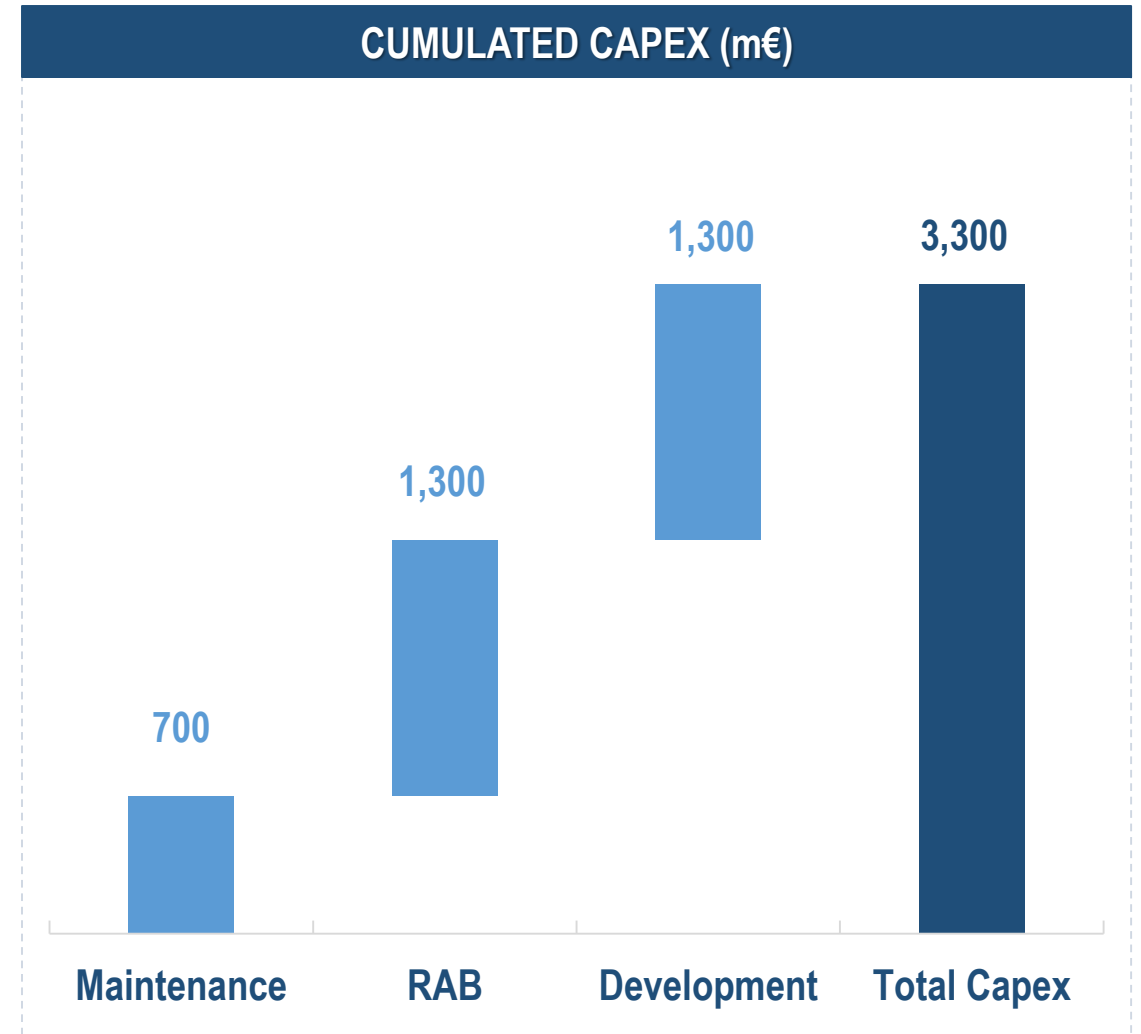
300m€ capex increase compared to previous business plan.  
+400m€ related to development projects

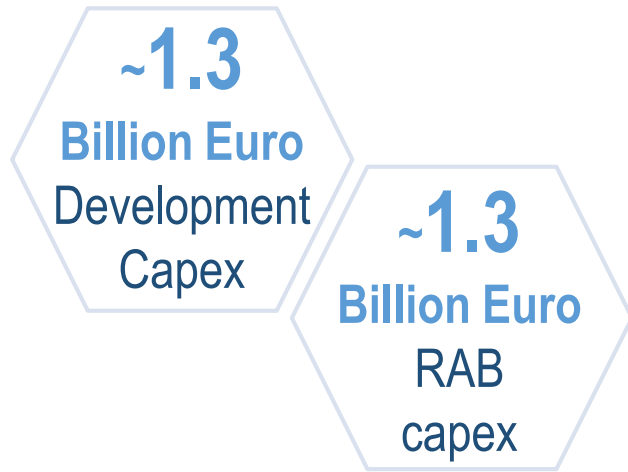
Over 800m€ in the water cycle management

600m€ capex devoted to the waste sector

Higher commitment on Market in order to widen our customer base

350m€ in digitalization projects to enable our business model upscale





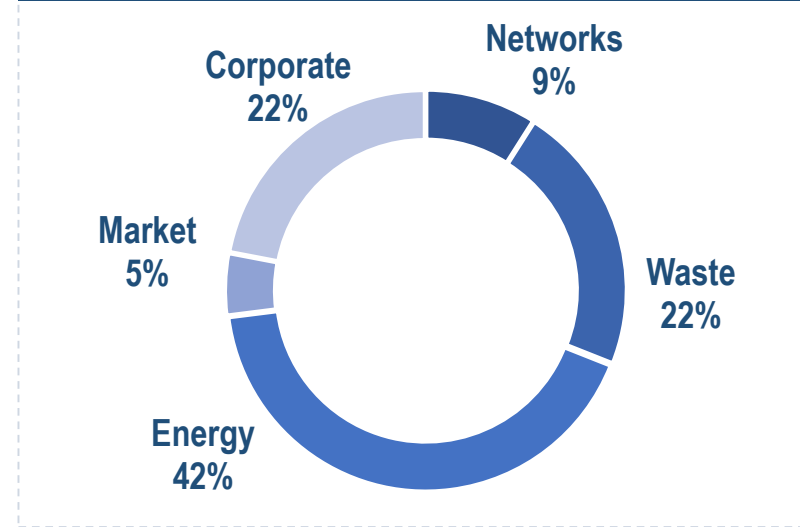
Over 300m€ linked to the district heating expansion and improvement of our cogeneration plants

Almost 300m€ dedicated to the construction of 7 plants in the disposal and treatment waste business

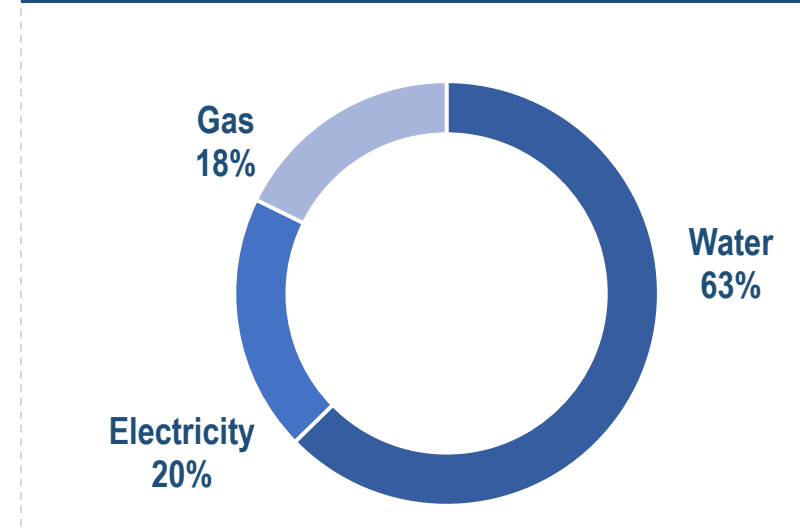
About 200m€ devoted to energy efficiency projects

The networks development capex related to the completion of ATEMs in which Iren is incumbent

## DEVELOPMENT CAPEX



## RAB CAPEX



## Strong commitment to organic growth supported by higher capex and to achieve the synergies targets

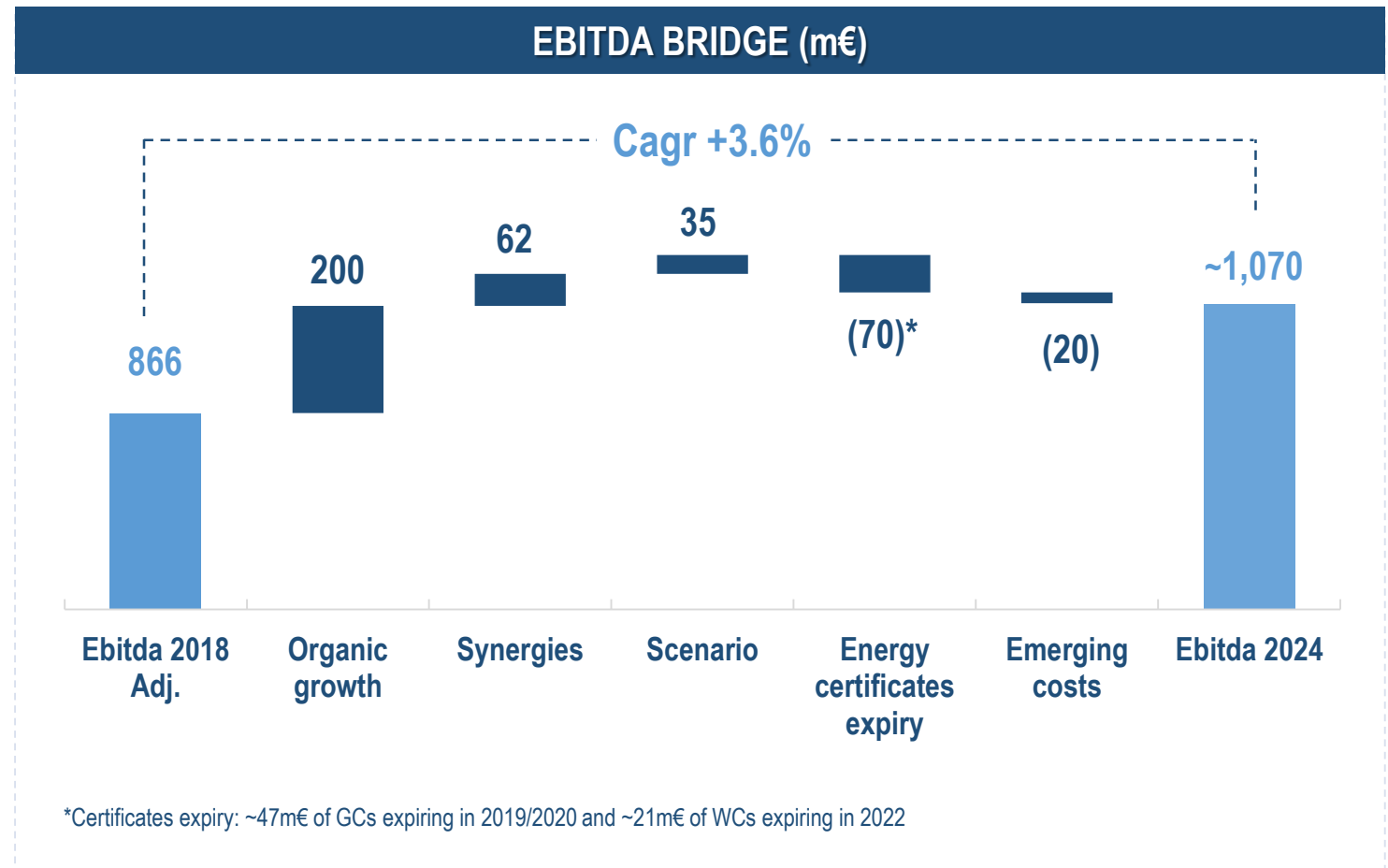
**~200**  
**Million Euro**  
**EBITDA growth**  
**in 6 years**

The development projects and the RAB increase contribute equally to organic growth







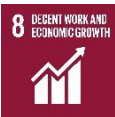
More than 100 performance improvement projects enable to reach significant savings

Supportive scenario will partially offset the expiry of energy certificates

Emerging costs are linked to the new business model mainly based on digitalization

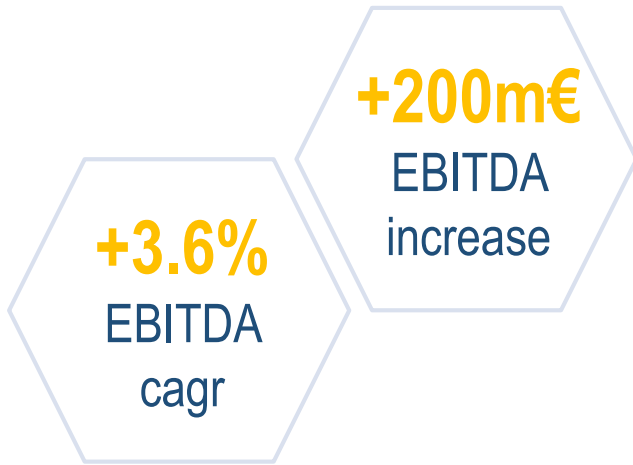


## Sustainable CAPEX amount to about 2 billion €, up by 14% compared to the previous plan

FOCUS AREA	INITIATIVES	MAIN TARGETS		SDGs
<b>WATER RESOURCES</b>	<ul style="list-style-type: none"> <li>Division of the networks into small and equal areas (<i>districts</i>)</li> <li>Efficiency improvement of water treatment plants</li> </ul>	<b>-5%</b> network leaks	<b>+16%</b> wastewater plants capacity	 
<b>CIRCULAR ECONOMY</b>	<ul style="list-style-type: none"> <li>Acquisition and creation of new recovery plants</li> <li>Extension of door-to-door collection system</li> <li><i>JustIren</i> for digitalization and efficiency improvement</li> </ul>	<b>+8%</b> sorted waste collected per inhabitant	<b>1,2Mt</b> waste recovered	
<b>DECARBONIZATION</b>	<ul style="list-style-type: none"> <li>Increase in thermal and electricity storage</li> <li>Development of renewables</li> <li>Energy efficiency projects: Smart Solutions</li> </ul>	<b>-3%</b> power generation carbon intensity	<b>+20%</b> energy savings	
<b>RESILIENT CITIES</b>	<ul style="list-style-type: none"> <li>Extension of district heating networks</li> <li>Smart metering</li> <li>Eco-mobility</li> <li>Distributed photovoltaic generation</li> </ul>	<b>+12%</b> district heated volumes	<b>35%</b> eco-vehicles on total fleet	 
<b>PEOPLE</b>	<ul style="list-style-type: none"> <li>Enhancing competencies and reskilling</li> <li>Increasing investments on our territories</li> </ul>	<b>+14%</b> direct and indirect occupation	<b>+27%</b> training hours per capita	





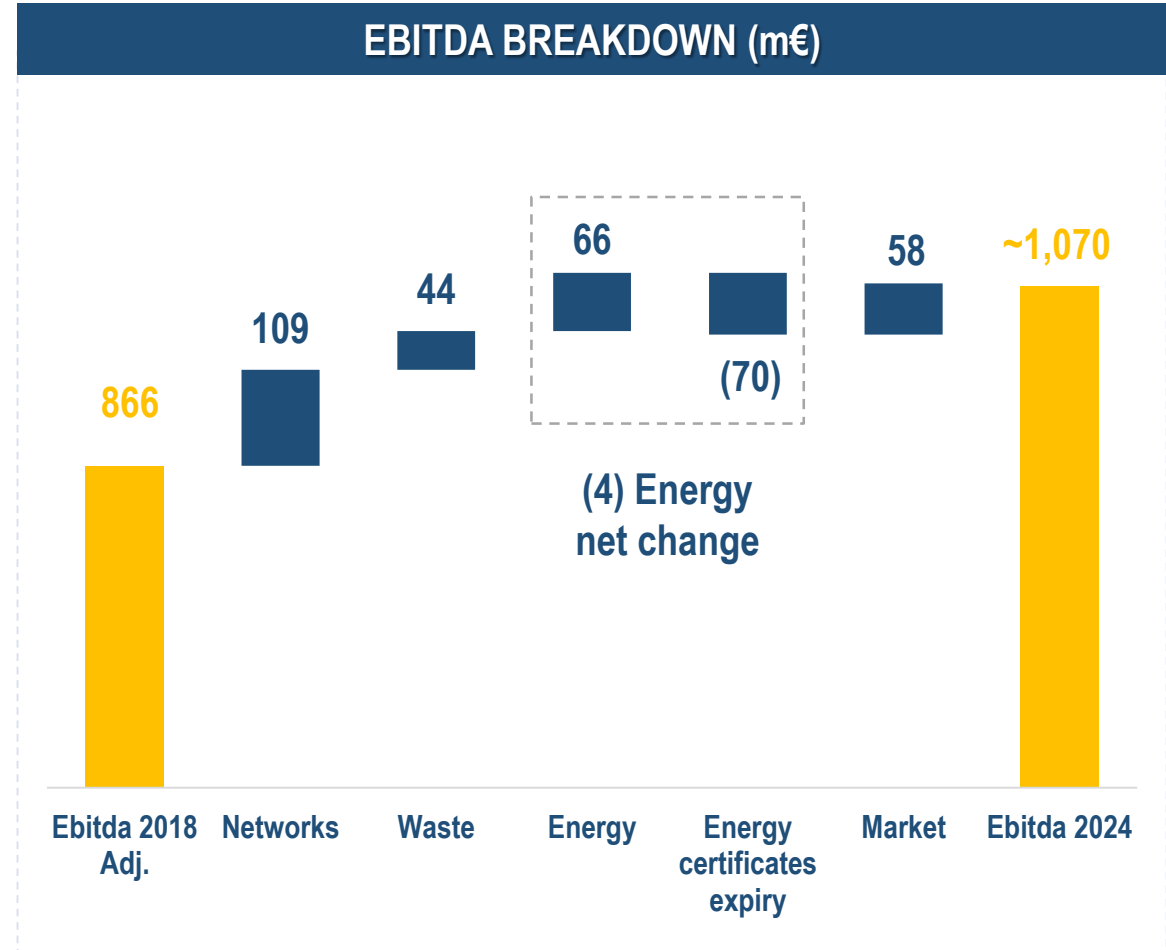


Growth is driven by RAB increase, improvement in service quality and synergies

The new treatment plants will allow to close the waste cycle and to increase margins of the whole waste value chain

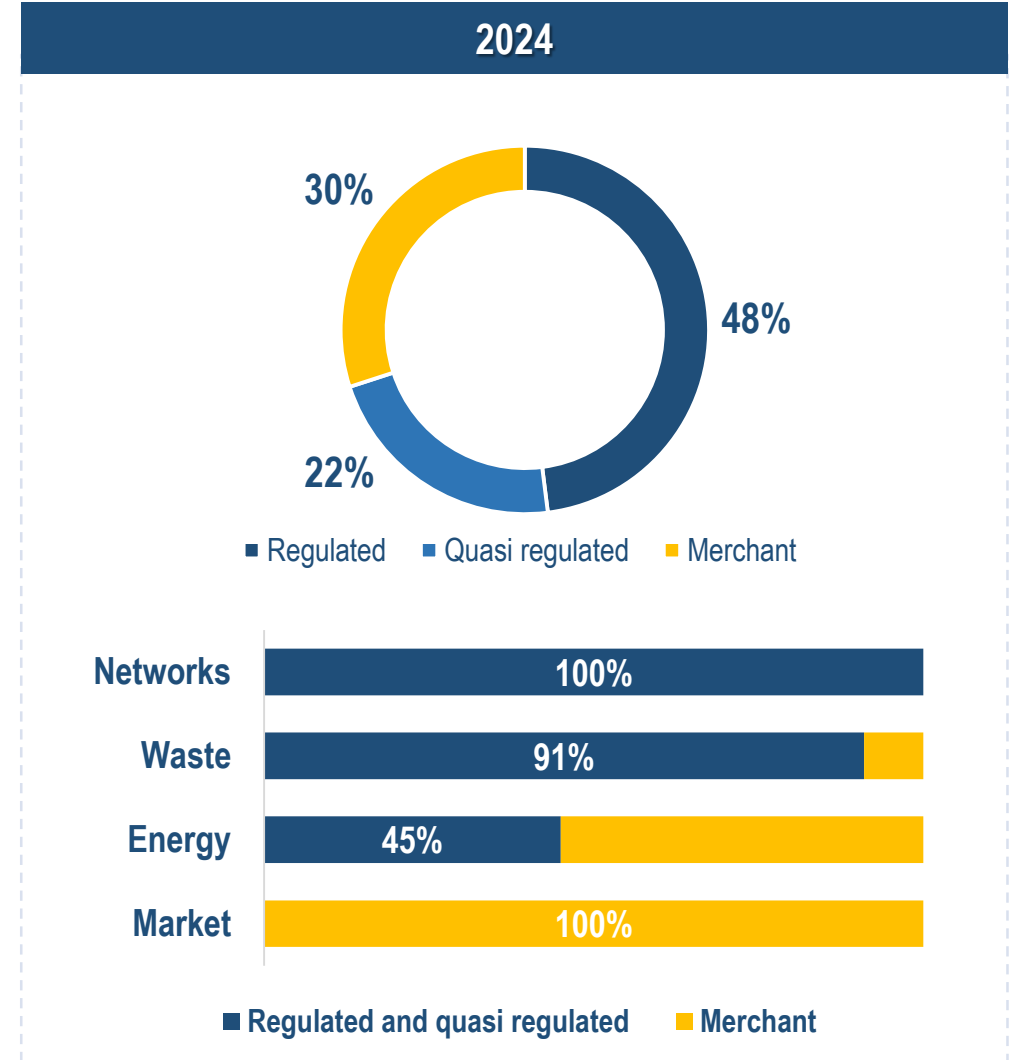
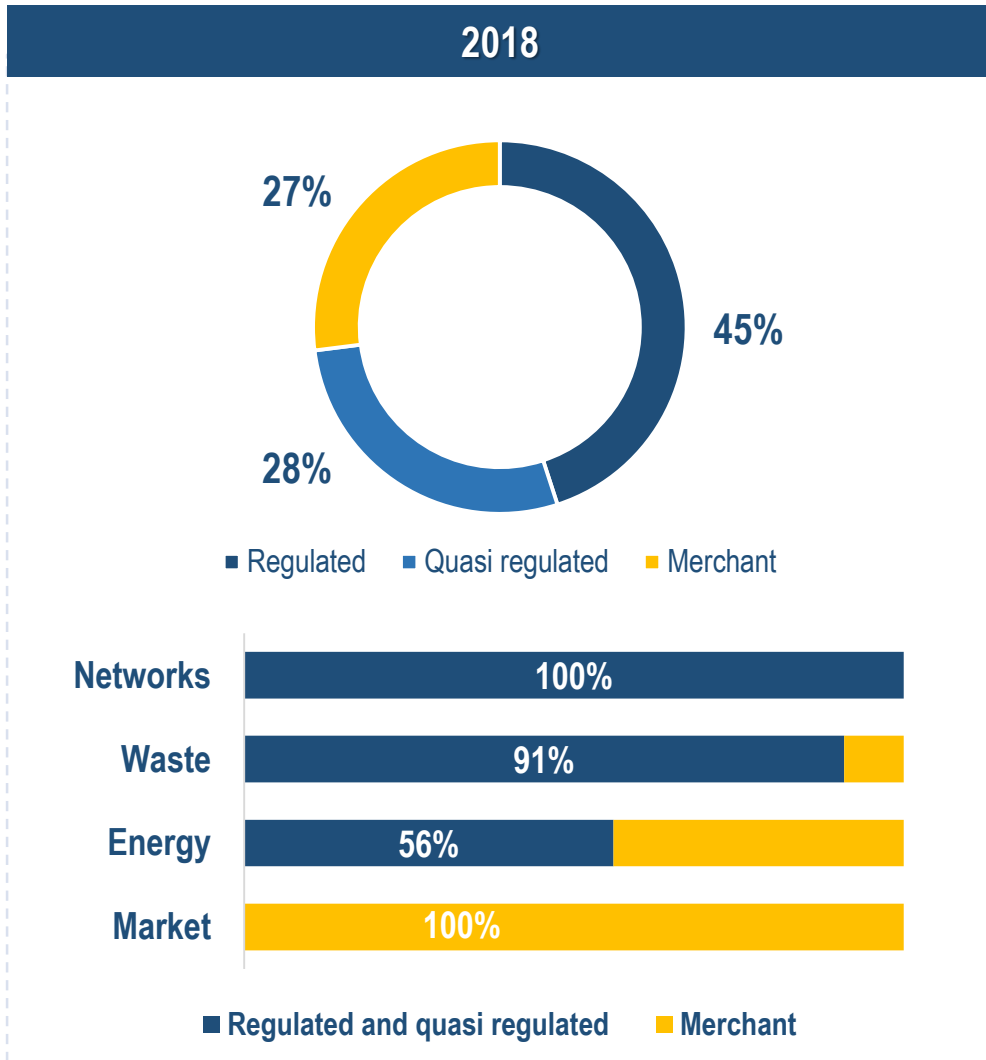
The widening of the district heating network and the energy efficiency projects offset the lack of energy certificates

Expansion of the customer base and margins normalization



# EBITDA BREAKDOWN BY ACTIVITY

73% ebitda derived from regulated and quasi-regulated activities in 2018, 70% in 2024



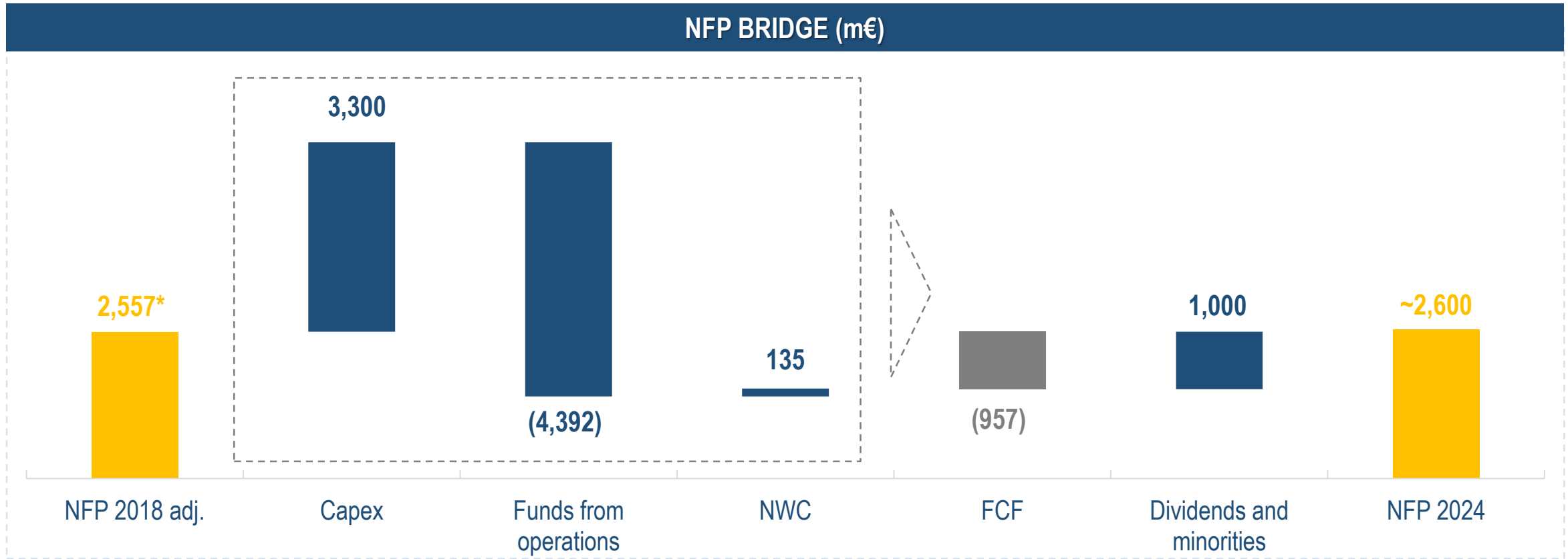


# 2018 – 2024 NFP BRIDGE

The higher capital intensive investments support the growth of the operating margin

Full exploitation of the financial structure in order to accelerate the growth

The strong cash generation (roughly 1b€) allows to share the positive results with shareholders



\*NFP 2018 adjusted taking into account the accounting standard IFRS 16, 2018 NFP reported at 2,453m€



**BBB**  
 Outlook:  
 Stable

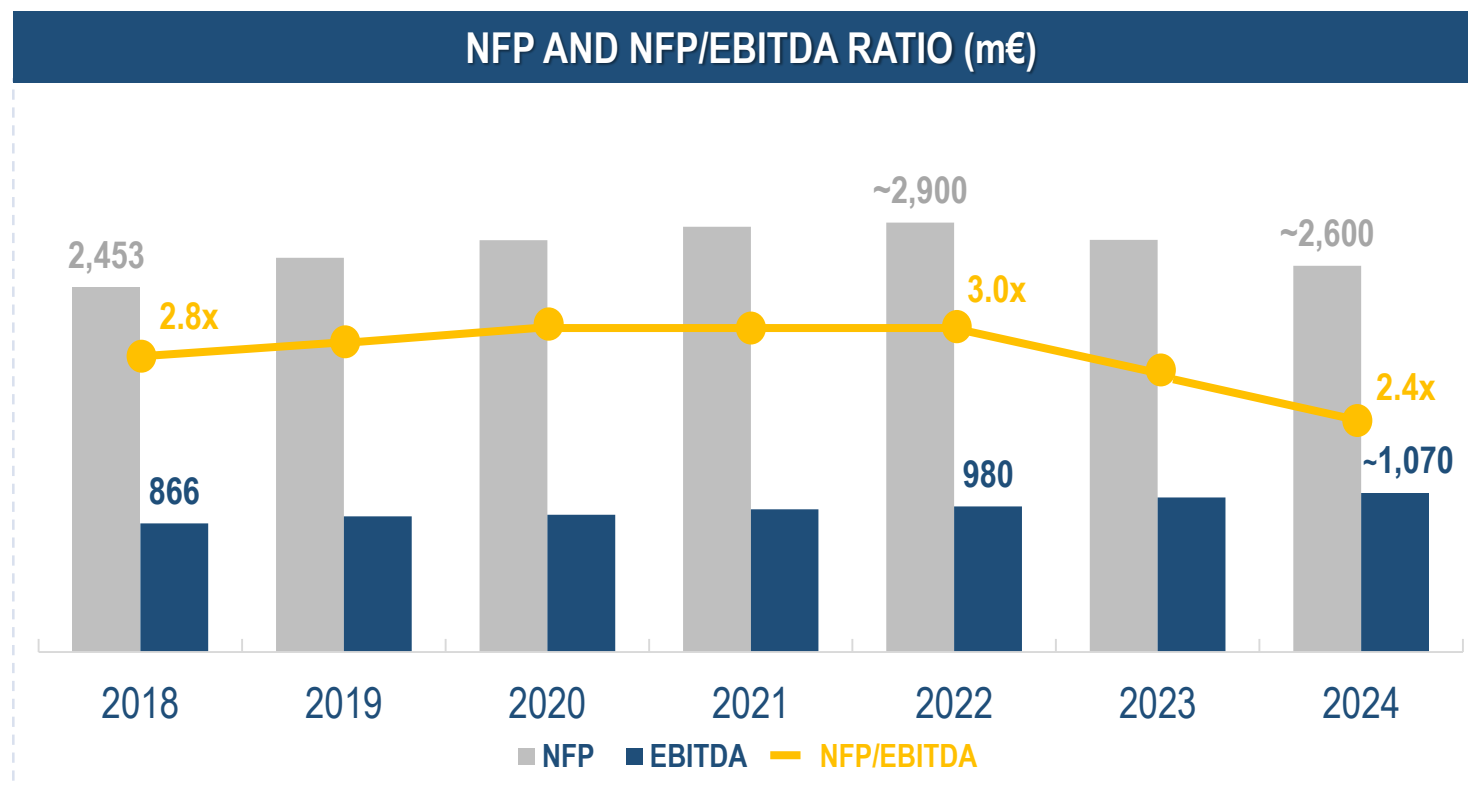
Priority in keeping the sound investment-grade rating, also supported by a higher NFP quality thanks to OLT disposal

**FitchRatings**

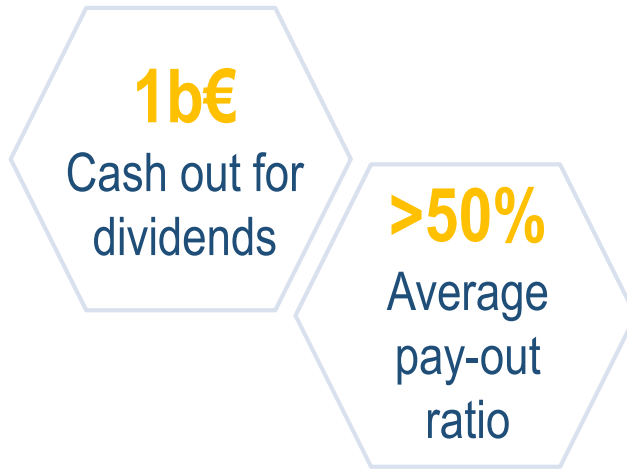
The optimal financial structure provides for a NFP/EBITDA ratio close to 3.0x in order to increase investments by exploiting the financial flexibility achieved

The adaptability of the investments' plan will enable to shift capex from one year to another in order not to exceed the threshold

Possibility to go above this threshold, for a short/medium term, for important M&A transactions or strategic investments

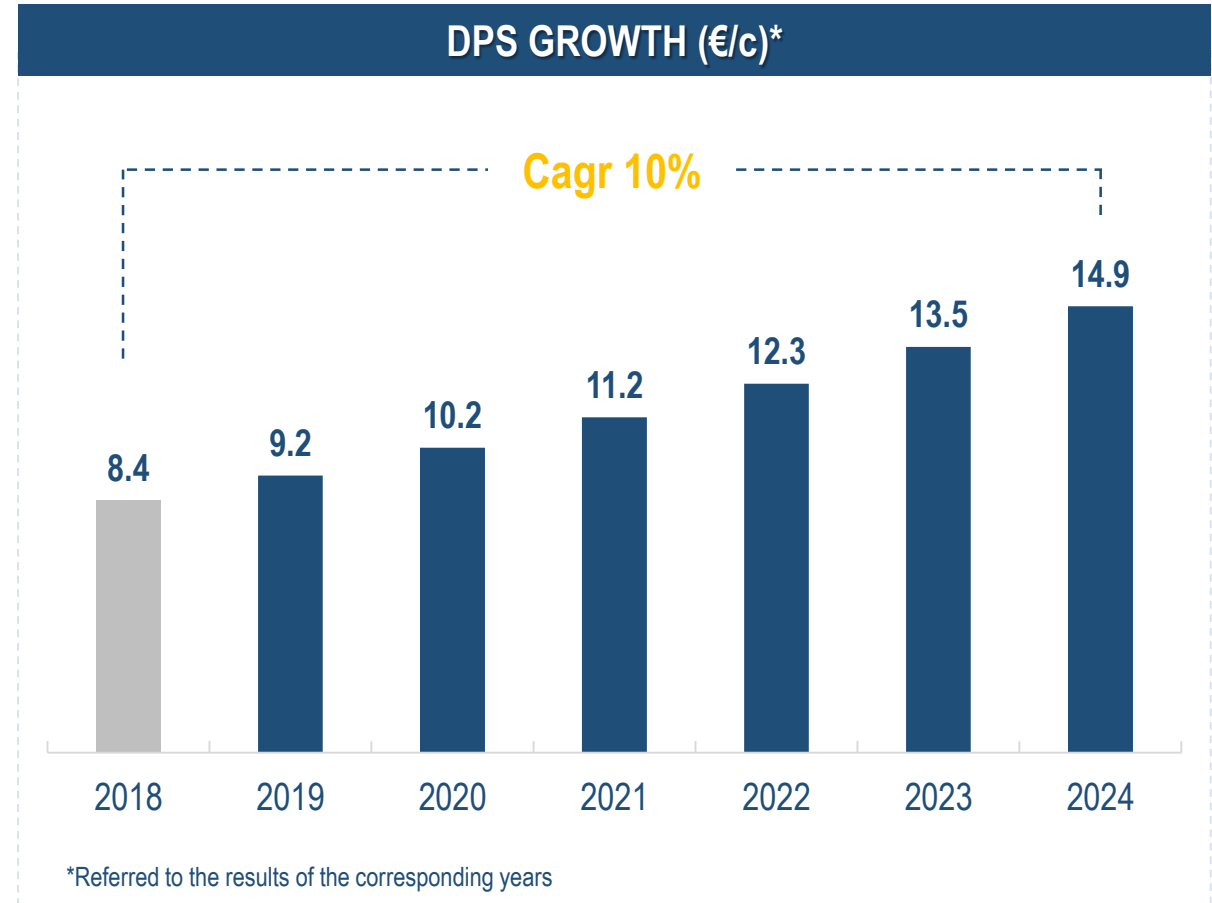


## Confirmation of the dividend policy growth path despite the increase in capex



### SBB

Tactical, funded by excess cash when appropriate

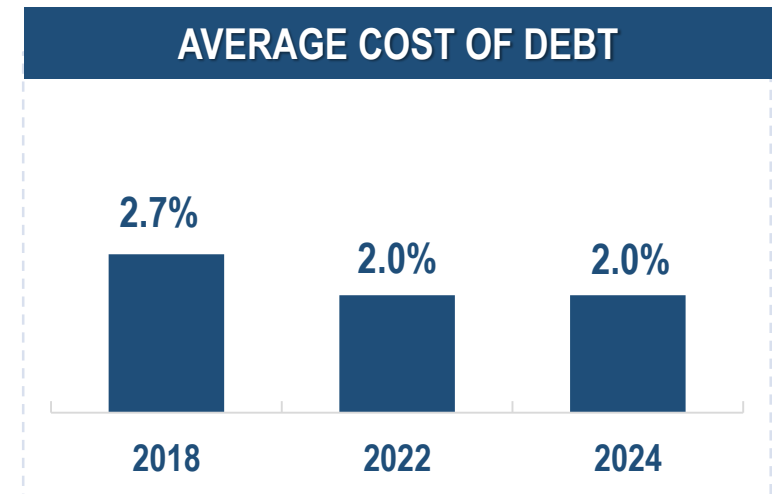
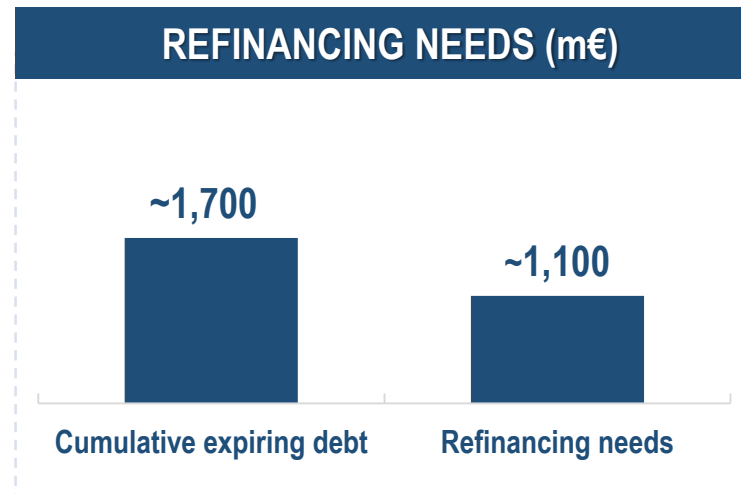
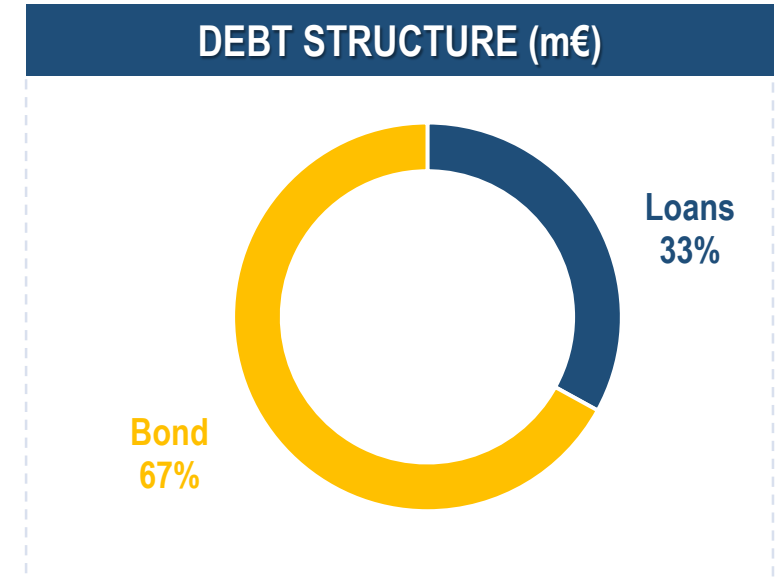
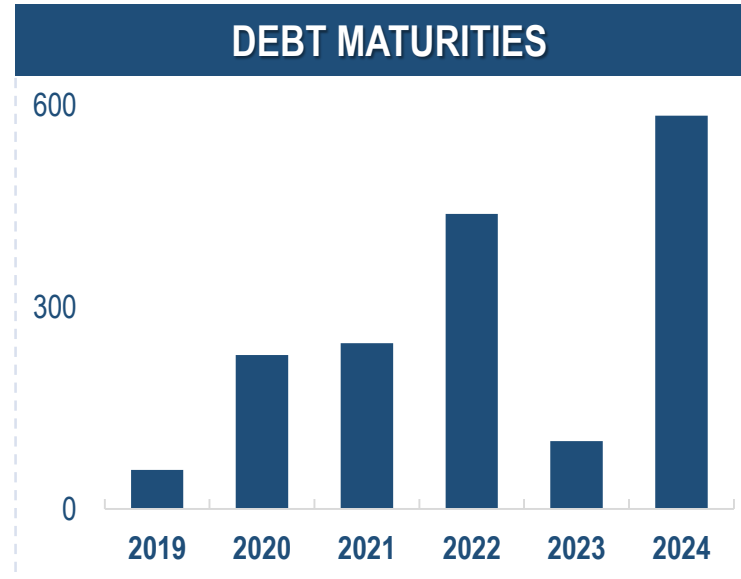


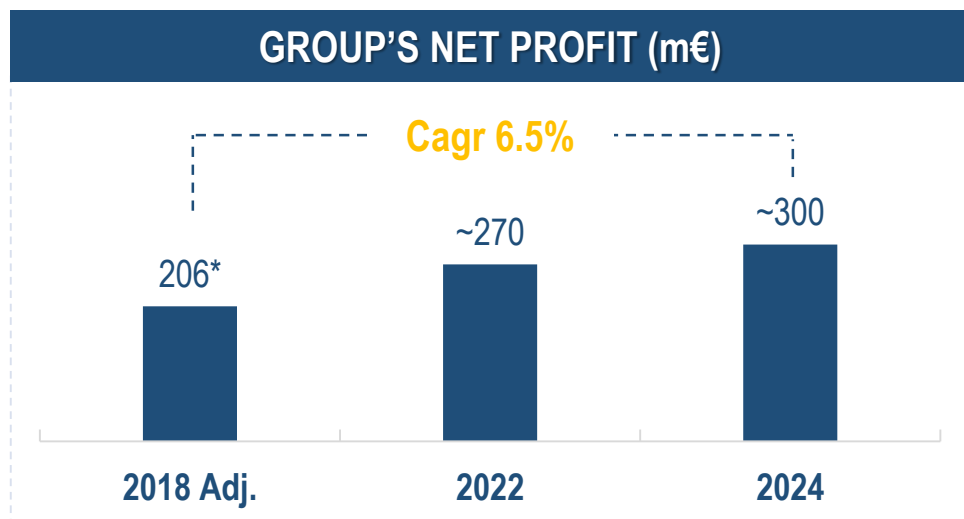
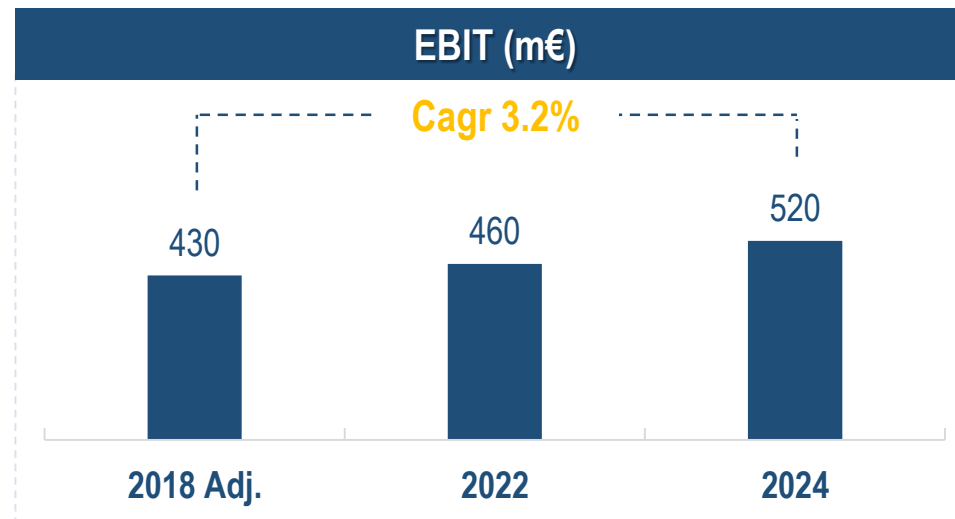
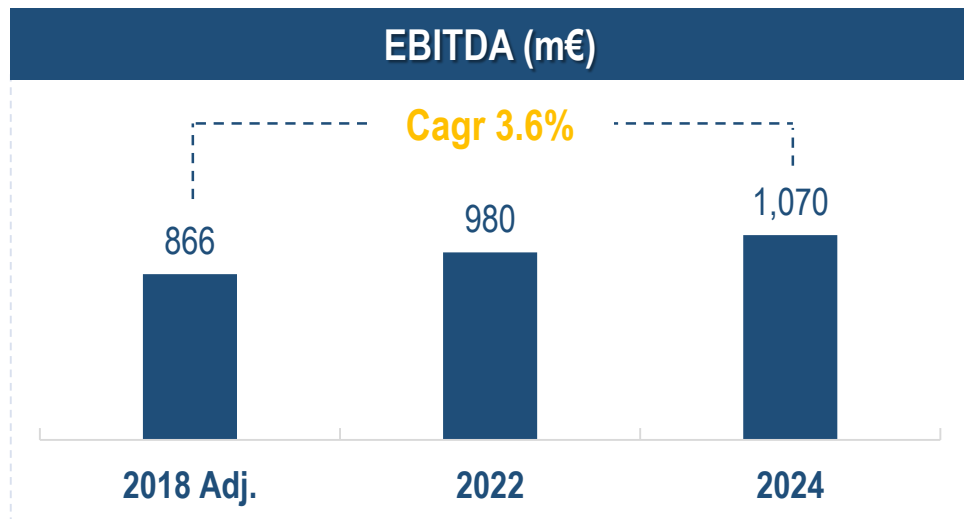
Iren's long term debt average maturity is 5.3 years

65% of expiring debt is going to be refinanced

EIB funds correspond to 20% of total debts

Significant reduction in cost of debt thanks to liability management operations and a favorable scenario





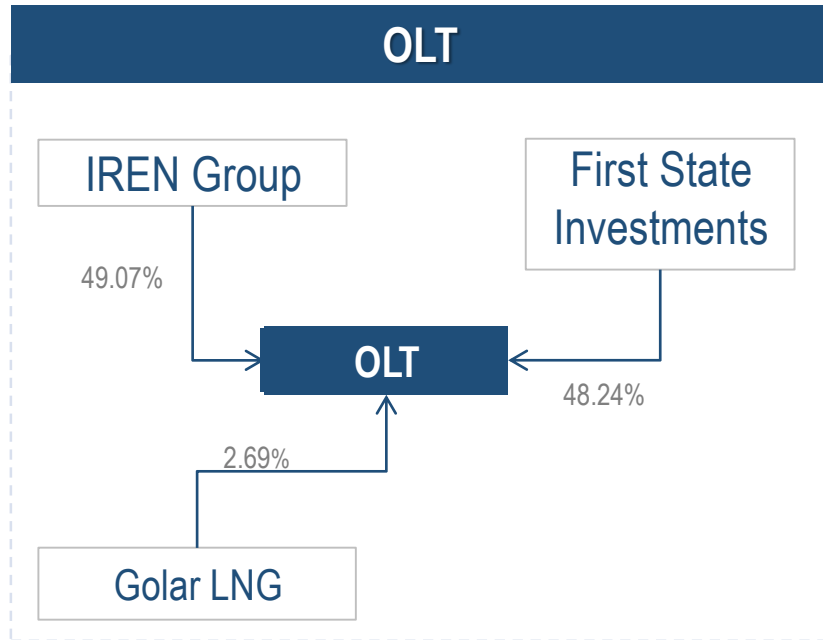
\*2018: Net of white certificates sale (60m€), market accrual (41m€) and OLT participations adjustments (28m€)

The Ebit is affected by higher depreciations due to capital intensive expenditures

The Group's net profit shows a higher cagr than the previous economic indicators thanks to a sound financial policy management and a tax rate stabilization





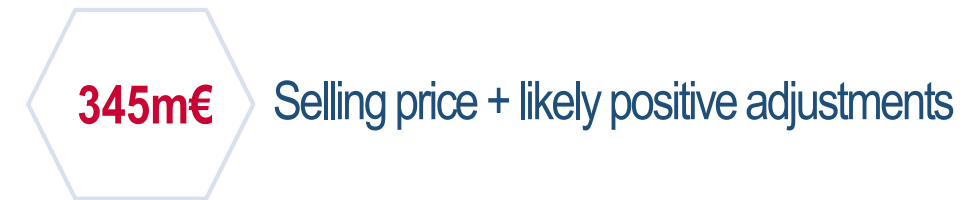


2018 FINANCIALS	m€
RAB	760
EBITDA	65
PFN	830

## OLT ACCOUNT ON IREN BS





## DISPOSAL IMPACT ON IREN'S BS



- Impact on Iren's balance sheet:
- Credit cash in
  - NFP unchanged
  - Improvement in liquidity and in rating's score
  - Fire power for growth opportunities



-  ● The Group confirms a strong **financial flexibility**, accepting a short-term increase in debt-to-Ebitda ratio to exploit potential **extraordinary strategic opportunities**
-  ● The **cash generation capacity**, along with the **disposal of non-strategic assets** (like OLT participation) and the **diversified business model** underlining the company, allows Iren to grasp concrete opportunities not included in the business plan:



● A pool of **well identified investments** that can be activated within a short timeframe



● Small scale **M&A deals**, but also larger scale ones



*1b€ of strategic investments already identified and up to 100m€ of Ebitda thanks to small M&A deals*

## ORGANIC GROWTH

**~520m€**  
Energy

CCGT Turbigio revamping  
DH development in new areas  
Hydro plants repowering  
Flexibility & storage

**~300m€**  
Networks

Gas distribution expansion  
in new areas

**~130m€**  
Waste

4 new treatment plants  
Upgrading of existing plants

**~25m€**  
Market

Customer base expansion  
on a larger scale

## M&A

**Small  
companies**

Favored by a market fragmentation  
and the experience in consolidation  
processes.

**Large  
companies**

Possible thanks to a scalable and  
reliable business model

Evaluating M&A options always comparing the trade off between opportunity and the optimization of financial structure, with the main goal of maintaining the sound investment grade





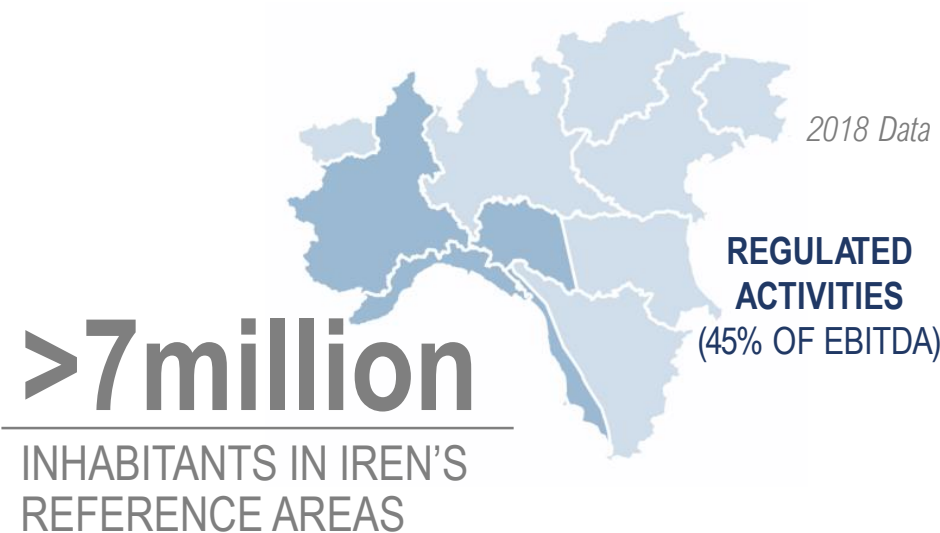
Confirming **growth** as our first priority, we are putting in place the actions aiming at a larger size in a more dynamic scenario

We are ready to exploit further organic investments, but also potential larger size M&A transactions not included in BP figures

Commitment confirmed in **10% DPS** growth over the next 5 years







**REGULATED ACTIVITIES**  
(45% OF EBITDA)

**QUASI REGULATED ACTIVITIES**  
(28% OF EBITDA)

**UNREGULATED ACTIVITIES**  
(27% OF EBITDA)

**CUSTOMERS:**

- ~1.8M in the energy sector
- ~2.8M served inhabitants in the water service
- ~2.3M served inhabitants in the waste sector
- ~0.9M served inhabitants in district heating
- >3.5 services provided per clients



**Energy Infrastructure**

- RAB Electricity distribution: 440m€
- RAB Gas distribution: 670m€
- 4.2% electricity network leaks (vs. national avg. 6.5%)**

**Hydroelectric Green Certificates**

- 700 GWh GCs produced through hydro
- 721K tons CO<sub>2</sub> emission avoided from hydro**

**Generation**

- 2,700 MW of generation capacity
- 87% of electricity produced by environmentally friendly sources**



**Water Service**

- RAB water cycle management: 1,000m€
- 34.8% water network leaks (vs. national avg. 40.7%)**

**District Heating**

- 89 mcm of district heated volumes
- 895K tons CO<sub>2</sub> emission avoided from cogeneration**

**Energy Market**

- ~7.3 TWh electricity sold to end clients
- ~2.8 bcm gas sold\*
- 90% customer satisfaction**



**Urban Waste Collection**

- 1.3m tons municipal waste collected
- 64.3% of sorted waste collection (vs. national avg. 55.5%)**

**Urban Waste Disposal**

- 3 Waste To Energy plants (total capacity ~800Kton/y)
- 99% energy or material recovery from total waste managed**

**Special Waste**

- ~690K tons of special waste managed
- 134K tons special waste to energy recovery**

\*Including internal uses

1.4b€ of cumulated capex to significantly increase RAB by 800m€ and the networks' resilience

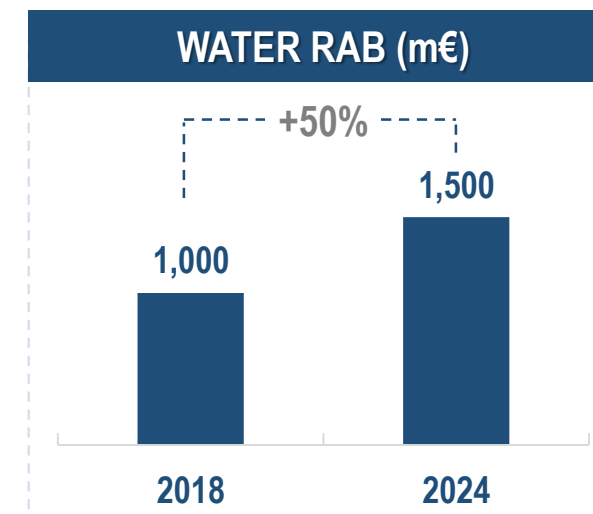
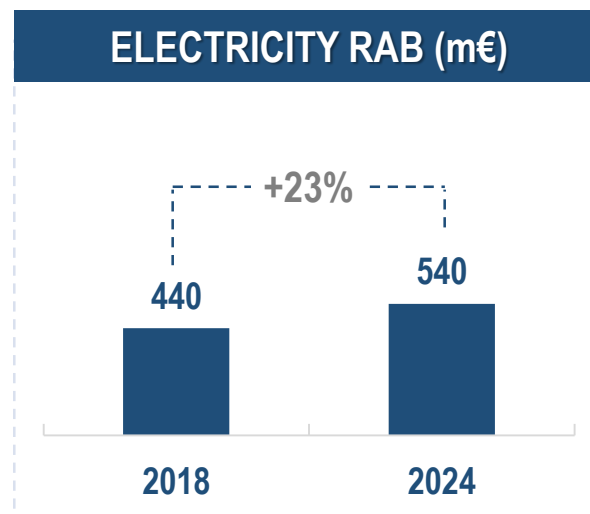
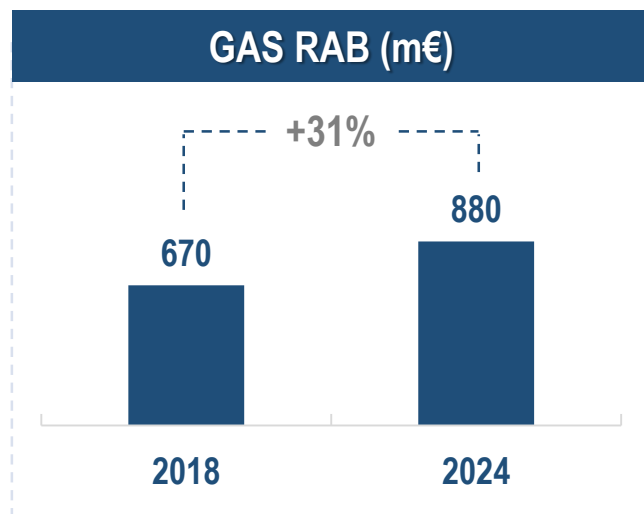
150m€ of capex are devoted to developing the water purification plants

Further synergies will be exploited from continuous improvement in asset/workforce management system

Maintaining all the gas and water concessions in which IREN is incumbent and on which the tender will be launched within the business plan horizon

Possible participation in tenders within reference areas in which IREN is not incumbent (not included in BP figures)

m€	2018	2022	2024
EBITDA	342	406	451
Cagr '18 – '24	4.7%		
EBIT	176	219	256
Cumulated RAB capex	1,330		
Cumulated development capex	120		



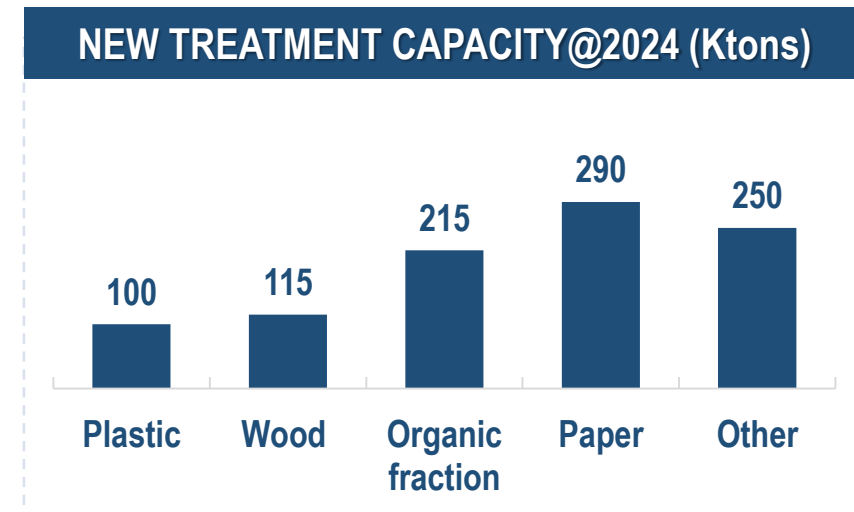
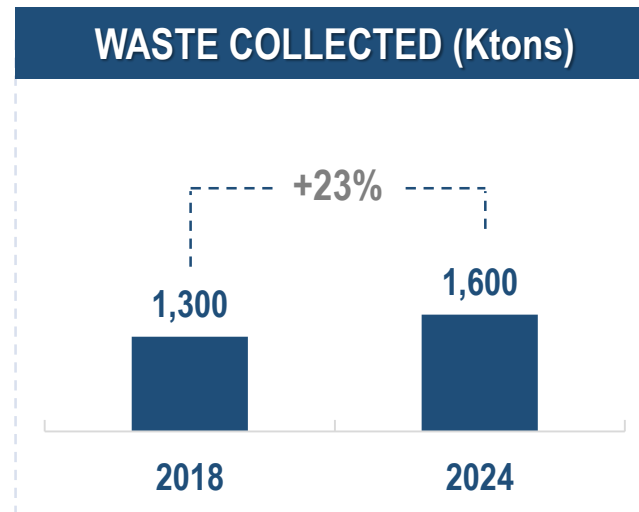
+60% waste treated in our plants through building of new treatment plants (paper, plastic, TMB and sludge)

+6% of sorted waste collection supported by widening of door-to-door and pay-as-you-throw collection systems

Confirming all the concessions currently owned

Possible participation in tenders within reference areas in which IREN is not incumbent (not included in BP figures)

m€	2018	2022	2024
EBITDA	155	189	199
Cagr '18 – '24	4.3%		
EBIT	75	78	83
Cumulated maintenance capex	300		
Cumulated development capex	280		



Increase in IREN's generation fleet flexibility, also through electricity and thermic storage development, in order to be more competitive in ancillary services and in the upcoming capacity market

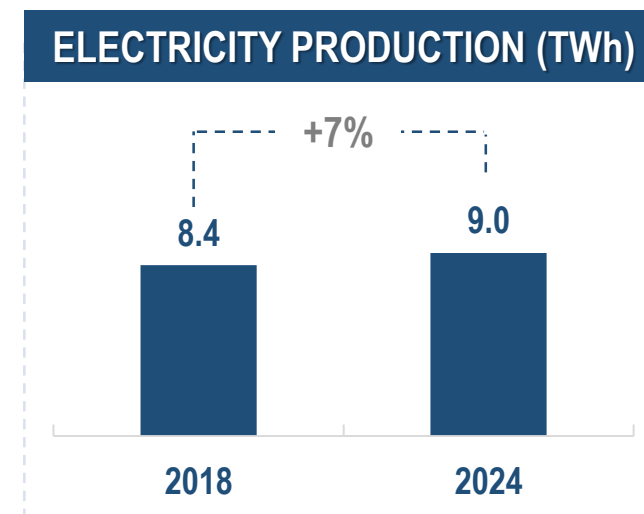
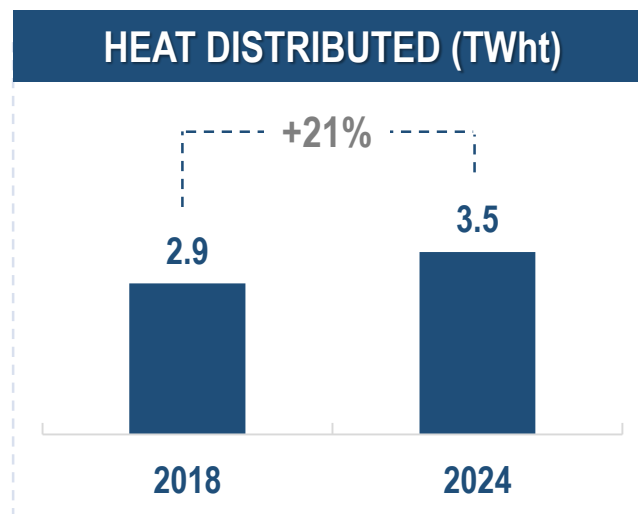
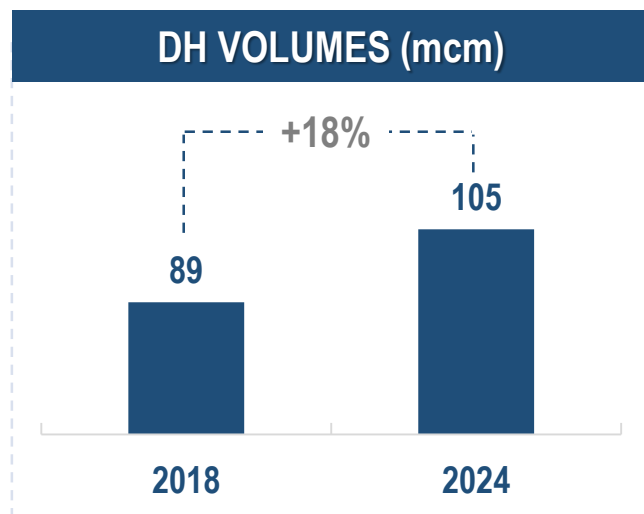
230m€ of capex to extend district heating and to saturate the existing infrastructure. The increase in DH volumes includes 5mcm following the consolidation of a business branch currently rented by Iren in Turin area

+5MW of new hydro capacity, through repowering and realization of mini-hydro plants

200m€ invested in energy efficiency projects

m€	2018	2022	2024
EBITDA	265*	247	261
Cagr '18 – '24	-0.3%		
EBIT	128*	97	104
Cumulated maintenance capex	200		
Cumulated development capex	550		

\*Excluding 60m€ of capital gains from the white certificates extraordinary sale





Client base expansion of +25%, also outside the core territories, while keeping the churn rate as one of the lowest in the sector

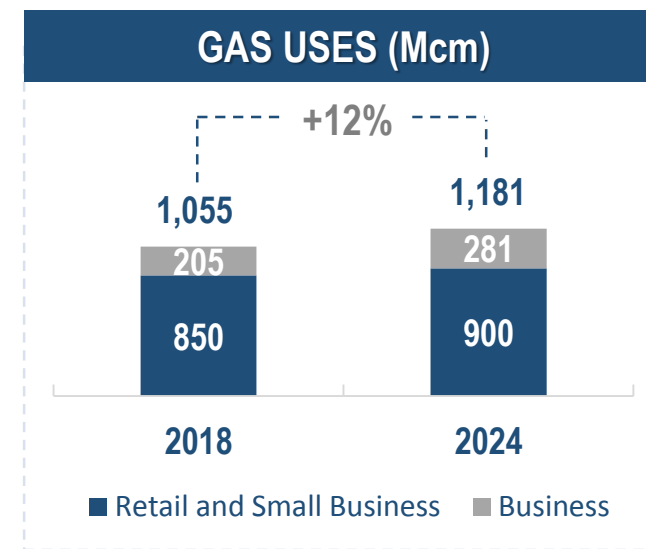
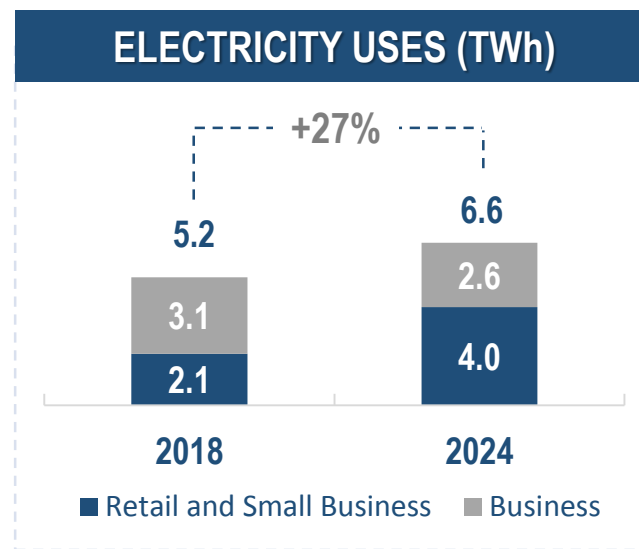
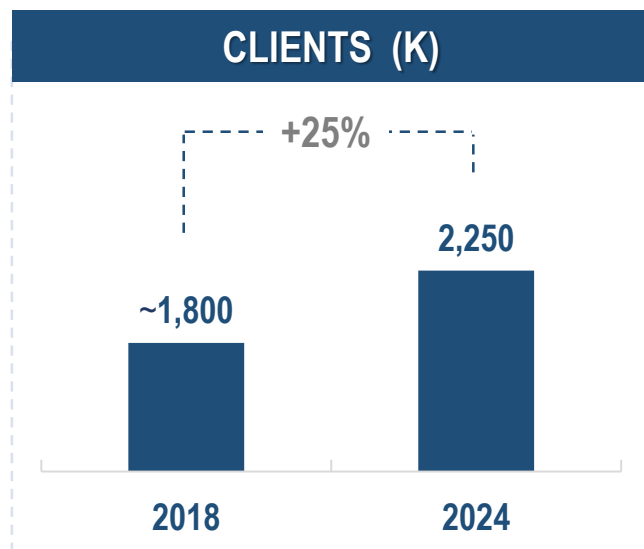
+90% of electricity sold to retail clients and S/M size companies

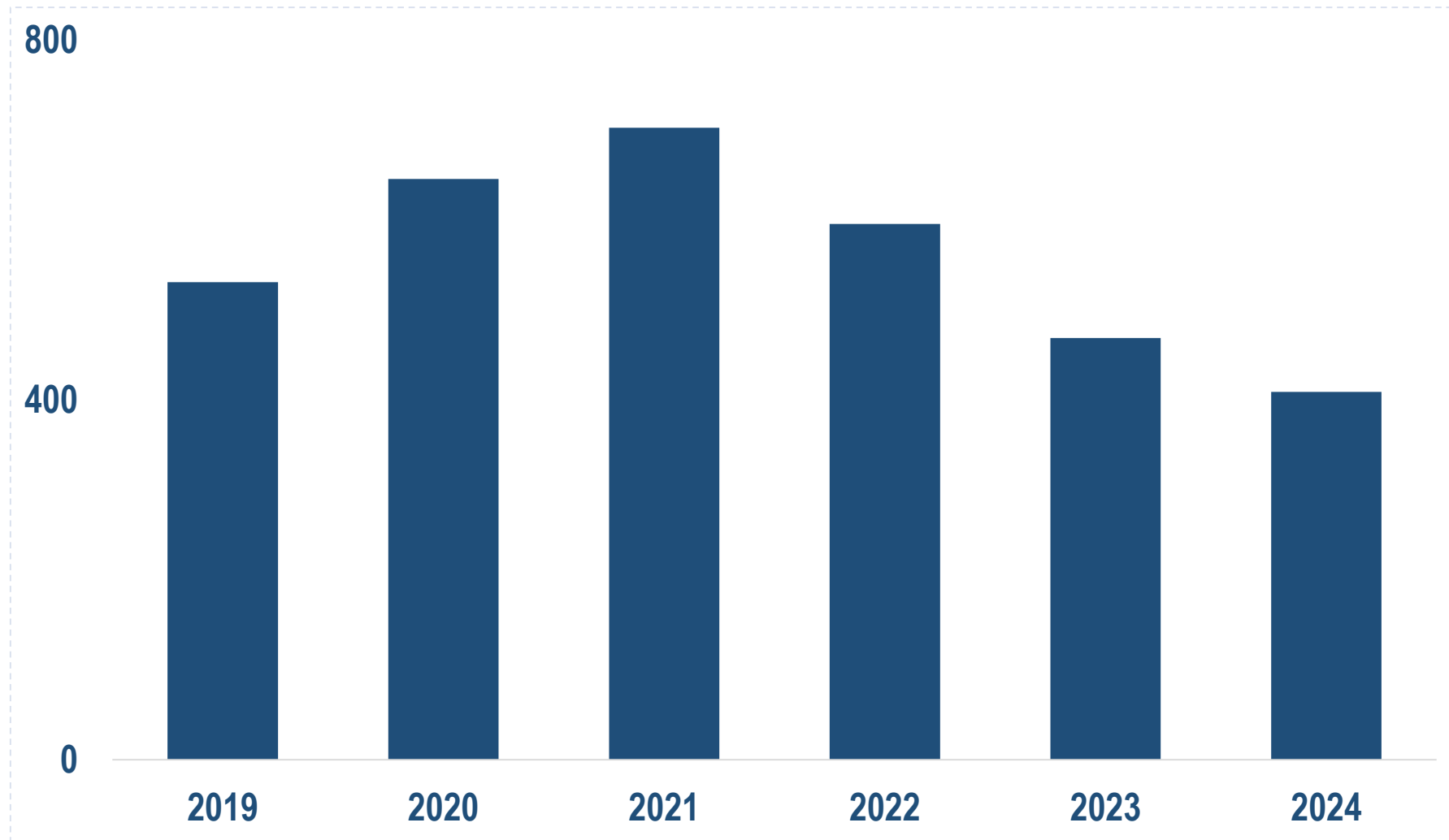
70% of digital operations will be a driver to reduce cost-to-serve

20m€ invested in e-mobility to full deploy Iren Go offering and to extend the range of innovative products and services offered

m€	2018	2022	2024
EBITDA	98*	136	156
Cagr '18 – '24	8.1%		
EBIT	46*	66	76
Cumulated maintenance capex	190		
Cumulated development capex	80		

\*Excluding 41m€ attributable revision of previous estimates of invoices to be issued





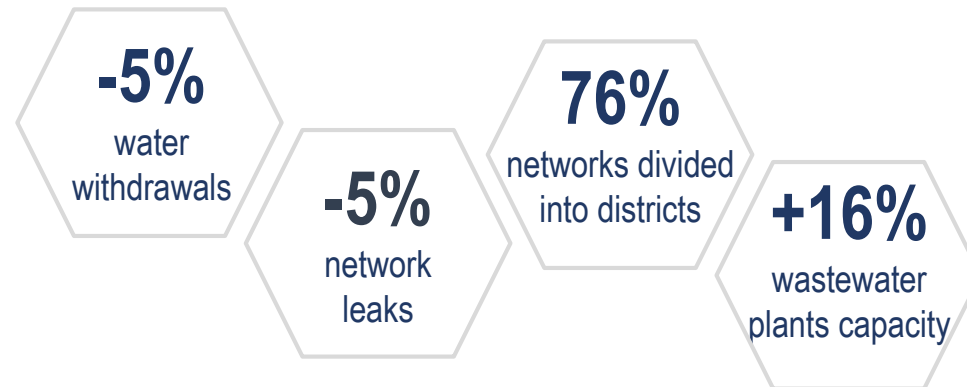
## WATER SOURCES

### Initiatives

- Division of the networks into small and equal areas (*districts*)
- Efficiency improvement of water treatment plants

### Positive impacts

- Reduction in water withdrawals from the environment
- Reduction in network leaks
- Energy savings
- Higher wastewater treatment capacity and quality



## CIRCULAR ECONOMY

### Initiatives

- Acquisition and creation of new recovery plants
- Extension of door-to-door collection system
- *JustIren* for digitalization and efficiency improvement

### Positive impacts

- Closing the circular economy cycle, recovering materials and energy from waste
- Higher sorted waste percentage
- Reduction in waste production
- *Pay-as-you-throw* system easier to apply through digitalization



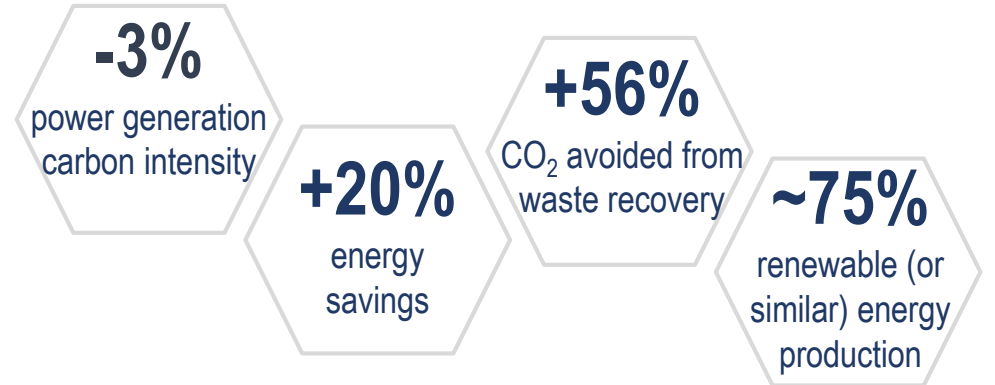
## DECARBONIZATION

### Initiatives

- Increase in thermal and electricity storage
- Development of renewables
- Energy efficiency projects: smart solutions

### Positive impacts

- Improvement of plants flexibility, efficiency and availability
- Reduction in gas and energy consumption and, consequently, lower CO<sub>2</sub> emissions



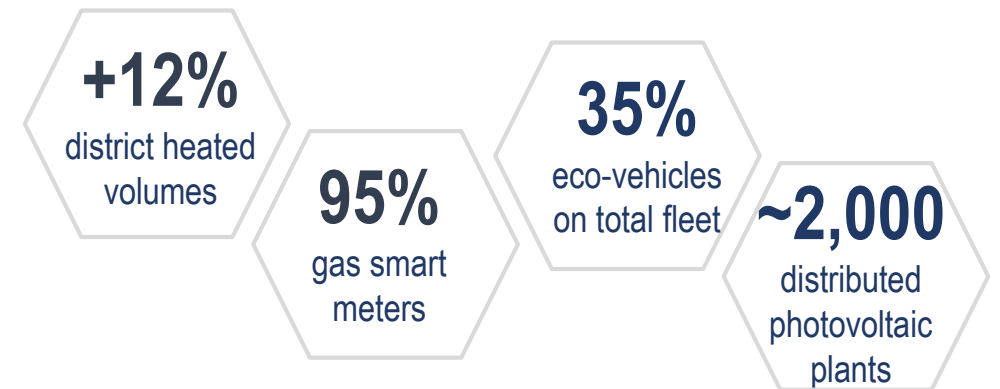
## RESILIENT CITIES

### Initiatives

- Extension of DH networks
- Smart metering
- Eco-mobility
- Distributed photovoltaic generation

### Positive impacts

- Increasing energy efficiency
- Air quality improvement
- Reduction in gas, electricity and water consumption
- Reduction in CO<sub>2</sub> emissions



## PEOPLE

### Initiatives

- Enhancing competencies and reskilling
- Increase in investments for infrastructures and services

### Positive impacts

- Maintenance of high employment levels
- Increase in employment level
- Qualitative growth of skills
- Growth of the value creation for the local territories



\*Indirect occupation= 3x direct occupation



	GAS DISTRIBUTION	ELECTRICITY DISTRIBUTION	WATER SERVICE
<b>Regulatory period</b>	6 years (2020 – 2025)	8 years (2016 – 2023)	4 years (2020 – 2023)
<b>WACC methodology update</b>	6 years (2016 – 2021)	6 years (2016 – 2021)	4 years (2020 – 2023)
<b>WACC update</b>	every three years (2019)	every three years (2019)	every two years (2020)

	2019 – 2021	2022 - 2024
<b>Gas distribution</b>	6.3%	6.3%
<b>Gas metering</b>	6.8%	6.8%
<b>Electricity distrib. and metering</b>	5.9%	5.9%
	2019	2020 - 2023
<b>Integrated water service</b>	5.31%	5.31%

■ Already defined values

■ Assumptions

	2018	2022	2024
PUN (€/MWh)	61	56	56
PSV (€/000 smc)	25	20	19
ETS (€/Ton)	16	23	24
Clean spark spread - PSV (€/MWh)	5	6	6.5
Hydro Green Certificates (€/MWh)	99	93	91
Energy Efficiency Certificates (€)	250	260	260

## GAS CONCESSIONS

ATEM	Expiry
Genova 1	Expired
Parma	Expired
Reggio Emilia	Expired
Vercelli	Expired
Piacenza 2 - Est	Expired

## WATER CONCESSIONS

AREA	Expiry
Piacenza	Expired
Reggio Emilia	Expired
Genova	2032
Parma	2025
Vercelli 1	2023
La Spezia	2033

## ELECTR. CONCESSIONS

AREA	Expiry
Torino	2030
Parma	2030
Vercelli 1	2030



## HYDROELECTRIC CONCESSIONS

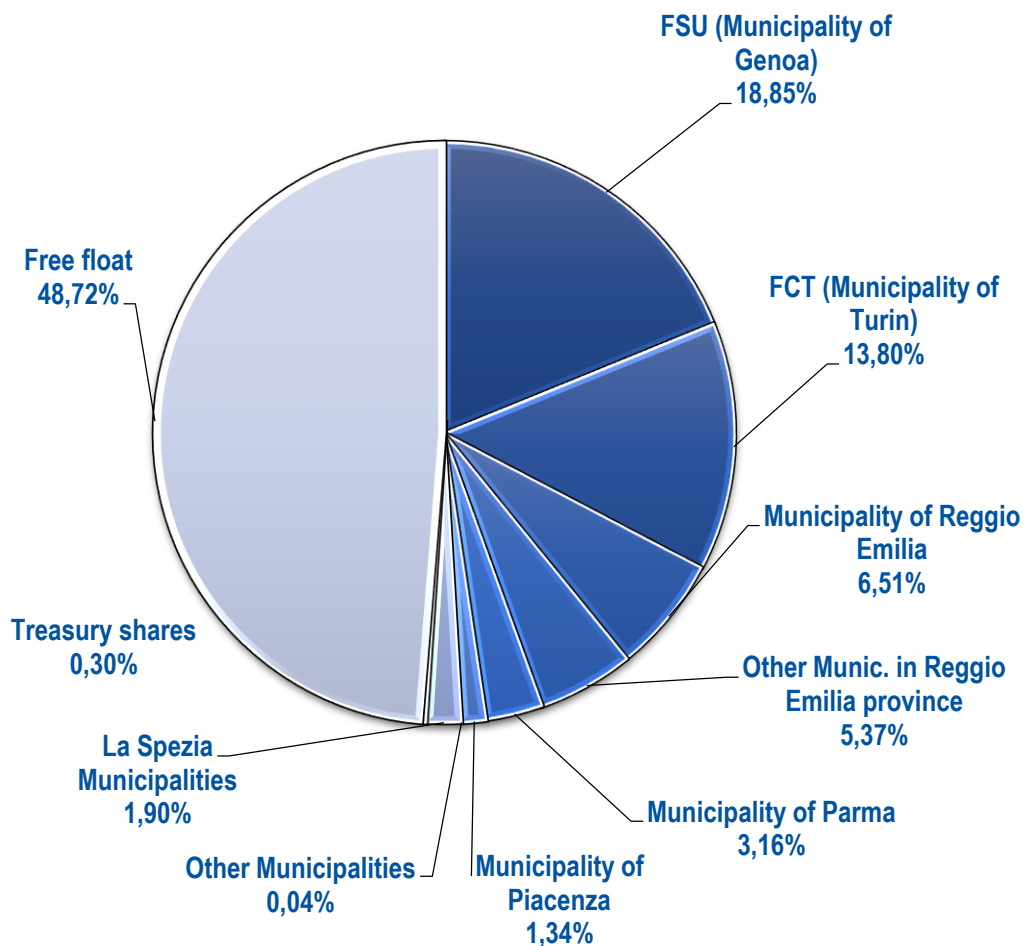
AREA	Hydroelectric plant	Electric Power (MW)	Expiry
Piemonte 1	Pont Ventoux-Susa	157	2034
Piemonte 2	Valle Orco e S. Mauro	300	Expired 2010
Piemonte 3	S. Lorenzo, Moncalieri, La Loggia, valle Susa	25	---*
Campania	Nucleo Tusciano	108	2029
Liguria	Brugneto, Canate	10	Expired 2014

\* The expiring date is not provided for electric power plants <3 MW

## WASTE CONCESSIONS

AREA	Expiry
Parma**	Expired
Piacenza**	Expired
Reggio Emilia	Expired
Torino	2033
Vercelli 1	2028
Vercelli 2	Expired
La Spezia	2028

\*\*Ongoing tenders



**>50%**

**Public Shareholders**

Public entities IREN's Shareholders are more than 50%: Municipality of Genoa ~19%, Municipality of Turin ~14%, Emilia Municipalities (Reggio Emilia, Parma, Piacenza and other minor Municipalities) ~17%, La Spezia Municipalities ~2%.

**4**

**Shareholders Agreements**

Four Shareholders' agreements:

- One between FSU (Municip. Of Genoa) , FCT (Municip. of Turin), Emilia Shareholders and former ACAM Municipalities (expiring April 2022)
- One between FSU and FCT (expiring July 2021)
- One between Emilia Shareholders (expiring April 2022)
- One between former ACAM Municipalities (expiring May 2022 )

They guarantee that all the most important decisions relating to Corporate Governance are taken by agreement of the public Shareholders. In particular, out of 15 members of IREN's BoDs, 13 are appointed by the members of the shareholders agreements, including the CEO, Chairman and Vice-Chairman which are unanimously appointed.

**LSS**

**Loyalty Shares Scheme**

The introduction of LSS in IREN's bylaws (May 2016) and the elimination of the obligation for Public shareholders to hold at least 51% of IREN's share capital, have already had the effect of increasing the free float (Public shareholders sold approximately 30 million shares in 2017/2018 plus the conversion of >80 million preferred shares into ordinary shares)

**SBB**

On 5<sup>th</sup> April 2019, the shareholders meeting approved a share buyback program up to 5% of Iren's share capital. On 13<sup>th</sup> May 2019, the Board of Directors approved the launch of share buyback program on 2% of share capital. As of 23<sup>th</sup> September 2019, 8.8m€ of treasury share were purchased, equal to 0.3% of share capital.



## IREN SHAREHOLDING STRUCTURE

Shareholders	Total Shares	%	Total Voting rights	%
FSU Municipality of Genoa	245.249.617	18,85%	457.749.233	23,73%
FCT Municipality of Turin	179.567.795	13,80%	359.135.582	18,62%
Municipality of Reggio Emilia	84.717.464	6,51%	169.434.928	8,78%
Other Municipalities of Reggio Emilia	69.823.590	5,37%	137.241.475	7,11%
Municipality of Parma	41.158.566	3,16%	82.317.132	4,27%
Municipality of Piacenza	17.459.547	1,34%	34.919.094	1,81%
Other Municipalities	534.070	0,04%	1.056.105	0,05%
Former ACAM Municipalities (La Spezia)	24.705.700	1,90%	24.705.700	1,28%
<b>Shares/voting rights owned by public entities</b>	<b>663.216.349</b>	<b>50,98%</b>	<b>1.266.559.249</b>	<b>65,65%</b>
Free float	633.764.441	48,72%	658.639.577	34,14%
Treasury shares*	3.950.587	0,30%	3.950.587	0,21%
<b>IREN's Share capital</b>	<b>1.300.931.377</b>	<b>100%</b>	<b>1.929.149.413</b>	<b>100%</b>

## TRADE REGIME OF PUBLIC SHAREHOLDERS' SHARES

Shareholders	Total Shares	Non-negotiable shares (until may 2022)	Negotiable shares (under specific policy to avoid overhang risk)	Freely negotiable shares (not included in the shareholders agreement)
FSU Municipality of Genoa	245.249.617	154.281.688	90.967.929	-
FCT Municipality of Turin	179.567.795	154.281.689	25.286.106	-
Municipality of Reggio Emilia	84.717.464	58.228.078	26.489.386	-
Other Municipalities of Reggio Emilia	69.823.590	44.147.738	22.990.158	2.685.694
Municipality of Parma	41.158.566	14.025.186	5.292.380	21.841.000
Municipality of Piacenza	17.459.547	12.248.901	5.210.646	-
Other Municipalities	534.070	311.318	216.288	6.464
Former ACAM Municipalities	24.705.700	17.804.838	2.918.139	3.982.723
<b>Shares owned by public entities</b>	<b>663.216.349</b>	<b>455.329.436</b>	<b>179.371.032</b>	<b>28.515.881</b>

On the 1<sup>st</sup> June 2018, the "loyalty share scheme" came into force. All the Shareholders that have kept IREN shares for at least two years and have been registered in the proper list have now a double voting right for each shares (only in relation to specific matters, such as the appointment of the Board of Directors and of the Board of Statutory Auditors).

\*The voting right relating to treasury shares in the portfolio is suspended. The treasury shares, however, are included in the calculation of the quorum constituting the shareholders' meeting

**207.886.913 negotiable shares equal to 16.0% of IREN's share capital**



**The Manager in charge of drawing up the corporate accounting documents and the Chief Financial Officer of IREN S.p.A., Mr. Massimo Levrino, 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.

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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.