Consolidated Financial Statements

Statement of Financial Position

thousands of euro

	Notes	31.12.2024	of which related parties	31.12.2023 Restated	of which related parties
ASSETS					
Property, plant and equipment	(1)	4,516,355		4,460,852	
Investment property	(2)	1,974		2,031	
Intangible assets with a finite useful life	(3)	3,357,523		3,140,359	
Goodwill	(4)	247,273		244,977	
Equity-accounted investments	(5)	282,462		212,798	
Other equity investments	(6)	8,723		10,914	
Non-current contract assets	(7)	300,238		232,384	
Non-current trade receivables	(8)	33,840	28,876	29,416	27,003
Non-current financial assets	(9)	124,756	37,998	128,937	38,279
Other non-current assets	(10)	131,668	1,081	163,992	1,081
Deferred tax assets	(11)	389,533		400,092	
Total non-current assets		9,394,345	67,955	9,026,752	66,363
Inventories	(12)	84,033		73,877	
Current contract assets	(13)	69,291		29,830	
Trade receivables	(14)	1,442,454	147,689	1,288,107	80,346
Current tax assets	(15)	14,474		18,894	
Sundry assets and other current assets	(16)	298,717	155	576,516	75
Current financial assets	(17)	580,646	6,682	242,184	8,220
Cash and cash equivalents	(18)	326,568		436,134	
Assets held for sale	(19)	790		1,144	
Total current assets		2,816,973	154,526	2,666,686	88,641
TOTAL ASSETS		12,211,318	222,481	11,693,438	155,004

The comparative figures at 31 December 2023 have been restated to take into account, at the acquisition date, as required by IFRS 3, the effects of completing the allocation of the acquisition price to the final fair value of the assets and liabilities acquired (Purchase Price Allocation) of Acquaenna and WFL. Please refer to Chapter IV Business combinations for more information.

thousands of euro

	Notes	31.12.2024	of which related parties	31.12.2023 Restated	of which relatedparties
EQUITY					
Equity attributable to the owners of the parent					
Share capital		1,300,931		1,300,931	
Reserves and Retained Earnings		1,306,622		1,250,525	
Profit for the year		268,471		254,752	
Total equity attributable to the owners of the parent		2,876,024		2,806,208	
Equity attributable to non-controlling interests		467,673		438,086	
TOTAL EQUITY	(20)	3,343,697		3,244,294	
LIABILITIES					
Non-current financial liabilities	(21)	4,460,916		4,048,316	
Employee benefits	(22)	81,495		87,329	
Provisions for risks and charges	(23)	276,258		404,882	
Deferred tax liabilities	(24)	116,857		130,532	
Sundry liabilities and other non-current liabilities	(25)	751,559	1	581,844	
Total non-current liabilities		5,687,085	1	5,252,903	-
Current financial liabilities	(26)	656,530	7,060	736,379	14,988
Trade payables	(27)	1,787,198	42,841	1,634,720	32,615
Current contract liabilities	(28)	88,983		79,642	
Sundry liabilities and other current liabilities	(29)	353,693	107	333,182	9
Current tax liabilities	(30)	12,743		80,437	
Provisions for risks and charges - current portion	(31)	281,389		331,881	
Liabilities associated with assets held for sale	(32)	-		-	
Total current liabilities		3,180,536	50,008	3,196,241	47,612
TOTAL LIABILITIES		8,867,621	50,009	8,449,144	47,612
TOTAL EQUITY AND LIABILITIES		12,211,318	50,009	11,693,438	47,612

Income statement

thousands of euro

	Notes	FY 2024	of which related parties	FY 2023 Restated	of which related parties
Revenue					
Revenue from goods and services	(33)	5,903,454	452,150	6,301,581	312,536
Other income	(34)	139,671	11,758	188,800	3,441
Total revenue		6,043,125	463,908	6,490,381	315,977
Operating expenses					
Raw materials, consumables, supplies and goods	(35)	(2,224,054)	(1,875)	(2,763,473)	(1,947)
Services and use of third-party assets	(36)	(1,860,883)	(34,742)	(1,876,663)	(59,244)
Other operating expenses	(37)	(102,657)	(11,238)	(113,865)	(11,550)
Capitalised costs for internal work	(38)	60,193		56,907	
Personnel expense	(39)	(641,605)		(596,391)	
Total operating expenses		(4,769,006)	(47,855)	(5,293,485)	(72,741)
GROSS OPERATING PROFIT		1,274,119		1,196,896	
Depreciation, amortisation, provisions and impairment losses					
Amortisation and Depreciation	(40)	(655,475)		(600,929)	
Impairment losses on loans and receivables	(41)	(74,482)		(71,471)	
Other provisions and impairment losses	(41)	(24,462)		(60,108)	
Total depreciation, amortisation, provisions and impairment losses		(754,419)		(732,508)	
OPERATING PROFIT		519,700		464,388	
Financial management	(42)				
Financial income		45,701	611	37,148	244
Financial expense		(136,333)	(213)	(135,781)	(60)
Net financial expense		(90,632)	398	(98,633)	184
Gains (losses) on equity investments	(43)	(1,260)		6,263	
Share of profit or loss of equity-accounted investees, net of tax effects	(44)	7,471		6,836	
Pre-tax profit		435,279		378,854	
Income taxes	(45)	(131,697)		(97,025)	
Profit from continuing operations		303,582		281,829	
Profit (loss) from discontinued operations	(46)	-		-	
Profit for the year		303,582		281,829	
attributable to:					
- the owners of the parent		268,471		254,752	
- non-controlling interests	(47)	35,111		27,077	
Earnings per ordinary and savings share	(48)				
- basis (euro)		0.21		0.20	
- diluted (euro)		0.21		0.20	

The comparative figures of 2023 have been restated to take into account, at the acquisition date, as required by IFRS 3, the effects of completing the allocation of the acquisition price to the final fair value of the assets and liabilities acquired (Purchase Price Allocation) of Acquaenna. Please refer to Chapter IV Business combinations for more information.

Statement of comprehensive income

thousands of euro

		FY 2024	FY 2023 Restated
Profit for the year - owners of the parent and non-controlling interests (A)		303,582	281,829
Other comprehensive income that will be subsequently reclassified to profit or loss			
- effective portion of fair value losses on cash flow hedges		(60,167)	(70,693)
- fair value gains/(losses) on financial assets		-	-
- share of other gains/(losses) of equity-accounted investees		(804)	2,508
- change in translation reserve		922	(700)
Tax effect of other comprehensive income		15,311	17,203
Other comprehensive expense that will be subsequently reclassified to profit or loss net of tax effect (B1)	(49)	(44,738)	(51,682)
Other comprehensive income that will not be subsequently reclassified to profit or loss			
- actuarial gains/(losses) on employee defined benefit plans (IAS19)		(159)	254
- share of actuarial losses of equity-accounted investees related to employee defined benefit plans (IAS 19)		(161)	(415)
Tax effect of other comprehensive income		(25)	(292)
Other comprehensive expense that will not be subsequently reclassified to profit or loss net of tax effect (B2)	(49)	(345)	(453)
Comprehensive income (A)+(B1)+(B2)		258,499	229,694
attributable to:			
- the owners of the parent		224,121	203,717
- non-controlling interests		34,378	25,977

The comparative figures of 2023 have been restated to take into account, at the acquisition date, as required by IFRS 3, the effects of completing the allocation of the acquisition price to the final fair value of the assets and liabilities acquired (Purchase Price Allocation) of Acquaenna. Please refer to Chapter IV Business combinations for more information.

Statement of changes in equity

	Share capital	Share premium reserve	Legal reserve	Hedging reserve	Other reserves and retained earnings
31/12/2022	1,300,931	133,019	98,159	62,642	924,317
Owner transactions					
Dividends to shareholders					
Retained earnings			12,934		71,945
Repurchase of treasury shares					-
Changes in consolidation scope					-
Change in equity interests					(1,263)
Other changes					(194)
Total owner transactions	-	-	12,934	-	70,488
Comprehensive income for the year					
Profit for the year					
Other comprehensive expense				(49,884)	(1,150)
Total comprehensive income for the year	-	-	-	(49,884)	(1,150)
31/12/2023 Restated	1,300,931	133,019	111,093	12,758	993,655

	Share capital	Share premium reserve	Legal reserve	Hedging reserve	Other reserves and retained earnings (losses)
31/12/2023 Restated	1,300,931	133,019	111,093	12,758	993,655
Owner transactions					
Dividends to shareholders					
Retained earnings			8,614		93,709
Repurchase of treasury shares					-
Changes in consolidation scope					
Change in equity interests					(594)
Other changes					(1,153)
Total owner transactions	-	-	8,614	-	91,962
Comprehensive income for the year					
Profit for the year					
Other comprehensive expense				(45,059)	580
Total comprehensive income for the year	-	-	-	(45,059)	580
31/12/2024	1,300,931	133,019	119,707	(32,301)	1,086,197

The comparative figures of 2023 have been restated to take into account, at the acquisition date, as required by IFRS 3, the effects of completing the allocation of the acquisition price to the final fair value of the assets and liabilities acquired (Purchase Price Allocation) of Acquaenna. Please refer to Chapter IV Business combinations for more information.

thousands of euro

	Total reserves and Retained earnings	Profit for the year	Total equity attributable to the owners of the parent	Equity attributable to non-controlling interests	Total equity
31/12/2022	1,218,137	226,017	2,745,085	446,069	3,191,154
Owner transactions					
Dividends to shareholders	-	(141,138)	(141,138)	(42,860)	(183,998)
Retained earnings	84,879	(84,879)	-		-
Repurchase of treasury shares	-		-		-
Changes in consolidation scope	-		-	8,271	8,271
Change in equity interests	(1,263)		(1,263)	630	(633)
Other changes	(194)		(194)	-	(194)
Total owner transactions	83,422	(226,017)	(142,595)	(33,959)	(176,554)
Comprehensive income for the year					
Profit for the year		254,752	254,752	27,077	281,829
Other comprehensive expense	(51,034)		(51,034)	(1,101)	(52,135)
Total comprehensive income for the year	(51,034)	254,752	203,718	25,976	229,694
31/12/2023 Restated	1,250,525	254,752	2,806,208	438,086	3,244,294

thousands of euro

	Total reserves and Retained earnings (losses)	Result for the year	Total equity attributable to the owners of the parent	Equity attributable to non-controlling interests	Total equity
31/12/2023 Restated	1,250,525	254,752	2,806,208	438,086	3,244,294
Owner transactions					
Dividends to shareholders		(152,429)	(152,429)	(26,255)	(178,684)
Retained earnings	102,323	(102,323)	-		-
Repurchase of treasury shares	-		-		-
Changes in consolidation scope	-		-	32,612	32,612
Change in equity interests	(594)		(594)	(16,065)	(16,659)
Other changes	(1,153)		(1,153)	4,788	3,635
Total owner transactions	100,576	(254,752)	(154,176)	(4,920)	(159,096)
Comprehensive income for the year					
Profit for the year		268,471	268,471	35,111	303,582
Other comprehensive expense	(44,479)		(44,479)	(604)	(45,083)
Total comprehensive income for the year	(44,479)	268,471	223,992	34,507	258,499
31/12/2024	1,306,622	268,471	2,876,024	467,673	3,343,697

Statement of cash flows

thousands of euro

	FY 2024	FY 2023 Restated
A. Opening cash and cash equivalents	436,134	788,402
Cash flows from operating activities		
Profit for the year	303,582	281,829
Adjustments:		
Income taxes for the year	131,697	97,025
Share of profit (loss) of associates and joint ventures	(7,471)	(6,836)
Net financial expense (income)	90,632	98,633
Amortisation and depreciation	655,475	600,929
Net impairment losses (reversals of impairment losses) on assets	13,541	(6,263)
Impairment losses on loans and receivables	74,482	71,471
Net provisions for risks and other charges	237,226	331,537
Capital (gains) losses	5,389	5,653
Payment of employee benefits	(9,876)	(9,526)
Utilisations of provisions for risks and other charges	(298,068)	(183,755)
Change in other non-current assets	32,813	(9,518)
Change in sundry liabilities and other non-current liabilities	33,665	33,340
Taxes paid	(174,775)	(72,371)
Other changes in equity	93	48
Change in inventories	(12,610)	65,516
Change in contract assets	(107,714)	(85,765)
Change in trade receivables	(224,289)	114,247
Change in current tax assets and other current assets	252,534	(70,144)
Change in trade payables	126,162	(664,683)
Change in contract liabilities	9,341	40,433
Change in current tax liabilities and other current liabilities	7,529	63,508
Change in market exposure for commodity derivatives	(56,183)	(15,013)
B. Net cash and cash equivalents generated by operating activities	1,083,175	680,295
Cash flows from/(used in) investing activities		
Investments in property, plant and equipment and intangible assets	(830,217)	(866,605)
Investments in financial assets	(87,911)	(3,309)
Investment realisation	7,044	18,317
Acquisition of subsidiaries net of cash acquired	8,004	(39,565)
Dividends collected	2,039	4,545
C. Net cash and cash equivalents used in investing activities	(901,041)	(886,617)
Cash flows from/(used in) financing activities		
Repurchase of treasury shares	-	-
Dividends paid	(189,779)	(176,580)
Purchase of interests in consolidated companies	-	(633)
Non-controlling investors' payments into consolidated companies	3,353	-
New non-current loans	1,000,000	330,000
Repayment of non-current loans	(623,249)	(83,467)
Repayment of lease liabilities	(17,852)	(17,522)
Change in other financial liabilities	(35,533)	12,453
Change in loan assets	(325,881)	(118,281)
Interest paid	(125,314)	(95,850)
Interest received	22,555	3,934
D. Net cash and cash equivalents used in financing activities	(291,700)	(145,946)
E. Cash flow for the year (B+C+D)	(109,566)	(352,268)
F. Closing cash and cash equivalents (A+E)	326,568	436,134

The comparative figures of 2023 have been restated to take into account, at the acquisition date, as required by IFRS 3, the effects of completing the allocation of the acquisition price to the final fair value of the assets and liabilities acquired (Purchase Price Allocation) of Acquaenna. Please refer to Chapter IV Business combinations for more information.

Notes

Foreword

Iren S.p.A. is an Italian multi-utility company, listed on the Italian Stock Exchange (Borsa Italiana) and established on 1 July 2010 through the merger of IRIDE and ENÌA. The Company's registered office is in Italy, in Reggio Emilia, Via Nubi di Magellano 30. There were no changes in the company name during 2024.

The Group is structured according to a model which provides for an industrial holding company and four companies responsible for the single business lines operating in the main operating bases in Genoa, La Spezia, Parma, Piacenza, Reggio Emilia, Turin and Vercelli.

The business segments in which the Group operates are:
- Networks (Electricity distribution networks, Gas distribution networks, Integrated Water Service)
- Waste Management (Waste collection and disposal)
- Energy (Hydroelectric Production and production from other renewable sources, Combined Heat and Power, District Heating Networks, Thermoelectric Production, Public Street Lighting, Global services, Energy efficiency services)
- Market (Sale of electricity, gas, heat)
- Other services (Laboratories, Telecommunications and other minor services).

Paragraph XIII, Segment reporting, includes the information required by IFRS 8.

The consolidated financial statements as at and for the year ended 31 December 2024 include the financial statements of the Parent and of its subsidiaries (collectively referred to as the "Group" and, individually, as "Group companies") and the Group's interests in jointly-controlled companies and in associates, measured using the equity method.

I. Basis of presentation

The Consolidated Financial Statements of Iren Group at 31 December 2024 have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and endorsed by the European Union, as well as the measures issued in implementation of Article 9 of Legislative Decree No. 38/2005. The "IFRS" comprise also the revised International Accounting Standards ("IAS"/"IFRS") and all the interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC").

In preparing these consolidated financial statements, the same accounting standards adopted in preparing the financial statements of the previous year were applied, with the exception of as reported in the paragraphs "Changes in accounting standards" and "Accounting standards, amendments and interpretations applied from 1 January 2024".

The consolidated financial statements are drawn up on the basis of the historical cost principle, with the exception of certain financial instruments measured at fair value and potential fees deriving from a business combination (i.e. put options to non-controlling investors), which are measured at fair value, as well as on the going concern assumption. The Group did not detect any particular risks connected with its business and/or any uncertainties that might cast doubt on its ability to continue as a going concern.

These consolidated financial statements are stated in euro, the parent's functional currency. All amounts expressed in euro are rounded to the nearest thousand in these consolidated financial statements. Due to rounding, there could be cases in which the detailed tables contained in this document show a difference of around one thousand euro. It is believed that these cases do not alter the reliability and informative value of these consolidated financial statements.

Financial statement formats

The financial statement formats adopted by Iren Group in preparing these consolidated financial statements are the same as those applied in preparing the consolidated financial statements at 31 December 2023.
In line with what was previously published, in the statement of financial position, assets and liabilities are classified as "current/non-current". Assets and liabilities classified as discontinued or held for sale are shown separately. Current assets, which include cash and cash equivalents, are those that will be realised, transferred or consumed during the Group's ordinary operating cycle or during the twelve months following year end. Current liabilities are those for which settlement is envisaged during the Group's ordinary operating cycle or during the twelve months following year end.
The Income Statement is classified on the basis of the nature of the costs. In addition to the Operating Profit, the Income Statement also shows the interim total of Gross Operating Profit obtained by deducting total operating expenses from total revenue.

The indirect method is used in the Statement of Cash Flows. The cash configuration analysed in the Statement of Cash Flows includes cash on hand and cash in current accounts.

Publication of the Consolidated Financial Statements

The Consolidated Financial Statements were approved for publication by Iren S.p.A.'s Board of Directors at its meeting of 24 March 2025. The Board of Directors authorised the Chairperson, and the Chief Executive Officer to make such changes to the consolidated financial statements as necessary or adequate to improve them until the date of approval by the Shareholders.
The Shareholders' Meeting to be called to approve the separate financial statements of the Parent has the right to request amendments to the aforementioned consolidated financial statements.

Use of estimates and assumptions by management

Estimates
Preparation of the Consolidated Financial Statements entails making estimates, opinions and assumptions that have an effect on the amounts of revenue, costs, assets and liabilities, including contingent liabilities, and on the information provided. These estimates and assumptions are based on past experience and other factors considered reasonable in the case in question, particularly when the value of assets and liabilities is not readily apparent from comparable sources.
Estimates and assumptions were used in applying the accounting standards, in particular to measure the following items of the financial statements:

- revenue from contracts with customers: revenue from the sale of electricity, gas and heat to end customers is recognised at the time the electricity or gas is supplied and includes, in addition to the amounts invoiced on the basis of periodic readings (and pertaining to the financial year) or on the basis of the volumes communicated by distributors and transporters, an estimate of the electricity and gas supplied during the financial year but not yet invoiced, as the difference between the electricity and gas injected into the distribution network and those invoiced during the financial year, calculated taking account of any network losses. Revenue between the date of the last reading and the end of the year is based on estimates of the customer's daily consumption, primarily based on the customer's historical profile, adjusted to reflect weather conditions or other factors that may affect the estimated consumption.
- impairment of non-financial assets: assets such as property, plant and equipment, investment property, intangible assets, right-of-use assets, goodwill and equity investments in associates/joint ventures are impaired when their carrying amount exceeds their recoverable amount, represented by the higher of fair value, net of costs to sell, and value in use. The recoverable amount is sensitive to the estimates and assumptions used to determine the amount of cash flows and the discount rates applied. However, possible variations in the basic assumptions on which these calculations are based could produce different recoverable amounts. Information on the main assumptions used to estimate the recoverable amount of assets with reference to impacts related to climate change as well as information on changes in these assumptions is provided in Note 4 "Goodwill".
- Expected losses on financial assets: at the end of each reporting date, the Group recognises a loss allowance for trade receivables and other financial assets measured at amortised cost, debt instruments measured at fair value through other comprehensive income, contract assets and all other assets within the scope of impairment. Loss allowances for financial assets are based on assumptions regarding the risk of default and the measurement of expected losses. In making these assumptions and selecting the inputs to calculate the expected credit loss, management uses its professional judgement, based on the Group's past experience, current market conditions, as well as forward-looking estimates at the end of each reporting period.
- Determining the useful life of non-financial assets. In determining the useful life of property, plant and equipment and intangible assets with a finite useful life, the Group considers not only the future economic benefits - contained in the assets - enjoyed through their use, but also many other factors, such as physical deterioration, obsolescence of the product or service provided by the asset (e.g. technical, technological or commercial), legal restrictions or other similar constraints (e.g. safety, environmental, etc.) on the use of the asset, if the useful life of the asset depends on the useful life of other assets. For further details on this aspect, see Note 1 "Property, plant and equipment".
- the useful life of assets related to hydroelectric concessions. Such assets are depreciated according to the expiry term of the related concession decrees. Decree-Law No. 135 of 14 December 2018 (Urgent provisions on support and simplification for businesses and public administration - "Decree-Law Semplificazioni") converted, with amendments, by Law No. 12 of 11 February 2019, regulates the new regime of remuneration of the so-called "Wet Works" concerning concessions for large-scale diversions of water for hydroelectric power plants; the new regulations establish that "Wet Works" are to be transferred without compensation to the Regions. If the Operator has made new investments during the useful life and provided that these investments have been authorised or permitted by the competent Public Administration, the Operator will have the right to a remuneration limited to the non-depreciated value. As regards the so-called "dry works" (property, plant and equipment included in the business unit of the outgoing operator and not included under the "wet works" category, the so-called non-transferable assets), the new law did not introduce changes and, therefore, the outgoing operator has the right to a consideration determined on the basis of the value of reconstruction as new, less normal wear. Consequently, for purposes of legal consistency, the depreciation schedule of the Wet works concerning the expired concessions was redetermined, considering the possible reassignment dates thereof, which, on the basis of the previous law, was interrupted starting from the 2012 financial statements.

While acknowledging that the new regulations introduce significant changes regarding the transfer of ownership of the business unit required for the operation of the hydroelectric concession, the difficulties associated with the practical application of the aforementioned principles are evident owing to their uncertainties, which do not allow a reliable estimate to be formulated of the amount that can be recovered at the end of the existing concession (residual value).
Accordingly, management has decided that it is not able to arrive at a reasonable and reliable estimate of residual value. Given that the law in question nevertheless requires the incoming concessionaire to award a consideration to the outgoing concessionaire, management reconsidered the depreciation schedules of assets to be relinquished free of charge prior to Law 134/2012 (until the year ended on 31 December 2011, as the assets were to be relinquished free of charge, the depreciation schedule corresponded to the closest period between that of the concession or the useful life of the individual asset), no longer as proportional to the duration of the concession but, if longer, to the useful life of the individual asset: for this reason, in 2021, the management started a valuation process aimed at assessing the plants held by the Group in order to identify their residual life, which concerned the plants of San Mauro and Valle Orco. This path was continued in the years 2022 and 2023 with regard to the other hydroelectric plants, and the carrying amounts of the assets involved were changed prospectively.

- the determination of the fair value of derivative instruments and certain financial assets. The fair value of financial instruments is determined on the basis of prices directly observable on the market, where available, or, for unlisted financial instruments, using specific valuation techniques (mainly based on present value) that maximise the use of inputs observable on the market. In the rare circumstances where this is not possible, the inputs are estimated by management taking into account the characteristics of the instruments being valued. For further details on financial instruments measured at fair value, please refer to chapter VI Group Financial Risk Management. Changes in the assumptions made in estimating input data could affect the fair value recognised for these instruments, especially in the current context in which markets are volatile and the economic outlook highly uncertain and subject to rapid changes. When valuations are subject to significant measurement uncertainty due to the current environment and there is a wide range of possible fair value estimates, the Group is required to apply judgement in determining the point within that range that is most representative of fair value under the circumstances.
- Hedge accounting. Hedge accounting is applied to derivatives in order to reflect the effects of risk management strategies in the financial statements. To this end, the Group documents at the inception of the transaction, the relationship between the hedging instrument and the hedged item, as well as the risk management objectives and strategy. In addition, the Group assesses, both at the inception of the relationship and on a systematic basis, whether hedging instruments are highly effective in offsetting changes in the fair value or cash flows of hedged items. Based on the opinion of the Directors, the assessment of effectiveness based on the existence of an economic relationship between hedging instruments and hedged items, the dominance of credit risk in changes in value and the hedge ratio, as well as the measurement of ineffectiveness, are evaluated by means of a qualitative assessment or a quantitative calculation, depending on the specific facts and circumstances and the characteristics of the hedging instruments and hedged items. With respect to cash flow hedges of future transactions, management assesses and documents that they are highly probable and present an exposure to changes in cash flows that impacts profit or loss. For more details about the key assumptions on assessing effectiveness and measuring ineffectiveness, please refer to Section VI Group Financial Risk Management.
- The determination of the amount of provisions for future risks and charges. The Group is a party to various civil, administrative and tax proceedings connected with the normal course of its business, which could give rise to liabilities of a significant amount, for which it is not always objectively possible to predict the final outcome. The assessment of the risks connected with the above proceedings is based on complex elements that by their nature entail recourse to the judgement of the Directors, also taking account of elements acquired from external consultants assisting the Group, with reference to their classification among contingent liabilities or among liabilities. Provisions have been established to cover all significant liabilities for cases where attorneys have noted the likelihood of an adverse outcome and a reasonable estimate of the amount of the expense. The Group determines whether to consider each uncertain tax treatment separately or jointly with one or more uncertain tax treatments, as well as whether to report the effect of uncertainty using the most probable amount method or the expected value method, choosing the one that, according to its projections, best provides for the resolution of the uncertainty, taking into account tax regulations. The Group makes significant use of professional judgement in identifying uncertainties about income tax treatments and reviews opinions and estimates made when there is a change in facts and circumstances that could change the conclusion about the acceptability of a particular tax treatment or the estimated effects of the uncertainty, or both. Refer to Note 45 Income Taxes for further details regarding income taxes.
- Onerous Contracts. In order to identify an onerous contract, the Group estimates the non-discretionary costs required to perform the obligations assumed (including any penalties) under the contract and the economic benefits expected to be obtained from the same contract.
- Evaluation of the existence of significant influence over an associate. Associates are those in which the Group exercises significant influence, i.e., the power to participate in determining decisions about the financial and operating policies of the investee without exercising control or joint control over those policies. As a general rule, the Group is presumed to have significant influence when it holds an interest of at least 20%. In order to determine the existence of significant influence, management's judgement is required to evaluate all facts and circumstances. The Group reviews the existence of significant influence when facts and circumstances indicate that there has been a change in one or more of the elements considered for the test of the existence of significant influence. For further details of the Group's equity investments in associates, reference should be made to Note 5 "Equity-accounted investments".
- Application of IFRIC 12 "Service Concession Arrangements" to concessions. IFRIC 12 applies to "public-to-private" service concession arrangements, which can be defined as contracts that oblige a concessionaire to provide public services, i.e., to provide access to key economic and social services, for a specified period of time on behalf of the public authority (i.e.

the grantor). In these contracts, the grantor transfers to the concessionaire the right to operate the infrastructure used to provide these public services.

The estimates and assumptions are regularly revised. Any changes deriving from the revision of accounting estimates are recognised in the period in which they are revised, if the revision refers only to the period under evaluation. Should the revision involve both current and future periods, the variation is recognised in both the year in which the revision occurs and in the related future periods.

The criticality inherent in these valuations refers to the use of assumptions and judgements relating to issues that are by their very nature uncertain, and is amplified by the peculiarity and variety of the businesses in which the Group operates. In addition, any changes in the conditions underlying the assumptions and judgements could have a significant impact on the results of subsequent years.

II. Basis of consolidation

The consolidation scope includes subsidiaries, joint ventures and associates.

Subsidiaries

Entities controlled by the Group are considered subsidiaries, as defined by IFRS 10 – *Consolidated Financial Statements*. Control exists when the Parent has all of the following:

- power over the investee, i.e. the current ability to direct the relevant activities of the investee that significantly affect the investee's returns;
- exposure, or rights, to variable returns from its involvement with the investee;
- the ability to use its power over the investee to affect the amount of the investor's returns.

The financial statements of subsidiaries are included in the consolidated financial statements beginning on the date when control is acquired until the time when control ceases.

Equity and the profit/loss attributable to non-controlling interests are identified separately in the consolidated statement of financial position and income statement.

Subsidiaries are consolidated on a line-by-line basis, where intra-group balances, transactions, unrealised income and expenses are eliminated in full.

Furthermore: a) all changes in the equity interest that do not constitute a loss of control are treated as equity transactions and, therefore, have a balancing entry in equity; b) when a parent transfers control to an investee, but retains an interest in the company, it measures the retained equity investment at fair value and recognises any gains or losses deriving from loss of control in profit or loss.

Joint ventures

These are companies over which the Group has joint control, in virtue of contractual agreements. Joint control, as defined by IFRS 11 – *Joint Arrangements, is the "contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control".*

With reference to entities jointly owned by mixed public and private companies, given the objective possibility for the public shareholder to influence the company not only by means of governance agreements, but also because of its nature as public entity, the existence of joint control is ascertained on the basis of contractual agreements, assessing the actual possibility for the private partner to jointly control strategic decisions regarding the joint venture.

Joint arrangements are divided into 2 types:

- a Joint Venture (JV) is an arrangement whereby the parties have rights to the net assets of the arrangement. Joint Ventures are measured using the equity method;
- a Joint Operation (JO) is an arrangement whereby the parties are not limited exclusively to participating in the company's profit or loss, but have rights to its assets and obligations for its liabilities. In this case the assets/revenue on which the joint operator exercises such rights and the liabilities/costs of which the joint operator assumes the obligations are fully consolidated.

Associates (accounted for using the equity method)

An associate is a company over which the Group has significant influence, but not control or joint control over its financial and operating policies. The consolidated financial statements include the Group's share of the associates' profit or loss recognised using the equity method from the date that significant influence commences until the date that significant influence ceases.

Equity investments measured at equity are accounted for an amount equal to the corresponding portion of equity resulting from the latest available financial statements, adjusted to take into account the differences between the price paid and equity at the date of purchase and for any intra-group transactions, if significant.

The investor's share of profit or loss arising from application of the equity method is recognised as a "Share of profit or loss of equity-accounted associates and joint ventures", while the share of other comprehensive income is recognised in the statement of comprehensive income.

The difference between the purchase cost and the present value, attributable to the owners of the Parent, of the identifiable current and contingent assets and liabilities of the associate or joint venture at the acquisition date, is recognised as goodwill,

included in the carrying amount of the investment, and tested for impairment using the same procedures described in the section above.
The risk deriving from losses which exceed the investor's share of equity is provided for in provisions for risks to the extent that the company has a legal or constructive obligation with the investee or is committed to covering its losses.

Dividends on equity investments are recognised when the right to receive payment is established. This usually coincides with the resolution passed by the Shareholders' Meeting.

Business combinations
The Group accounts for business combinations by applying the acquisition method when the group of assets and property acquired meets the definition of a business and the Group obtains control. In determining whether a particular group of activities and assets constitutes a business, the Group assesses whether that group includes, at a minimum, a substantial input and process and whether it has the capacity to create output.
The Group has the option to carry out a 'concentration test', which enables it to ascertain through a simplified procedure that the acquired group of activities and assets is not a business. The optional concentration test is positive if almost all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of identifiable assets with similar characteristics.
The consideration transferred and the net identifiable assets acquired are usually recognised at fair value. The carrying amount of any goodwill that arises is tested annually for impairment. Any gain from a bargain purchase is recognised immediately in the Income Statement under gains or losses on equity Investments, while costs related to the combination, other than those related to the issuance of debt or equity instruments, are recognised as an expense in profit/(loss) for the year when incurred.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Normally, these amounts are recognised in profit/(loss) for the year.

The contingent consideration is booked at fair value on the acquisition date. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

Loss of control
When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity related to the subsidiary. Any profit or loss deriving from the loss of control is recognised in profit/(loss) for the year. Any interest retained in the former subsidiary is measured at fair value when control has been lost.

Transactions eliminated on consolidation
Intra-group balances and significant transactions and any unrealised gains and losses arising from intra-group transactions are all eliminated in preparing the consolidated financial statements. Unrealised gains and losses arising from transactions with jointly controlled entities are eliminated to the extent of the Group's interest in the entity. The related tax effect is calculated for all consolidation adjustments.

III. Consolidation scope

The consolidation scope includes companies directly or indirectly controlled by the Parent, in addition to joint ventures and associates.

Parent:
Iren S.p.A.

Companies consolidated on a line-by-line basis
The four companies responsible for the single business lines and their direct and indirect subsidiaries are consolidated on a line-by-line basis.

1) Iren Ambiente and its subsidiaries:
    - ACAM Ambiente
    - AMIAT V and the subsidiary:
        - AMIAT
    - Bonifiche Servizi Ambientali
    - Bonifica Autocisterne
    - I.Blu
    - Iren Ambiente Parma
    - Iren Ambiente Piacenza
    - Iren Ambiente Toscana and its subsidiaries:
        - Futura
        - Scarlino Energia
        - SEI Toscana and its subsidiary:
            - Ekovision
        - Semia Green
        - Siena Ambiente
        - Valdarno Ambiente and its subsidiaries:
            - CRCM
            - TB
    - Manduriambiente
    - ReCos
    - ReMat
    - Rigenera Materiali
    - San Germano
    - Territorio e Risorse
    - TRM
    - Uniproject

2) Iren Energia and its subsidiaries:
    - Asti Energia e Calore
    - Dogliani Energia
    - Iren Smart Solutions and its subsidiary:
        - Alfa Solutions
    - Maira and its subsidiary:
        - Formaira
    - Iren Green Generation and its subsidiaries:
        - Agrovoltaica
        - Iren Green Generation Tech
        - Limes 1
        - Limes 2
        - Limes 20
    - Valle Dora Energia

3) Iren Mercato and its subsidiaries:
    - Alegas
    - Atena Trading
    - Salerno Energia Vendite

4) IRETI and its subsidiaries:
- ACAM Acque
- Acquaenna
- Amter
- ASM Vercelli
- Consorzio GPO
- Iren Laboratori
- Iren Acqua Piacenza
- Iren Acqua Reggio
- Iren Acqua and its subsidiary:
  - Iren Acqua Tigullio
- IRETI Gas
- Nord Ovest Servizi

The change in the consolidation scope for 2024 is due to the acquisition of control of Siena Ambiente and Agrovoltaica. Further details on these transactions are provided in Chapter IV below. Business combinations
In addition, the shares held in the company Valdisieve were sold during 2024.

From the point of view of ownership structures, it should be noted that the following interests have changed:
- On 1 January 2024, Siena Ambiente S.p.A. entered the line-by-line consolidation scope of Iren Group and as a result of this consolidation, the percentages of equity interest within the Group changed with reference to the companies Sei Toscana (from 51.031% to 59.295%), Semia Green (from 50.909% to 70.545%), CRCM (from 42.606% to 50.838%), Ekovision (from 51.031% to 59.295%), and Futura (from 90.206% to 91.859%) in which Siena Ambiente holds, directly or indirectly, investments.
- On 30 May 2024, the share capital of the subsidiary REMAT was reduced to zero and reconstituted, with a consequent increase in the investment from 88.426% to 94.77%;
- on 2 August 2024, IRETI acquired 49% of Amter from Iren Acqua, with a consequent increase in its investment from 80.40% to 100%;
- on 30 October 2024, the share capital of the subsidiary Alegas was reduced to zero and reconstituted, with a consequent increase in the investment from 98% to 100%.

In 2024, some corporate transactions became effective, while not involving changes in the consolidation scope, and resulted in a modification of the Group's ownership structure:
- The merger of Romeo 2 into IRETI Gas, of Lab 231 into Alfa Solutions and of Mara Solar, Omnia Power, WFL into Iren Green Generation Tech took effect on 1 January 2024;
- the establishment of the company Iren Acqua Piacenza on 20 June 2024.

For details of the subsidiaries, joint ventures and associates please see the lists included in the Annexes.

IV. Business combinations

BUSINESS COMBINATIONS IN 2024

The business combination carried out by the Group during 2024 involved the acquisition of control of Siena Ambiente.

Business combinations definitively accounted for

Siena Ambiente
On 31 October 2023, Shareholders' Agreements were signed between Iren Ambiente Toscana S.p.A. the Province of Siena and the Siena municipalities concerning the governance of the company Siena Ambiente S.p.A. Said Shareholders' Agreements, by virtue of the amendments to the Articles of Association, approved by the Shareholders' Meeting in extraordinary session held on 31 October 2023 and effective as of 1 January 2024, allow Iren Group to exercise control over the company as of the same date. The Iren Ambiente Toscana S.p.A. 40% investment in Siena Ambiente S.p.A. remains unchanged.
The company operates a municipal waste sorting and valorisation plant, two composting plants, a waste-to-energy plant and a landfill for a total waste treated of about 200,000 tonnes per year.

In the year ended 31 December 2024, the businesses acquired generated revenue of 37,323 thousand euro and a profit of 2,259 thousand euro.
The following table shows the value of identifiable assets acquired and liabilities assumed.

thousands of euro

	Nominal values	FV Adjustment	Fair value
Property, plant and equipment	21,576	-	21,576
Intangible assets with a finite useful life	52,386	18,607	70,993
Equity-accounted investments	1,052	-	1,052
Non-current financial assets	2,586	-	2,586
Other non-current assets	489	-	489
Deferred tax assets	679	-	679
Inventories	160	-	160
Trade receivables	11,713	-	11,713
Sundry assets and other current assets	2,014	-	2,014
Current financial assets	2,025	-	2,025
Cash and cash equivalents	12,880	-	12,880
Employee benefits	(250)	-	(250)
Provisions for risks and charges	(16,019)	-	(16,019)
Deferred tax liabilities	(2,204)	(5,415)	(7,619)
Sundry liabilities and other non-current liabilities	(3,416)	-	(3,416)
Financial liabilities	(36,617)	-	(36,617)
Trade payables	(19,602)	-	(19,602)
Sundry liabilities and other current liabilities	(3,832)	-	(3,832)
Current tax liabilities	(404)	-	(404)
Non-controlling interests held in Group companies	11,254	4,688	15,942
Total net identifiable assets	36,470	17,880	54,350

Trade receivables include gross contractual amounts of 11,883 thousand euro, of which 170 thousand euro considered non-collectable at the date of acquisition.

The analysis carried out for the purpose of allocating the purchase price identified the intangible asset deriving from the concessions relating to three waste treatment plants for which the company is the concessionaire.
The valuation of the concession, amounting to 18,607 thousand euro, was carried out on the basis of the *Multi Period Excess Earning method (MEEM)*, which is based on the principle that the entire current income of a company must be allocated to the assets identified at the time of purchase price allocation. The income attributable to the identified intangible asset can then be derived by difference by deducting the normal remuneration of all other assets (property, plant and equipment and

intangible assets) from total income. The fair value of the intangible asset is thus obtained by discounting the expected residual income over the years of the useful life of the asset.

For the purpose of measuring the goodwill or a gain from a bargain purchase, since this was a business combination achieved without the transfer of consideration, the fair value at the acquisition date of the consideration transferred was considered to be the fair value at the date of acquisition of the prior interest in Siena Ambiente. The latter was determined using the company's discounted cash flow (DCF) prospective method.

Goodwill arising from the acquisition has been recognised as shown in the table below.

	thousands of euro
Fair value at the date of acquisition of the prior interest	24,037
Carrying amount of interest held before acquisition of control	20,767
Restatement of interests at fair value through profit or loss	3,270
Fair value of net identifiable assets	54,352
Non-controlling interests in net identifiable assets	(32,611)
Goodwill	2,296

The goodwill deriving from the acquisition mainly refers to the synergies that are expected to be obtained from the integration of the acquired company in the waste treatment sector. Goodwill recognised in the financial statements will not be deductible for income tax purposes.

OTHER CHANGES IN THE CONSOLIDATION SCOPE IN THE FINANCIAL YEAR 2024

During 2024, the Group acquired control of Agrovoltaica.
This acquisition does not have the characteristics to be defined as a business and is therefore excluded from the scope of IFRS 3 - *Business Combinations*.
At the date of acquisition, the company was in fact substantially the holder of the authorisation to build a photovoltaic plant in Rovigo. Consequently, this transaction represents an acquisition of individual assets/liabilities.
The consideration transferred amounted to 4,793 thousand euro, the carrying amount of the individual assets/liabilities acquired amounted to 2,458 thousand euro, and the carrying amount of the assets to which the price differential was attributed amounted to 2,361 thousand euro.
The surplus of the consideration transferred represents the value of the authorisation held by the special purpose entity acquired (3,288 thousand euro), net of the tax effect (927 thousand euro).

FINAL ACCOUNTING OF THE BUSINESS COMBINATIONS OCCURRING IN 2023 ACCOUNTED FOR PROVISIONALLY AT 31 DECEMBER 2023

Acquaenna

On 31 May 2023, IRETI, through the acquisition from its shareholder COGEN of a 2.367% investment in the share capital, completed the acquisition of control of the company Acquaenna, in which it already held 48.5%, bringing its investment to 50.867%. The total consideration transferred amounted to 8,338 thousand euro.
Acquaenna, has managed the water service in all the municipalities of the Province of Enna since 2004 following the award of a tender procedure that ensured the entrusting of the service to the company set up for this purpose, until 2034. With reference to these territories, the company serves a total of approximately 177 thousand inhabitants.
In the 7-month period ended 31 December 2023, the subsidiary generated revenue of 37,103 thousand euro and a profit of 458 thousand euro. Management believes that if the acquisition had occurred on 1 January 2023, the impact on consolidated revenue would have amounted to 53,562 thousand euro and on consolidated profit for the year would have amounted to a loss of 1,672 thousand euro. In calculating the above amounts, Company Management assumed that the fair value adjustments provisionally determined at the acquisition date would have been the same even if the acquisition had occurred on 1 January 2023.

The following table shows the value of identifiable assets acquired and liabilities assumed.

thousands of euro

	Provisional fair value	FV Adjustment	Registration rights of use	Final fair value
Property, plant and equipment	455	-	-	455
Intangible assets with a finite useful life	65,108	8,566	1,340	75,014
Other non-current assets	10	-	-	10
Inventories	510	-	-	510
Trade receivables	35,284	-	-	35,284
Sundry assets and other current assets	5,123	-	-	5,123
Current financial assets	1,316	-	-	1,316
Cash and cash equivalents	2,518	-	-	2,518
Non-current financial liabilities	(22,237)	-	(1,340)	(23,577)
Employee benefits	(1,295)	-	-	(1,295)
Provisions for risks and charges	(895)	-	-	(895)
Deferred tax liabilities	(335)	(2,416)		(2,751)
Sundry liabilities and other non-current liabilities	(41,335)	-	-	(41,335)
Current financial liabilities	(11,968)	-	-	(11,968)
Trade payables	(14,649)	-	-	(14,649)
Sundry liabilities and other current liabilities	(8,121)	-	-	(8,121)
Current tax liabilities	(189)	-	-	(189)
Total net identifiable assets	9,300	6,150	-	15,450

Trade receivables include gross contractual amounts of 39,550 thousand euro, of which 4,266 thousand euro considered non-collectable at the date of acquisition.

From the analysis performed for the purpose of allocating the purchase price of the company, the carrying amount of the assets of the integrated water service infrastructure was adjusted by 8,566 thousand euro in order to adjust it to the Regulatory Asset Base (RAB). The RAB represents the value of assets for regulatory purposes, calculated on the basis of the rules defined by the Regulatory Authority for Energy Networks and the Environment (ARERA) in order to determine the reference revenue for regulated businesses. In particular, the value of the RAB is determined starting from the historical cost of acquisition or realisation of the assets at the time of their first use, net of any economic and monetary revaluations that may have occurred, revaluing it on the basis of the deflation indices established by ARERA and published every two years when the Water Tariff Method is updated. Assets are depreciated on the basis of the regulatory useful life of each category of non-current asset defined in the above method.

Goodwill arising from the acquisition has been recognised as shown in the table below.

thousands of euro

Cash and cash equivalents	579
Fair value of interest held before acquisition of control	4,510
Restatement of interests at fair value through profit or loss	3,249
Fair value of net identifiable assets	15,450
Non-controlling interests in net identifiable assets	(7,591)
Goodwill	479

The goodwill deriving from the acquisition mainly refers to the development of the business in Sicily and the synergies that are expected to be obtained from the integration of the acquired company in the Integrated Water Service sector. Goodwill recognised in the financial statements will not be deductible for income tax purposes.

ReMat

On 13 June 2023, Iren Ambiente S.p.A. finalised the acquisition, partly through a capital increase and partly through the purchase of shares, of the majority of the share capital of ReMat S.r.l., a start-up active in the recovery of polyurethane foam

(in particular from mattresses, seat padding and furniture), in which Iren Ambiente S.p.A. already owned a non-controlling interest of 9.09%. The new ownership structure sees Iren Ambiente owning 88.43% of the ReMat share capital with a total consideration transferred of 2,189 thousand euro.
In the 6-month period ended 31 December 2023, the subsidiary generated revenue of 1,261 thousand euro and a loss of 368 thousand euro. Management believes that if the acquisition had occurred on 1 January 2023, the impact on consolidated revenue would have amounted to 2,607 thousand euro and on consolidated profit for the year would have amounted to a loss of 846 thousand euro.
As at 31 December 2023, the business combination had been provisionally accounted for by recognising net assets of 437 thousand euro and goodwill of 1,752 thousand euro.
During 2024, the fair value of the identifiable assets acquired and liabilities assumed relating to the acquisition of control of ReMat was definitively determined, and the carrying amounts provisionally recognised in the 2023 financial statements were not changed.

WFL

On 3 October 2023, Iren Green Generation acquired from Granda Energie #3 S.r.l. 100% of the special purpose entity WFL S.r.l., owner of the recently built wind farm in the municipality of Cairo Montenotte (SV), already in operation with a total capacity of 6 MW and for which procedures are underway to authorise an increase in capacity to 7 MW.
The provisional price of the transaction was 12,428 thousand euro. The acquisition represents the entry of Iren into the wind power sector: the expected output of the plant is approximately 18 GWh per year.
In the 3-month period ended 31 December 2023, the subsidiary generated revenue of 450 thousand euro and a profit of 81 thousand euro. Management believes that if the acquisition had occurred on 1 January 2023, the impact on consolidated revenue would have amounted to 1,116 thousand euro and on consolidated profit for the year would have amounted to a profit of 341 thousand euro.
As at 31 December 2023, the business combination had been provisionally accounted for by recognising net assets of 10,959 thousand euro and goodwill of 1,469 thousand euro.
During the year 2024, the fair value of the consideration transferred and the identifiable assets acquired and liabilities assumed related to the acquisition of control of WFL was finally determined. Based on new information learned about facts and circumstances existing at the acquisition date, the fair value of the contingent consideration was increased by 686 thousand euro, while the fair value of the identifiable assets acquired and liabilities assumed recognised provisionally in the 2023 financial statements was not changed. Goodwill definitively recognised amounted to 2,154 thousand euro.

Semia Green

On 11 October 2023, Iren Ambiente Toscana finalised the acquisition of control of Semia Green S.r.l., active in the capture of biogas from landfills. The consideration for the transaction, which was implemented through the purchase of quotas and a quota capital increase, amounted to 1,680 thousand euro. The remaining portion of the capital is held by Siena Ambiente, in which the Group moreover, already has a 40% investment.
In the 3-month period ended 31 December 2023, the subsidiary generated revenue of 516 thousand euro and a loss of 100 thousand euro. Management believes that if the acquisition had occurred on 1 January 2023, the impact on consolidated revenue would have amounted to 2,265 thousand euro and on consolidated profit for the year would have amounted to a loss of 68 thousand euro.
As at 31 December 2023, the business combination had been provisionally accounted for by recognising net assets, including non-controlling interests, of 1,233 thousand euro and goodwill of 447 thousand euro.
During 2024, the fair value of the identifiable assets acquired and liabilities assumed relating to the acquisition of control of Semia Green was definitively determined, and the carrying amounts provisionally recognised in the 2023 financial statements were not changed.

RESTATEMENT OF AMOUNTS AT 31 DECEMBER 2023

In 2023, the Group acquired control of the companies Acquaenna and WFL. For these acquisitions, the final fair value of the consideration transferred, of the identifiable assets acquired and liabilities assumed was determined during the FY 2024, reflecting the best knowledge gained in the interim. In the consolidated financial statements at 31 December 2023, they had therefore been recorded on a provisional basis as permitted by IFRS 3.
In accordance with the provisions of the standard, the update of the fair value occurred with effect from the date of acquisition and, therefore, all changes were made to the financial position of the company acquired at that date. The resulting balances in the consolidated financial statements at 31 December 2023 have been restated to reflect the new amounts. The following are the changes that occurred with reference to the statement of financial position, income statement and statement of cash flows balances for 2023.

Statement of financial position

thousands of euro

	31.12.2023 Published	Fair Value Restatement Acquaenna	Fair Value Restatement WFL	31.12.2023 Restated
ASSETS				
Property, plant and equipment	4,459,512	1,340	-	4,460,852
Investment property	2,031	-	-	2,031
Intangible assets with a finite useful life	3,132,043	8,316	-	3,140,359
Goodwill	247,420	(3,129)	686	244,977
Equity-accounted investments	212,798	-	-	212,798
Other equity investments	10,914	-	-	10,914
Non-current contract assets	232,384	-	-	232,384
Non-current trade receivables	29,416	-	-	29,416
Non-current financial assets	128,937	-	-	128,937
Other non-current assets	163,992	-	-	163,992
Deferred tax assets	400,092	-	-	400,092
Total non-current assets	9,019,539	6,527	686	9,026,752
Inventories	73,877	-	-	73,877
Current contract assets	29,830	-	-	29,830
Trade receivables	1,288,107	-	-	1,288,107
Current tax assets	18,894	-	-	18,894
Sundry assets and other current assets	576,516	-	-	576,516
Current financial assets	242,184	-	-	242,184
Cash and cash equivalents	436,134	-	-	436,134
Assets held for sale	1,144	-	-	1,144
Total current assets	2,666,686	-	-	2,666,686
TOTAL ASSETS	11,686,225	6,527	686	11,693,438

thousands of euro

	31.12.2023 Published	Fair Value Restatement Acquaenna	Fair Value Restatement WFL	31.12.2023 Restated
EQUITY				
Equity attributable to the owners of the parent				
Share capital	1,300,931	-	-	1,300,931
Reserves and Retained Earnings	1,250,525	-	-	1,250,525
Profit for the year	254,845	(93)	-	254,752
Total equity attributable to the owners of the parent	2,806,301	(93)	-	2,806,208
Equity attributable to non-controlling interests	435,152	2,934	-	438,086
TOTAL EQUITY	3,241,453	2,841	-	3,244,294
LIABILITIES				-
Non-current financial liabilities	4,046,976	1,340	-	4,048,316
Employee benefits	87,329	-	-	87,329
Provisions for risks and charges	404,882	-	-	404,882
Deferred tax liabilities	128,186	2,346	-	130,532
Sundry liabilities and other non-current liabilities	581,844	-	-	581,844
Total non-current liabilities	5,249,217	3,686	-	5,252,903
Current financial liabilities	735,693	-	686	736,379
Trade payables	1,634,720	-	-	1,634,720
Current contract liabilities	79,642	-	-	79,642
Sundry liabilities and other current liabilities	333,182	-	-	333,182
Current tax liabilities	80,437	-	-	80,437
Provisions for risks and charges - current portion	331,881	-	-	331,881
Liabilities associated with assets held for sale	-	-	-	-
Total current liabilities	3,195,555	-	686	3,196,241
TOTAL LIABILITIES	8,444,772	3,686	686	8,449,144
TOTAL EQUITY AND LIABILITIES	11,686,225	6,527	686	11,693,438

Income Statement

thousands of euro

	FY 2023 Published	Fair Value Restatement Acquaenna	FY 2023 Restated
Revenue			
Revenue from goods and services	6,301,581	-	6,301,581
Other income	188,800	-	188,800
Total revenue	6,490,381	-	6,490,381
Operating expenses			
Raw materials, consumables, supplies and goods	(2,763,473)	-	(2,763,473)
Services and use of third-party assets	(1,876,663)	-	(1,876,663)
Other operating expenses	(113,865)	-	(113,865)
Capitalised costs for internal work	56,907	-	56,907
Personnel expense	(596,391)	-	(596,391)
Total operating expenses	(5,293,485)	-	(5,293,485)
GROSS OPERATING PROFIT	1,196,896	-	1,196,896
Depreciation, amortisation, provisions and impairment losses			
Amortisation and Depreciation	(600,677)	(252)	(600,929)
Impairment losses on loans and receivables	(71,471)	-	(71,471)
Other provisions and impairment losses	(60,108)	-	(60,108)
Total depreciation, amortisation, provisions and impairment losses	(732,256)	(252)	(732,508)
OPERATING PROFIT	464,640	(252)	464,388
Financial management			
Financial income	37,148	-	37,148
Financial expense	(135,781)	-	(135,781)
Net financial expense	(98,633)	-	(98,633)
Gains on equity investments	6,263	-	6,263
Share of profit or loss of equity-accounted investees, net of tax effects	6,836	-	6,836
Pre-tax profit	379,106	(252)	378,854
Income taxes	(97,095)	70	(97,025)
Profit from continuing operations	282,011	(182)	281,829
Profit (loss) from discontinued operations	-	-	-
Profit for the year	282,011	(182)	281,829
attributable to:			
- the owners of the parent	254,845	(93)	254,752
- non-controlling interests	27,166	(89)	27,077
Earnings per ordinary and savings share			
- basis (euro)	0.20	(0.00)	0.20
- diluted (euro)	0.20	(0.00)	0.20

Statement of cash flows

thousands of euro

	FY 2023 Published	Fair Value Restatement Acquaenna	FY 2023 Restated
A. Opening cash and cash equivalents	788,402	-	788,402
Cash flows from operating activities			
Profit for the year	282,011	(182)	281,829
Adjustments:			
Income taxes for the year	97,095	(70)	97,025
Share of profit (loss) of associates and joint ventures	(6,836)	-	(6,836)
Net financial expense	98,633	-	98,633
Amortisation and depreciation	600,677	252	600,929
Net impairment losses (reversals of impairment losses) on assets	(6,263)	-	(6,263)
Impairment losses on loans and receivables	71,471	-	71,471
Net provisions for risks and other charges	331,537	-	331,537
Capital (gains) losses	5,653	-	5,653
Payment of employee benefits	(9,526)	-	(9,526)
Utilisations of provisions for risks and other charges	(183,755)	-	(183,755)
Change in other non-current assets	(9,518)	-	(9,518)
Change in other liabilities and other non-current liabilities	33,340	-	33,340
Taxes paid	(72,371)	-	(72,371)
ETS Purchase	-	-	-
Other changes in equity	48	-	48
Change in inventories	65,516	-	65,516
Change in contract assets	(85,765)	-	(85,765)
Change in trade receivables	114,247	-	114,247
Change in current tax assets and other current assets	(70,144)	-	(70,144)
Change in trade payables	(664,683)	-	(664,683)
Change in current liabilities	40,433	-	40,433
Change in current tax liabilities and other current liabilities	63,508	-	63,508
Change in market exposure for commodity derivatives	(15,013)	-	(15,013)
B. Net cash and cash equivalents generated by operating activities	680,295	-	680,295
Cash flows from/(used in) investing activities			
Investments in property, plant and equipment and intangible assets	(866,605)	-	(866,605)
Investments in financial assets	(3,309)	-	(3,309)
Investment realisation	18,317	-	18,317
Acquisition of subsidiaries net of cash acquired	(39,565)	-	(39,565)
Dividends collected	4,545	-	4,545
C. Net cash and cash equivalents used in investing activities	(886,617)	-	(886,617)
Cash flows from/(used in) financing activities			
Capital increase	-	-	-
Repurchase of treasury shares	-	-	-
Dividends paid	(176,580)	-	(176,580)
Purchase of investments in consolidated companies	(633)	-	(633)
New non-current loans	330,000	-	330,000
Repayment of non-current loans	(83,467)	-	(83,467)
Repayment of lease liabilities	(17,522)	-	(17,522)
Change in other financial liabilities	12,453	-	12,453
Change in loan assets	(118,281)	-	(118,281)
Interest paid	(95,850)	-	(95,850)
Interest received	3,934	-	3,934
D. Net cash and cash equivalents used in financing activities	(145,946)	-	(145,946)
E. Cash flow for the year (B+C+D)	(352,268)	-	(352,268)
F. Closing cash and cash equivalents (A+E)	436,134	-	436,134

V. Accounting policies

The accounting policies adopted in drawing up these Consolidated Financial Statements of Iren Group at 31 December 2024 are indicated below; the accounting policies described were applied consistently by all the Group entities and have not changed with respect to those adopted as at 31 December 2023.

Property, plant and equipment

- Property, plant and equipment owned

Property, plant and equipment are recognised at contribution, purchase or internal construction cost. This cost includes all directly attributable costs necessary to make the asset available for use (including, when relevant and where a real obligation exists, the present value of the estimated costs of dismantling and removing the asset and reclaiming the site on which it is located), net of trade discounts and rebates.
Financial expense related to the purchase or internal construction of items of property, plant and equipment is capitalised for the part of the cost of the asset until it becomes operative.
If significant items of property, plant and equipment have different useful lives, these components are accounted for separately.
In particular, under this policy, land and buildings located on the land are to be recognised separately; only the buildings are depreciated, while the carrying amount of land is subject to impairment, as described in the section “Impairment losses on non-financial assets” below.
Ordinary maintenance expenses are fully recognised in profit or loss. Other costs of an incremental nature are allocated to the assets to which they refer, in accordance with IAS 16, and depreciated in relation to the residual useful life of the assets to which they refer. Costs that reasonably expect an increase in future economic benefits, such as an increase in useful life, an increase in production capacity, an improvement in product quality or the adoption of production processes that result in a substantial reduction in production costs, are considered to be incremental.
Assets under construction include costs related to the construction of plants incurred until the reporting date. These investments are depreciated once the asset becomes operative.
Property, plant and equipment are depreciated systematically on a straight-line basis annually using economic-technical rates determined in line with their residual useful lives. Landfills are depreciated based on the filling percentage.

The rates applied are provided for in the following table:

	Min. rate	Max. rate
Buildings	1.11%	28.60%
Light constructions	1.50%	25.00%
Vehicles	5.00%	25.00%
Sundry equipment	5.00%	50.00%
Furniture and office machines	5.00%	20.00%
Hardware	6.00%	50.00%
Plants	1.25%	50.00%

The changes in rates compared to 2023 are due to the new companies that came into the full consolidation scope, the updating of the economic and technical useful lives of individual assets and the outcome of the inspections carried out on them by the technicians responsible for the plants.

The table below shows the residual term of the lease contracts on the basis of which the rights of use recognised among property, plant and equipment are depreciated:

	Years	
	from	to
Land	2	93
Buildings	2	57
Plant and machinery	3	14
Industrial and commercial equipment	2	13
Other assets (motor vehicles)	2	9

Grants related to assets are recognised as deferred revenue and taken to profit or loss over the depreciation period of the related item of property, plant and equipment.

- Leased assets

Lessee

IFRS 16 establishes a criterion based on the control (right of use) of an asset to distinguish leases from contracts for services, regardless of the contractual form adopted (lease, rental or hire). The discriminants are: the identification of the asset, the right to replace the same, the right to obtain substantially all the economic benefits deriving from use of the asset and the right to direct the use of the asset underlying the contract.

As lessee, the Group applies the practical expedient of IFRS 16, which requires the recognition of financial assets and related liabilities in the statement of financial position for all lease contracts with a term of more than 12 months, unless the underlying asset has a unit replacement value of less than five thousand euro.

The lease liability is initially measured at the present value of the payments due for the lease, primarily the fixed and/or variable payments contractually provided for and the price to exercise the option if there is a reasonable certainty of exercising it; with regard to the rate used for discounting, reference is made to the marginal financing rate inferred from the market value of the listed debt instruments issued by Iren. Subsequently, the liability is reduced by the principal repaid and, if necessary, restated to take account of new valuations or changes. The residual debt must be accounted for by separating the current portion (within 12 months) from the non-current portion.

The right of use of the asset underlying the lease contract is recognised under property, plant and equipment at cost, consisting of the initial measurement of the financial liability increased by any initial costs incurred. The asset is depreciated over the duration of the lease or, if the transfer of ownership at the end of the lease is provided for, over the expected useful life of the underlying asset. The asset may also be reduced as the result of any impairment losses, and adjusted to take into account any redetermination of the lease liability.

In the statement of financial position, the Group shows right-of-use assets that do not meet the definition of investment property under 'property, plant and equipment' and lease liabilities under 'financial liabilities'.

In the income statement interest on the debt and depreciation are recognised separately, as is any impairment loss on the right-of-use asset.

Lessor

At the inception of a contract or upon amendment of a contract that contains a lease component, the Group allocates the contract consideration to each lease component based on its stand-alone price.

At the inception of the lease, the Group, in its role as lessor, classifies each of its leases as either a finance lease or an operating lease.

For this purpose, the Group generally assesses whether the lease transfers substantially all the risks and rewards associated with ownership of the underlying asset. In this case, the lease is classified as a finance lease, otherwise as an operating lease. As part of this assessment, the Group considers, among other indicators, whether the lease term covers most of the economic life of the underlying asset.

With respect to sub-leases, the Group, as an intermediate lessor, classifies its share in the head lease separately from the sub-lease. For this purpose, it classifies the sub-lease by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset. If the head lease is a short-term lease that the Group has accounted for by applying the above exemption, the sub-lease is classified as an operating lease.

For contracts containing a lease component and one or more lease and non-lease components, the Group allocates the contract consideration by applying IFRS 15.

The Group applies the derecognition and impairment provisions of IFRS 9 to the net investment in leases. The Group periodically reviews estimates of non-guaranteed residual values used in the calculation of gross investment in leases.

The Group recognises payments received for operating leases as income on a straight-line basis over the lease term in 'other income'.

Investment property

Investment property is initially measured at purchase or construction cost. This cost includes the purchase price and any directly attributable costs. The related transaction costs are recognised among the property costs, when purchase is recognised. Investment property is subsequently measured at cost.

Costs incurred subsequent to the purchase or completion of an investment property are charged to the initial cost of the asset if it is probable that, as a result of such costs, the company will obtain future economic benefits greater than those previously estimated. Otherwise, these costs are charged to profit or loss.

Investment property is systematically depreciated each year on a straight-line basis at rates deemed representative of the residual useful life of the asset.

Intangible assets

Intangible assets are recognised as assets in the statement of financial position when it is probable that the use of the asset will generate future economic benefits and when the cost of the asset can be measured reliably. They are recognised at contribution, acquisition or production cost, including any directly attributable costs.
Development costs are capitalised if all of the following features can be demonstrated:

- the technical feasibility of completing the asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- the ability to reliably measure the expenditure attributable to the asset during its development;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- it is clear how the asset will generate future economic benefits.

If only one of these requirements is not met, the costs in question are fully expensed in the period in which they are incurred.

Intangible assets with a finite useful life are amortised systematically over their expected future useful life, such that their carrying amount at the end of the reporting period corresponds to their residual useful life or the amount that can be recovered based on the company's business plans. Amortisation begins when the asset is available for use.
Amortisation of intangible assets is calculated on a straight-line basis over the following useful lives:

	Years	
	from	to
Industrial patents and intellectual property rights	3	20
Concessions, licences, trademarks and similar rights	3	80
Software	2	20
Other intangible assets with a finite useful life	2	50

Amortisation begins when the asset is available for use, in other words, when it is able to operate as intended by the company's management. Amortisation ceases at the later of the effective date the asset is classified as held for sale (or included in a disposal group classified as held for sale) in accordance with IFRS 5 and the date when the asset derecognised.

Assets under development and payments on account relate to internal and external costs associated with intangible assets for which ownership of the right has not yet been acquired and have not started to be used in production. These investments are amortised from the date they begin to be used in production.
In accordance with IAS 36, at each reporting date or whenever there is evidence that an intangible asset is impaired, assets under development undergo an impairment test to verify the correspondence between their carrying amount and recoverable amount.

Goodwill

Goodwill is initially recognised at cost. It represents the difference between the purchase cost and the portion of fair value attributable to non-controlling interests and the net fair value referred to the identifiable assets, and current and contingent liabilities acquired. If, after this restatement, the fair value of current and contingent assets and liabilities exceeds the purchase cost, the excess is immediately recognised in profit or loss.
Any goodwill deriving from the acquisition of an associate or joint venture is included in the carrying amount of the investment.
Goodwill is allocated to one or more cash-generating units and is not amortised, but is annually tested for impairment or more frequently if specific events or changes in circumstances indicate that impairment may have taken place (see section on "Impairment losses on non-financial assets").

Non-current assets held for sale - Discontinued operations

A non-current asset (or group of assets and liabilities held for disposal) is classified as available for sale if its carrying amount will be recovered mainly through a sale transaction rather than through its continued use. Immediately prior to the initial classification of the asset (or disposal group) as held for sale, the carrying amounts of the asset are measured in accordance with the Group's accounting policies. The asset (or disposal group) is then recognised at the lower between its carrying amount and its fair value less costs to sell. Impairment loss on a disposal group is initially taken to goodwill, then to the residual assets and liabilities on a proportional basis, except for inventories, financial assets, deferred tax assets, employee benefits, investment property and biological assets, which continue to be measured in accordance with Group accounting policies. Impairment losses on the initial classification of an asset as held for sale compared to subsequent measurements are recognised in the income statement. Reversals of impairment losses are recognised only to the extent of any accumulated impairment loss.

Discontinued operations represent a part of the group that has been discontinued or classified as held for sale, and:

a. represents an important business unit or geographical segment;
b. is part of a single coordinated disposal plan or an important autonomous business unit or geographical segment;
c. is a subsidiary acquired solely with a view to resale.

If a single non-current asset is involved (e.g. a property or an investment in an associate), the recognition of profit or loss from the disposal or valuation depends on the nature of the asset.
If it is a discontinued operation and is a material component of the item "Profit/loss from discontinued operations", a single amount is recorded represented by the total of:

i. profit or loss on the discontinued operation, net of tax effects; and
ii. the capital gain or loss, net of tax effects, recognised after the fair value measurement, net of costs to sell or actual disposal of the asset.

The income statement of the comparative period is restated in order to guarantee consistent comparison.
If the asset is immaterial, revenue and costs from the discontinued operation continue to be recognised on a line-by-line basis under the related income statement items, whilst the profit/loss from discontinued operations includes only the capital gain or loss referred to under point ii) above.

Service concession arrangements

IREN Group is subject to application of IFRIC 12, which defines the recognition and measurement criteria to be adopted in agreements between public and private sectors related to development, financing, management and maintenance of concession-based infrastructures. In particular, should the grantor control the infrastructure by regulating and controlling the characteristics of the services supplied and the applicable prices, as well as by maintaining a residual interest in the activity, the operator will acquire either the right to use said infrastructure, or the financial asset, or both, based on the agreements made. Therefore, the operators that are included in the above cases cannot recognise the assets assigned as property, plant and equipment in the statement of financial position, regardless of the acknowledgement of ownership in favour of the same operators included in the service concession arrangements.
In particular, the operator purchases a financial asset to the extent that it has an unconditioned contractual right to payment or another financial asset from, or upon instruction of, the grantor with reference to the building services. The financial asset recognised is subject to the provisions of IAS 32, IFRS 9 and IFRS 7.
The operator purchases an intangible asset to the extent that it has a right (licence) to receive payment from users of the public utility. The right to receive payments from users is not an unconditional right to receive payments since the amounts depend on the extent to which the public uses the service. The intangible asset recognised is subject to the provisions of IAS 38.
If the operator is paid for the construction services partly with a financial asset and partly with an intangible asset, the two amounts composing the payment to the operator shall be recognised separately. The payment received or to be received for both items is initially recognised at the fair value of the amount received or to be received and disclosed in the relevant revenue item.
With reference to the grants received on non-current assets, included in the application of IFRIC 12, these grants are classified under Other liabilities, divided between current and non-current, while the related disbursement is included in Other revenue.

Impairment losses on non-financial assets

The IFRS require a company to assess whether there are any specific indications of impairment. An impairment test is performed, which consists of estimating the recoverable amount of the asset and comparing it to its carrying amount.
The recoverable amount is the higher of fair value less costs to sell (if an active market exists) and the value in use of the asset. Value in use is the present value of the future cash flows expected to be derived from an asset or Cash-Generating Unit, inclusive of taxes, by applying a discount rate, before taxes, which reflects the current market assessments of the time value of money and risks specific to the asset. If the recoverable amount of an asset is less than its carrying amount, an impairment loss is recognised. If the impairment loss recognised in prior periods no longer exists or has decreased, the carrying amount of the asset or cash-generating unit is increased, with a balancing item in profit or loss, up to the estimated new recoverable amount. The latter amount shall not exceed the carrying amount that would have been determined if no impairment loss had been recognised. The reversal of an impairment loss is not applicable to goodwill.
The value in use is generally defined by discounting the cash flows expected from use of the asset or Cash Generating Units and from the amount expected from its disposal at the end of its useful life.
The Cash Generating Units were identified in keeping with the Group's organisational and business structure, as assets that generate independent incoming cash flows deriving from continuous use of the same.
Assets that are not subject to amortisation (goodwill and other intangible assets with an indefinite useful life) and intangible assets that are not yet available for use are tested for impairment annually, even if no indication of impairment exists.

Financial instruments

All financial instruments, including derivatives, are recognised in the statement of financial position when the group becomes a party to the agreement and therefore acquires a right to receive cash flows or an obligation to pay.

- Financial assets and liabilities

At the moment of initial recognition the financial asset or liability is measured at fair value plus or minus, in the case of a financial asset or liability not measured at fair value recognised in the income statement, the transaction costs directly attributable to the acquisition or issue of the financial asset or liability. After initial recognition the financial asset or liability is measured as described below.

Financial assets are classified in three categories: a) financial assets measured at amortised cost; b) financial assets measured at fair value through other comprehensive income (FVOCI); c) financial assets measured at fair value through profit or loss (FVTPL).

The classification under the categories indicated above is made on the basis of the entity's business model and in relation to the characteristics of the cash flows generated by the said assets:

a. a financial asset is measured at amortised cost if the entity's business model envisages that the financial asset is held to collect the related cash flows (therefore, substantially, not to make a profit also from sale of the instrument) and the characteristics of the cash flows of the asset correspond only to payment of principal and interest;
b. a financial asset is measured at Fair Value with a balancing item in Other Comprehensive Income if it is held with the objective both of collecting the contractual cash flows, and of being sold (Hold to Collect and Sell model);
c. finally if it is a financial asset held for trading and in any case does not come within the cases indicated in points a) and b) it is measured at fair value through profit or loss.

At each reporting date all financial assets, with the exception of those measured at fair value recognised in profit (loss) for the year, are subjected to an impairment test to determine whether there is objective evidence that can lead to the belief that the value of the asset is not fully recoverable. In accordance with what is provided for in IFRS 9, the impairment model adopted by Iren Group is based on expected credit losses, where "loss" means the present value of all cash shortfalls considering forward-looking information. According to the general approach concerning all financial assets, the expected credit loss is a function of probability of default (PD) of the loss given default (LGD) and exposure at default (EAD): the PD represents the probability that an asset will not be repaid and will go into default; the LGD is the amount of money lost when a borrower defaults on a loan; the EAD represents the exposure claimed against the counterparty, including any guarantees, collateral, etc. The estimate is made initially on the expected credit losses in the subsequent 12 months; in view of any gradual deterioration of the financial asset, the estimate is adjusted to cover the expected credit losses along the entire life of the financial asset.

Financial liabilities are generally classified as measured at amortised cost, with the exception of derivatives which are measured at fair value through profit or loss. Changes in the fair value of a financial liability designated as measured at fair value through profit or loss, if these are due to a change in the creditworthiness of the liability itself are recognised under other comprehensive income.

- Other equity investments

Other equity investments, consisting of non-controlling interests in unlisted companies that the Group intends to keep in its portfolio in the near future, are measured at FVTPL – fair value through profit and loss.

- Hedging instruments

The Group holds hedging instruments, acquired for non-speculative purposes, solely to hedge its exposure to currency, interest rate and commodity risks.

A hedging relationship qualifies for hedge accounting if all of the following conditions are met:

- at the inception of the hedge there is formal designation and documentation of the hedging relationship and the group's risk management objective and strategy for undertaking the hedge;
- the hedge is expected to be highly effective in offsetting changes in fair value (fair value hedges) or cash flows (cash flow hedges) attributable to the hedged risk;
- for cash flow hedges, an expected future transaction that is hedged must be highly probable and must present an exposure to changes in cash flows that might ultimately affect profit or loss;
- the effectiveness of the hedge can be reliably measured, i.e. the fair value or cash flows of the hedged item and the fair value of the hedging instrument can be reliably measured;
- the hedge is assessed on an ongoing basis and is considered highly effective throughout the entire life of the derivative.

Hedging instruments are recognised at fair value, determined with measurement models appropriate to each type of financial instrument using, where available, the forward curves of both regulated and unregulated markets (intrinsic value); for options, the fair value is supplemented with the time value component, which is based on their residual life and the volatility of the hedged item.
At each reporting date, hedging instruments are tested for effectiveness to check whether the hedge still meets the requirements for designation as effective and can be recognised using hedge accounting. A hedging relationship is effective if:

- there is an economic relationship between the hedged instrument and hedging instrument;
- the credit risk effect does not dominate the change in value that results from the economic relationship;
- the ratio between the quantity of the hedging instrument and the quantity of the hedged instrument in terms of relative weight does not determine an imbalance in terms of the hedge ratio.

If the requirements for the application of hedge accounting are met:

- for a cash flow hedge, changes in the fair value of the hedging instrument are recognised in equity for the effective portion of the hedge (intrinsic value), and in profit or loss for the time value component and any ineffective portion (over-hedging);
- for fair value hedges, changes in the fair value of both the hedging instrument and the hedged item are recognised in profit or loss.

If the hedge does not meet the criteria for hedge accounting, the gains or losses deriving from measurement at fair value of only the hedging instrument are fully recognised in profit or loss.

Considering the provisions of IFRS 7 on the fair value hierarchy, as extended by IFRS 13, for each category of financial instrument measured at fair value the fair value hierarchy is as follows:

- Level 1: quoted prices (unadjusted) on active markets for identical assets or liabilities;
- Level 2: Inputs other than Level 1 quoted prices which are observable for the asset or liability, either directly (as in the case of prices), or indirectly (i.e. derived from prices);
- Level 3: Inputs for the asset or liability which are not based on observable market data (.

- Trade receivables and payables

Trade receivables and payables, with repayment dates that are in line with normal commercial practices, are not discounted as the time value of money is not material for their measurement, and are recognised at fair value (equal to their nominal value). After initial recognition they are measured at amortised cost.
Trade receivables are shown net of loss allowances determined, in accordance with IFRS 9, by applying, instead of the general approach, valid for all financial assets with the exception of those measured at fair value through profit or loss, the simplified approach and, more specifically, the provision matrix model, which is based on identifying the default rates by maturity bands observed on a historical basis, applied for the entire expected life of the receivable and updated on the basis of significant future scenario elements.

- Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and short-term, highly liquid investments (maturities of three months or less from the date of acquisition) that are readily convertible into known amounts of cash and that are subject to an insignificant risk of changes in value.
Cash and cash equivalents, including ancillary charges, are measured at fair value.
Cash on hand and equivalents in hand are measured at their nominal value.

- Derecognition of financial assets and liabilities

Financial assets are derecognised whenever one of the following conditions occurs:

- the contractual right to receive the cash flows associated with the asset has expired;
- the Group has substantially transferred all the risks and rewards associated with the asset, either by transferring its rights to receive the cash flows from the asset or assuming a contractual obligation to remit the cash flows to one or more beneficiaries under a contract that meets the requirements under IFRS 9 (pass through test);
- the Group has transferred the control of the financial asset but has neither transferred nor retained the risks and rewards associated with the financial asset.

Financial liabilities are derecognised when they are settled, i.e. when the contractual obligation is fulfilled, cancelled or prescribed. When an existing financial liability is replaced by another to the same creditor on substantially different terms, or the terms of an existing liability are substantially modified, such replacement or modification is treated as derecognition of the original liability and recognition of a new liability.
The difference between the respective carrying amounts is taken to profit or loss.

- Contracts for the purchase or sale of non-financial items

Contracts for the purchase or sale of non-financial items, entered into and held on an ongoing basis for the purpose of collection or delivery in accordance with the Group's normal purchase, sale or usage requirements, do not fall within the scope of IFRS 9 and are accordingly recognised as executive contracts, with effect in profit or loss at the time of the physical exchange ('own use exemption').

Inventories

Inventories, mainly made up of materials and supplies for the maintenance and construction of plants, raw materials, i.e. fuel oil and diesel, and gas in relation to the marketing activity, are measured at the lower of cost (purchase cost, transformation and other costs incurred to bring the inventories to their current place and condition) and their expected net realisable or replacement value.
Cost is determined using the weighted average cost method.
If the cost of inventories cannot be recovered because they are damaged, have become entirely or partly obsolete or their sales prices have decreased, they are written down to their net realisable value. If the circumstances leading to the write-down no longer exist, the write-down is reversed.

Equity

Share capital, including the various categories of shares, is stated at its nominal value less share capital proceeds to be received.
The purchase cost of treasury shares is recognised as a reduction in equity.
Costs directly attributable to share capital transactions of the parent, for new subscriptions, are offset against equity.
Dividends are recognised as liabilities when they are approved by the shareholders.

Employee benefits

Post-employment benefits are defined according to plans which, based on their characteristics, are separated into "defined contribution" and "defined benefit" plans.
In defined contribution plans, the company obligation, limited to the payment of State contributions or to a separate fund, is calculated on the basis of contributions due. For the Group, this category includes the post-employment benefits accrued since 1 January 2007, payable to the INPS (the Italian Social Security Institution) fund and the share paid to the supplementary pension funds.
The liability relating to defined benefit plans, net of any plan assets, is calculated according to actuarial assumptions. For the Group, this category includes post-employment benefits accrued up to 31 December 2006 (or the date chosen by the employee if opting for allocation to supplementary funds), the tariff discounts for employees and former employees, additional monthly salary payments, the loyalty bonus paid to employees, and contributions paid to the Premungas fund.
The present value of the liability is calculated for each employee using the projected unit credit method. The total liability is calculated by estimating the amount payable on termination of the employment relations, considering economic, financial and demographic factors. This amount is recognised on a proportional basis over the period of service matured. For post-employment benefits accrued as at 31 December 2006 (or the date chosen by the employee if opting for allocation to supplementary funds), the proportional basis is not applied because at the reporting date the benefits can be considered accrued in full.
The demographic, economic and financial variables are validated annually by an independent actuary.
As regards presentation in the financial statements, the changes in liabilities connected with the obligation related to a defined benefit plan are broken down into three components:
1) operating (service costs), personnel expense;
2) financial (financial expense), net interest income/expense;
3) measurement (remeasurement costs), actuarial gains/losses.

Gains and losses resulting from actuarial calculations for post-employment benefits are immediately recognised in Other comprehensive income, except for the loyalty bonus which is entirely recognised in profit or loss.
With regard to disclosures, information is provided on the characteristics of the plans and the amounts recognised in the financial statements, as well as on the risk resulting from the plans and including a sensitivity analysis of fluctuations in demographic risk.

Provisions for risks and charges

Provisions for risks and charges are set aside to cover liabilities of uncertain amount or maturity that must be recognised when, and only when, the following conditions are met:

- the group has a present obligation (legal or constructive) as a result of a past event at the reporting date;
- it is likely that an outflow of resources embodying economic benefits will be required to settle the obligation;
- a reliable estimate can be made of the amount of the obligation.

Risks for which the related liability is only potential are disclosed in the notes to the financial statements, and no provision is made.
No additional information is provided for events that are remote, i.e. where it is very unlikely they will arise, and no provision is made.
The provisions are recognised at the amount representing the best estimate of the total that the group would pay to settle the obligation, or transfer it to third parties at year end. If the discounting effect on the value of money is significant, the provisions are calculated by discounting expected future cash flows at a pre-tax discount rate that reflects the current market assessment of the time value of money.
On discounting, the time-related increase in the provision is recognised as financial expense.
The post-closure provisions are discounted according to the cash flows indicated in the report prepared by an independent expert.

Revenue from goods and services

Revenue is measured at fair value with respect to the amount received or due, taking account of any trade discounts and reductions connected with quantity. A distinction is made between revenue from operating activities and any financial income accruing up to the date of collection.
For correct recognition of revenue from contracts with customers, reference is made to IFRS 15 which provides for a revenue recognition model based on 5 steps:

1. identify the contract with the customer. Contract means a commercial agreement approved by two or more parties that creates enforceable rights and obligations. A contract is valid when the following conditions are jointly met: a) the parties have approved the contract (in writing or according to usual commercial practices); b) it is possible to identify the customer's rights as regards the goods or services that must be transferred; c) the payment terms are identifiable; d) the contract has commercial substance; e) it is probable that the price will be collected (only the customer's ability and intention to pay are considered);
2. identify the "Performance Obligations" contained in the contract. Where a contract provides for the supply/provision of multiple goods and services, it is assessed whether these should be recognised separately or together, considering their individual characteristics.
   Activities carried out to execute the contract, such as administrative formalities for preparing the contract itself, do not transfer separate goods and services to the customer, and therefore do not represent performance obligations. Non-refundable initial expenses charged to the customer are not revenue unless they refer to separate goods and services.
   If under a contract an entity grants the customer an option to purchase future goods or services, that option is a separate performance obligation only if it provides the customer with a benefit that it could not otherwise obtain, such as a greater discount than is typically given for those particular goods or services. An option to purchase goods or services at a price that reflects its stand-alone selling price, is not a separate performance obligation even if it can be obtained only by signing the contract in question.
   In this context, it is determined whether the entity is acting as "principal" or "agent," depending on whether or not, respectively, it controls the promised good or service before control thereof is transferred to the customer. When the entity acts as an "agent," particularly with respect to gas and electric grid connection services, revenue is recognised on a net basis;
3. determine the "Transaction Price". The following elements must be considered in determining the transaction price: a) any amounts collected on behalf of third parties, which must be excluded from the price; b) variable components of the price (such as performance bonuses, penalties, discounts, refunds, incentives, etc.); c) financial component, if the payment terms grant the customer a significant extension;
4. allocate the price to the Performance Obligations on the basis of the "Relative Stand Alone Selling Price". For any bundled supplies, the selling price is generally allocated on the basis of the stand-alone price of each good or service, i.e., the price at which the Group would sell such good or service separately to the customer;
5. recognise revenue when the Performance Obligation is satisfied. The asset or service is transferred when the customer obtains control over the asset or service and that is when it has the ability to decide and/or direct its use and obtain substantially all its benefits. The transfer of control, and consequently the recognition of revenue may occur at a certain point in time or over time.

For each obligation fulfilled over time, revenue is recognised by evaluating progress toward complete fulfilment of the obligation. On the asset side, contract assets, specifically identified in the financial statements, represent the right to the price for goods and services transferred to the customer when said right is subject to a condition other than the passage of time.
When said right is unconditional, i.e. collection of the price depends solely on the passage of time, an asset is recognised.
If the customer pays the price before the transfer of goods or services occurs, a contract liability is recognised at the time payment is made (or payment is due); this liability is recognised as revenue when the obligation under the contract is fulfilled.

With reference to the Group's operating segments, it should also be noted that:

- revenue from the sale of electricity, gas and heat to customers is recognised at the time of supply and includes the estimated amount relating to supplies made but not yet invoiced. This estimate is based on the customer's historical consumption profile, adjusted to reflect weather conditions or other factors that may affect the estimated consumption;
- revenue from network businesses (electricity, gas and water distribution) is entered on the basis of the tariffs determined by the competent Authorities to reflect the remuneration paid for the investments made;
- revenue relating to contracts for the energy efficiency upgrading of buildings or plants is recognised on the basis of the stage of completion of the contract work, deduced from the total estimated costs incurred, by means of the recognition of a contract asset until the obligation has been fully met.

In the event of contractual amendment, that is a change in the subject and/or the price of the contract approved by the parties, if the amendment introduces new separate goods and/or services and the increase in the contractual price is equal to the stand-alone selling price of the new goods and/or services, the contractual amendment is accounted for as a new contract. If the two aforementioned conditions are not met and the goods and/or services still to be delivered are separate with respect to what has already been transferred to the customer before the amendment, the change is treated as cancellation of the old contract and introduction of a new contract with prospective effect on revenue; otherwise the amendment is treated as continuation of the original contract with retrospective effect on revenue.

The costs of obtaining contracts with customers are capitalised in accordance with the provisions of IFRS 15 and are amortised over the duration of the relationship with the customer. In order to determine this expected period, reference is made to historical experience with churn rates.

Grants related to assets and grants related to income

Grants related to assets are recognised, when they become payable, as deferred revenue and systematically recognised as income over the useful life of the asset to which they refer. The deferred revenue relating to the grants themselves is reflected in the statement of financial position as other liabilities, with appropriate separation between the current portion and the non-current portion.
Grants related to income are recognised in profit or loss when the recognition criteria are met, i.e. when their recognition as a balancing entry of supply costs related to the grants is certain.
Connection grants invoiced by companies that provide the distribution service as reimbursement of the costs incurred for the connection/meter installation under the terms of IFRS 15 cannot be considered part of the price of the distribution service because there is no transfer of control over the asset. They are therefore deferred and released along the life of the asset of reference in line with what is envisaged for tariff purposes.

Other income

Other income includes all kinds of revenue not included in the previous types and not of a financial nature.
Income is measured at the fair value of the consideration received or receivable and is recognised when the amount of revenue can be reliably estimated and it is probable that the economic benefits of the transaction will flow to the group.

Costs for the purchase of goods and services

Costs are measured at the fair value of the amount paid or to be paid. Costs for the acquisition of goods and services are recognised when their amount can be reliably determined. Costs for the purchase of assets are recognised upon delivery which, based on outstanding agreements, identifies the moment of transfer of the related risks and rewards. Costs for services are recognised on an accruals basis upon receipt.

Financial income and expense

Financial income and expense are recognised when they accrue on the basis of the interest earned on the net amount of the related financial assets and liabilities using the effective interest rate.
Borrowing costs that are directly attributable to the acquisition, construction or production of a plant are capitalised since it is probable that they will result in future economic benefits for the group and are reliably determined.

Income taxes

Income taxes include all the taxes calculated on the Group's taxable income.
Current and deferred taxes are recognised as income or expense and included in the profit or loss for the year, except to the extent that the tax arises from a transaction or event that is recognised, in the same or a different year, directly in equity.
Current tax is the expected tax payable on the taxable income for the year, applying the tax legislation enacted or substantially enacted at the reporting date. Deferred tax liabilities are calculated based on the temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the amounts used for taxation purposes.
Deferred tax assets are recognised only when their recovery is probable.
Deferred tax liabilities have been calculated considering the expected tax rate for the year in which the differences will reverse.

The Group also exercised the option, pursuant to Art. 118 of the new Consolidated Law on Income Tax. This requires that the consolidated companies transfer their IRES debit/credit positions to the Parent IREN S.p.A. The latter then calculates IRES on the algebraic sum of taxable profits/losses of each company taking part in the tax consolidation scheme.
In return for the taxable income earned and transferred to the parent, the consolidated company commits to paying "tax settlements" to the parent equal to the amount of taxes owed on the income transferred, net of the transferred IRES assets.

Uncertainty of income tax treatment

The definition of uncertainty should consider whether a given tax treatment would be acceptable to the Tax Authority. If it is considered probable that the Tax Authority will accept the tax treatment (the term "probable" being understood as "more likely than not"), then the Group recognises and measures its current or deferred tax assets and liabilities by applying the provisions of IAS 12.
Conversely, if the Group believes that it is not likely that the Tax Authority will accept the tax treatment for income tax purposes, the Group reflects the effect of such uncertainty by using the method that best provides for the resolution of the uncertain tax treatment. The Group decides whether to consider each uncertain tax treatment separately or in conjunction with one or more uncertain tax treatments, choosing the approach that best provides for resolution of the uncertainty. In assessing whether and how uncertainty affects tax treatment, the Group assumes that the Tax Authority does or does not accept uncertain tax treatment on the assumption that the Tax Authority, on audit, will check the amounts it is entitled to examine and that it will be fully aware of all relevant information. The Group reflects the effect of uncertainty in determining current and deferred income taxes, using either the expected value method or the most probable amount method, depending on which method best provides for resolution of the uncertainty. Since uncertain tax positions relate to the definition of income taxes, the Group reports uncertain tax assets/liabilities as current taxes or deferred taxes.

Translation criteria for foreign currency items

The functional and reporting currency adopted by the Group is the Euro. When transactions in foreign currency are made, they are initially recognised at the exchange rate in effect on the transaction date. Except for non-current assets, assets and liabilities in foreign currency are recognised at the closing rate and related exchange rate gains and losses are recognised in the income statement. Any net gain that emerges is set aside in a special reserve unavailable until the date of realisation.

Emission Trading Scheme

The Emission Trading Scheme is part of the so-called 'flexible mechanisms' allowed under the Kyoto Protocol to reduce greenhouse gas emissions. In this context, the Group actively participates in the emissions trading scheme, contributing to the achievement of the reduction targets set by the national reduction plan.
The emission quotas purchased as part of the activities related to the achievement of these objectives in excess of the requirements, determined in relation to the obligations accrued at the end of the financial year (so-called "surplus"), are recorded under other intangible assets at cost incurred. Quotas received free of charge are not recognised. Since it is an asset with instantaneous use, this item is not subject to amortisation.
With regard to the obligations relating to the year, if the requirement exceeds the quotas in the portfolio at the reporting date (so-called "deficit"), the charge necessary to meet the residual obligation is allocated in the financial statements, estimated on the basis of any purchase contracts, including forward contracts, already entered into at the reporting date and, residually, market prices.
Any emission quotas held for trading which are still unsold at year end are recognised in the statement of financial position under Inventories. These quotas are measured at the lower of cost and market value.

Other energy certificates

Closely related to the activities carried out, the Group is interested in certain types of incentives or energy certificates strictly related to the performance of specific activities aimed at energy saving and the introduction into the electricity system of energy produced from renewable sources. In particular, the Group received:

- from the Energy Services Operator ("Gestore dei Servizi Energetici" - GSE) the ex-green certificate incentive, as established by the Ministerial Decree of 6 July 2012, valid for the production of plants that already benefited from green certificates;
- from the Energy Services Operator (GSE), tradable certificates that certify that energy-saving work has been carried out (Energy Efficiency Certificates – "EECs"- the so-called "white certificates").

For accounting purposes, these cases are treated as follows:

- the incentive tariff (formerly referred to as green certificates) deriving from the annual production of electricity from renewable sources is recognised on the basis of the accruals concept when the right matures;
- white certificates are accounted for in a slightly different way according to whether the entity is obliged or not obliged to return the EECs.

In fact, entities that are obliged to return EECs recognise among other income the grant received related to the obligation for the year and among cost for raw materials the cost of EECs purchased to meet this obligation in the year of accrual. If the EECs purchased exceed the compulsory amount, the cost of the exceeding purchased certificates is discounted; conversely, if the certificates purchased are not enough to meet obligations, the cost of certificates to be purchased will be allocated to meet the compulsory amount for the year.
Entities not obliged to return the EECs:

- if they operate in trading activities, recognise revenue and costs of the certificates bought and sold and suspend among Inventories any unsold certificates, measured at the weighted average cost and at the lower between cost and market;
- if white certificates mature in the context of energy efficiency and energy saving activities, the related revenue is recognised as it accrues.

Power Purchase Agreements

Power Purchase Agreements (PPAs), i.e. long-term contracts, at negotiated prices, between an energy producer/seller and a customer, which:

- involve the physical delivery of the commodity;
- do not meet the requirements of IFRS 10 for the existence of control or joint control over a company or asset and IFRS 16 for the recognition of a lease
- comply with the definition of a derivative in IFRS 9

are accounted for by applying the own use exemption when the relevant conditions are met.
With reference to Virtual PPAs (bilateral contracts without physical delivery, which provide for a consideration 'for difference' with respect to market prices against a strike price), which meet the definition of a derivative under IFRS 9, please refer to the section 'Recognition of derivatives' in the chapter 'Group Financial Risk Management'.

Earnings per share

- Basic earnings per share

The group calculates basic earnings per share on the basis of the profit or loss attributable to shareholders holding ordinary shares of the parent. Basic earnings per share is calculated by dividing the profit or loss for the year attributable to shareholders holding ordinary shares by the weighted average number of ordinary shares outstanding during the year.

- Diluted earnings per share

The group calculates diluted earnings per share based on the profit or loss attributable to shareholders of the parent.
For the purposes of calculating diluted earnings per share, the number of ordinary shares is the weighted average number of ordinary shares plus the weighted average number of ordinary shares that could be issued on conversion to shares of all potential ordinary shares with dilutive effects. This conversion takes place at the beginning of the year or at the date of issue of the potential ordinary shares.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED AS OF 1 JANUARY 2024

As of 1 January 2024, the following accounting standards and amendments to accounting standards, issued by the IASB and endorsed by the European Union, are obligatorily applicable:

Amendments to IFRS 16 - Leases Lease Liability in a Sale and Leaseback
Issued on 22 September 2022, its purpose is to clarify the impact that a sale or leaseback transaction could have on a financial liability with variable payments that are not index- or rate-related.

Amendments to IAS 1 - Classification of liabilities as current or non-current and Non-current liabilities with covenants
Issued on 23 January 2020 and 31 October 2022, they provide clarifications on the classification of liabilities as current or non-current.

Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements
Issued on 25 May 2023, it provides clarification on the correct representation of the effects of reverse factoring.

The application of the amendments to the aforementioned IFRS did not have any consequences or, in any case, significant effects on the Group's financial position and performance.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS ENDORSED BUT NOT YET APPLICABLE AND NOT ADOPTED IN ADVANCE BY THE GROUP

Amendments to IAS 21 – Lack of exchangeability
Issued on 15 August 2023, it amends IAS 21, which did not contain explicit provisions for determining the exchange rate. The amendments introduce requirements for determining when a currency can be translated into another currency and when it is not. The amendment is applicable as of 1 January 2025.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ENDORSED BY THE EUROPEAN UNION

Amendments to IFRS 9 and IFRS 7 – Amendments to the classification and measurement of financial instruments
Issued in May 2024, in response to questions on the derecognition of financial liabilities, the classification of financial assets and related disclosures. The amendments are applicable from 1 January 2026.

Amendments to IFRS 9 and IFRS 7 - Contracts referencing nature-dependent electricity
On 18 December 2024, the IASB issued amendments to improve the reporting by companies of the financial effects of contracts referencing nature-dependent electricity, often structured as power purchase agreements (PPA). The amendments are applicable from 1 January 2026.

IFRS 18 - Presentation and Disclosure of Financial Statements
Published by the IASB on 9 April 2024, it supersedes IAS 1 Presentation of Financial Statements and establishes significant new requirements for the presentation of financial statements, with the intention of improving the comparability and transparency of companies' performance reporting. It is effective for annual reporting periods beginning on or after 1 January 2027.

IFRS 19 Subsidiaries without Public Accountability: Disclosures
Issued on 9 May 2024, it allows eligible subsidiaries (i.e. reporting to a parent that prepares consolidated financial statements in accordance with the IFRS) to apply reduced disclosure requirements when complying with the recognition, measurement and presentation requirements of the IFRS. It is effective for annual reporting periods beginning on or after 1 January 2027.

VI. Group Financial Risk Management

A summary of the risk management and control methods is shown below with respect to financial instruments (liquidity risk, currency risk, interest rate risk, credit risk) and *commodity* price risk related to fluctuations in the prices of energy *commodities*.

1. FINANCIAL RISKS
Iren Group's business is exposed to various types of financial risks, including: liquidity risk, currency risk and interest rate risk. As part of its Risk Management activities, the Group uses non-speculative hedging contracts to limit currency risk and interest rate risk.

a) Liquidity risk
Liquidity risk is the risk that financial resources available to the group will be insufficient to cover financial and trade commitments in accordance with the agreed terms and deadlines. The procurement of financial resources has been centralised in order to optimise their use. In particular, centralised management of cash flows at Iren makes it possible to allocate the funds available at the Group level according to the needs that from time to time arise among the individual Companies. Cash movements are recognised in intra-group accounts along with intra-group interest income and expense. A number of investees have an independent financial management structure in compliance with the guidelines provided by the parent.
The current and forecast financial position and the availability of adequate credit facilities are constantly monitored, and no critical points have emerged regarding the coverage of short-term financial commitments. At the end of the year, short-term bank credit facilities used by the Parent were nil.

In addition, having assessed the convenience and advisability from time to time in the context of optimising available financial resources, the Group carries out non-recourse factoring of trade receivables and tax assets, benefiting from the liquidity advance arising therefrom.
In this context, to support the Group's liquidity profile and rating level, in addition to current cash and cash equivalents, Iren has a total of 695 million euro, including medium/long-term credit lines agreed and available but not used (495 million euro) and the committed Sustainability-Linked revolving credit facilities (RCF), agreed in December 2023 with Unicredit and BPER (200 million euro).

The table below illustrates the nominal cash flows required to settle financial liabilities:

Financial liabilities at 31 December 2024:

thousands of euro

	Carrying amount	Contractual cash flows	within 12 months	1-5 years	Over 5 years
Loan and bond liabilities (*)	4,931,344	(5,552,053)	(664,097)	(2,382,942)	(2,505,014)
Hedging of interest rate risk (**)	(478)	478	2,727	(2,316)	67
Lease liabilities	69,542	(75,407)	(18,566)	(44,339)	(12,502)

(*) The carrying amount of "Loan and bond liabilities" includes both current and non-current portions.

(**) The carrying amount of "Hedging of interest rate risk" includes the positive and negative fair value of the hedging contracts.

Financial liabilities at 31 December 2023:

thousands of euro

	Carrying amount	Contractual cash flows	within 12 months	1-5 years	Over 5 years
Loan and bond liabilities (*)	4,528,978	(4,928,613)	(668,182)	(2,255,013)	(2,005,418)
Hedging of interest rate risk (**)	2,279	(2,279)	18,259	(9,895)	(10,643)
Lease liabilities	62,382	(67,070)	(16,227)	(37,099)	(13,744)

(*) The carrying amount of "Loan and bond liabilities" includes both current and non-current portions.

(**) The carrying amount of "Hedging of interest rate risk" includes the positive and negative fair value of the hedging contracts.

Cash flows required to settle other financial liabilities, other than those to lenders and those related to the application of IFRS 16 on the subject of *leases*, do not differ significantly from the recognised carrying amount.

Among the factors that define the risk perceived by the market, the creditworthiness, assigned to Iren by the rating agencies, plays a decisive role since it influences its ability to access sources of financing and the related economic conditions. A substantial worsening of this credit rating could constitute a limitation to access to the capital market and/or an increase in the cost of financing sources, with possible negative effects on the Group's financial position and performance.
As detailed in the "Financial Management" section of the Directors' Report, Iren Group has a "BBB" rating with a "Stable" Outlook for long-term creditworthiness with the agency Standard & Poor's Global Ratings (S&P), confirmed on 23 July 2024, following the update of the business plan to 2030, and the "BBB" rating with "Stable" Outlook for long-term creditworthiness with the agency Fitch Ratings, with confirmation of the "BBB" rating and revision of the Outlook to "Stable" on 26 July 2024, following the update of the business plan to 2030.

Iren has relations with the leading Italian and international banks, for the purpose of searching for the types of loans most suited to its needs, and the best market conditions.
Details of the activities performed in this area and of the individual transactions are shown in the "Financial Management" section of the Directors' Report.

Financial debt at the reporting date consisted of 30% loans and 70% bonds; it is also noted that:

- 89% of total debt is financed by sustainable funds, consistent with the Iren Sustainable Finance Framework, such as Green Bonds and loans whose interest rate is linked to ESG Key Performance Indicators - see also Note 21 "Non-current financial liabilities" of these Notes;
- 70% of the residual debt for loans is contracted at a fixed rate and 30% at a variable rate.

With regard to the liquidity risk potentially deriving from contractual clauses allowing counterparties to withdraw financing should certain events occur (*default* risk and *covenants*), it is noted that the clauses in Iren's loan agreements are complied with. Specifically, for certain medium/long-term loan agreements Iren is committed to observing financial *covenants* (such as Debt/gross operating profit, gross operating profit/borrowing costs) verified on a yearly basis. Moreover, other covenants have been provided for the Change of Control clause, which states that Iren Group should be kept under the direct and indirect control of public shareholders. In addition, Negative Pledge clauses exist whereby the group undertakes not to grant collateral beyond a specific limit, and the *Pari Passu* clause, which reserves an equal treatment for lending banks with respect to the treatment related to other unsecured creditors. The medium/long-term loan agreements of certain companies which contribute to the Group's Net Financial Debt, specifically the Project Finance contract with TRM, envisage the observance of financial covenants which have been complied with.

b) Currency risk
Except as indicated in the section on energy risk, IREN Group is not significantly exposed to currency risk.

c) Interest rate risk
Iren Group is exposed to fluctuations in interest rates, especially with regard to borrowing costs. Iren Group's strategy is to limit exposure to the risk of interest rate volatility, maintaining at the same time a low cost of funding.
For non-speculative purposes, the risks associated with the increase in interest rates are monitored and, if necessary, reduced or eliminated by *swap* and *collar* contracts with financial high credit *standing* counterparties, for the sole purpose of hedging. At the end of the year, all contracts entered into meet the requirement to limit exposure to interest rate risk and also meet the formal requirements for hedge accounting.

The fair value of the aforementioned interest rate hedging contracts as at 31 December 2024 relates to the position of the parent (positive 8,449 thousand euro), of TRM (negative for 8,743 thousand euro) and of Siena Ambiente (positive for 772 thousand euro).
The hedging contracts entered into, together with fixed-rate loans, hedge 94% of loans against interest rate risk, in line with Iren Group's target of maintaining adequate protection against significant increases in the interest rate.

For a more complete understanding of the interest rate risks to which the Group is subject, stress testing was performed on the sensitivity of net financial expense and evaluation portions in derivative financial contracts to changes in interest rates.
As regards financial expense, this analysis was performed on the basis of reasonable assumptions as follows:

- a theoretical increase and decrease of 100 basis points in the Euribor interest rates over the year was applied to net financial debt;
- if there was any existing hedge, interest rate shock was applied to both the debt position and related hedging derivative with an extremely limited net effect on the income statement;
- the change in interest rates is also applied to any portion of interest expense capitalised in the year.

With regard to hedging derivatives at year end, a 100 basis points theoretical increase and decrease was applied to the forward curve of interest rates used to measure the fair value of the hedges.
The table below illustrates the results of the above sensitivity analysis performed with reference to 31 December 2024.

thousands of euro

	increase of 100 bps	decrease of 100 bps
Increase (decrease) in net financial expense	(220)	162
Increase (decrease) in derivative fair value charges	299	(213)
Increase (decrease) in hedging reserve	44,497	(47,069)

2. CREDIT RISK
The Group's credit risk is mainly related to trade receivables deriving from the sale of electricity, district heating, gas and the provision of energy, water and waste management services. The receivables are spread across a large number of counterparties, belonging to non-uniform customer categories (retail and business customers and public bodies); some exposures are of a high amount and are constantly monitored. Iren Group's Credit Management units devoted to credit recovery are responsible for this activity.

In carrying on its business, the Group is exposed to the risk that assets may not be honoured on maturity with a consequent increase in their age and in insolvency up to an increase in assets subject to arrangement procedures or unenforceable. This risk reflects, among other factors, also the current economic and financial situation.
To limit exposure to credit risk, various tools are adopted. These include analysing the solvency of customers at the acquisition stage through careful assessment of their creditworthiness, transferring the receivables of discontinued and/or active customers to external credit recovery companies and introducing new recovery methods for managing legal disputes. In addition, numerous payment methods are offered to customers through channels, including digital channels, and appropriately monitored payment plans are proposed.
Furthermore, starting from June 2023, a revolving without recourse project has been launched with reference to trade receivables relating to invoices of retail customers who do not use direct debit for their payments.

The credit management policy and creditworthiness assessment tools, as well as monitoring and recovery activities, are managed through automated processes and integrated with company applications and differ in relation to the various categories of customers and types of service provided.
Credit risk is hedged, for some types of business customers, with opportune forms of first-demand bank or insurance guarantees issued by subjects of leading credit standing. An interest-bearing guarantee deposit is required for some types of services (water, natural gas, highly- protected electricity sectors) in compliance with regulations governing these activities. This deposit is reimbursed if the customer uses payment by direct debit from a current account.
The payment terms generally applied to customers are related to the legislation or regulations in force or in line with the standards of the free market; in the event of non-payment, default interest is charged for the amount indicated in the contracts or by the legislation.

The control of credit risks is also strengthened by the monitoring and reporting procedures, in order to identify promptly possible countermeasures. Furthermore, on a quarterly basis, a Group report is produced with the evolution of the trade receivables of the Group companies, in terms of customer type, contract status, business chain and ageing range. The assessment of credit risk is carried out both at consolidated level and at the level of Business Units and companies. Some of the above assessments are carried out at intervals of less than three months or when there is a specific need.

With reference to Trade Receivables and their breakdown by Business Unit and ageing bracket, please refer to the contents of Note 14 "Trade Receivables" in chapter X "Notes to the Statement of financial position".

Impairment losses on loans and receivables reflect, carefully and in accordance with the current legislation (applying the IFRS 9 method), the effective credit risks, and are determined on the basis of the extraction from databases of the amounts making up the receivable and, in general, assessing any changes in the said risk compared to the initial measurement and, estimating the related expected credit losses determined on a prospective basis, taking into due consideration the historical data.
In this regard, a breakdown by financial statements item of the estimated expected credit losses recognised in the year is provided.

	thousands of euro
Trade receivables	74,482
Total to IS impairment losses on loans and receivables	**74,482**
Non-current financial assets	20
Total - to IS under Financial expense	**20**
Total	**74,502**

Also with reference to "Trade Receivables", in the related Note to the Statement of Financial Position, the specific loss allowance is reported by segment, with evidence of the average loss percentages by ageing bracket.

There is credit concentration we in the transactions between the subsidiaries Iren Smart Solutions and AMIAT and the municipality of Turin. For further details, see in particular Note "Non-current financial assets" of the Notes to the statement of financial position.

3. ENERGY RISK

Iren Group is exposed to price risk, on the energy commodities traded, these being electricity, natural gas, CO_2 emission quotas, etc., as both purchases and sales are impacted by fluctuations in the price of such commodities directly or through indexing formulae. Currently no exposure to currency risk, typical of oil-based commodities, is present, thanks to the development of the European organised markets that trade the gas commodity in the euro currency and no longer indexed to oil products.

The Group has a formal procedure that provides for the measurement of residual risk, the definition of a maximum acceptable risk limit and the implementation of hedging transactions through the use of derivative contracts on regulated markets (e.g. European Energy Exchange - EEX) and on Over The Counter (OTC) markets involved in bilateral exchanges. The commodity risk control process makes it possible to limit the impact of unforeseen changes in market prices on margins and, at the same time, provides an adequate margin of flexibility to seize opportunities in the short term.

In this context, the Group's policy is in fact oriented to a strategy of active management of the positions to stabilise the margin taking the opportunities offered by the markets; it is implemented by aligning the indexing of commodities purchased and sold, through vertical and horizontal use of the various business chains, and operating on the financial markets.

For this purpose, the Group plans the production of its plants and purchases and sales of energy and natural gas, in relation to both volumes and price formulae. The objective is to achieve sufficient margin stability through a policy of indexed purchases and sales that achieves a high degree of natural hedging, with adequate recourse to futures and spot markets.

In relation to the energy sold, the Group may use fixed-price contracts, through physical bilateral agreements (e.g. Power Purchase Agreements -PPA-, etc.) or financial contracts (e.g. Contracts for Difference, Virtual Power Purchase Agreements -VPP-, etc.).

In addition to normal activity with physical contracts, derivative transactions are in place to hedge the energy portfolio:

- Over the Counter (OTC) on commodities (commodity swaps on TTF, PSV, PFOR and PUN indices) totalling 7.2 TWh. The fair value of these instruments as at 31 December 2024 was negative overall by 7,534 thousand euro (depending on the different positions, of which 34,839 thousand euro of positive fair value and 42,373 thousand euro of negative fair value);
- on the regulated platform European Energy Exchange - EEX, on PUN for a total net notional equal to 3.4 TWh. The Fair Value of these instruments (the so-called "Variation Margin") as at 31 December 2024 is negative overall for 35,721 thousand euro, with daily settlement on a specific current account: these instruments are not in fact specifically valued in the financial statements as they are already expressed in terms of "higher/lower" liquidity.

During the year, Block Deals were performed for a volume of 260 MW (120 MW maturing by 31 December 2024, 30 MW maturing by 31 March 2025 and 110 MW maturing on 31 December 2025) aimed at neutralising the position on EEX, with simultaneous reopening of the OTC position. This strategy made it possible, with a view to containing liquidity risk and for low fees, to eliminate the Initial Margin and to freeze the Variation Margin at the execution date for neutralised EEX transactions.

In addition, under the Emission Trading Scheme, Iren Group purchases Emission Unit Allowances (EUA) to meet its obligations arising from CO2 emissions caused by the production of electricity and heat.

Purchases of EUA take place either Spot (with immediate payment and physical delivery) or forward via Future/Forward (with deferred payment and physical delivery); in addition, they may be concluded either on the OTC market (bilateral contracts with third parties) or directly on the regulated EEX market. The annual domestic requirement to be covered is approximately 2.9-3 million CO2 allowances/tonnes.

As at 31 December 2024, there were outstanding Future/Forward transactions:

- Over the Counter (OTC) for a total of 2,444 thousand tonnes. The Fair Value of these instruments totalled a positive 4,801 thousand euro;
- on the regulated platform European Energy Exchange - EEX for a total net notional amount equal to 894 thousand tonnes. The Fair Value of these instruments is positive overall for 1,930 thousand euro, with daily settlement on a specific current account: these instruments are not specifically valued in the financial statements as they are already expressed in terms of "higher/lower" liquidity.

RECOGNITION OF DERIVATIVES

Financial derivatives are measured at fair value, determined on the basis of market values or, if unavailable, according to an internal measurement technique.
In order to recognise derivatives, it is necessary to distinguish between transactions that meet all of the IFRS 9 requirements in order to account for them in compliance with the hedge accounting rules and transactions that do not fulfil all of the aforesaid requirements.

Transactions recognised in compliance with hedge accounting rules
These transactions may include:

- fair value hedges: the derivative and the hedged item are recognised at fair value in the statement of financial position and the change in their fair values is recognised directly in the income statement;
- cash flow hedges: the derivative is recognised at fair value with a balancing entry in a specific equity reserve for the effective portion of the hedge and in the income statement for the ineffective portion; when the hedged item arises, the amount suspended in equity is reversed to the income statement.

Classification in the income statement of the ineffective portion and the deferred amount transferred from equity is based on the nature of the underlying instrument; in the case of commodity derivatives, this amount is accounted for in the gross operating profit, while in the case of interest rate risk hedges it is recognised in financial income and expense.

Transactions not recognised in compliance with hedge accounting rules
The derivative is recognised at fair value in the statement of financial position. The change in the fair value of the derivative and the realised portion are recognised in the income statement according to the following classification:

- in the case of derivative instruments on commodities for which there is a relationship with a cost or revenue component, in the gross operating profit; in particular, the realised portion is accounted for as an adjustment to the cost or revenue component to which it refers;
- in the case of interest rate risk hedges, in financial income or expense.

Finally, in the case of derivative instruments for which there is no longer a relationship with a cost or revenue component, the change in the fair value of the derivative is recognised in financial income and expense, as they are considered instruments with purely financial characteristics and do not have the characteristics to manage exposures arising from particular risks that could affect the profit for the year.

With regard to the valuation of the derivative among statement of financial position items, it should be noted that the fair value of the derivative is recorded under non-current financial assets/liabilities if the underlying is a non-current item, vice versa it is recorded under current financial assets/liabilities if the underlying is settled within the reporting period.
In the case of derivative instruments for which there is no relationship to a cost or revenue component, the fair value of the derivative is recorded under current or non-current financial assets/liabilities depending on whether the portion is due within or beyond twelve months of the reporting date.

FAIR VALUE

The following table shows, for each financial asset and liability:
- the carrying amount, including the method of accounting;
- the fair value, including the Level in the relative hierarchy.

In this regard, the various levels were defined as shown below:
- Level 1: Quoted prices (unadjusted) on active markets for identical assets or liabilities;
- Level 2: Inputs other than Level 1 quoted prices which are observable for the asset or liability, either directly (as in the case of prices), or indirectly (i.e. derived from prices);
- Level 3: Inputs for the asset or liability which are not based on observable market data.

Loans and bonds

The fair value of loans, level 2, is determined as the sum of estimated future cash flows associated with assets or liabilities, including the related component of financial income or expense, discounted with reference to the reporting date. This present value is determined by applying the forward interest rate curve at the reporting date.
With regard to bonds, the relative fair value (level 1) is derived from the quotation on the regulated markets of the Irish Stock Exchange (Euronext Dublin) and on the ExtraMOT Pro market of Borsa Italiana.

Derivative hedging contracts (rate and commodities)

All the Group's hedging instruments have a fair value which can be classified at level 2, thus measured through valuation techniques, that take, as a reference, parameters that can be observed on the market (e.g. interest rates, commodity prices) and are different from the price of the financial instrument, or in any case that do not require a significant adjustment based on data which cannot be observed on the market. Their fair value is equal to the present value of estimated future cash flows.
In particular:
- with regard to financial instruments hedging interest rate risk, estimates of variable-rate future cash flows are based on quoted swap rates, futures prices and interbank rates, from which the yield curve used to discount the estimated cash flows is also obtained. The fair value thus obtained is subject to Credit Risk Adjusted (CRA) to incorporate the Group's and counterparty's credit risk, with calculation parameters (probability of default and percentage of loss in the event of default) valued in accordance with best market practice;
- with regard to financial instruments hedging commodity risk, estimates of variable future cash flows are based on electricity, gas and EUA price quotations extracted from the main market platforms. Cash flows are discounted and adjusted for the credit risk component, similar to interest rate risk hedging instruments.

Put Options

Financial liabilities for put options relate to the fair value measurement of put options granted to non-controlling investors of I.Blu, Nord Ovest Servizi and ReMat.
With reference to I. Blu and Nord Ovest Servizi, their nominal value, contractually defined between the parties and discounted to take into account the time component with respect to the exercise date, is the directly observable input for the Level 2 fair value measurement.
With regard to ReMat, the fair value of the put option, which is also subject to discounting, is calculated according to the contractual terms based on the best estimate of the company's expected profitability in a given timeframe: the relative fair value is therefore hierarchically entered in level 3.

Finally, it should be noted that there have been no transfers between the various levels of the fair value hierarchy and that information on the fair value of financial assets and liabilities not measured at fair value is excluded when their carrying amount is reasonably representative of their fair value.

The following tables do not include assets and liabilities relating to derivatives stipulated on the EEX market (used for Cash Flow Hedges), which have a daily adjustment of their fair value on a specific current account: they are not specifically valued in the financial statements as they are already expressed in "higher/lower" cash balances.

In order to provide a disclosure as complete as possible, the corresponding figure from the previous year is also indicated.

thousands of euro	Carrying amount				
31.12.2024	Fair value of hedging instruments	Fair Value Through Profit or Loss	Financial assets measured at amortised cost	Other financial liabilities	TOTAL
Financial assets measured at fair value					
Derivative hedging contracts (rate)	21,957				21,957
Derivative hedging contracts (commodities)	39,640				39,640
Assets for variable portion of transfer price OLT Offshore LNG Toscana		21,744			21,744
Other equity investments		8,723			8,723
Total Financial assets measured at fair value	61,597	30,467	-	-	92,064
Financial assets not measured at fair value					
Trade receivables			1,476,294		1,476,294
Loan assets			622,061		622,061
Sundry assets and other assets (*)			409,047		409,047
Cash and cash equivalents			326,568		326,568
Total Financial assets not measured at fair value	-	-	2,833,970	-	2,833,970
Financial liabilities measured at fair value					
Derivative hedging contracts (rate)	(21,479)				(21,479)
Derivative hedging contracts (commodities)	(42,373)				(42,373)
Put options		(7,192)			(7,192)
Total Financial liabilities measured at fair value	(63,852)	(7,192)	-	-	(71,044)
Financial liabilities not measured at fair value					
Bonds				(3,468,196)	(3,468,196)
Loans				(1,463,148)	(1,463,148)
Other financial liabilities (**)				(45,516)	(45,516)
Trade payables				(1,787,198)	(1,787,198)
Sundry liabilities and other liabilities (*)				(384,619)	(384,619)
Total Financial liabilities not measured at fair value	-	-	-	(7,148,677)	(7,148,677)
TOTAL	(2,255)	23,275	2,833,970	(7,148,677)	(4,293,687)

(*) Prepaid expenses and deferred income are excluded

(**) Lease liabilities recognised in accordance with IFRS 16 are excluded

thousands of euro	Fair value			
31.12.2024	Level 1	Level 2	Level 3	TOTAL
Financial assets measured at fair value				
Derivative hedging contracts (rate)		21,957		21,957
Derivative hedging contracts (commodities)		39,640		39,640
Assets for variable portion of transfer price OLT Offshore LNG Toscana			21,744	21,744
Other equity investments				-
Total Financial assets measured at fair value	-	61,597	21,744	83,341
Financial assets not measured at fair value				
Trade receivables				-
Loan assets				-
Sundry assets and other assets (*)				-
Cash and cash equivalents				-
Total Financial assets not measured at fair value	-	-	-	-
Financial liabilities measured at fair value				
Derivative hedging contracts (rate)		(21,479)		(21,479)
Derivative hedging contracts (commodities)		(42,373)		(42,373)
Put options		(6,909)	(283)	(7,192)
Total Financial liabilities measured at fair value	-	(70,761)	(283)	(71,044)
Financial liabilities not measured at fair value				
Bonds	(3,352,358)			(3,352,358)
Loans		(1,468,538)		(1,468,538)
Other financial liabilities (**)				-
Trade payables				-
Sundry liabilities and other liabilities (*)				-
Total Financial liabilities not measured at fair value	(3,352,358)	(1,468,538)	-	(4,820,896)
TOTAL	(3,352,358)	(1,477,702)	21,461	(4,808,599)

The non-current portion of "Financial assets measured at fair value" includes at Level 3 the asset relating to the variable portion of the sale price of OLT Offshore LNG Toscana, amounting to 21,744 thousand euro as at 31 December 2024, the fair value of which is determined on the basis of the application of the price formula provided for in the contract, taking into account the expected profitability of the company and the discount rate inferred from its financial statements. In this regard, a sensitivity on the fair value of this item is reported, expressing the change in it when the expected profitability and discount rate increase/decrease by one percentage point.

		thousands of euro
	+1%	-1%
Profitability (flows)	972	(972)
Discount rate	(695)	728

The fair value level of "Other equity investments" (which refer to companies not listed on regulated markets) is not reported, since the related carrying amount is a reasonable approximation.

thousands of euro	Carrying amount				
31.12.2023 Restated	Fair value of hedging instruments	Fair Value Through Profit or Loss	Financial assets measured at amortised cost	Other financial liabilities	TOTAL
Financial assets measured at fair value					
Derivative hedging contracts (rate)	30,611				30,611
Derivative hedging contracts (commodities)	39,039				39,039
Assets for variable portion of transfer price OLT Offshore LNG Toscana		21,599			21,599
Other equity investments		10,914			10,914
Total Financial assets measured at fair value	69,650	32,513	-	-	102,163
Financial assets not measured at fair value					
Trade receivables			1,317,523		1,317,523
Loan assets			279,872		279,872
Sundry assets and other assets (*)			683,249		683,249
Cash and cash equivalents			436,134		436,134
Total Financial assets not measured at fair value	-	-	2,716,778	-	2,716,778
Financial liabilities measured at fair value					
Derivative hedging contracts (rate)	(32,891)				(32,891)
Derivative hedging contracts (commodities)	(82,674)				(82,674)
Put options		(8,315)			(8,315)
Total Financial liabilities measured at fair value	(115,565)	(8,315)	-	-	(123,880)
Financial liabilities not measured at fair value					
Bonds				(3,021,690)	(3,021,690)
Loans				(1,507,288)	(1,507,288)
Other financial liabilities (**)				(69,455)	(69,455)
Trade payables				(1,634,720)	(1,634,720)
Sundry liabilities and other liabilities (*)				(364,170)	(364,170)
Total Financial liabilities not measured at fair value	-	-	-	(6,597,323)	(6,597,323)
TOTAL	(45,915)	24,198	2,716,778	(6,597,323)	(3,902,262)

(*) Prepaid expenses and deferred income are excluded

(**) Lease liabilities recognised in accordance with IFRS 16 are excluded

thousands of euro	Fair value			
31.12.2023 Restated	Level 1	Level 2	Level 3	TOTAL
Financial assets measured at fair value				
Derivative hedging contracts (rate)		30,611		30,611
Derivative hedging contracts (commodities)		39,039		39,039
Assets for variable portion of transfer price OLT Offshore LNG Toscana			21,599	21,599
Other equity investments				-
Total Financial assets measured at fair value	-	69,650	21,599	91,249
Financial assets not measured at fair value				
Trade receivables				-
Loan assets				-
Sundry assets and other assets (*)				-
Cash and cash equivalents				-
Total Financial assets not measured at fair value	-	-	-	-
Financial liabilities measured at fair value				
Derivative hedging contracts (rate)		(32,891)		(32,891)
Derivative hedging contracts (commodities)		(82,674)		(82,674)
Put options		(7,238)	(1,077)	(8,315)
Total Financial liabilities measured at fair value	-	(122,803)	(1,077)	(123,880)
Financial liabilities not measured at fair value				
Bonds	(2,769,706)			(2,769,706)
Loans		(1,514,000)		(1,514,000)
Other financial liabilities (**)				-
Trade payables				-
Sundry liabilities and other liabilities (*)				-
Total Financial liabilities not measured at fair value	(2,769,706)	(1,514,000)	-	(4,283,706)
TOTAL	(2,769,706)	(1,567,153)	20,522	(4,316,337)

VII. Information on transactions with related parties

As indicated in the Directors' Report, the information on transactions with related parties is provided below.

Transactions with owners
We present, for the Group's subsidiaries, the main transactions directly carried out with the owner Municipalities which have been classified as related parties (Municipality of Turin, Municipality of Reggio Emilia, Municipality of Parma, Municipality of Piacenza and Municipality of Genoa) where the Group operates.

Through Iren Smart Solutions, the Group operates services awarded by the municipality of Turin, i.e. public street lighting and traffic light services, management of heating and electrical systems of buildings used as administrative offices or to provide services to the community. The services rendered by Iren Smart Solutions are governed by specific long- term agreements. In this context, on 30 June 2022, an agreement was signed between the Municipality of Turin and Iren Smart Solutions for the plant and building upgrading aimed at improving the energy efficiency of 800 buildings in the Municipality of Turin, which is added to the work carried out in recent years on the city's public lighting systems and the heating systems of numerous municipal-owned buildings.
In this regard, an onerous current account contract is in place between the City of Turin and Iren Smart Solutions for management of the past-due amounts related to the above activities.

The Group, through Iren Mercato, supplies district heating heat to the municipalities of Parma, Piacenza and Turin at conditions normally applied to the remaining customers.

Iren Acqua and IRETI provide water services respectively to the municipality of Genoa and to the municipalities of Parma and Piacenza, based on supply contracts similar to those signed with all other customers.

Iren Ambiente, Iren Ambiente Parma and Iren Ambiente Piacenza are in charge of the waste collection and disposal service in the municipalities of Reggio Emilia, Parma and Piacenza, respectively, according to the conditions set out in the existing awards.

Again in the context of the sector, for the Municipality of Turin the waste management and snow clearing services, and post-operative management of the "Basse di Stura" landfill site are provided by AMIAT in accordance with the Service Contract in being. In this regard, an onerous current account contract is in place between the Municipality of Turin and AMIAT for management of the past-due amounts related to the above activities.

Transactions with associates
Among the main transactions carried out by the Group with joint ventures and associates, the following are noted:
- the operational management services of the Integrated Water Service of the Province of Reggio Emilia provided by Iren Acqua Reggio to ARCA, holder of the relevant concession;
- sale of electricity and gas to Asti Servizi Pubblici, electricity to CSAI and gas to GAIA;
- waste collection and disposal services, including special waste, for GAIA and SETA, which operate in the waste management services sector;
- services provided to CSAI concerning full service maintenance and operation of electricity generation plants fuelled by landfill biogas;
- delivery of waste to the plants of GAIA, Barricalla and CSAI and the purchase of sorted fractions from GAIA and SETA for treatment;
- maintenance services to ASA S.c.p.a. and the delivery of waste to its landfill;
- corporate and technical-administrative services (management, financial, IT, administrative and control, energy management) and the sale of gas and electricity to the EGEA Holding group.

Transactions with other related parties
On the basis of the RPT Procedure, companies controlled, directly or indirectly, by one of the following Municipalities have been identified as related parties: Parma, Piacenza, Reggio Emilia, Turin and Genoa.
Transactions with these companies are mainly of a commercial nature and pertain to services provided to the generality of customers and concern gas, electricity and, in particular, district heating.
In addition, the Group provides waste treatment services to AMIU, a subsidiary of the Municipality of Genoa, and waste disposal services to SMAT, a subsidiary of the Municipality of Turin (the latter also supplies, for some companies of the Group, services relating to the water service).

Lastly, it should be noted that, in order to provide the integrated water service in the provinces of Parma and Piacenza and in the province of Reggio Emilia, IRETI and Iren Acqua Reggio respectively, in exchange for the payment of an annual fee, use the assets owned by the companies Parma Infrastrutture, Piacenza Infrastrutture and AGAC Infrastrutture, controlled by the relevant Municipalities.
Quantitative information on financial transactions with related parties is provided in chapter "XIV. Annexes to the Consolidated Financial Statements", considered an integral part of these notes.

Lastly and as regards the Directors and Statutory Auditors of Iren, with the exception of payment of the fees envisaged for the performance of duties in the management or control bodies of the Parent or of other Group companies, it should be noted that there are no transactions between them and the Group itself.
Transactions that consist of assigning remuneration and economic benefits, in any form, to members of the management and control bodies of Iren and Executives with Strategic Responsibilities of the Group are also subject to the provisions of the RPT Procedure.
The remuneration of key management (members of the Board of Directors - including members that ceased to hold office in 2024 - and Executives with Strategic Responsibilities) totals 6,164 thousand euro, and refers to fixed remuneration (3,146 thousand euro), remuneration for participation in committees (146 thousand euro), bonuses and other incentives (2,864 thousand euro), non-cash benefits (26 thousand euro).

Disclosure pursuant to Art. 5.8 and 5.9 CONSOB Regulation

For ease of reading, this disclosure is provided considering the first and second half of the financial year 2024 separately.

As for the first half of the financial year 2024

During said period, there was only one related-party transaction of "major significance", falling within the category of those referred to in Articles 5.8 and 5.9 of the Consob Regulation, between the company Ringenera Materiali ("Ri.Ma"), indirectly controlled by Iren, and AMIU Genova ("AMIU"), an in-house providing company of the Municipality of Genoa ("Transaction").
The purpose of the transaction was to amend, by means of a specific supplementary deed ("Supplementary Deed"), the agreement entered into between the parties ("Agreement"), on 30 December 2019, concerning the concession for the design, construction, management and operation of the mechanical-biological treatment (MBT) plant serving the Genoa area at the Scarpino plant hub ("Plant"). More in detail, the Supplementary Deed, with the related technical annexes, envisages the construction of the Plant on the basis of an alternative solution - of dimensional, structural and operational simplification - with respect to the one on which the Agreement was based, by means of reprofiling thereof with lower costs and construction times than those originally envisaged.
The Transaction, as already mentioned, was included among those of "*major significance*" given that its countervalue - calculated according to the terms of Article 5.2, letter (a) of the RPT Procedure, which incorporates the contents of Article 3, paragraph 1.1, of the Consob Regulation - was higher than the threshold (5%) provided for by the same provision of the RPT Procedure. In light of this "objective" qualification, the Transaction was submitted to the relevant preliminary and approval process, most recently by the Board of Directors of Iren and by the Sole Director of Ri.Ma., on the basis of the analysis that involved, for the profiles of their respective competences, both the Control, Risk and Sustainability Committee ("CRSC") and the Related Party Transactions Committee ("RPTC") of Iren, both of which, we anticipate, have rendered a favourable opinion.
In detail, this process took place as follows:

- in the meeting of 18 January 2024, the RPTC - having positively ascertained the "*independence*" and "*non-relatedness*" requirements (pursuant to article 7, paragraph 3, of the RPT Procedure, which, on this point, incorporates the requirements of article 8, paragraph 1, letter b), of the Consob Regulation) of all its members in respect of the Transaction - started its own preliminary investigation, based on the documentation and information provided by the competent corporate Structures, supported by the legal advisor who, for the initiative in question, assisted the Company;
- in the meeting of 25 January 2024, the RPTC – on the basis of the documentation and information received up to that date, also updated with respect to that examined in the previous meeting – expressed a favourable opinion preparatory to the Transaction, pursuant to art. 10, letter (d), of the RPT Procedure, on the interest for the Group (and, in this case, for Ri.Ma) in completing the Transaction itself as well as on the convenience and substantial correctness of the related conditions. These determinations, it is added, followed the positive opinion expressed by the CRSC on 24 January 2024;
- on 30 January 2024, the Board of Directors of Iren - taking into account, inter alia, the positive opinions of the CRSC and the RPTC mentioned above - approved the text of the Supplementary Deed, adopting the further measures within its competence so that Ri.Ma. could proceed with the Transaction;
- on 28 February 2024, the RPTC received a report from the competent corporate Structures concerning certain amendments, of a "non-substantial" nature, made, as a result of further negotiations between the parties, to the Supplementary Deed, together with a note of the aforementioned legal advisor, who, although in the face of such amendments, reaffirmed the conclusions made in the previous opinion;
- in view of the above, at its meeting of 29 February 2024, the RPTC, having examined the updated documentation concerning the Transaction and received details and clarifications from management, confirmed the opinion expressed on 25 January 2024;
- on the same date of 29 February 2024, the Iren Board of Directors, having received a similar update, confirmed, to the extent necessary, the resolutions passed at its meeting of 30 January 2024;
- lastly, the Transaction was approved by the Sole Director of Ri.Ma with resolution dated 1 March 2024, having regard to the positive opinion expressed by the RPTC and the resolutions passed by the Iren administrative body as mentioned above.

Lastly, it should be noted that, since the Transaction is of "major significance", Iren - in accordance with the provisions of Article 14.5 of the RPT Procedure, which reproduce the contents of Article 5 of the Consob Regulation - has prepared a specific information document on the Transaction itself, drafted in accordance with Annex 4 of the same Regulation. This information document - accompanied by the opinions of the RPTC (dated 25 January 2024 and 29 February 2024, which confirmed the previous one) - was made available to the public at the company's registered office, on the Iren website (www.gruppoien.it) and on the authorised storage mechanism "1Info Sdir Storage" (https://www.1info.it/PORTALE1INFO). For further details, please refer to said documentation.

It should also be noted that at its meeting of 18 April 2024, the RPTC commenced its preliminary investigation into a potential transaction between AMIAT, which is indirectly controlled by Iren, and the Municipality of Turin (which, indirectly, participates in the share capital of AMIAT) concerning the revision of the *inter partes* service contract and the revision of the fees envisaged, in favour of the company, for the years 2024 and 2025. At that meeting, the RPTC received from the management, also on the basis of specific documentation, a description and a general framework of the transaction, postponing to a later meeting making any relevant determination. To date, this transaction has had no further follow-up.

At the same meeting of 18 April 2024, the RPTC received a preliminary report on a further transaction between the aforementioned AMIAT and the Municipality of Turin concerning the construction by the company of a new urban waste collection centre located in the north-west area of the city, which is the subject of a contribution from the financial resources of the PNRR. The transaction - falling within the category of those of "minor significance" - was examined at the subsequent meeting of 7 May 2024, after which the RPTC expressed a favourable opinion pursuant to Article 9 of the RPT Procedure as to the interest for the Group (and, in particular, for AMIAT) in carrying out the transaction, as well as the "convenience" and substantial "correctness" of the related conditions.

<u>As for the second half of the financial year 2024</u>

As highlighted in the section "*Transactions with owners*", the relations between AMIAT (indirectly controlled by Iren) and the Municipality of Turin (which, indirectly, participates in the share capital of AMIAT, in addition to being a shareholder, again indirectly, of Iren), have long been regulated through a specific service contract ("Service Contract"). During the second half of 2024, the parties had to adjust this Service Agreement with reference to the provisions of Resolution No. 385/2023/r/rif of the Regulatory Authority for Energy Networks and the Environment - ARERA of 3 August 2023, containing the "*Standard service contract outline for the regulation of relations between entrusting Entities and urban waste service managers*" ("Adjustment").
Taking into account the peculiarities of the case (illustrated in the document, the contents of which will be referred to shortly for the sake of brevity), in relation to the Adjustment:
- timely (and prior) information was provided to the RPTC, including at the RPTC meeting held on 10 September 2024;
- on a voluntary basis, Iren has published - on its website and on the authorised storage mechanism "1Info Sdir Storage" - a document updating the information provided, over time, with reference to transactions of "major significance" occurred between AMIAT and the Municipality of Turin, pertaining to the Service Contract. In order to ensure greater clarity, this document has been prepared on the basis of the outline in Annex 4 of the Consob Regulation, insofar as applicable in the present case.

Paying further attention to the procedure involved in the case at hand, it is noted that:
- the Municipality of Turin (in its capacity as Consorzio di Area Vasta di Torino), by resolution of the Municipal Council No. 433 of 23 July 2024, approved the Adjustment;
- the Adjustment was submitted, within the scope of their respective competences, to the governing bodies of Iren and AMIAT, pursuant to their respective articles of association, which resolved to approve it at their meetings held on 10 September 2024 and 17 September 2024, respectively.

The text of the Service Contract resulting from the Adjustment was therefore signed between AMIAT and the Municipality of Turin through an exchange of correspondence concluded on 3 January 2025.

Also with regard to the second half of the financial year 2024, the following related-party transactions, falling within the category of 'minor' transactions, were submitted to the RPTC at the meeting held on 5 November 2024, for the profiles of its competence:
- between Iren Ambiente (a wholly-owned subsidiary of Iren) and the Municipality of Parma (and Parma Gestione Entrate, a subsidiary of the local authority) concerning the stipulation of a settlement aimed at the out-of-court settlement of the dispute arising between the parties;
- between Iren Acqua (indirectly controlled by Iren) and AMIU Genova (controlled by the Municipality of Genoa) concerning the granting of a repayment plan to allow the latter to pay an unpaid invoice when due;
- between Iren Smart Solutions (indirectly controlled by Iren) and the Municipality of Reggio Emilia concerning the execution of a shareholders' agreement aimed at regulating the mutual relationships as shareholders of STU Reggiane.

During the meeting, the RPTC, on the basis of the preliminary investigation carried out with the support of the competent Structures, expressed a favourable opinion on the existence of the interest for the Group and, more generally, for the companies involved in the individual transactions (i.e. Iren Ambiente, Iren Acqua and Iren Smart Solution) in the completion thereof, as well as on the convenience and substantial fairness of the related conditions, as provided for by Article 9 of the Procedure.

In the meeting held on 12 December 2024, a transaction, qualified as between related parties, between Iren Smart Solutions (indirectly controlled by Iren) and the aforementioned Municipality of Turin, was submitted to the RPTC, for the profiles of their respective competences, concerning the annual adjustment based on the percentage change in the ISTAT index, of the REMbaseMAN fee relating to the agreement for the concession of the plant and energy requalification activity aimed at improving the efficiency of the buildings of the Municipality of Turin, including management and maintenance, in force, for some time, between the parties. In this regard, account was taken of the fact that the process functional to this concession had been treated, at the time, as a transaction of '*major significance*', given that the relative countervalue exceeded, precisely, the significance threshold (of 5%) laid down in the RPT Procedure. For these reasons, it was deemed necessary to apply the one provided for transactions of '*major significance*' also with regard to the transaction at hand. For this reason, the RPTC was promptly involved in the negotiation phase and, at the meeting of 12 December 2024 - having completed its own preliminary investigation, on the basis of the documentation prepared by the competent corporate structures, which also attended the meeting to report - it expressed, pursuant to Article 10 of the RPT Procedure, a favourable opinion on the transaction in question, specifically with regard to the Company's interest in the completion of the transaction and the appropriateness and fairness of the related conditions. The transaction, again in compliance with the provisions of Article 10 of the RPT Procedure, was also submitted for approval to the board of directors of Iren and its subsidiary Iren Smart Solutions.

It should be noted that, within the information flows provided for by the RPT Procedure, in 2024, the RPTC received information regarding transactions falling within the exclusion categories pursuant to the RPT Procedure itself.
With regard to the Remuneration and Appointments Committee ("RAC"), it should be noted that the Committee met:

- on 22 March 2024, for the examination of the proposal to grant the Chairperson and Executive Deputy Chairperson and Strategic Directors, respectively, a supplementary indemnity pursuant to Article 2389, paragraph 3, of the Civil Code, for the exercise of proxies in the so-called "emergency" phase between 12 June 2023 (the date on which Mr. Armani ceased to hold the offices of Director, Chief Executive Officer and General Manager of Iren S.p.A.) and 30 August 2023 (the date on which the Company's new Chief Executive Officer and General Manager was appointed by co-option).
  The two transactions were quantified, with regard to the amount of the supplementary fee, as "minor" and "of low amount" respectively.
  Following discussion, the RAC expressed a positive opinion - also pursuant to the regulations on related party transactions, to the extent applicable to the case at hand - on the submission of the aforementioned proposal to the Shareholders' Meeting; the proposal - following approval by the Board of Directors - was subsequently approved by the Shareholders' Meeting of Iren S.p.A. held on 27 June 2024 and - on the basis of the decisions made on that occasion - the Board of Directors' meeting held on 4 July 2024 formally granted such supplementary fee, pursuant to Article 2389, paragraph 3, of the Civil Code;
- on 27 May 2024, to examine the criteria underlying the proposal to award, respectively to the Executive Chairperson and Deputy Chairperson and Strategic Directors, a one-off indemnity for the responsibilities assumed by the aforementioned delegates starting from 7 May 2024: on that date, in fact, the Board of Directors met urgently following the publication of press reports relating to an order for the application of precautionary measures issued against the then Chief Executive Officer, Paolo Signorini, by the Judicial Authority of Genoa for facts pertaining to his previous job; in acknowledging the objective temporary impossibility for the then Chief Executive Officer to exercise his powers and with the aim of ensuring stability and continuity in the company management, on that occasion, the Board activated the provisions of the Group's internal contingency plan and resolved to temporarily revoke the powers of Mr. Signorini as Chief Executive Officer, assigning them to the other two Delegated Bodies.
  The two transactions have been quantified, on the basis of the amounts that can be hypothesised, as "of minor significance": following discussion, the RAC expressed a positive opinion - also in accordance with the regulations on related party transactions - on the criteria underlying the recognition of the aforementioned indemnities; in this regard, it should be noted that the remuneration policy for 2024 described in Section One of the Report on the 2024 Remuneration policy and on fees paid in 2023 - approved by the Shareholders' Meeting of Iren S.p.A. of 27 June 2024 - provided for the possibility of recognising to Executives with Strategic Responsibilities (including the Chairperson and Executive Deputy Chairperson and Strategic Directors) one-off forms of bonus in the event of extraordinary and very selective situations (including the *"coverage of positions that have significantly increased the scope of responsibility or coverage of additional roles, even on a transitional basis, of significant importance")* and within a maximum amount established not exceeding the envisaged variable remuneration target for the year/period of reference.
  On 10 September 2024, the contingent situation ended on the same date with the establishment of Gianluca Bufo as new Chief Executive Officer and General Manager of Iren S.p.A., the RAC met to examine the implementation of the criteria underlying the recognition of the indemnities to the Chairperson and Executive Deputy Chairperson and Strategic Directors, respectively, for the responsibilities assumed by them in the period between 7 May and 10 September 2024, indemnities that were quantified below the limit set forth in the remuneration policy approved by the Shareholders' Meeting; therefore, given the consistency with the approved remuneration policy, in both cases, the hypothesis of exclusion from the application of the RPT Procedure pursuant to paragraph 6, letter (f) of the Procedure and Article 13, paragraph 3, letter b), nos. (i), (ii) and (iv) of the Consob Regulation on Related Party Transactions is applicable;
- on 25 June 2024, for the preliminary examination of the termination, by the Company, of the fixed-term executive employment relationship existing with Mr. Signorini for objective just cause, as a result of the objective incompatibility of his work performance, as Senior Manager of Iren S.p.A., with the contingent situation arising from 7 May 2024 - mentioned above: the transaction was quantified as "of minor importance".
  Following discussion, the RAC expressed a positive opinion - also pursuant to the regulations on related party transactions - on the termination. For further information, please refer to the press release published on the same date.

- on 6 and 10 September 2024, for the prior examination of the amendments to the economic-contractual conditions of the open-ended executive employment relationship already existing between the Company and Gianluca Bufo as a result of the latter's co-option as Director and Chief Executive Officer and his appointment as General Manager of Iren S.p.A. by the Company's Board of Directors on 10 September 2024; the transaction was quantified, on the basis of the amounts, as "of minor significance": following discussion, the RAC expressed its favourable opinion pursuant to Article 9 of the RPT Procedure, on the aforementioned adjustment, having, moreover, noted that the same is substantially consistent with the remuneration policy for 2024 described in Section One of the Report on the 2024 Remuneration Policy and fees paid in 2023 approved by the Shareholders' Meeting of 27 June 2024.

VIII. Significant events after the reporting date

Integrated Water Service of the Province of Piacenza

Following the signing of the agreement for the management of the Integrated Water Service of the Piacenza provincial area, which took place on 16 December 2024, as of 1 January 2025 Iren Acqua Piacenza S.r.l. is the new manager of the service for the duration of 16 years, taking over from the previous manager IRETI.

Iren Acqua Piacenza is the newly established territorial operating company, 100% controlled by the same IRETI that won the tender.

For users, the start of the new entrustment does not entail any fulfilment or formality: the existing supply contracts pass to the new management maintaining the same conditions applied by IRETI and defined by the current regulation in force and, starting from 2025, the bills are issued by Iren Acqua Piacenza in continuity with respect to the last issue of the outgoing operator.

In its business plan, Iren Acqua Piacenza envisages significant investments on the networks and plants of the integrated water cycle (mainly aimed at reducing water losses and energy consumption), including the restructuring, upgrading and construction of works and plants of the sewerage network.

Full consolidation of EGEA Holding

As reported in “Significant events of the year”, on 12 November 2024, the Board of Directors of Iren S.p.A. resolved to exercise, as from 1 January 2025, the right to subscribe and pay up the capital increase in EGEA Holding reserved for the same, up to a maximum of 20 million euro (5.882 euro of share capital plus share premium of 19,994,118 euro), to be exercised also in several tranches, for the purpose of financing the development of the PNRR project relating to district heating in Alessandria, to be implemented through Telenergia, a subsidiary of EGEA Holding itself.

Following the acquisition of the Antitrust and Golden Power clearances, on 10 January 2025, Iren S.p.A. subscribed and paid in the capital increase in the amount of 10 million euro (2,941 euro of share capital plus 9,997,059 euro of share premium), coming to hold a total of 52.77%. On the same date, EGEA Holding’s Shareholders’ Meeting was held, which resolved to appoint a new board member upon nomination by Iren, which now appoints four members of the B.o.D. out of the total seven, thus achieving control and consequent full consolidation of EGEA Holding and its subsidiaries.

Hybrid Bond issue

On 16 January 2025, Iren S.p.A. placed its first ‘Hybrid Bond’ issue, with a nominal value of 500 million euro, issued in a single tranche for the full amount: the settlement date is 23 January 2025. As set forth in the relevant terms and conditions, it is a non-convertible, subordinated, perpetual financial instrument payable only in the event of dissolution or liquidation of the Company.

The fixed annual coupon, payable annually in arrears in April starting in April 2025, is 4.5% and will be paid until the first reset date of 23 April 2030. From that date, unless fully redeemed, the security will accrue interest equal to the five-year Euro Mid Swap rate, increased by an initial margin of 221.2 basis points. The margin will increase by 25 basis points from 2035 and by a further 75 basis points from 2050, for a cumulative amount of 100 basis points.

The issue price was set at 99.448% and, therefore, the effective yield at the first reset date is 4.625% per annum.

The securities, which are intended for qualified investors, are listed on the regulated market of the Irish Stock Exchange (Euronext Dublin) and have been assigned a BB+ rating by the agencies Standard & Poor’s Global Ratings and Fitch Ratings as well as an equity content of 50%.

The transaction, which received almost eight times more requests for subscription than the amount offered, totalling orders for 4 billion euro, is aimed at further strengthening the capital structure and sustaining the Group’s financial flexibility, and is consistent with the Iren growth strategy aimed at the integration of EGEA, new potential development opportunities for external lines and the realisation of the investments envisaged in the Business Plan, confirming the commitment of Iren to maintaining its current investment grade rating.

Acquisition of the minority investment in Iren Acqua

On 20 February 2025 IRETI finalised the acquisition of the remaining 40% of the share capital of Iren Acqua (manager of the Integrated Water Service in 39 municipalities of the Genoa ATO) held by F2i SGR through its own funds.

The disbursement related to the transaction totalled 282.5 million euro, of which 100 million euro was paid at the closing. The remainder is deferred to 4 years and three months, and bears interest at a compound annual rate of 4.5%.

From a financial point of view, the transaction makes it possible to reduce the outlay for third-party dividends and to increase the group’s profit for the year, with positive economic/financial impacts related to the lower cost of the group’s debt compared to the dividends paid to the non-controlling investor and, ultimately, to the increase in earnings per share to the benefit of Iren shareholders. By achieving full control, the transaction will also allow the merger of the company into IRETI itself.

Capacity Market Auction for 2027
At the beginning of March 2025, the result of the Capacity Market's parent auction for 2027 confirmed, as it did for 2022 to 2026, the allocation of 100% of the capacity offered by the Group: 2.055 MW in the Northern area at a price of 47,000 €/MW/year.

IX. Other information

CONSOB COMMUNICATION NO. DEM/6064293 OF 28 JULY 2006

Significant non-recurring events and transactions
During 2024, Iren Group was not affected by "non-recurring" events and did not carry out significant transactions identified as such on the basis of the definitions contained in the Communication. In particular, it was not affected by events which do not reoccur frequently during the normal performance of the business.

Positions or transactions deriving from atypical and/or unusual transactions
It is noted that during 2024, the Group did not engage in any atypical and/or unusual transactions, as defined in the Communication. Atypical and/or unusual transactions are transactions that, due to their significance/materiality, nature of the counterparties, the purpose of the transaction, the method by which the sales price is calculated and the timing of the event (proximity to the reporting date) may give rise to doubts as to the correctness/completeness of the information given in the financial statements, conflict of interest and safeguarding the group's assets or the protection of non-controlling investors.

DISCLOSURE ON PUBLIC DISBURSEMENTS
With reference to what is provided for on the subject of transparency in the system of public disbursements pursuant to article 35 of Italian Law Decree no. 34/2019 ('growth decree') we can specify what follows:

- the National State Aid Registry includes aid, in favour of Iren Group companies, which must be disclosed. For the related details please see the aforementioned Registry, under the terms of article 35, paragraph 125-quinquies;
- pursuant to Article 35, paragraphs 125 and 125-bis, subsidies, benefits, contributions or aids, in cash or in kind, of a general nature and which are of a consideration, retributive or compensatory nature, such as, for example, amounts deriving from former green certificates, white certificates, all-inclusive tariffs, energy account and, in general, all incentives connected to consideration for supplies and services rendered, are not considered in the disclosure;
- during 2024 grants were received that fall under the relevant legislation; these are listed in the table presented in paragraph "XIV. Annexes to the Consolidated Financial Statements", with the exclusion of those less than 10 thousand euro per disbursing Body.

X. Notes to the statement of financial position

Unless otherwise stated, the tables below are in thousands of euro.

Assets

NON-CURRENT ASSETS

NOTE 1_PROPERTY, PLANT AND EQUIPMENT

The breakdown of property, plant and equipment, including right-of-use assets and divided between historical cost, accumulated depreciation and carrying amount, is shown in the following table:

thousands of euro

	Cost as at 31/12/2024	Accumulated depreciation as at 31/12/2024	Carrying amount as at 31/12/2024	Cost as at 31/12/2023	Accumulated depreciation as at 31/12/2023	Carrying amount as at 31/12/2023
Land	174,213	(10,165)	164,048	162,528	(9,265)	153,263
Buildings	1,023,999	(413,814)	610,185	967,434	(379,733)	587,701
Plant and machinery	6,953,671	(3,729,896)	3,223,775	6,724,696	(3,482,574)	3,242,122
Industrial and commercial equipment	299,090	(185,184)	113,906	272,584	(169,715)	102,869
Other assets	484,884	(311,552)	173,332	442,536	(278,910)	163,626
Assets under construction and payments on account	231,109	-	231,109	211,271	-	211,271
Total	9,166,966	(4,650,611)	4,516,355	8,781,049	(4,320,197)	4,460,852

The variation in the historical cost of property, plant and equipment, including right-of-use assets, is as follows:

thousands of euro

	31/12/2023	Increases	Decreases	Changes in consolidation scope	Impairment losses of the year	Reclassifica-tions	31/12/2024
Land	162,528	9,928	(476)	2,233	-	-	174,213
Buildings	967,434	27,927	(7,904)	10,666	(719)	26,595	1,023,999
Plant and machinery	6,724,696	202,425	(35,641)	10,434	(7,346)	59,103	6,953,671
Industrial and commercial equipment	272,584	26,752	(8,045)	2,089	(156)	5,866	299,090
Other assets	442,536	52,236	(17,255)	4,756	-	2,611	484,884
Assets under construction and payments on account	211,271	107,281	(1,522)	9,812	(2,085)	(93,648)	231,109
Total	8,781,049	426,549	(70,843)	39,990	(10,306)	527	9,166,966

The change in accumulated depreciation of property, plant and equipment, including right-of-use assets, is as follows:

thousands of euro

	31/12/2023	Depreciation for the year	Decreases	Changes in consolidation scope	Reclassifications	31/12/2024
Land	(9,265)	(909)	3	-	6	(10,165)
Buildings	(379,733)	(37,231)	6,967	(3,743)	(74)	(413,814)
Plant and machinery	(3,482,574)	(270,647)	33,270	(9,985)	40	(3,729,896)
Industrial and commercial equipment	(169,715)	(21,217)	6,331	(581)	(2)	(185,184)
Other assets	(278,910)	(46,646)	15,840	(1,836)	-	(311,552)
Total	(4,320,197)	(376,650)	62,411	(16,145)	(30)	(4,650,611)

The column "Changes in consolidation scope" refers to the assets acquired during the year relating to the companies Siena Ambiente and Agrovoltaica.

The balance of the "reclassifications" column refers mainly to net transfers from intangible assets to property, plant and equipment of items that do not fall within the scope of application of IFRIC 12.

Land and buildings
This item primarily includes industrial buildings connected with Group plants and related land.

Plant and machinery
This item refers to costs for electricity production plants, heat production plants, electricity distribution networks, gas distribution networks, heat distribution networks and plants related to waste disposal services not operated under concessions as per IFRIC 12. Freely transferable assets are included in the assets of electricity production plants.

Industrial and commercial equipment
This item includes costs related to the purchase of supplementary or auxiliary assets for plants and machinery, such as rubbish bins, laboratory and other equipment.

Other assets
This item refers to costs for the purchase of office furniture and machines and vehicles.

Assets under construction and payments on account
The item Assets under construction includes all the charges incurred for investments in progress and not yet in operation. This mainly refers to the photovoltaic parks in the provinces of Siracusa and Rovigo (23,581 thousand euro), the building redevelopment of the property in Piazza Raggi (GE) (46,817 thousand euro), the expansion of the plant for the treatment of the organic fraction in Santhià (VC) (17,662 thousand euro), to containers for waste collection in the ATO Toscana Sud area not yet placed (7,256 thousand euro), to the expansion of the PAI sludge treatment plant in Parma (4,209 thousand euro), to the extension of the district heating transport network (18,870 thousand euro), to the thermoelectric production plants (12,336 thousand euro), to hydroelectric production plants (7,398 thousand euro), to the electricity distribution and metering network (23,905 thousand euro), to the gas distribution and metering network not under concession (2,932 thousand euro), energy efficiency (6,417 thousand euro) and waste collection and disposal (40,525 thousand euro).

Increases
The increases in the year, of 426,549 thousand euro, mainly refer to:
- investments in thermoelectric and hydroelectric plants and photovoltaic plants for 91,982 thousand euro;
- development of the district-heating network and new connections to the network, including heat exchange substations, meters and remote reading appliances, for 42,021 thousand euro;
- investments in the electricity distribution grids, including primary substations, of 80,346 thousand euro;
- investments in the gas networks not in a concession arrangement in accordance with the provisions of IFRIC 12 of 14,025 thousand euro;
- investments for collection and disposal in the waste management sector for 122,266 thousand euro;
- investments in corporate, e-mobility and energy efficiency activities for 50,593 thousand euro.

Depreciation
Ordinary depreciation for 2024, totalling 376,650 thousand euro, was calculated on the basis of the rates previously indicated in paragraph "IV. Accounting policies" and considered representative of the residual useful life of the assets.

Finally, no assets are pledged against liabilities.

Right-of-use assets - IFRS 16

IFRS 16 provides for recognition in the statement of financial position of the assets and related financial liabilities for all lease contracts with a term of more than 12 months unless the underlying asset is of low value. The contracts in which Iren Group plays the role of lessee refer mainly to property leases and long-term hires of cars and other motor vehicles.

The breakdown of right-of-use assets, divided between historical cost, accumulated depreciation and carrying amount, is as follows:

thousands of euro

	Cost as at 31/12/2024	Accumulated depreciation as at 31/12/2024	Carrying amount as at 31/12/2024	Cost as at 31/12/2023	Accumulated depreciation as at 31/12/2023	Carrying amount as at 31/12/2023
Land	12,502	(4,108)	8,394	11,818	(3,240)	8,578
Buildings	57,469	(19,366)	38,103	49,842	(13,870)	35,972
Plant and machinery	3,824	(1,569)	2,255	3,569	(1,014)	2,555
Industrial and commercial equipment	1,408	(245)	1,163	38	(28)	10
Other assets	36,567	(15,553)	21,014	28,843	(12,686)	16,157
Total	111,770	(40,841)	70,929	94,110	(30,838)	63,272

The variation in the historical cost of right-of-use assets, is as follows:

thousands of euro

	31/12/2023	Increases	Decreases	Changes in consolidation scope	Impairment losses of the year	31/12/2024
Land	11,818	720	(48)	12	-	12,502
Buildings	49,842	4,896	(1,922)	5,149	(496)	57,469
Plant and machinery	3,569	464	(209)	-	-	3,824
Industrial and commercial equipment	38	-	-	1,370	-	1,408
Other assets	28,843	12,828	(5,962)	858	-	36,567
Total	94,110	18,908	(8,141)	7,389	(496)	111,770

The change in accumulated depreciation of right-of-use assets is as follows:

thousands of euro

	31/12/2023	Depreciation of the year	Decreases	31/12/2024
Land	(3,240)	(871)	3	(4,108)
Buildings	(13,870)	(7,010)	1,514	(19,366)
Plant and machinery	(1,014)	(723)	168	(1,569)
Industrial and commercial equipment	(28)	(217)	-	(245)
Other assets	(12,686)	(8,038)	5,171	(15,553)
Total	(30,838)	(16,859)	6,856	(40,841)

NOTE 2_INVESTMENT PROPERTY

The following table highlights the breakdown of the item:

thousands of euro

	Cost as at 31/12/2024	Accumulated depreciation as at 31/12/2024	Carrying amount as at 31/12/2024	Cost as at 31/12/2023	Accumulated depreciation as at 31/12/2023	Carrying amount as at 31/12/2023
Land	565	-	565	565	-	565
Buildings	3,462	(2,053)	1,409	3,462	(1,996)	1,466
Total	4,027	(2,053)	1,974	4,027	(1,996)	2,031

This item consists mainly of properties whose fair value is not lower than their carrying amount.

NOTE 3_ INTANGIBLE ASSETS WITH A FINITE USEFUL LIFE

The breakdown of intangible assets, divided between historical cost, accumulated amortisation and carrying amount is as follows:

thousands of euro

	Cost as at 31/12/2024	Accumulated amortisation as at 31/12/2024	Carrying amount as at 31/12/2024	Cost as at 31/12/2023	Accumulated amortisation as at 31/12/2023	Carrying amount as at 31/12/2023
Development costs	35,721	(21,337)	14,384	30,637	(15,740)	14,897
Industrial patents and intellectual property rights	450,046	(296,605)	153,441	384,499	(234,849)	149,650
Concessions, licences, trademarks and similar rights	4,409,634	(1,846,094)	2,563,540	3,992,881	(1,666,302)	2,326,579
Other intangible assets	862,560	(486,353)	376,207	787,146	(385,915)	401,231
Assets under development and payments on account	249,951	-	249,951	248,002	-	248,002
Total	6,007,912	(2,650,389)	3,357,523	5,443,165	(2,302,806)	3,140,359

The change in the historical cost of intangible assets is as follows:

thousands of euro

	31/12/2023	Increases	Decreases	Changes in consolida-tion scope	Impairment losses for the year	Reclassifica-tions	31/12/2024
Development costs	30,637	3,420	(12)	-	-	1,676	35,721
Industrial patents and intellectual property rights	384,499	50,387	(128)	1,656	-	13,632	450,046
Concessions, licences, trademarks and similar rights	3,992,881	192,152	(7,842)	77,952	-	154,491	4,409,634
Other intangible assets	787,146	73,239	(219)	3,905	(2,220)	709	862,560
Assets under development and payments on account	248,002	114,392	(1,473)	26,043	-	(137,013)	249,951
Total	5,443,165	433,590	(9,674)	109,556	(2,220)	33,495	6,007,912

Changes in accumulated amortisation of intangible assets are shown in the following table:

thousands of euro

	31/12/2023	Amortisation for the year	Decreases	Changes in consolidation scope	Reclassifica-tions	31/12/2024
Accumulated amortisation of development costs	(15,740)	(5,598)	1	-	-	(21,337)
Accumulated amortisation of ind. patents and intellectual property rights	(234,849)	(59,951)	75	(1,524)	(356)	(296,605)
Accumulated amortisation of concessions, licences, trademarks and similar rights	(1,666,302)	(134,331)	5,059	(37,978)	(12,542)	(1,846,094)
Accumulated amortisation of other intangible assets	(385,915)	(78,888)	13	(470)	(21,093)	(486,353)
Total	(2,302,806)	(278,768)	5,148	(39,972)	(33,991)	(2,650,389)

The column "Changes in consolidation scope" refers to the assets acquired during the year of the companies Siena Ambiente and Agrovoltaica.

The balance of the "reclassifications" column refers mainly to net transfers from intangible assets to property, plant and equipment of items that do not fall within the scope of application of IFRIC 12.
The increases in other intangible assets mainly refer to the capitalisation of costs for the commercial development of customers.
The carrying amount of other intangible assets at the end of the year includes 165,927 thousand euro in assets recognised in relation to costs incurred for the commercial development of customers.

<u>Industrial patents and intellectual property rights</u>
This item mainly relates to the total costs borne for the purchase and internal production of company software and the acquisition of rights for the exclusive use of technical studies on the statistical trend of network losses, amortised over three to five years.

<u>Concessions, licences, trademarks and similar rights</u>
This item consists mainly of:
- assets recognised in application of IFRIC 12, related to natural gas distribution, the Integrated Water Service, district heating and waste treatment and disposal;
- the right of use of pipeline networks by virtue of the concessions granted by the municipality of Genoa and other neighbouring municipalities;
- the right of use of penstocks, not owned, of hydroelectric plants;
- concessions for the operation and management of photovoltaic systems.

<u>Other intangible assets</u>
This item consists mainly of:
- rights to use telecommunication infrastructure owned by third parties;
- costs for the commercial development of customers;
- from the valuation of the customer list that took place during the purchase price allocation for the acquisition of control of Atena Trading, Salerno Energia Vendite, Alfa Solutions, Spezia Energy Trading, Sidiren and Alegas;
- the valuation of the environmental authorisations for the operation of the biodigester and recovery plants which took place when the purchase price was allocated for the acquisition of control of Ferrania Ecologia, Territorio e Risorse, I.Blu, Manduriambiente and TB.
- the valuation of the single authorisation for photovoltaic plants and the value of the incentive tariff recognised for the energy produced and fed into the grid that took place during the purchase price allocation for the acquisition of control of Iren Green Generation Group (formerly Puglia Holding);
- the valuation of the concession for the derivation of water for hydroelectric plants that took place during the purchase price allocation for the acquisition of control of Valle Dora Energia;
- the valuation of the ATO Toscana Sud integrated urban waste management service concession that took place during the allocation of the acquisition price of control of SEI Toscana.
- the valuation of the concessions relating to waste management plants, which occurred purchase price allocation for the acquisition of control of Siena Ambiente.

<u>Assets under development and payments on account</u>
This item mainly consists of investments for concession services governed by IFRIC 12, in addition to software licences and related implementation costs.

NOTE 4_GOODWILL

Goodwill, equal to 247,273 thousand euro (244,977 thousand euro at 31 December 2023), during 2024, shows an increase of 2,296 thousand euro following the definitively accounted acquisition (business combinations) of Siena Ambiente carried out by the Group during the financial year.

It should be noted that during 2024, the fair value of the consideration transferred, of the identifiable assets acquired and of the identifiable liabilities assumed relating to the acquisition carried out in 2023 of the control of Acquaenna, Remat, WFL and Semia Green was definitively determined. For the acquisitions of Acquaenna and WFL, the amounts recognised on a provisional basis in the 2023 financial statements have been restated and for more details, see chapter IV. Business combinations. For the acquisition of Remat and Semia Green, the amounts provisionally accounted for in the 2023 financial statements were not changed.

Goodwill is considered an intangible asset with an indefinite useful life and, therefore, is not amortised, but is subjected to an impairment test at least once a year to verify the recoverability of its carrying amount. Since goodwill does not generate independent cash flows and cannot be sold on its own, the impairment test on the goodwill recognised in the financial statements is carried out making reference to the Cash Generating Unit to which the same can be allocated.

The table below shows the allocation of goodwill to the Cash Generating Units.

thousands of euro

	31/12/2023	Increases Business Combinations	31/12/2024
Waste management	26,496	2,296	28,792
Electricity distribution	67,631	-	67,631
Gas distribution	1,638	-	1,638
Integrated Water Service	44,405	-	44,405
Power and Heat Generation	7,331	-	7,331
Photovoltaic and Wind Generation	31,411	-	31,411
Market	66,065	-	66,065
Total	244,977	2,296	247,273

At 31 December 2024, the impairment test was carried out using the same methods used at 31 December 2023.
The impairment test consists of verifying that the carrying amount of an asset recognised in the financial statements is not more than the recoverable amount of that asset.
The recoverable amount of an asset is the higher between fair value, less costs to sell, and the value in use.
The fair value is defined as the amount at which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction, less costs to sell.
The value in use is the present value of the estimate of future outgoing and incoming cash flows that will derive from continuous use of the asset and from its final disposal. To measure the value in use, the pre-tax operating cash flows were used, which derive from the most recent economic and financial projections on the basis of the plan approved on 25 June 2024, adjusted to consider the macroeconomic changes that occurred during the second half of 2024, with an explicit time horizon up to 2027, and the pre-tax terminal value calculated with the perpetual yield method, if applicable, following an industrial logic of continuity across all businesses. The investments contained in the economic flows of the plan include investments for maintaining the plants and infrastructures, in keeping with the going concern assumption. As a control method for the CGUs Electricity Distribution, Gas Distribution and Integrated Water Service, it was assumed that the tariff value of the assets (Regulated Asset Base) would be collected at the end of the explicit period. For the other CGUs, the average of the perpetual yield and net invested capital was used instead at the end of the explicit period. This is based on the reasonable assumption that, if the business is discontinued, the value recognised will be at least equal to the value of the net invested capital.
The discount rate to be applied to the flows related to the explicit time horizon and terminal value, defined starting from the pre-tax weighted average cost of capital (WACC), is calculated specifically for each CGU.
The following table shows for each Cash Generating Unit the discount rates used (WACC) to calculate the value in use in the explicit time horizon and the terminal value.

	Explicit period	Terminal value
Waste management	6.70%	6.80%
Electricity distribution	6.00%	6.10%
Gas distribution	6.30%	6.40%
Integrated Water Service	6.20%	6.30%
Power and Heat Generation	7.30%	7.40%
Photovoltaic and Wind Generation	7.40%	7.50%
Market	6.80%	6.90%

The recoverable amount of the goodwill attributed to the Cash Generating Units was determined making reference to the value in use of the same.
In general, and prudentially, the "g" growth rate was used to calculate the terminal value equal to zero at real values. In the event of standalone plans used at nominal values, the "g" growth rate used was equal to inflation estimated at 2027 (1.8%).

Waste Management Cash Generating Unit
Goodwill, of 28,792 thousand euro refers mainly to the:
- acquisition of control over Siena Ambiente in January 2024 (2,296 thousand euro);
- acquisition of control over Semia Green in October 2023 (447 thousand euro);
- acquisition of control over ReMat in May 2023 (1,752 thousand euro);
- acquisition of control over CRCM in April 2022 (277 thousand euro);
- acquisition of control over Futura in March 2021 (4,115 thousand euro);
- acquisition of control over the companies operating in the waste management sector acquired from Unieco in November 2020 (9,385 thousand euro);
- acquisition of control over Ferrania Ecologia s.r.l. in July 2019 (7,048 thousand euro).
- acquisition of control over a business unit from SMC S.p.A. consisting of a 48.85% investment in the share capital of Società Ecologica Territorio Ambiente (SETA) S.p.A. and the activities of closure and post-closure management of the Chivasso 0 landfill site in October 2018 (894 thousand euro);
- acquisition of control of ACAM Ambiente (ACAM group) in April 2018 (2,572 thousand euro).

No further loss of value was detected when the impairment test was performed, in that the recoverable amount of the Waste Management Cash Generating Unit exceeds the net invested capital of the same including the goodwill recognised.

Electricity Distribution Cash Generating Unit
Goodwill, of 67,631 thousand euro refers mainly to the:
- acquisition in 2000 from ENEL of the business unit related to the distribution and sale of electrical energy to non-eligible customers in the municipality of Turin, in which the positive difference between the purchase cost and the fair value of acquired and identifiable assets and liabilities was recognised as goodwill for 64,608 thousand euro;
- acquisition in 2000 by ENEL of the BU related to electricity users of the city of Parma, for an amount of 3,023 thousand euro.

No further loss of value was detected when the impairment test was performed, in that the recoverable amount of the Electricity Distribution Cash Generating Unit exceeds the net invested capital of the same including the goodwill recognised.

Gas Distribution Cash Generating Unit
Goodwill of 1,638 thousand euro refers to the acquisition of control of Busseto Servizi in January 2019.

No further loss of value was detected when the impairment test was performed, in that the recoverable amount of the Gas Distribution Cash Generating Unit exceeds the net invested capital of the same including the value of goodwill recognised.

Integrated Water Service Cash Generating Unit
Goodwill, of 44,405 thousand euro refers mainly to the:
- acquisition of control of Acquaenna in May 2023 (479 thousand euro);
- acquisition of control of Amter in March 2023 (2,179 thousand euro);
- acquisition of control of Società dell'Acqua Potabile in July 2022 (880 thousand euro);
- acquisition of control over ACAM Acque (ACAM group) in April 2018 (15,442 thousand euro);
- acquisition of control over Acquedotto di Savona in July 2015 (1,907 thousand euro);
- the acquisition of control of Acqua Italia S.p.A in 2005 (now Iren Acqua S.p.A.), where the positive difference between the purchase cost and the fair value of acquired and identifiable assets and liabilities was recognised as goodwill of 23,202 thousand euro.

No further loss of value was detected when the impairment test was performed, in that the recoverable amount of the Integrated Water Service Cash Generating Unit exceeds the net invested capital of the same including the value of goodwill recognised.

Power and Heat Generation Cash Generating Unit
Goodwill, of 7,331 thousand euro refers mainly to the:

- acquisition of control in May 2020 of a business unit called "SEI Energia" which includes the district heating network in the municipalities of Rivoli and Collegno, and 49% of the company NOVE, then operator of the district heating network in the municipality of Grugliasco (2,068 thousand euro);
- acquisition of control over Iren Rinnovabili in 2017 following the expiry of the governance agreements entered into with the other shareholder CCPL S.p.A. which made Iren Rinnovabili a joint venture (3,544 thousand euro);
- the Heat Service Management business unit transferred in 2017 from the Market Cash Generating Unit to the Energy Cash Generating Unit (948 thousand euro).

No further loss of value was detected when the impairment test was performed, in that the recoverable amount of the Power and Heat Generation Cash Generating Unit exceeds the net invested capital of the same including the goodwill recognised.

Photovoltaic and Wind Cash Generating Unit
Goodwill, of 31,411 thousand euro refers mainly to the:

- acquisition of control over WFL in October 2023 (2,154 thousand euro);
- acquisition of control over the Puglia Holding Group (now Iren Green Generation) in February 2022 (29,257 thousand euro).

No further loss of value was detected when the impairment test was performed, in that the recoverable amount of the Photovoltaic and Wind Cash Generating Unit exceeds the net invested capital of the same including the value of goodwill recognised.

Market Cash Generating Unit
Goodwill, of 66,065 thousand euro refers mainly to the:

- acquisition of control over Alegas in April 2022 (15,072 thousand euro);
- acquisition of control over Sidiren in July 2021 (18,533 thousand euro);
- acquisition of control of Spezia Energy Trading in September 2018 (2,694 thousand euro).
- acquisition in 2012 of the business unit from ERG Power & Gas related to the marketing and sale of electricity (3,401 thousand euro);
- the equity interest in Enìa Energia (now merged into Iren Mercato), acquired from SAT Finanziaria S.p.A. and Edison in 2008 (16,761 thousand euro);
- business unit acquired from ENEL in 2000 and referred to electricity users of the city of Parma (7,421 thousand euro).

No further loss of value was detected when the impairment test was performed, in that the recoverable amount of the Market Cash Generating Unit exceeds the net invested capital of the same including the goodwill recognised.

In light of the considerations set out above, the recoverable amount is higher than the carrying amount of the net invested capital for all the cash-generating units and therefore, no impairment losses were recognised. In the years prior to the year ended 31 December 2024, goodwill was impaired for a total of 9,636 thousand euro, related to the Waste Management CGU. The recoverable amount is particularly sensitive to changes in the pre-tax weighted average cost of capital (WACC) and the definition of the Terminal Value. The definition of these two variables follows a prudential approach in terms of construction logic and absolute value. Appropriate stress tests were therefore performed on the sensitivity of the recoverable amount as the two variables deteriorate, without any significant problems emerging. The table below shows the pre-tax weighted average cost of capital (WACC) that would make the value in use equal to the carrying amount of each Cash Generating Unit.

Waste management	12.80%
Electricity distribution	11.00%
Gas distribution	10.30%
Integrated Water Service	11.80%
Power and Heat Generation	10.30%
Photovoltaic and Wind Generation	8.70%
Market	27.30%

In this regard, it should be noted that ESMA, through several recommendations published since 2020, suggests to issuers that, in estimating the future cash flows of a cash-generating unit (CGU), it is reasonable to expect that entities consider introducing models relating to multiple possible future scenarios, aimed at reflecting the greater level of uncertainty on future economic prospects.
To this end, the Group has developed a 'sensitivity scenario', which takes into account adverse events and specific risks relevant in certain areas (market, arising from technological changes, climate change, related to the macroeconomic scenario and regulation) not otherwise assessed in the base scenario (Business Plan) and identified and defined in the Group's Risk Map perimeter according to specific procedures.
The main specific relevant risks considered in the sensitivity of cash flows concerned, depending on the CGU concerned:

- Electricity Distribution: extreme natural events affecting service delivery;
- Gas Distribution: loss of concessions in the relevant areas;
- Integrated Water Service: leaks along the distribution network, with damage to third-party property;
- Power and Heat Generation: increased competitive pressure on contribution margins, extreme natural events with damage to thermoelectric plants, shortage of water resources with repercussions on the hydroelectric generation margin, loss of concessions in the hydroelectric sector;
- Photovoltaic and Wind Power Generation: extreme natural events with damage to photovoltaic plants and increased competitive pressure on contribution margins;
- Waste Management: increased competitive pressure on the margins of free market activities (special waste) and processing of recycling materials;
- Market: increase in expected churn rates.

Accordingly, the future cash flows for each individual CGU were adjusted for the negative impacts of these risks and adverse events. These analyses did not reveal any critical issues with regard to the recoverable amount of the Group's goodwill, intangible assets and property, plant and equipment.
In light of the current market volatility and uncertainty about future economic prospects, the group believes it appropriate to point out that regulated businesses are subject to specific industry regulations governing their profitability; therefore, these businesses have more stable and predictable profitability even during market turbulence periods. In 2024, non-regulated activities contributed 30.4% to gross operating profit (35.2% at 31 December 2023), regulated activities accounted for 54.3% (48.7% in 2023), and semi-regulated activities contributed 15.3% (16.1% in 2023).
The results of the aforementioned procedures were the subject of specific approval by the Board of Directors of Iren S.p.A., prior to approval of the draft financial statements, as recommended in the rules issued by CONSOB, the Bank of Italy and IVASS.

NOTE 5_EQUITY-ACCOUNTED INVESTMENTS

Equity-accounted investments are investments in companies in which the Group has joint control or exercises a significant influence. It should be noted that measurement at equity is carried out on the basis of the latest available financial statements (consolidated if prepared) of the investees.
The list of Group companies measured using the equity method at 31 December 2024 is annexed.
The item amounted to a total of 282,462 thousand euro (212,798 thousand euro as at 31 December 2023). Changes for the year are shown in the following tables:

Equity investments in joint ventures

thousands of euro

	31/12/2023	Increases (Decreases)	Changes in consolidation scope	Changes in profit or loss	Changes in Equity	Dividend distribution	31/12/2024
Acque Potabili	8,161	-	-	14	-	-	8,175
EGEA Holding	-	86,543	-	(1,455)	232	-	85,320
Nuova Sirio	-	-	81	-	-	-	81
Vaserie Energia	-	-	971	-	-	(109)	862
TOTAL	8,161	86,543	1,052	(1,441)	232	(109)	94,438

The entry of Iren into the capital of Egea Holding was realised through an inseparable capital increase of 85,000 thousand euro, reaching a 50% share of the share capital. The remaining 50% share is held by a single shareholder. In addition, the investment agreement provides for two further transactions:

a) a pre-resolved divisible capital increase in the amount of 42,500 thousand euro that Iren will be able to subscribe from 1 January 2025 until 30 June 2025, with the possibility of extension until 31 December 2025;
b) the granting to Iren of a call option exercisable from 31 March 2025 until 31 March 2029 to purchase the share held by the other shareholder in Egea Holding.

From an analysis of the agreements governing the governance of Egea Holding (articles of association and investment agreement), the investment made by Iren qualifies as a joint venture. In fact, the governance agreements do not give Iren control over Egea Holding, pursuant to IFRS 10, as Iren does not have the power to decide on the relevant activities of the company being invested in. In particular, Iren:

- does not hold the majority of voting rights at the shareholders' meeting (50% of voting rights for Iren, 50% of voting rights for the other shareholder)
- does not appoint the majority of the members of the board of directors, who have the power over the relevant decisions of Egea Holding (3 directors appointed by Iren, 3 directors appointed by the other shareholder);
- has no unilateral power to distribute dividends.

Given the situation of substantially equal governance rights between Iren and the other shareholder, pursuant to IFRS 11, Egea Holding is therefore a joint venture and consequently is measured using the equity method as required by IAS 28.
Finally, it is specified that the right of Iren to subscribe to the capital increase as of 1 January 2025 represents a potential voting right under IFRS 10. However, since this right cannot be exercised before 1 January 2025, it does not represent a substantive voting right, as it could not be exercised in the event of resolutions concerning Egea Holding's relevant activities taken before 31 December 2024. This judgement is in line with the paragraph of IFRS 10, according to which, in order to be substantive, rights must also be exercisable when it is necessary to make decisions on the direction of relevant activities.

The following tables summarise the statement of financial position and income statement figures for Egea Holding, modified to reflect fair value adjustments made at the time of acquisition and adjustments due to differences in accounting standards. In addition, the table includes a reconciliation between the summary financial information and the carrying amount of the investment.

thousands of euro

	31.12.2024
Non-current assets	422,939
of which financial assets	*12,200*
Current assets	189,122
of which financial assets and cash and cash equivalents	*20,364*
Non-current liabilities	(265,537)
of which financial liabilities	*(157,765)*
Current liabilities	(234,365)
of which financial liabilities	*(48,851)*
NET ASSETS (100%)	112,159
Assets attributable to non-controlling interests	(3,151)
Group share of net assets (50%)	54,504
Goodwill implicit in the carrying amount of the investment	30,816
Carrying amount of the investment in the joint venture	85,320

thousands of euro

	5 months 2024
Total revenue	191,003
Total operating expenses	(172,588)
Amortisation and Depreciation	(15,867)
Other provisions and impairment losses	(2,806)
Financial income	4,347
Financial expense	(5,275)
Impairment gains on investments	149
Income taxes	(1,914)
Profit for the period attributable to non-controlling interests	41
Loss for the period	(2,910)
Other comprehensive income	464
Comprehensive expense (100%)	(2,446)
Comprehensive expense attributable to owners of the parent (50%)	(1,223)

As a result of the control exercised over the company Siena Ambiente, which holds shares in the companies Vaserie S.r.l. and Nuova Sirio S.r.l., the latter are consolidated using the equity method as of 1 January 2024.
As at 31 May 2021, the company Acque Potabili was placed into liquidation.

Investments in associates

thousands of euro

	31/12/2023	Increases (Decreases)	Changes in consolidation scope	Changes in profit or loss	Changes in Equity	Dividend distribution	31/12/2024
A2A Alfa	-	-	-	-	-	-	-
Acos	15,372	-	-	960	(143)	(123)	16,066
Acos Energia	1,059	-	-	334	-	(150)	1,243
Aguas de San Pedro	20,156	-	-	2,458	761	(372)	23,003
Aiga	-	-	-	-	-	-	-
Amat	-	-	-	-	-	-	-
Arca	40	-	-	-	-	-	40
Arienes	21	-	-	-	-	-	21
Asa	44,513	-	-	1,607	(534)	-	45,586
Asa scpa	1,197	-	-	-	-	-	1,197
Astea	26,768	-	-	(1,300)	(373)	-	25,095
Asti Servizi Pubblici	20,008	-	-	1,421	-	(497)	20,932
Barricalla	14,638	-	-	506	-	(490)	14,654
Energy BI	102	-	-	64	-	-	166
Centro Corsi S.r.l.	19	-	-	1	-	-	20
CSA	374	-	-	(11)	-	-	363
CSAI	2,051	-	-	60	-	(443)	1,668
E.G.U.A.	682	-	-	226	-	(226)	682
Fingas	-	-	-	-	-	-	-
Fratello Sole Energie Solidali	231	-	-	9	-	-	240
G.A.I.A.	14,865	-	-	63	-	-	14,928
Global Service	6	(6)	-	-	-	-	-
Iniziative Ambientali	66	-	-	(18)	-	-	48
Mondo Acqua	892	(892)	-	-	-	-	-
OMI Rinnovabili	4	-	-	-	-	-	4
Rimateria	-	-	-	-	-	-	-
SETA	12,544	-	-	620	-	-	13,164
Sienambiente	20,766	-	(24,036)	3,270	-	-	-
Sistema Ambiente	3,082	-	-	186	-	(133)	3,135
STU Reggiane	5,181	-	-	3	585	-	5,769
Tirana Acque	-	-	-	-	-	-	-
TOTAL	204,637	(898)	(24,036)	10,459	296	(2,434)	188,024

For Siena Ambiente, the change in the consolidation scope relates to the acquisition of control and the consequent consolidation of the company.
On 29 April 2024, the company Mondo Acqua was sold and the company Global Service was put into liquidation.
The amounts related to the column Change in Equity are due mainly to the exchange difference (Aguas de San Pedro) and to changes in the hedging reserve and actuarial reserve.

NOTE 6_OTHER EQUITY INVESTMENTS

This item relates to equity investments in companies over which the Group has neither control, nor joint control, nor significant influence. These equity investments are measured at *fair value* but, as the most recent information available for measuring the *fair value* is insufficient and the cost represents the best estimate of the *fair value*, they are carried at cost.
The list of other Group equity investments as at 31 December 2024 is provided in the annex.
The breakdown of this item is as follows:

thousands of euro

	31/12/2023	Changes in consolidation scope	Increases	Impairment losses	31/12/2024
AISA Impianti	992	-	-	-	992
Autostrade Centro Padane	1,248	-	-	(367)	881
CIDIU Servizi	2,655	-	-	-	2,655
EGEA	1,000	-	-	(1,000)	-
Enerbrain	1,554	-	-	(1,554)	-
Environment Park	1,243	-	-	-	1,243
Tech4Planet	1,104	-	907	-	2,011
Others	1,118	(633)	456	-	941
TOTAL	10,914	(633)	1,363	(2,921)	8,723

NOTE 7_NON-CURRENT CONTRACT ASSETS

Non-current contract assets, net of the related loss allowance, total 300,238 thousand euro (232,384 thousand euro at 31 December 2023) and refer to:

- assets of the integrated water service for tariff adjustments and for lower volumes supplied with respect to the constraint of revenue due to the operator; the current tariff method provides generally (unless the fee growth limit is reached) for their recovery through fees after two years (280,760 thousand euro as at 31 December 2024, 210,694 thousand euro as at 31 December 2023);
- assets of the electricity transmission, distribution, and metering services deriving from the rules issued in AEEGSI Resolution no. 654/2015 on the subject of tariff regulation for the period 2016-2023 which entailed the recognition of revenue from electricity transport and of the related assets (18,947 thousand euro as at 31 December 2024, 18,704 thousand euro as at 31 December 2023) which will be recovered starting from 2026 until 2030;
- waste management service assets for tariff adjustments relating to activities already carried out that may be invoiced more than twelve months after the reporting date (531 thousand euro as at 31 December 2024, 2,986 thousand euro as at 31 December 2023).

The following table summarises the contract assets (non-current and current) and liabilities in order to provide information on the net position.

thousands of euro

	31/12/2024	31/12/2023
Non-current contract assets	300,238	232,384
Current contract assets	69,291	29,830
Current contract liabilities	(88,983)	(79,642)
Total	280,546	182,572

NOTE 8_NON-CURRENT TRADE RECEIVABLES

Receivables, which are affected by discounting, amounted to 33,840 thousand euro (29,416 thousand euro at 31 December 2023) and mainly refer to receivables from the Municipality of Turin for the waste management service and the technological renewal and efficiency upgrading of the heating systems at some municipal buildings (27,850 thousand euro at 31 December 2024, 27,002 thousand euro at 31 December 2023). For more information on the overall position of Iren Group in relation to the Municipality of Turin please see Note 9 “Non-current financial assets”.

NOTE 9_NON-CURRENT FINANCIAL ASSETS

The item of 124,756 thousand euro (128,937 thousand euro as at 31 December 2023) mainly consists of loan assets and derivatives with positive fair value. These are detailed in the following table.

thousands of euro

	31/12/2024	31/12/2023
Non-current loan assets with associates	5,844	4,721
Non-current loan assets with owners	31,951	33,376
Non-current loan assets with others	42,634	38,556
Fair value of derivatives – non-current portion	22,358	30,611
Securities other than equity investments	225	74
Other financial assets	21,744	21,599
Total	124,756	128,937

Non-current loan assets with associates
They mainly refer to the amounts due from Acos and BI Energia.

Non-current loan assets with owners
Amounting to 31,951 thousand euro (33,376 thousand euro as at 31 December 2023), these refer to amounts due from the Municipality of Turin, and relate to:
- the non-current portion of the amount related to the current account which governs transactions between the subsidiaries AMIAT, Iren Smart Solutions, and the municipality of Turin (167 thousand euro); The current account agreement runs until 31 December 2036 and the interest accruing on the balance is calculated based on the actual average cost incurred by Iren Group for its financial exposure;
- the application of the financial asset model provided for in IFRIC 12 to the energy efficiency project ("Turin LED") associated with the Public Lighting service performed under concession by Iren Smart Solutions in the city of Turin, for the non-current portion (31,784 thousand euro). Recognition of the discounted financial asset is a result of the vesting of the current unconditional right to receive the contractually-agreed cash flows, which coincided with completion of the installation of the related LED devices.

The accounting treatment of the aforementioned current account agreement determines a reduction of trade receivables presented in the statement of cash flows as a generation of operating cash flows, and a corresponding increase in loan assets, presented as a cash absorption in cash flows from financing activities.
These assets form part of an overall position, totalling 116,479 thousand euro, and are divided among various financial statements items according to their classification by type and expiry date: Non-current trade receivables (Note 8), Non-current financial assets (this Note 9), Trade receivables (Note 14) and Current financial assets (Note 17), as shown in the table presented below.
Financial assets were divided by the directors between current portion and non-current portion on the basis of a forecast of their collection times also following the results of the agreement signed by the Municipality of Turin and Iren Group during financial year 2018.

thousands of euro

	31/12/2024	31/12/2023
Non-current trade receivables	27,850	27,002
Invoices issued for services	36,815	6,517
Invoices to be issued for services	15,818	25,470
Supply of heat and other	15	121
Loss allowance – trade receivables	(47)	(23)
Total current trade receivables	52,601	32,085
Non-current portion of current account assets	167	233
Non-current portion of accrued interest income	-	-
Non-current portion of service concession financial assets	31,986	33,325
Loss allowance - non-current financial assets	(202)	(182)
Total non-current financial assets	31,951	33,376
Current portion of current account assets	-	-
Current portion of accrued interest income	11	28
Current portion of service concession financial assets	4,068	5,589
Loss allowance - current financial assets	(2)	(2)
Total current financial assets	4,077	5,615
Total	116,479	98,078

Non-current financial assets with others
Non-current financial assets with others include the non-current portion of:
- assets for finance leases relating to air conditioning systems;
- the asset arising from the sale of the business unit related to the management of the integrated water service of two municipalities of the Veronese ATO Basin in 2019;
- assets arising from the application of the financial asset model provided for by IFRIC 12 to the energy efficiency project connected with the Public Lighting service provided under concession in various cities, including Vercelli, Biella and Fidenza.

Fair value of derivatives – non-current portion
The fair value of derivatives refers to instruments in the portfolio for hedging the risk of changes in rates.

Securities other than equity investments
These amounted to 225 thousand euro (74 thousand euro as at 31 December 2023) and relate to securities given as collateral and measured at amortised cost.

Other financial assets
The item amounted to 21,744 thousand euro and is represented by the variable portion of the sale price of the investment in OLT Offshore LNG Toscana and the related loan. This asset is measured at fair value and any changes are recognised in profit or loss.

NOTE 10_OTHER NON-CURRENT ASSETS
These are as follows:

thousands of euro

	31/12/2024	31/12/2023
Security deposits	7,836	5,958
Non-current tax assets	95,214	130,606
Other non-current assets	24,512	23,322
Non-current accrued income and prepaid expenses	4,106	4,106
Total	131,668	163,992

Non-current tax assets refer mainly to deductions on work done in order to improve the energy efficiency of buildings (ecobonus) and to VAT assets for which claims for refund have been made. Tax assets for deductions on work carried out to improve the energy efficiency of buildings (ecobonus) classified as non-current will be used by the Group to offset taxes due for the next five years.
Prepaid expenses mainly include the non-current portion of prepaid costs for energy service contracts of the subsidiary Iren Smart Solutions.

NOTE 11_DEFERRED TAX ASSETS

They amounted to 389,533 thousand euro (400,092 thousand euro as at 31 December 2023) and refer to deferred tax assets arising from income components deductible in future years.
For further details please see the note to the income statement, "Income taxes" (Note 42) and the annexed table.

CURRENT ASSETS

NOTE 12_INVENTORIES

Inventories, measured at weighted average cost, primarily comprise natural gas and consumables intended for maintenance and construction of the Group plants.
The table below summarises the amounts of the item in the years in question:

thousands of euro

	31/12/2024	31/12/2023
Gas storage	11,690	-
Consumables and spare parts	81,956	80,950
Inventory write-down provision	(9,613)	(7,073)
Total	84,033	73,877

The change in the gas storage results from the stocks in place at 31 December 2024, which were not present at 31 December 2023.
The inventory write-down provision was set aside and is used to take into consideration inventories that are technically obsolete and slow-moving.
At 31 December 2024 no inventories were pledged against liabilities.

NOTE 13_CURRENT CONTRACT ASSETS

Current contract assets amounted to 69,291 thousand euro (29,830 thousand euro as at 31 December 2023) and mainly related to activities performed to improve the energy efficiency of buildings.

NOTE 14_TRADE RECEIVABLES

These are as follows:

thousands of euro

	31/12/2024	31/12/2023
Trade receivables from customers	1,597,034	1,508,293
Trade receivables from joint ventures	24,633	159
Trade receivables from associates	50,964	26,372
Trade receivables from owners	64,500	48,184
Trade receivables from other related parties	7,591	5,631
Total gross trade receivables	1,744,722	1,588,639
Loss allowance	(302,268)	(300,532)
Total	1,442,454	1,288,107

As at 31 December 2024, there are factoring transactions with derecognition of the receivable for a total of 10,522 thousand euro while it amounted to 71,651 thousand euro as at 31 December 2023.

The table below shows the credit risk exposure with reference to trade receivables, together with the related expected credit losses (loss allowance), broken down by due date range:

thousands of euro

	Gross trade receivables	Provisions for impairment of trade receivables	Average credit loss percentage
Not past due	1,185,424	(43,841)	3.7%
Past due from 0 to 3 months	178,616	(23,911)	13.4%
Past due from 3 to 12 months	130,114	(65,599)	50.4%
Past due for more than 12 months	250,568	(168,917)	67.4%
Total	1,744,722	(302,268)	

Trade receivables not past due include invoices to be issued of 863,449 thousand euro (777,522 thousand euro at 31 December 2023) which include the estimate of revenue earned for services supplied between the date of the last reading of effective consumption and the reporting date.

Trade receivables from customers
They mainly relate to amounts due for the supply and distribution of electricity, gas and heat, energy efficiency services, of the waste management sector, and the Integrated Water Service.

Trade receivables from Associates and Joint Ventures
This item includes amounts due from the Group's associates and joint ventures, consolidated using the equity method. These relate to normal trade transactions performed at arm's length and related to the business segments listed above.

Trade receivables from owners
These refer to trade transactions performed at arm's length, related to the segments listed above, with territorial authorities classified as related parties (municipalities of Genoa, Parma, Piacenza, Reggio Emilia and Turin).

Trade receivables from other related parties
These regard amounts due from the companies controlled by the territorial body owners (municipalities of Genoa, Parma, Piacenza, Reggio Emilia and Turin) and refer to normal commercial transactions carried out at arm's length, related to the segments listed above.

For more details on business relations with related parties, please refer to the chapter "Notes to transactions with related parties" and the related table in the annex.

The following table shows gross trade receivables broken down by segment:

thousands of euro

	Networks	Waste Management	Energy	Market	Other services	Total
Not past due	234,451	260,761	200,272	488,069	1,871	1,185,424
Past due from 0 to 3 months	37,162	19,055	10,685	111,631	83	178,616
Past due from 3 to 12 months	21,762	14,924	4,740	88,673	15	130,114
Past due for more than 12 months	67,515	27,315	8,657	146,397	684	250,568
Total gross trade receivables	360,890	322,055	224,354	834,770	2,653	1,744,722

Loss allowance
The table below shows the changes in the loss allowance:

thousands of euro

	31/12/2023	Increases	Decreases	Changes in consolidation scope	31/12/2024
Loss allowance	300,532	74,482	(72,916)	170	302,268

The increases in the year were recognised to adjust the loss allowance to the amount of expected credit losses on the basis of the simplified approach provided for by IFRS 9, where "loss" means the present value of all future cash shortfalls, considering forward-looking information. The decreases in the year refer mostly to utilisations to fully impair non-collectable amounts.

The following table shows the loss allowance broken down by segment:

thousands of euro

	Networks	Waste Management	Energy	Market	Other services	Total
Not past due	(12,309)	(23,620)	(624)	(7,253)	(35)	(43,841)
Past due from 0 to 3 months	(3,944)	(3,725)	(458)	(15,779)	(5)	(23,911)
Past due from 3 to 12 months	(10,426)	(4,798)	(1,019)	(49,355)	(1)	(65,599)
Past due for more than 12 months	(60,721)	(20,061)	(8,657)	(78,794)	(684)	(168,917)
Total loss allowance	(87,400)	(52,204)	(10,758)	(151,181)	(725)	(302,268)

NOTE 15_CURRENT TAX ASSETS

These amounted to 14,474 thousand euro (18,894 thousand euro as at 31 December 2023) and include IRES and IRAP assets.

NOTE 16_SUNDRY ASSETS AND OTHER CURRENT ASSETS

These are as follows:

thousands of euro

	31/12/2024	31/12/2023
Government land tax/UTIF	5,637	30,429
VAT assets	35,193	49,446
Other tax assets	66,109	290,508
Current tax assets	106,939	370,383
Cassa Servizi Energetici e Ambientali (CSEA)	49,451	52,686
Green certificates	12,933	1,719
Advances to suppliers	23,263	23,313
Other current assets	88,848	75,182
Other current assets	174,495	152,900
Accrued income and prepaid expenses	17,283	53,233
Total	298,717	576,516

As at 31 December 2023, factoring transactions had been completed with derecognition of VAT assets for 11,281 thousand euro.

The increase in tax assets for government land tax is due to pre-payments and settlement payments which are influenced by invoicing volumes for the current year and the previous year.
Other tax assets include 42,910 thousand euro for deductions on work carried out to improve the energy efficiency of buildings (ecobonus). Beginning in 2021, these assets are recognised under current assets, as the business model calls for the financial asset to be realised through transfers to financial intermediaries. The decrease compared to 31 December 2023 of 219,071 thousand euro is attributable to the disposals made during 2024.
In September 2019, Iren exercised the option for establishment of Group VAT to which the Revenue Agency attributed a new VAT number with effect from 1 January 2020.
The companies that take part in the VAT Group for 2024, not including the Parent Iren S.p.A., are as follows: Iren Energia S.p.A., IReti S.p.A., Iren Mercato S.p.A., Iren Ambiente S.p.A., Amiat S.p.A, Iren Smart Solutions S.p.A., Iren Acqua Tigullio S.p.A., Iren Acqua S.p.A., Iren Acqua Reggio S.r.l, Iren Laboratori S.p.A., Bonifica Autocisterne S.r.l., ASM Vercelli S.p.A., Atena Trading S.r.l, Acam Ambiente S.p.A., Acam Acque S.p.A., ReCos S.p.A., Alfa Solutions S.p.A., TRM S.p.A, San Germano S.p.A., Maira S.p.A., Formaira S.r.l., Territorio e Risorse S.r.l., Rigenera Materiali S.r.l., Re.Mat SRL, Bonifiche Servizi Ambientali s.r.l., Uniproject S.r.l., Manduriambiente S.p.A., Iren Ambiente Toscana S.p.A., TB S.p.A. (merged into Valdarno Ambiente at 1 January 2025), Futura S.p.A., I Blu S.r.l., Iren Ambiente Parma S.r.l., Iren Ambiente Piacenza S.r.l., Asti Energia e Calore S.p.A, IReti Gas S.p.A., Sei Toscana S.p.A., Valdarno Ambiente S.r.l., Iren Green Generation Tech S.p.A., Valle Dora S.r.l., Dogliani Energia S.r.l., Alegas S.r.l., Ekovision S.r.l., Limes 20 S.r.l., Limes 1 S.r.l., Limes 2 S.r.l., Acquaenna S.c.p.A., Am.ter S.p.A. (merged into IReti at 1 January 2025), Iren Acqua Piacenza S.r.l., Semia Green S.r.l., Agrovoltaica S.r.l., C.R.C.M. S.r.l..

In relation to amounts due from the Cassa Servizi Energetici e Ambientali (CSEA), a portion of the amounts shown may not be collectable within the next 12 months.

NOTE 17_CURRENT FINANCIAL ASSETS

These are as follows:

thousands of euro

	31/12/2024	31/12/2023
Loan assets with joint ventures	240	-
Loan assets with associates	3,931	2,603
Loan assets with owners	4,077	5,615
Loan assets with others	533,159	194,927
Current portion of derivative financial instruments	39,239	39,039
Total	580,646	242,184

All loan assets recognised in this item are due within 12 months. The carrying amount of these assets approximates their *fair value* as the impact of discounting is negligible.

Loan assets with joint ventures
The item refers to loans to the company Nuova Sirio.

Loan assets with associates
This item refers mainly to loans to STU Reggiane (510 thousand euro). The remainder relates mainly to dividends to be collected.
For further details, please see the schedule of related party transactions shown in the annex.

Loan assets with owners
These regard amounts due from the municipality of Turin, on which interest accrues in favour of the Group, and amounted to 4,077 thousand euro (5,615 thousand euro as at 31 December 2023), and are related to the relationship between the subsidiary Iren Smart Solutions and the municipality of Turin.
For details of the overall position of Iren Group with the municipality of Turin please see Note 8 “Non-current financial assets”.

Loan assets with others
This item refers for 450,000 thousand euro to deposits on which interest accrues in April and July 2025. These instruments were finalised with banking counterparties and entered into following the 500 million euro bond issue in September 2024.
The item also contains the deposits paid as security for transactions on commodities futures markets (15,004 thousand euro), and restricted current accounts of the subsidiary TRM S.p.A., deriving from the loan agreement that provides for the linking of amounts to service the instalment due, environmental compensation charges and extraordinary maintenance of the waste-to-energy plant (38,008 thousand euro). The remaining balance consists of assets arising from the implementation of the financial asset model provided by IFRIC 12 for the water purification service acquired in the Marche region, accrued income and deferred charges of a financial nature and finance lease assets.

At 31 December 2023, the item contained amounts due from financial institutions for the transfer of tax credits from ecobonus for 119,274 thousand euro.

Current portion of derivative financial instruments
These relate to the positive *fair value* of derivative contracts on commodities.

NOTE 18_CASH AND CASH EQUIVALENTS

The item Cash and cash equivalents is made up as follows:

thousands of euro

	31/12/2024	31/12/2023
Bank and postal deposits	326,280	435,876
Cash and similar on hand	288	258
Total	326,568	436,134

Cash and cash equivalents consist of available bank and postal deposits. The Group does not hold cash equivalents, intended as short-term and highly liquid investments readily convertible into known amounts of cash and subject to an insignificant risk of changes in value.
Please refer to the Statement of Cash Flows for details of the changes during the year.

NOTE 19_ASSETS HELD FOR SALE

Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. They amounted to 790 thousand euro (1,144 thousand euro as at 31 December 2023). This item relates to:
- for 632 thousand euro (986 thousand euro at 31 December 2023), to the net assets related to the concessions of the integrated water service of four municipalities of the province of Alessandria for which the takeover of the new operator is being defined;
- for 158 thousand euro (unchanged compared to 31 December 2023), to the associate Piana Ambiente.

In addition, assets held for sale include the equity investment in Fata Morgana, already fully impaired in previous years.

Liabilities

NOTE 20_EQUITY
Equity may be analysed as follows:

thousands of euro

	31/12/2024	31/12/2023
Share capital	1,300,931	1,300,931
Reserves and Retained Earnings	1,306,622	1,250,525
Profit for the year	268,471	254,752
Total equity attributable to the owners of the parent	2,876,024	2,806,208
Capital and reserves attributable to non-controlling interests	432,562	411,009
Profit attributable to non-controlling interests	35,111	27,077
Total consolidated equity	3,343,697	3,244,294

Share capital
The share capital, unchanged compared to 31 December 2023 amounts to 1,300,931,377 euro, which is fully paid-up and comprises 1,300,931,377 ordinary shares with a nominal value of 1 euro each.
In 2020 and 2021, following the relative shareholders' resolutions, the parent repurchased treasury shares for a total of 17,855,645 shares for a total price of 38,690 thousand euro recognised as a reduction of equity in the item "Reserves and Retained Earnings".

Reserves and Retained Earnings
The breakdown of this item is as follows:

thousands of euro

	31/12/2024	31/12/2023
Treasury shares	(38,691)	(38,691)
Share premium reserve	133,019	133,019
Legal reserve	119,707	111,093
Hedging reserve	(32,301)	12,758
Other reserves and retained earnings	1,124,888	1,032,346
Total reserves	1,306,622	1,250,525

Hedging reserve
Changes in the fair value of effective hedging derivatives are recognised with a corresponding balancing item directly in equity under the hedging reserve. These contracts were entered into to hedge exposure to the risk of interest rate fluctuations on floating rate loans and to the risk of price changes in electricity and gas purchase contracts.

Other reserves and retained earnings
These comprise mainly the goodwill arising on the merger of AMGA into AEM Torino and the subsequent merger of Enìa into Iride, retained earnings, and the actuarial reserve consisting of actuarial gains and losses on the measurement of post-employment benefits.
The increase in 2024 is mainly due to the carrying forward of the profits for 2023 not distributed (102,323 thousand euro).

Dividends
At their Ordinary Meeting on 27 June 2024, the Shareholders of Iren S.p.A. approved the Parent's separate financial statements at 31 December 2023 and the Directors' Report, and resolved to distribute a dividend of 0.1188 euro per ordinary share, confirming the proposal made by the Board of Directors. The dividend was payable as of 24 July 2024, with ex-dividend date on 22 July 2024. At the ex-dividend date, the number of outstanding shares was 1,283,075,732 and, consequently, the total amount of dividends distributed was 152,429,396.96 euro.

For further details, reference should be made to the statement of changes in equity.

CAPITAL MANAGEMENT
The capital management policies of the Board of Directors involve maintaining a high level of capital to uphold relations of trust with investors, creditors and the market, and also allowing future business development.
The Board of Directors monitors the return on capital and the level of dividends for distribution to shareholders, and aims to maintain a balance between achieving extra yield by recourse to indebtedness and the benefits and security offered by a solid financial position.

NON-CURRENT LIABILITIES

NOTE 21_NON-CURRENT FINANCIAL LIABILITIES

The item amounted to a total of 4,460,916 thousand euro (4,048,316 thousand euro as at 31 December 2023).

Bonds
These amounted to 2,992,913 thousand euro due after 12 months (2,522,470 thousand euro as at 31 December 2023). The item consisted of positions of the parent referred to Public and Private Bond issues, accounted for at amortised cost, against a total nominal value outstanding at 31 December 2024 of 3,024,000 thousand euro (2,550,000 thousand at 31 December 2023). The details of Bonds with maturity after 12 months are as follows:
- Green Bonds maturing October 2027, coupon 1.5%, amount 500 million euro, all outstanding (amount at amortised cost 496,993 thousand euro);
- Green Bonds maturing October 2029, coupon 0.875%, amount 500 million euro, all outstanding (amount at amortised cost 497,337 thousand euro);
- Green Bonds maturing January 2031, coupon 0.25%, amount 500 million euro, including TAP issue of October 2021, all outstanding (amount at amortised cost 490,510 thousand euro);
- Green Private Placement maturing August 2028, coupon 2.875%, outstanding amount 40 million euro (50 million euro at 31 December 2023; amount at amortised cost 39,758 thousand euro);
- Green Bonds issued in January 2024, maturing July 2032, coupon 3.875%, amount 500 million euro, all outstanding (amount at amortised cost 495,887 thousand euro);
- Green Bonds issued in September 2024, maturing September 2033, coupon 3.625%, amount 500 million euro, all outstanding (amount at amortised cost 494,391 thousand euro);
- Bonds maturing July 2030, coupon 1%, outstanding amount 484 million euro (500 million euro at 31 December 2023; amount at amortised cost 478,037 thousand euro).

The bonds were subscribed by Italian and foreign institutional investors, are listed on the Irish Stock Exchange and were assigned Fitch and S&P ratings.
The change in the total carrying amount compared to 31 December 2023 is due to:
- two new Green Bond issues in January and September 2024, totalling 1,000 million euro;
- the repurchase, in July 2024, of outstanding Bond units totalling 50 million euro;
- the reclassification within 12 months of the Green Bonds maturing in September 2025, coupon 1.95%, outstanding amount 476 million euro (500 million euro as at 31 December 2023; amount at amortised cost 475,282 thousand euro);
- the allocation of accrued financial expense, calculated on the basis of the amortised cost method.

Non-current bank loans

Non-current bank loans relate exclusively to the non-current portion of loans/credit lines due after 12 months granted by banks, and amounted to 1,387,786 thousand euro (1,438,566 thousand euro as at 31 December 2023). Non-current bank loans can be analysed by interest rate type (with respective indications of minimum and maximum rates applied) and by maturity date (related to the portion after 12 months), as shown in the table below:

thousands of euro

	fixed rate	floating rate	TOTAL
min/max rate	n.a.	2.962% - 4.302%	
maturity	2026-2031	2026-2039	
2026	476	79,197	79,673
2027	476	342,898	343,374
2028	476	502,082	502,558
2029	476	93,781	94,257
Subsequent	702	367,222	367,924
Total after 12 months as at 31/12/2024	2,606	1,385,180	1,387,786
Total after 12 months as at 31/12/2023	-	1,438,566	1,438,566

All loans are denominated in euro.

The changes in non-current loans during the year are summarised as follows:

thousands of euro

	31/12/2023 Total after 12 months	Increases	Changes in consolidation scope	Decreases	Change in amortised cost	31/12/2024 Total after 12 months
- fixed rate	-		3,450	(833)	(12)	2,606
- floating rate	1,438,566		24,955	(79,057)	716	1,385,180
TOTAL	1,438,566		28,405	(79,890)	705	1,387,786

Total non-current loans at 31 December 2024 decreased compared to 31 December 2023, as a combined result of:

- an increase of 28,405 thousand euro in medium/long-term loans held by companies that entered the consolidation scope of the Group;
- reduction of 79,890 thousand euro, owing to the reclassification of the portions of loans maturing within the next 12 months as current;
- increase of 705 thousand euro due to recognition of the loans at amortised cost.

Other financial liabilities

These amount to 80,217 thousand euro (87,280 thousand euro as at 31 December 2023) and refer to:

- for 21,479 thousand euro (32,891 thousand at 31 December 2023) to the fair value of derivative contracts entered into as hedges against the interest rate fluctuation risk on floating rate loans and the price of commodities (please see the paragraph "Group Financial Risk Management" for comments);
- for 53,393 thousand euro (47,696 thousand euro as at 31 December 2023) to lease liabilities;
- for 3,166 thousand euro (1,077 thousand euro as at 31 December 2023) to the liabilities related to the fair value measurement of the put options granted to non-controlling interests on their shares. This item refers to the option to sell the non-controlling interest in ReMat, equal to 5.23%% of the share capital and in Nord Ovest Servizi S.p.A., equal to 25% of the share capital, held partly by SMAT and partly by GTT.
- for 2,171 thousand euro (5,396 thousand euro at 31 December 2023) to minor loans from others, the most significant amounts of which regard loans to certain companies consolidated on a line-by-line basis, but in which the Group does not hold 100% of the shares, granted by the non-controlling investor.

NOTE 22_EMPLOYEE BENEFITS

Changes in this item in 2024 were as follows:

thousands of euro

	31/12/2023	Changes in consolida-tion scope	Disburse-ments during the year	Obligations accrued during the year	Actuarial (gains) losses	Financial expenses	Other changes	31/12/2024
Post-employment benefits	77,691	250	(8,747)	906	(171)	2,265	-	72,194
Additional salary payments (seniority bonus)	3,083	-	(409)	94	189	94	-	3,051
Loyalty bonus	2,099	-	(97)	17	(61)	57	-	2,015
Tariff discounts	3,108	-	(268)	-	(1)	91	-	2,930
Premungas fund	1,348	-	(355)	-	142	39	131	1,305
Total	87,329	250	(9,876)	1,017	98	2,546	131	81,495

The column "Changes in consolidation scope" refers to the balances acquired in 2024 relative to the company Siena Ambiente; the column "Other changes" refers to an adjustment made during the actuarial calculation with reference to the premungas fund, in order to adjust the amount to current market values.
The tariff discounts include benefits related to the supply of natural gas for domestic use. Following the signing of specific agreements with the trade unions, the "Energy discount" awarded up to 30 September 2017 to employees in service was converted into other forms of employee benefits. The "Energy discount" awarded up to 30 September 2017 to retired employees was revoked unilaterally and replaced with lump sums included in provisions for former employee benefits.

Actuarial assumptions
The above-mentioned liabilities are measured by independent actuaries. The liability relating to the defined benefit plans is calculated in accordance with actuarial assumptions and is recognised on an accruals basis in line with the service necessary to obtain benefits.
For the purpose of defining the present value of the obligations, the future service is estimated based on assumptions related to changes in the total number of employees and employee remuneration. Future service represents the amount that would be paid out to each employee in the event of continuing working activity with another company, retirement, death, resignation or a request for an advance.

The following factors were considered in deciding which discount rate to adopt in the measurement approach provided by IAS 19:
- stock market of reference;
- the measurement date;
- expected average term of the liabilities.

The average residual term of liabilities was obtained as the weighted average residual term of liabilities related to all benefits and all Group companies.
The economic and financial assumptions adopted in the calculations are the following:

Annual discount rate	2.69% - 3.38%
Annual inflation rate	2.00%
Annual increase rate of post-employment benefits	3.00%

In accordance with the provisions of IAS 19, the following additional information is supplied:
- sensitivity analysis for each material actuarial assumption at year end, showing the effects that would have resulted from changes in the actuarial assumptions reasonably possible at that date, in absolute terms;
- contributions for the following year;
- indication of the average maturity of the obligation for defined benefit plans.

This information is shown in the following table.

	Change in liabilities according to changes in discount rate		Service cost 2025	Duration of the plan	Disbursements 2025
	+0.25%	-0.25%			
Post-employment benefits	(1,093)	333	703	7.55	10,188
Additional salary payments	(10)	14	68	8.24	66
Loyalty bonus	(31)	32	77	12.22	233
Tariff discounts	(58)	60	-	8.47	229
Premungas	(14)	13	-	7.89	240

The method used to estimate sensitivity was unchanged compared to the previous financial year.

NOTE 23_PROVISIONS FOR RISKS AND CHARGES

The item amounted to 276,258 thousand euro (404,882 thousand euro as at 31 December 2023). It is detailed in the following table, and refers both to the current and non-current portions:

amounts in euro

	31/12/2023	Increases	Decreases	(Gains) losses	Changes in consolida-tion scope	31/12/2024	Non-current portion
Provision for restoration of third-party assets	186,037	1,923	(158,987)	514	-	29,487	29,487
"Post-closure" provisions	66,475	4,511	(6,897)	(64)	15,023	79,048	74,157
Provision for dismantling and reclaiming sites	48,287	2,467	(1,213)	394	-	49,935	49,892
Provision for early retirement	11,461	1,555	(1,115)	142	-	12,043	11,092
ETS cancellation obligation	229,419	194,187	(229,419)	-	-	194,187	-
Other provisions for risks and charges	195,085	37,901	(41,034)	-	995	192,947	111,630
TOTAL	736,764	242,544	(438,665)	986	16,018	557,647	276,258

If the effect of discounting the value of money is significant, the provisions are discounted using a pre-tax discount rate which, on the basis of the time period envisaged for the future cash flows, does not exceed 4.6%.
The column "Changes in consolidation scope" refers to the balances acquired during 2024 relating to Siena Ambiente.

Provision for restoration of third-party assets
This item is made up to include the charges related to the restoration of the group of assets and equipment pertaining to the management of the Integrated Water Service in the province of Parma owned by Parma Infrastrutture: this group of assets is used to provide the service against the payment of a fee. The relevant provision is estimated on the basis of the depreciation of the assets themselves and will be deducted from the consideration to be paid to the Group by any new incoming operator or in accordance with the terms and conditions of the concession award.
The decreases in the year relate to:

- for 19,408 thousand euro to the reclassification to liabilities of the provision for restoration of third-party assets pertaining to the Integrated Water Service of the Province of Piacenza, entrusted effective as of 1 January 2025 to the outgoing concessionaire IRETI, which, moreover, established the territorial operating company Iren Acqua Piacenza, in execution of the provisions of the tender. This amount was paid to the company that owns the assets pertaining to the service, Piacenza Infrastrutture, on the effective date of the concession;
- for 139,579 thousand euro to the reclassification to the item "Deferred income for grants related to assets" (current and non-current portion), to represent the contribution for future restoration work on the group of assets pertaining to the management of the Integrated Water Service of the Province of Reggio Emilia owned by AGAC Infrastrutture, determined at the start of the new concession as consideration to be transferred from the territorial operating company Iren Acqua Reggio to the grantor.

In fact, as the assets are still functional for the area water service, but the pre-existing lease contract could not be extended due to regulatory and economic constraints, the Area Authority Atersir, through an agreement signed with Iren Acqua Reggio, AGAC Infrastrutture, ARCA, holder of the concession, and IRETI (winner of the tender for the selection of the private partner participating in ARCA), established that the sum will be returned by Iren Acqua Reggio to the area system over the next twenty years, for the entire duration of the concession. The return will be through the realisation of new assets of equal value, chosen from those envisaged in the Plan of Interventions approved by Atersir or, in the event of early termination of the concession, by reducing the value of the assets transferred to the new incoming operator.
Therefore, as mentioned above, this liability has been reclassified from provisions for risks to deferred income, and will see its amount decrease each year by sterilising the investments made by Iren Acqua Reggio and then transferred to AGAC Infrastrutture on the basis of the area plan.

"Post-closure" provisions
These are mainly provisions for future expense for environmental remediation of controlled landfill plants which also include costs for post-operating management until the sites involved have been completely converted into green areas. These provisions are supported by specific appraisals periodically updated in order to adjust the existing provisions to the estimate of the future costs to be incurred. The decreases refer, in fact, to the utilisation of the provision to cover costs incurred in the post-operating phase until the mineralisation of waste and the conversion of landfills are completed.

Provision for dismantling and reclaiming sites
The "Provision for dismantling and reclaiming sites" represents the estimated costs associated with the future decommissioning of waste-to-energy plants and, to a lesser extent, the Group's photovoltaic parks.

Provision for early retirement
The provision refers to expenses associated with early retirement of some personnel that provide for retirement incentives for some employees, on a voluntary basis among the Group's personnel who are potentially involved. The transaction should be seen in the wider context of professional and demographic rebalancing of Iren Group's personnel, in view of a plan to recruit young individuals.
The incentive, completely chargeable to Iren Group (in application of Art. 4 of Law no. 92/2012), will enable the personnel who meet the legal requisites to retire ahead of the date of eligibility.
The provision represents the estimated payment to the employees involved in the Plan, through the social security institution, of a benefit of an amount equal to the pension that would be payable on the basis of the current rules ("early retirement") with payment to the social security institution of the contribution until the minimum requirements for retirement are reached (in accordance with the aforementioned Law 92/2012), and a sum, for each of the employees involved, as a one-off payment as an incentive.

ETS cancellation obligation
This item refers to obligations related to carbon dioxide emission rights under the Emission Trading Scheme. The increase concerns the estimated costs, observable on the basis of market quotations at the end of the year, related to the rights still to be acquired in order to fulfil the obligation of the year, according to the schedule. The decreases refer to the purchase of securities pertaining to the previous year's obligation.

Other provisions for risks and charges
The amount of the provisions mainly refers to the probable risks of higher charges pertaining to the Group's businesses, the allocation of the charge related to the two-way compensation mechanism for electricity prices as per Decree-Law Sostegni Ter, the estimated IMU property tax to be paid on the value of the systems of the power plants calculated as provided for by Decree-Law No. 44/2005, charges for environmental offsets, tax, employment and regulatory risks and probable charges related to various disputes.

In 2024, releases of 16,924 thousand euro were made, mainly related to the elimination of probable charges and the settlement of various disputes, including those of a regulatory nature, for which there was no longer a need to maintain the related provisions.

The current portion referring to the provisions described above was presented under "provisions for risks and charges - current portion" (Note 31).

NOTE 24_DEFERRED TAX LIABILITIES

Deferred tax liabilities of 116,857 thousand euro (130,532 thousand euro as at 31 December 2023) are due to the temporary difference between the carrying amount and tax base of assets and liabilities recognised in the financial statements.
Deferred taxation is calculated with reference to the expected tax rates applicable when the temporary differences will reverse.

For further details please see the note to the income statement, "Income taxes" (Note 42) and the annexed table.

NOTE 25_SUNDRY LIABILITIES AND OTHER NON-CURRENT LIABILITIES

This item can be broken down as follows:

thousands of euro

	31/12/2024	31/12/2023
Due after 12 months	68,519	59,570
Deferred income for grants related to assets - non current	679,712	518,414
Non-current accrued liabilities and deferred income	3,328	3,860
Total	751,559	581,844

The item "Due after 12 months" mainly refers to advances paid by users as a guarantee on the supply of water, as well as amounts due to customers for refunds to users entitled to the refund of the purification fee of the Integrated Water Service following the Supreme Court ruling of 14 July 2023 and to tax liabilities for substitute taxes to be paid beyond 12 months from the reporting date.
Deferred income for grants related to assets, non-current portion, includes the amounts relating to connection grants of 206,909 thousand euro and the Fo.N.I. component (Provision for New Investments), amounting to 72,476 thousand euro, provided for by the tariff method for the Integrated Water Service, which will be reversed to profit or loss after 12 months from the reporting date. The portion that will be taken to profit or loss in the 12 months following the reporting date amounts to 10,596 thousand and 4,783 thousand euro, respectively, and is included in the item "Sundry liabilities and other current liabilities under deferred income" for grants related to assets.
Starting from 2024, the non-current portion of deferred income for grants related to assets also includes, in the amount of 126,679 thousand euro, the grant for future restoration work on all assets related to the management of the Integrated Water Service of the Province of Reggio Emilia, determined at the start of the new concession as consideration to be transferred from the territorial operating company Iren Acqua Reggio to the grantor, which is the subject of the aforementioned reclassification from the "Provision for restoration of third-party assets".

CURRENT LIABILITIES

NOTE 26_CURRENT FINANCIAL LIABILITIES

All financial liabilities recognised in this item are due within 12 months. The carrying amount of these liabilities approximates their fair value as the impact of discounting is negligible.
Current financial liabilities can be analysed as follows:

thousands of euro

	31/12/2024	31/12/2023
Bonds	475,282	499,220
Bank loans	100,423	91,927
Financial liabilities with associates	986	231
Financial liabilities with owners	6,067	14,750
Financial liabilities with other related parties	7	7
Lease liabilities	16,150	14,686
Financial liabilities with others	15,243	33,096
Current liabilities for derivatives	42,372	82,462
Total	656,530	736,379

Bonds
This is the Green Bonds with maturity September 2025, coupon 1.95%, outstanding amount 476 million euro (500 million euro as at 31 December 2023). The carrying amount is shown at amortised cost for 475,282 thousand euro (498,310 thousand euro at 31 December 2023).

Bank loans
Current bank loans may be broken down as follows:

thousands of euro

	31/12/2024	31/12/2023
Loans - current portion	75,362	68,722
Other current bank loans	500	9,405
Accrued financial expenses and deferred financial income	24,561	13,800
Total	100,423	91,927

Financial liabilities with associates
They refer to amounts due to the company ARCA for 448 thousand euro and to the company ARIENES for 538 thousand euro. It should be noted that, as of 31 December 2023, there were amounts due to the company Siena Ambiente for 150 thousand euro, fully consolidated as of 1 January 2024.

Financial liabilities with owners
This item relates to dividends of the company TRM still to be paid to the municipality of Turin.

Financial liabilities with others
They amounted to 15,243 thousand euro (32,410 thousand euro as at 31 December 2023) and mainly related to the fair value measurement of the put option on the non-controlling interest in IBlu S.r.l. (4,026 thousand euro), equal to 20% of the quota capital, held by Idealservice Soc Coop; the item also includes amounts due to factors (8,155 thousand euro).

Current liabilities for derivatives
These relate to the *fair value* of derivative contracts entered into to hedge the exposure to the risk of fluctuations in commodity prices.

NOTE 27_TRADE PAYABLES

All trade payables are due within 12 months. The carrying amount of these payables approximates their fair value as the impact of discounting is negligible.

thousands of euro

	31/12/2024	31/12/2023
Trade payables to suppliers	1,697,532	1,528,865
Trade payables to joint ventures	(1)	(2)
Trade payables to associates	7,461	18,897
Trade payables to owners	7,257	6,772
Trade payables to other related parties	28,125	6,948
Advances due within 12 months	6,100	15,497
Guarantee deposits due within 12 months	5,599	4,860
Trade payables to customers for reimbursements within 12 months	35,125	52,883
Total	1,787,198	1,634,720

Trade payables to customers for reimbursements within 12 months refer to the liability recognised in respect of users entitled to reimbursement of the purification tariff of the Integrated Water Service following the Supreme Court ruling of 14 July 2023, which established that the tariff is not payable by users to whom secondary purification treatment is not provided.

NOTE 28_CURRENT CONTRACT LIABILITIES

This item totalled 88,983 thousand euro (79,642 thousand euro as at 31 December 2023) and refers to the amounts paid by customers as advance payments for the sale of electricity and for energy efficiency measures in buildings, which have not yet been completed.

NOTE 29_SUNDRY LIABILITIES AND OTHER CURRENT LIABILITIES

All amounts recognised in this item are due within 12 months. The carrying amount of these liabilities approximates their fair value as the impact of discounting is negligible.

thousands of euro

	31/12/2024	31/12/2023
VAT liability	5,088	586
Government land tax/UTIF	124	29
IRPEF liability	1,772	1,539
Other tax liabilities	30,433	31,922
Current tax liabilities	37,417	34,076
Amounts due to employees	74,431	67,243
Amounts due to Cassa Servizi Energetici e Ambientali (CSEA)	49,365	66,047
Amounts due to social security institutions within 12 months	34,348	32,624
Other current liabilities	118,932	104,135
Current sundry liabilities	277,076	270,049
Accrued expenses and deferred income	39,200	29,057
Total	353,693	333,182

The change in liabilities for Government land tax is due to prepayments and settlement payments, which are influenced by the invoicing volumes of the relevant year and the previous year.
The change in amounts due to Cassa per i Servizi Energetici e Ambientali (the Energy and Environmental Services Fund) in the year is related to the estimates of negative equalisation of electricity and gas.
Other current liabilities mainly refer to the cost estimates for the obligations relating to energy efficiency certificates, liabilities for tariff components of electricity distribution to be paid to the GSE, liabilities for purification fees, liabilities for RAI fees collected in the bill.

NOTE 30_CURRENT TAX LIABILITIES

The item "Current tax liabilities" amounting to 12,743 thousand euro (80,437 thousand euro as at 31 December 2023) is made up of IRES and IRAP liabilities, comprising the estimate of taxes for the current year.

NOTE 31_PROVISIONS FOR RISKS AND CHARGES - CURRENT PORTION

This item amounted to 281,389 thousand euro (331,881 thousand euro as at 31 December 2023) and refers to the current portion of the provisions, divided as follows:

- post-closure provisions and the provision for dismantling and reclaiming sites totalling 4,934 thousand euro;
- provision for early retirement of 951 thousand euro;
- provisions for ETS cancellation obligation of 194,187 thousand euro;
- other provisions for risks of 81,317 thousand euro.

For further details on the breakdown of and changes in provisions for risks and charges see Note 23.

NOTE 32_LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE

There are no liabilities associated with assets held for sale at 31 December 2024.

FINANCIAL POSITION

Net financial debt, calculated as the difference between current and non-current financial debt and current and non-current financial assets, can be broken down as follows:

thousands of euro

	31/12/2024	31/12/2023
Non-current financial assets	(124,355)	(128,937)
Non-current financial debt	4,460,915	4,048,104
Non-current net financial debt	**4,336,560**	**3,919,167**
Current financial assets	(867,974)	(639,279)
Current financial debt	614,158	653,917
Current net financial (position) debt	**(253,816)**	**14,638**
Net financial debt	**4,082,744**	**3,933,805**

It is specified that, in the calculation of net financial debt, the fair value of commodity derivatives is excluded from short-, medium- and long-term borrowings and financial assets.

Net Financial position with related parties

Non-current financial assets include 32,153 thousand euro due from the municipality of Turin and 5,844 thousand euro due from associates.
Current financial assets include 4,079 thousand euro due from the Municipality of Turin and 2,603 thousand euro due from associates and joint ventures.
Current financial liabilities include 6,068 thousand euro due to the Municipality of Turin for dividends, 986 thousand euro due to associates and 6 thousand euro due to other related parties.

The net financial position according to the structure proposed by ESMA in the document of 04 March 2021 *Guidelines on disclosure requirements under the Prospectus Regulation and* implemented by Consob with *Attention Reminder No. 5/21 of 29 April 2021* is shown below.

thousands of euro

	31/12/2024	31/12/2023
A. Cash	(326,568)	(436,134)
B. Cash equivalents	-	-
C. Other current financial assets	(465,034)	(13,030)
D. Liquidity (A) + (B) + (C)	**(791,602)**	**(449,164)**
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	47,364	71,289
F. Current portion of the non-current financial debt	566,794	582,628
G. Current financial debt (E + F)	**614,158**	**653,917**
H. Net current financial (position) debt (G - D)	**(177,444)**	**204,753**
I. Non-current financial debt (excluding current portion and debt instruments)	1,468,002	1,525,634
J. Debt instruments	2,992,913	2,522,470
K. Commercial and other non-current debt	-	-
L. Non-current financial debt (I + J + K)	**4,460,915**	**4,046,764**
M. Total financial debt (H + L)	**4,283,471**	**4,250,831**

The annexes to the consolidated financial statements include the reconciliation statement between "total financial debt", calculated according to the structure proposed by ESMA, and "net financial debt", calculated according to Iren Group's policy and reported at the beginning of this section.

The table below shows the changes in the year in current and non-current financial liabilities.

	thousands of euro
Current and non-current financial liabilities 31.12.2023	4,702,021
Monetary changes as reported in the statement of cash flows	
New non-current loans	1,000,000
Repayment of non-current loans	(623,249)
Repayment of finance leases	(17,852)
Change in other financial liabilities	(21,460)
Interest paid	(125,314)
Dividends paid	189,779
Non-monetary changes	
Liabilities acquired following changes in the consolidation scope	36,467
New finance leases	17,623
Fair value change in derivatives	(11,412)
Interest and other financial expense	129,344
Dividends resolved	(200,874)
Current and non-current financial liabilities 31.12.2024	5,075,073

XI. Notes To The Income Statement

Unless otherwise stated, the following comments and tables show the figures in thousands of euro.
The consolidated income statement includes the income statement amounts of the entities over which the Group acquired control in 2024: Siena Ambiente and Agrovoltaica. The results of operations for the financial year 2024 are therefore affected by the inclusion of these amounts in the consolidation scope.
Also for the purposes of a correct analysis, it should also be noted that the items include, throughout the entire time period in question, the results of the companies Romeo 2, AMTER, Acquaenna, Limes 20, ReMat, Semia Green and WFL, all acquired during the 2023 financial year.

Revenue

NOTE 33_REVENUE FROM GOODS AND SERVICES

This item amounted to 5,903,454 thousand euro (6,301,581 in 2023) and is detailed in the following table.

thousands of euro

	FY 2024	FY 2023
Electricity revenue	2,504,371	2,650,364
Heat revenue	232,133	241,773
Gas revenue	933,013	984,820
Integrated water service revenue	558,238	494,373
Waste management revenue	1,006,847	929,528
Revenue from asset construction services under concession	264,872	248,077
Revenue from other services	403,980	752,646
Total	5,903,454	6,301,581

The following table shows the reconciliation between the item Revenue from goods and services and the segment reporting in Chapter XIII. Segment reporting.

thousands of euro

	Networks	Waste Manage-ment	Energy	Market	Other services	Elisions	Total
Revenue from goods and services	1,111,056	1,186,922	2,018,383	3,350,559	28,136	(1,791,602)	5,903,454
Other revenue	157,594	104,670	122,241	93,291	7,139	(345,264)	139,671
Total	1,268,650	1,291,592	2,140,624	3,443,850	35,275	(2,136,866)	6,043,125

The table below provides a breakdown of revenue from goods and services by business segment.

thousands of euro

	Networks	Waste Manage-ment	Energy	Market	Other services	Elisions	Total
Electricity revenue	155,666	65,291	1,541,595	1,648,028	-	(906,209)	2,504,371
District heating revenue	-	10,453	245,812	-	-	(24,132)	232,133
Gas revenue	131,544	3,626	-	1,638,901	-	(841,058)	933,013
Integrated water service revenue	549,865	3,425	-	-	-	4,948	558,238
Waste management revenue	32	1,016,474	-	-	-	(9,659)	1,006,847
Revenue from asset construction services under concession - IFRIC 12	243,557	19,186	2,129	-	-	-	264,872
Revenue from other services	30,392	68,467	228,847	63,630	28,136	(15,492)	403,980
Total Revenue from goods and services	1,111,056	1,186,922	2,018,383	3,350,559	28,136	(1,791,602)	5,903,454

The nature and timing of the performance obligations contained in customer contracts are described below:

Sale and distribution of electricity and gas and sale of heat to end customers
Contracts for the sale of energy carriers to end customers include fees that relate to both the sale and distribution of the relevant commodities, identified as a single, indistinct performance obligation. This obligation is fulfilled upon delivery at the redelivery point or heat exchange substation.
These contracts relate to supplies of a continuous nature, which imply the fulfilment of the relevant obligations in an over-time logic, since the end customer benefits, repeatedly over time, from individual commodity units that are homogeneous with each other.
This revenue includes the estimated disbursements made but not yet invoiced. This estimate is based on the customer's historical consumption profile, adjusted to reflect weather conditions or other factors that may affect consumption.
In this context, revenue from the electricity and gas distribution service, supplied through the Group's networks to third-party sellers, is recognised on the basis of tariffs determined by the competent Authorities to reflect the remuneration recognised for investments made, taking into account the equalisation mechanisms provided for. They, too, refer to services aimed at fulfilling the relevant obligations on an ongoing basis, with a view to the continuity of the service provided characteristic of network businesses.

Integrated Water Service
Similarly to the other network businesses mentioned above, aqueduct (water collection, drinking water, lifting and distribution), sewerage and wastewater treatment services relate to obligations fulfilled over time. They, too, are entered on the basis of the tariffs determined by the competent authorities to reflect the remuneration paid for the investments made.

Waste management revenue
Revenue generated by the waste management supply chain mainly relates to:
- collection and urban sanitation, where performance obligations are fulfilled continuously over time on the basis of existing contracts;
- the treatment of municipal and special waste, including its disposal and reuse. In this regard, the Group assesses the relevant services as provided over time, particularly with regard to the continuous disposal of homogeneous waste units, also within the framework of existing agreements with the competent authorities.

It should also be noted that in this context there are, to a residual extent, services provided punctually and pertaining to obligations arising from events (e.g. snow clearing service).

Revenue from other services
The revenue included under this heading refers in particular:
- to services related to the management of energy services, including maintenance services, and to orders for the energy efficiency of plants and buildings. Both refer to obligations fulfilled over time. In particular, revenue relating to contracts for efficiency upgrading is recognised on the basis of the stage of completion of the contract work, deduced from the total estimated costs incurred, by means of the recognition of a contract asset until the obligation has been fully met.
- to products/services ancillary to the sale of commodities, which are distinctly identified, and which concern performance obligations that are fulfilled punctually upon the transfer of the product/service to the customer;
- miscellaneous and ongoing revenue relating to, inter alia, information systems, real estate services and laboratory analyses.

NOTE 34_OTHER INCOME

Other income totalled 139,671 thousand euro (188,800 thousand euro in 2023) and refers to grants, revenue for energy certificates and sundry income. The tables below show the details of the individual items.

Grants

		thousands of euro
	FY 2024	FY 2023
Grants related to assets	16,696	15,740
Connection grants	12,023	11,028
Other grants	10,598	44,222
Total	39,317	70,990

The grants related to assets and connection grants represent the relevant portion of grants calculated in proportion to the depreciation rates of the plants to which they refer.
The connection grants include amounts received for connection to the Group's electricity, water, gas and heat distribution networks.

The decrease in the item "Other grants" is attributable for 38,604 thousand euro to the regulatory measures introduced in 2023 to combat the high cost of energy, which provided for a tax credit for so-called "non-energy-intensive" and "non-gas-intensive" companies, aimed at compensating for the higher charges incurred for electricity and gas purchased and used in economic activity.

Revenue from energy certificates

thousands of euro

	FY 2024	FY 2023
Revenue from the sale of ETS certificates (Emission Trading Certificates)	-	25,541
Revenue from former Green Certificates incentive	20,283	7,136
Revenue from Energy Efficiency Certificates (White Certificates)	18,422	18,121
Total	38,705	50,798

Other income

thousands of euro

	FY 2024	FY 2023
Service contracts	7,084	985
Lease income	1,878	1,999
Capital gains on sale of assets	1,434	1,894
Insurance settlements	1,574	11,864
Sundry reimbursements	8,894	8,153
Other revenue and income	40,785	42,117
Total	61,649	67,012

Costs

NOTE 35_RAW MATERIALS, CONSUMABLES, SUPPLIES AND GOODS

This item is broken down as follows:

thousands of euro

	FY 2024	FY 2023
Purchase of electricity	545,199	580,650
Purchase of gas	1,274,913	1,628,480
Purchase of heat	244	393
Purchase of other fuels	380	898
Purchase of water	7,768	7,343
Other raw materials and materials in stock	185,894	187,818
Emission trading	200,826	275,019
White Certificates	17,636	16,727
Change in inventories	(8,806)	66,145
Total	2,224,054	2,763,473

Costs for raw materials, consumables, supplies and goods decreased by 539,419 thousand euro.
The decrease in the costs of purchasing electricity and gas is essentially linked to the decrease in prices of commodities.
The purchase of raw materials and materials in stock is in connection with the marketing to retail customers of products in the area of home automation, energy saving and maintenance of domestic installations and, to a lesser extent, fuels for operating vehicles. The change in inventories was partly due to gas storages.

NOTE 36_SERVICES AND USE OF THIRD-PARTY ASSETS

Costs for services amounted to 1,822,444 thousand euro (1,837,736 thousand euro in 2023), as follows:

thousands of euro

	FY 2024	FY 2023
Electricity transport and electricity system expenses	589,667	477,628
Gas transmission	86,123	(43,402)
Third-party works, maintenance and industrial services	456,379	711,399
Collection and disposal, snow clearing, public parks	360,719	351,923
Expenses related to personnel (canteen, training, business travel)	17,305	15,225
Technical, administrative and commercial consulting and advertising expenses	93,459	97,288
Legal and notary fees	8,604	5,531
Insurance	29,864	25,537
Bank expenses	10,280	11,358
Telephone expenses	6,645	6,683
IT expenses	61,901	62,851
Reading and invoicing services	16,003	14,909
Board of Statutory Auditors' fees	1,576	1,391
Other costs of services	83,919	99,415
Total costs for services	1,822,444	1,837,736

Costs for third-party works mainly relate to operating and maintenance costs of plants and networks.
Gas transmission costs in 2023 were negative as a result of the effects of ARERA introduction of a UG2c tariff component with a negative sign, envisaged as part of urgent and extraordinary interventions in favour of consumers in relation to the situation of tension in the functioning of the gas markets.

"Other costs for services" includes residual costs for internal consumption, back office, transport and other services: this item increased largely as a result of higher transport costs and the closure of estimates from previous years.

Use of third-party assets amounted to 38,439 thousand euro (38,927 thousand euro in 2023). The item included mainly fees paid to the single operator of the Genoa Area and the fees paid to the companies that own the assets of the integrated water service of the municipalities of Parma, Piacenza, and Reggio Emilia.
Secondarily, this item includes short-term leases or when the underlying asset is of low value, which the group has decided to exclude from the scope of application of IFRS 16.

NOTE 37_OTHER OPERATING EXPENSES

Other operating expenses amounted to 102,657 thousand euro (113,865 thousand euro in 2023), as follows:

thousands of euro

	FY 2024	FY 2023
General expenses	26,654	26,499
Instalments and higher instalments for water shunting	33,700	45,235
Taxes and duties	28,563	26,378
Capital losses on sale of assets	4,546	4,133
Other sundry operating expenses	9,194	11,620
Total	102,657	113,865

General expenses include among other things contributions to the running costs of various entities and penalties from service providers. The item "Taxes and duties" relates mainly to expenses for IMU property tax on the Group's plants and buildings and expenses for occupying and reclaiming public land.
The item "Other sundry operating expenses" includes adjustments of revenue pertaining to previous years.

NOTE 38_CAPITALISED EXPENSES FOR INTERNAL WORK

Capitalised expenses for internal work amounted to 60,193 euro (56,907 thousand euro in 2023), and regard increases in capital assets made with internal resources and production factors.

thousands of euro

	FY 2024	FY 2023
Capitalised personnel expense	(42,100)	(38,737)
Capitalised inventory materials	(18,093)	(18,170)
Total	(60,193)	(56,907)

NOTE 39_PERSONNEL EXPENSE

Personnel expense amounted to 641,605 thousand euro (596,391 thousand euro in 2023), as follows:

thousands of euro

	FY 2024	FY 2023
Gross remuneration	453,685	420,976
Social security contributions	139,276	128,828
Post-employment benefits	481	782
Other long-term employee benefits	80	17
Other personnel expense	45,999	43,505
Directors' fees	2,084	2,283
Total	641,605	596,391

As specified in Note 38, 42,100 thousand euro of costs related to employees were capitalised.

Other personnel expense include social security and recreational contributions, the contribution paid to the supplementary health care fund, insurance for accidents occurring outside working hours, the portion of post-employment benefits, and contributions to be paid by the employer to supplementary pension funds.

The composition of personnel is shown in the following table.

	31/12/2024	31/12/2023	Average for the year
Senior managers	109	114	112
Junior managers	401	381	393
White collar workers	4,703	4,642	4,724
Blue collar workers	6,098	5,868	6,083
Total	11,311	11,005	11,312

The changes in the workforce compared to 31 December 2023 were mainly ascribable to:
- the initiation/conclusion of services contracted out as part of the Waste Management BU;
- the continuation of the generational turnover plan, with a considerable number of recruitments on the labour market;
- the contract acquisition in Iren Ambiente, in February 2024, of the Pallet Vercelli plant unit of IMPA S.p.A., for a total of 26 resources;
- the control and accounting consolidation of Siena Ambiente S.p.A. by Iren Ambiente Toscana S.p.A. effective from 1 January 2024 for a total of 100 resources.

NOTE 40_AMORTISATION AND DEPRECIATION

Amortisation and depreciation for the year amounted to 655,475 thousand euro (600,929 thousand euro in 2023).

thousands of euro

	FY 2024	FY 2023
Depreciation	376,707	351,466
Amortisation	278,768	249,463
Total	655,475	600,929

For further details on amortisation and depreciation, refer to the tables of changes in property, plant and equipment and intangible assets.

NOTE 41_PROVISIONS AND IMPAIRMENT LOSSES

These items amounted to a total of 98,944 thousand euro (131,579 thousand euro in 2023) as follows:

thousands of euro

	FY 2024	FY 2023
Impairment losses on loans and receivables	74,482	68,421
Impairment losses on contract assets and Other current assets	-	3,050
Impairment losses on loans and receivables	74,482	71,471
Provision for restoration of third-party assets	1,922	6,672
Post-closure provisions	2,726	3,328
Provision for dismantling and reclaiming sites	185	189
Provisions for risks and other	15,805	60,081
Release of provisions	(8,702)	(10,162)
Impairment losses	12,526	-
Total net other provisions and impairment losses	24,462	60,108
Total	98,944	131,579

The accruals for the year were made to adjust the amount of the loss allowance to the amount of expected credit losses on the basis of the simplified model provided for in the standard IFRS 9, where “loss” means the present value of all cash shortfalls considering forward-looking information.

The change in provisions for risks is largely attributable to the valuation of probable liabilities and charges in the energy and waste management sectors, for IMU property tax and of a tax nature, while releases refer to the elimination of risks for various disputes. It should be noted that the item "Provisions for risks and other" included 42,248 thousand euro in the comparative year in application of Article 15 of Decree-Law Sostegni Ter, relating to the two-way compensation mechanism for electricity prices.
Details of changes in provisions are provided in the note to the Statement of financial position item "Provisions for risks and charges".
The impairment losses are due to damage caused to plants in the Waste Management sector, which were affected by fires: the Cadelbosco plant for sorting and treating plastic from sorted waste collection, the CRCM treatment plant and the Gavassa OFMSW treatment plant.

NOTE 42_FINANCIAL INCOME AND EXPENSE

Financial income

Financial income amounted to 45,701 thousand euro (37,148 thousand euro in 2023). The details are shown in the following table:

thousands of euro

	FY 2024	FY 2023
Dividends	80	345
Bank interest income	12,398	7,530
Interest income on loans and receivables	22,240	5,231
Interest income from customers	4,825	6,299
Fair value gains on derivatives	2	-
Capital gain on disposal of financial assets	1	522
Other financial income	6,155	17,221
Total	45,701	37,148

The increase in bank interest income is due to the remuneration of liquidity on current account balances.
Interest income on loans and receivables mainly refers to interest accrued on amounts restricted in the form of time deposits (16,540 thousand euro) and financial income accrued on loans related to energy efficiency activities in buildings (4,807 thousand euro). This item also includes interest income on current accounts between the Group and the Municipality of Turin (283 thousand euro).
Other financial income mainly consists of income for the discounting of provisions and fair value gains on the put option on the non-controlling interest in NOS and ReMat.

Financial expense
The item amounted to 136,333 thousand euro (135,781 thousand euro in 2023). The breakdown of financial expense is shown in the following table:

thousands of euro

	FY 2024	FY 2023
Interest expense on loans	71,905	54,698
Interest expense on bonds	59,704	39,966
Hedging effect of derivatives	(19,860)	(20,352)
Interest expense on bank current accounts	1,082	9,498
Other interest expense	7,412	7,623
Capitalised borrowing costs	(317)	(1,360)
Fair value losses on derivatives	458	836
Capital losses on disposal of financial assets	9	27
Interest cost – Employee benefits	2,546	3,266
Financial expense on lease liabilities	1,733	1,491
Impairment losses (gains) on financial assets	20	(481)
Other financial expense	11,641	40,569
Total	136,333	135,781

Interest expense on loans and bonds includes the expense relating to the measurement at amortised cost.
Other interest expense includes charges related to factoring transactions performed during the year.
Other financial expenses mainly consisted of charges arising from the sale to financial intermediaries of credits related to deductions on works carried out to improve the energy efficiency of buildings (ecobonus), charges for discounting provisions, charges arising from payment extensions to suppliers.

NOTE 43_GAINS (LOSSES) ON EQUITY INVESTMENTS

These losses came tor 1,260 thousand euro (gains of 6,263 thousand euro in 2023) and mainly refer to the impairment losses on the investments in Astea (1,365 thousand euro), EGEA (1,000 thousand euro), and Enerbrain (1,555 thousand euro), only partially offset by the restatement at fair value, at the date of acquisition of control, of the non-controlling interest relating to the business combination of Siena Ambiente (3,270 thousand euro).
In 2023, it mainly referred to the restatement at fair value, at the date of acquisition of control, of the non-controlling interest relating to the business combinations of Amter (1,770 thousand euro) and Acquaenna (3,249 thousand euro). The item also included the positive price adjustment of 1,003 thousand euro related to the acquisition of Iren Green Generation Group (formerly Puglia Holding Group) at the beginning of 2022.

NOTE 44_SHARE OF PROFIT OR LOSS OF EQUITY-ACCOUNTED INVESTEES

The share of profit or loss of equity-accounted companies amounted to 7,471 thousand euro (6,836 thousand euro in 2023). For more details please see Note 5 “Equity-accounted investments”.

NOTE 45_INCOME TAXES

Income taxes for the financial year 2024 amounted to 131,694 thousand euro (97,025 thousand euro in the financial year 2023) and included the estimated income taxes for 2024.

thousands of euro

	FY 2024	FY 2023
Current taxes (IRES)	102,833	129,254
Current taxes (IRAP)	27,470	32,730
Current taxes (IRES and IRAP) previous years	(2,942)	(6,628)
Change in deferred tax assets	15,185	(49,027)
Change in deferred tax liabilities	(10,849)	(9,304)
Total	131,697	97,025

The Group's effective tax rate in 2024 is 30.3%, while in 2023, it was 25.6%.
The latter benefited from the positive effect of the non-taxability of tax credits recognised against corporate energy costs and the effect of the redemption of positive differentials arising from business combinations carried out during 2023.

The table below shows the breakdown of the tax rate for 2024 and 2023.

thousands of euro

	FY 2024		FY 2023	
Pre-tax profit	435,279		378,854	
Theoretical taxes (IRES)	104,467	24.0%	90,925	24.0%
Permanent differences	2,923	0.7%	(5,014)	-1.3%
Effect on releases and realignments	-	0.0%	(3,102)	-0.8%
Tax relief effect	(5,271)	-1.2%	(17,752)	-4.7%
IRAP (Regional business tax)	27,470	6.3%	32,720	8.6%
Previous years' taxes and other differences	2,108	0.5%	(752)	-0.2%
Total income taxes	131,697	30.3%	97,025	25.6%

The Group also exercised the option, pursuant to Art. 117 of the new Consolidated Law on Income Tax. This requires that the consolidated companies transfer their IRES debit/credit positions to the Parent IREN S.p.A. The latter then calculates IRES on the algebraic sum of taxable profits/losses of each company taking part in the tax consolidation scheme.
In return for the taxable income earned and transferred to the parent, the consolidated company commits to paying "tax settlements" to the parent equal to the amount of taxes owed on the income transferred, net of the transferred IRES assets.
The companies in the domestic tax consolidation for 2024, not including the Parent Iren Spa, are as follows: Iren Energia S.p.A., Ireti S.p.A., Territorio e Risorse S.r.l., Iren Acqua S.p.A., Iren Mercato S.p.A., Iren Ambiente S.p.A., Iren Smart Solution S.p.A., Acam Ambiente S.p.A., Acam Acque S.p.A., Maira S.p.A., Amiat S.p.A. Amiat V S.p.A., Formaira S.p.A., Alfa Solutions S.p.A., Recos S.p.A., Iren Laboratori S.p.A., Iren Ambiente Parma S.r.l., Iren Ambiente Piacenza S.r.l., ASM Vercelli S.p.A., Atena Trading S.r.l., Gia in liquidazione S.r.l., San Germano S.p.A., Rigenera Materiali S.r.l., Bonifiche Servizi Ambientali S.r.l., Uniproject S.r.l. Manduriambiente S.p.A., Scarlino Energia S.p.A., Iren Ambiente Toscana S.p.A. TB S.p.A. (merged into Valdarno Ambiente at 1 January 2025), Futura S.p.A., Ireti Gas S.p.A., Valle Dora Energia S.r.l., Alegas S.r.l., Iren Green Generation S.r.l., Iren Green Generation Tech S.r.l., Valdarno Ambiente S.r.l., Dogliani Energia S.r.l. and IBlu S.r.l., Sei Toscana S.r.l., Semia Green S.r.l. , Remat S.r.l., Limes 20 S.r.l., Limes 2 S.r.l., Am.ter S.p.A. (merged into Ireti on 1 January 2025), C.R.C.M. S.r.l.

The following table shows deferred tax assets and liabilities and their impact.

thousands of euro

	FY 2024	FY 2023
Deferred tax assets		
Non-taxable provisions	195,956	214,096
Differences in non-current assets	215,180	208,662
Connection grants	14,530	17,410
Derivatives	42,459	52,062
Tax loss carry-forwards + ACE	8,208	9,295
Other	27,002	7,838
Total	503,335	509,363
Deferred tax liabilities		
Differences in non-current assets	154,102	157,078
Loss allowance and other provisions	9,067	7,215
Derivatives	16,070	19,139
Other	51,420	56,371
Total	230,659	239,803
Net deferred tax assets	272,676	269,560
Total change	3,116	
of which:		
in Equity	15,286	
in profit or loss	(4,315)	
for changes in the consolidation scope	(7,855)	

NOTE 46_ PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS

Not present in FY 2024 and in FY 2023.

NOTE 47_ PROFIT FOR THE YEAR ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

Profit attributable to non-controlling interests, which amounted to 35,111 thousand euro (27,077 thousand euro in 2023), relates to the share of profit of non-controlling interests in companies fully consolidated but not wholly owned by the Group.

NOTE 48_EARNINGS PER SHARE

For the purposes of calculating basic and diluted earnings per share, it is noted that the number of shares for 2024 represents the weighted average number of shares outstanding in the reporting period based on the provisions of IAS 33 § 20. The parent has not issued any financial instruments that have the potential to dilute its common stock, therefore diluted earnings per share is equal to basic earnings per share.

	FY 2024	FY 2023
Profit for the year (thousands of euro)	268,471	254,752
Weighted average number of shares outstanding over the year (thousand)	1,283,076	1,283,076
Basic earnings per share (euro)	0.21	0.20

NOTE 49_OTHER COMPREHENSIVE INCOME

Other comprehensive expense came to 45,083 thousand euro (52,135 thousand euro in 2023) and included other comprehensive income that will be subsequently reclassified to profit or loss and other comprehensive income that will not be subsequently reclassified to profit or loss.

Other comprehensive income that will be subsequently reclassified to the Income Statement relates to:
- the effective portion of fair value losses on cash flow hedges, 60,167 thousand euro, which refers to derivatives hedging changes in interest rates and derivatives hedging changes in commodity prices (for the Group, this concerns electricity and gas).
- the share of other losses of equity-accounted companies, 804 thousand euro, which refers to fair value gains on cash flow hedges of associates;
- the change in the translation reserve, amounting to a positive 922 thousand euro, due to the change in the exchange rate used to translate the financial statement balances of associates that prepare their financial statements in currencies other than the euro
- the tax effect of other comprehensive income, for 15,311 thousand euro.

Other comprehensive income that will not be subsequently reclassified to profit or loss relates to:
- actuarial losses on employee defined benefit plans, for 159 thousand euro;
- share of actuarial losses of equity-accounted investees related to employee defined benefit plans, for 161 thousand euro;
- the tax effect of other comprehensive income, for 25 thousand euro.

XII. Guarantees and contingent liabilities

COMMITMENTS

Guarantees provided concern sureties and other guarantees for own commitments of 823,625 thousand euro (994,440 thousand euro as at 31 December 2023); the most significant items refer to sureties issued in favour of:

- the Electricity Market Operator (GME) for 130,100 thousand euro to guarantee the energy market participation contract;
- ATERSIR for 62,857 thousand euro for agreements and tenders in progress relating to the Integrated Water Service and the Urban Waste Management Service;
- the Turin Provincial/Metropolitan City Governments, for 59,236 thousand euro for waste transfer and post-closure management of plants subject to Integrated Environmental Authorisation (I.E.A.);
- ARPAE for 55,633 thousand euro for waste transfer and operations and post-closure management of plants subject to I.E.A.;
- Shell Energy Europe for 50,000 thousand euro to guarantee the gas supply contract;
- ATO-R, for 44,335 thousand euro, as definitive guarantees in the Amiat/TRM acquisition;
- CONSIP for 33,864 thousand euro mainly for electricity supply contracts;
- SNAM Reti Gas for 33,736 thousand euro to guarantee contracts and network codes;
- Municipality of Turin, for 31,844 thousand euro, definitive guarantee in the AMIAT/TRM acquisition;
- Ministry of the Environment, for 30,709 thousand euro for various authorisations;
- Province of La Spezia for 29,889 thousand euro for waste transfer and management of plants;
- Customs Authority, for 19,667 thousand euro to guarantee the regular payment of customs tax and additional local and provincial duties on electricity consumption and gas excise;
- Piedmont Region for 15,599 thousand euro as guarantee for project financing for the concession of large water derivation plants for hydroelectric purposes;
- Revenue Agency for 14,357 thousand euro for a VAT refund request;
- Assemblea Territoriale Idrica Enna for 9,028 thousand euro as a work guarantee;
- Aisa Impianti for 7,800 thousand euro as guarantee for the contract of transfer at the plants;
- Terna, for 7,296 thousand euro to guarantee injection and withdrawal dispatching contracts and to guarantee the electricity transport service contract;
- Apulia Region for 7,211 thousand euro to guarantee landfill and plant authorisations;
- Basin Consortium of Basso Novarese for 6,989 thousand euro to guarantee the contract for the collection and disposal of urban waste;
- Tuscany Region for 6,863 thousand euro to guarantee landfill and plant authorisations;
- Province of Savona for 6,677 thousand euro to guarantee management of plants;
- Ato Toscana Sud for 6,500 thousand euro to guarantee the integrated waste management service.
- CSEA for 5,950 thousand euro as a guarantee of the graduated protection service.

CONTINGENT LIABILITIES

Iren Mercato S.p.A. / Azienda Sanitaria Locale Roma 1 - Iren Mercato S.p.A. / Local Health Authority Rome 4

Two proceedings are pending before the Court of Rome, initiated by certain local health authorities in Lazio and relating to the transactions between them and Iren Mercato, in its own right and as a member of the temporary joint venture entrusted under the Agreement of 4 August 2006 entered into with the Lazio Region for the "Technological multi-service and provision of energy carriers - Lot D"; in particular:

- claim form dated 10 April 2020 by ASL ROMA 1 (contract of 13 December 2007) with the aim of ascertaining the undue receipt of the fee for the supply of hot water and steam for the period from 01 July 2007 to 28 February 2017, contesting the incorrect application of the tariff, and the consequent repayment of the sum; the plaintiff has quantified this amount as 8 million euro;

- claim form dated 12 April 2022 by ASL ROMA 4 (contract of 08 June 2007) with the aim of ascertaining the undue receipt of the fee for the supply of hot water and steam for the period from 01 April 2007 to 19 February 2017, contesting the incorrect application of the tariff, and the consequent repayment of the sum; the plaintiff has quantified this amount as 7.5 million euro;

In both cases, following the appointment of a court-appointed expert witness by the Judge, the expert appraisals were started.

The risk of losing the case has been cautiously estimated as possible, given the uncertainty connected with expert appraisals involving highly technical services completed many years ago.

AGCM proceedings on abuse of dominant position in the district heating sector

On 23 May 2023, the AGCM initiated proceeding No. A/563 to investigate possible violations of Art. 3(1)(a) of Law 287/90 for alleged abuse of a dominant position, relating to unjustifiably onerous sales prices and contractual conditions, concerning district heating services in Piacenza and Parma.

The inspection activities by the Authority continued throughout 2024, so much so that the deadline for the conclusion of the proceedings, initially set for 31 July 2024, was extended to 29 November 2024 due to the complexity of the case being analysed and the need to carry out a thorough analysis of the numerous pieces of evidence collected.

On 10 December 2024, the AGCM published its final measure by which it announced that it had found no breach of Article 3(1)(a) of Law 287/90 (abuse of dominant position) in the Parma and Piacenza networks managed by Iren.

XIII. Segment reporting

Segment reporting, based on the Group's management and internal reporting structure, is given below in accordance with IFRS 8.
Given the nature of the activity performed by Group companies, a geographical segment analysis is not relevant.

The operating segments in which the Group operates are:
- Networks (Electricity distribution networks, Gas distribution networks, Integrated Water Service)
- Waste Management (Waste collection and disposal)
- Energy (Hydroelectric Production and production from other renewable sources, Combined Heat and Power, District Heating Networks, Thermoelectric Production, Public Street Lighting, Global services, Energy efficiency services)
- Market (Sale of electricity and gas)
- Other services (Laboratories, Telecommunications and other minor services).

These operating segments are disclosed pursuant to IFRS 8. Under this standard, the disclosure about operating segments should be based on the elements which management uses in making operational and strategic decisions.

For a proper interpretation of the results relating to individual businesses, revenue and expense referring to joint activities were fully allocated to the businesses based on actual usage of the services provided or according to technical and economic drivers.

Given the fact that the Group mainly operates in one area, the following segment reporting does not include a breakdown by geographical segment.

Net invested capital by business segment compared to the figures as at 31 December 2023 restated and income statements (up to the operating profit/(loss)) for the current year by business segment are presented below, compared against the 2023 figures restated.

It should be noted that there is no revenue from transactions with a single customer equal to or exceeding 10% of total revenue.

In the segment reporting tables below, the following quantities are presented:

Net invested capital (NIC): determined by the algebraic sum of non-current assets, other non-current assets (liabilities), net working capital, deferred tax assets (liabilities), provisions for risks, and employee benefits and assets held for sale (liabilities associated with assets held for sale).

Net financial debt: calculated as the sum of non-current financial liabilities at net of non-current financial assets and current financial liabilities net of current financial assets and cash and cash equivalents.

Net Working Capital (NWC): determined as the algebraic sum of current and non-current contract assets and liabilities, current and non-current trade receivables, inventories, current tax assets and liabilities, sundry assets and other current assets, trade payables and sundry liabilities and other current liabilities.

Non-current assets: determined by the sum of Property, Plant and Equipment, Investment Property, Intangible Assets with a finite life, Goodwill, equity-accounted Investments, and Other equity Investments.

Gross operating profit or loss: calculated as the sum of pre-tax profit or loss, share of profit/(loss) of equity-accounted investees, impairments gains and losses on equity investments, financial income and expense, and amortisation, depreciation, provisions and impairment losses.

Operating profit or loss: calculated as the sum of pre-tax profit or loss, share of profit/(loss) of equity-accounted investees, impairments gains and losses on equity investments and financial income and expense.

Reclassified statement of financial position by operating segment at 31 December 2024

millions of euro

	Networks	Waste Management	Energy	Market	Other services	Non-allocable	Total
Non-current assets	3,800	1,645	2,302	359	17	291	8,414
Net Working Capital	114	9	(11)	(128)	4	-	(12)
Other non-current assets and liabilities	(675)	(182)	(139)	19	1	-	(976)
Net invested capital (NIC)	3,239	1,472	2,152	250	22	291	7,426
Equity							3,343
Net financial debt							4,083
Own funds and net financial debt							7,426

Reclassified statement of financial position by operating segment as at 31 December 2023, restated

millions of euro

	Networks	Waste Management	Energy	Market	Other services	Non-allocable	Total
Non-current assets	3,621	1,545	2,301	350	31	224	8,072
Net Working Capital	85	(6)	235	(247)	1	-	68
Other non-current assets and liabilities	(686)	(154)	(190)	68	-	-	(962)
Net invested capital (NIC)	3,020	1,385	2,346	171	32	224	7,178
Equity							3,244
Net financial debt							3,934
Own funds and net financial debt							7,178

Income Statement by operating segment for 2024

millions of euro

	Networks	Waste Management	Energy	Market	Other services	Non-allocable	Total
Total revenue and income	1,269	1,291	2,141	3,444	35	(2,137)	6,042
Total operating expenses	(791)	(1,035)	(1,864)	(3,187)	(29)	2,137	(4,769)
Gross Operating Profit (	478	256	277	257	6	-	1,274
Net amortisation, depreciation and impairment losses	(227)	(217)	(182)	(125)	(3)	-	(754)
Operating profit	251	39	95	132	3	-	520

Income Statement by operating segment for 2023, restated

millions of euro

	Networks	Waste Management	Energy	Market	Other services	Non-allocable	Total
Total revenue and income	1,151	1,193	3,215	4,090	32	(3,191)	6,490
Total operating expenses	(776)	(948)	(2,841)	(3,892)	(27)	3,191	(5,293)
Gross Operating Profit	375	245	374	198	5	-	1,197
Net amortisation, depreciation and impairment losses	(223)	(170)	(213)	(125)	(2)	-	(733)
Operating profit	152	75	161	73	3	-	464

XIV. Annexes to the Consolidated Financial Statements

LIST OF FULLY CONSOLIDATED COMPANIES

LIST OF JOINTLY CONTROLLED ENTITIES

LIST OF ASSOCIATES

LIST OF EQUITY INVESTMENTS IN OTHER COMPANIES

FINANCIAL FIGURES OF THE MAIN FULLY CONSOLIDATED COMPANIES , JOINT VENTURES AND ASSOCIATES

RECONCILIATION OF IFRS FINANCIAL STATEMENTS WITH RECLASSIFIED FINANCIAL STATEMENTS (Consob Communication no. 6064293 of 26 July 2006)

RECONCILIATION BETWEEN TOTAL FINANCIAL DEBT (ESMA COMMUNICATION OF 4 MARCH 2021) AND NET FINANCIAL DEBT

DEFERRED TAX ASSETS AND LIABILITIES

RELATED PARTY TRANSACTIONS

LIST OF GRANTS UNDER DECREE LAW 34/2019 ART. 35

INDEPENDENT AUDITORS' FEES

List of fully consolidated companies

Company	Registered office	Currency	Share/quota capital	% interest	Investor
Iren Ambiente S.p.A.	Piacenza	Euro	63,622,002	100	Iren
Iren Energia S.p.A.	Turin	Euro	918,767,148	100	Iren
Iren Mercato S.p.A.	Genoa	Euro	61,356,220	100	Iren
Ireti S.p.A.	Genoa	Euro	196,832,103	100	Iren
Ireti Gas S.p.A.	Parma	Euro	120,000	100	Ireti
Acam Acque S.p.A.	La Spezia	Euro	24,260,050	100	Ireti
Acam Ambiente S.p.A.	La Spezia	Euro	1,000,000	100	Iren Ambiente
Acquaenna S.c.p.a.	Enna	Euro	3,000,000	50.87	Ireti
Agrovoltaica	Turin	Euro	1,000	100	Iren Green Generation
Alfa Solutions S.p.A.	Reggio Emilia	Euro	100,000	86	Iren Smart Solutions
Alegas S.r.l.	Alessandria	Euro	100,000	100	Iren Mercato
AMIAT S.p.A.	Turin	Euro	46,326,462	80	AMIAT V
AMIAT V. S.p.A.	Turin	Euro	1,000,000	93.06	Iren Ambiente
Amter S.p.A.	Cogoleto (GE)	Euro	404,263	100	Ireti
ASM Vercelli S.p.A.	Vercelli	Euro	120,812,720	59.97	Ireti
Asti Energia e Calore S.p.A.	Asti	Euro	120,000	62	Iren Energia
Atena Trading S.r.l.	Vercelli	Euro	556,000	59.97	Iren Mercato
Bonifica Autocisterne S.r.l.	Piacenza	Euro	595,000	51	Iren Ambiente
Bonifiche Servizi Ambientali S.r.l.	Reggio Emilia	Euro	3,000,000	100	Iren Ambiente
Consorzio GPO	Reggio Emilia	Euro	20,197,260	62.35	Ireti
C.R.C.M. S.r.l.	Terranuova Bracciolini (AR)	Euro	3,062,000	85,65 7,15	Valdarno Ambiente Siena Ambiente
Dogliani Energia S.r.l.	Cuneo	Euro	10,000	100	Iren Energia
Ekovision S.r.l.	Prato	Euro	1,485,000	100	SEI Toscana
Formaira S.r.l.	San Damiano Macra (CN)	Euro	40,000	100	Maira
Futura S.p.A.	Grosseto	Euro	3,660,955	40	Iren Ambiente Toscana
				40	Iren Ambiente
				20	Sei Toscana
I. Blu S.r.l.	Tavagnacco (UD)	Euro	9,001,000	80	Iren Ambiente
Iren Acqua S.p.A.	Genoa	Euro	19,203,420	60	Ireti
Iren Acqua Tigullio S.p.A.	Chiavari (GE)	Euro	979,000	66.55	Iren Acqua
Iren Acqua Reggio S.r.l.	Reggio Emilia	Euro	5,000,000	100	Ireti
Iren Acqua Piacenza S.r.l.	Piacenza	Euro	10,000	100	Ireti
Iren Ambiente Parma S.r.l.	Parma	Euro	4,000,000	100	Iren Ambiente
Iren Ambiente Piacenza S.r.l.	Piacenza	Euro	4,000,000	100	Iren Ambiente
Iren Ambiente Toscana S.p.A.	Florence	Euro	5,000,000	100	Iren Ambiente
Iren Laboratori S.p.A.	Genoa	Euro	2,000,000	90.89	Ireti
Iren Smart Solutions S.p.A.	Reggio Emilia	Euro	2,596,721	60	Iren Energia
				20	Iren Ambiente
				20	Iren Mercato
Limes 1 S.r.l.	Turin	Euro	20,408	51	Iren Green Generation
Limes 2 S.r.l.	Turin	Euro	20,408	51	Iren Green Generation

Limes 20 S.r.l.	Turin	Euro	10,000	100	Iren Green Generation
Maira S.p.A.	San Damiano Macra (CN)	Euro	596,442	82	Iren Energia
Manduriambiente S.p.A.	Manduria (TA)	Euro	4,111,820	95.289	Iren Ambiente
Nord Ovest Servizi S.p.A.	Turin	Euro	7,800,000	45	Ireti
				30	Amiat
Iren Green Generation S.r.l.	Turin	Euro	10,000	100	Iren Energia
Iren Green Generation Tech S.r.l.	Turin	Euro	80,200	100	Iren Green Generation
ReCos S.p.A.	La Spezia	Euro	1,000,000	99.51	Iren Ambiente
Re Mat Srl	Turin	Euro	200,000	94.77	Iren Ambiente
Rigenera Materiali S.r.l.	Genoa	Euro	3,000,000	100	Iren Ambiente
Salerno Energia Vendite S.p.A.	Salerno	Euro	3,312,060	50	Iren Mercato
San Germano S.p.A.	Turin	Euro	1,425,000	100	Iren Ambiente
Scarlino Energia S.p.A.	Scarlino (GR)	Euro	1,000,000	100	Iren Ambiente Toscana
SEI Toscana S.r.l.	Siena	Euro	45,388,913	41.78	Iren Ambiente Toscana
				16.37	Valdarno Ambiente
				20.62	Siena Ambiente
				0.2	C.R.C.M.
Semia Green S.r.l.	Siena	Euro	3,300,000	50.909	Iren Ambiente Toscana
				49.091	Siena Ambiente
Siena Ambiente S.p.A.	Siena	Euro	2,866,575	40	Iren Ambiente Toscana
TB S.p.A.	Florence	Euro	2,220,000	100	Valdarno Ambiente
Territorio e Risorse S.r.l.	Turin	Euro	2,510,000	65	Iren Ambiente
				35	ASM Vercelli
TRM S.p.A.	Turin	Euro	86,794,220	80	Iren Ambiente
Uniproject S.r.l.	Maltignano (AP)	Euro	91,800	100	Iren Ambiente
Valdarno Ambiente S.r.l.	Terranuova Bracciolini (AR)		22,953,770	56.016	Iren Ambiente Toscana
Valle Dora Energia S.r.l.	Turin	Euro	537,582	74.5	Iren Energia

List of joint ventures

Company	Registered office	Currency	Share/quota capital	% interest	Investor
Acque Potabili S.p.A. in liquidazione (in liquidation)	Turin	Euro	7,633,096	47.546	Ireti
Egea Holding S.p.A.	Alba (CN)	Euro	50,000	50	Iren
Nuova Sirio S.r.l.	Siena	Euro	92,077	50	Sienambiente
Vaserie Energie S.r.l.	Siena	Euro	10,000	69	Sienambiente

List of associates

Company	Registered office	Currency	Share/quota capital	% interest	Investor
A2A Alfa S.r.l. (1)	Milan	Euro	100,000	30	Iren Mercato
Acos S.p.A.	Novi Ligure	Euro	17,075,864	25	Ireti
Acos Energia S.p.A.	Novi Ligure	Euro	150,000	25	Iren Mercato
Aguas de San Pedro S.A. de C.V.	S.Pedro Sula (Honduras)	Lempiras	159,900	39.34	Ireti
Aiga S.p.A. (1)	Ventimiglia	Euro	104,000	49	Ireti
Amat S.p.A. (1)	Imperia	Euro	5,435,372	48	Ireti
Arca S.r.l.	Reggio Emilia	Euro	100,000	40	Ireti
Arienes S.c.a.r.l.	Reggio Emilia	Euro	50,000	42	Iren Smart Solutions
ASA S.p.A.	Livorno	Euro	28,613,406	40	Ireti
Asa S.c.p.a.	Castel Maggiore (BO)	Euro	1,820,000	49	Iren Ambiente
Astea S.p.A.	Recanati (MC)	Euro	76,115,676	21.32	Consorzio GPO
Asti Servizi Pubblici S.p.A.	Asti	Euro	7,540,270	45	Nord Ovest Servizi
Barricalla S.p.A.	Turin	Euro	2,066,000	35	Iren Ambiente
BI Energia S.r.l.	Reggio Emilia	Euro	100,000	47.5	Iren Energia
Centro Corsi S.r.l.	Reggio Emilia	Euro	12,000	33	Alfa Solutions S.p.A.
CSA S.p.A. (1)	Terranuova Bracciolini (AR)	Euro	1,369,502	47.97	Iren Ambiente Toscana
CSAI S.p.A.	Terranuova Bracciolini (AR)	Euro	1,610,511	40.32	Iren Ambiente Toscana
EGUA S.r.l.	Cogorno (GE)	Euro	119,000	49	Ireti
Fata Morgana S.p.A. (2)	Reggio Calabria	Euro	2,225,694	25	Ireti
Fin Gas S.r.l.	Milan	Euro	10,000	50	Iren Mercato
Fratello Sole Energie Solidali Impresa Sociale S.r.l.	Genoa	Euro	350,000	40	Iren Energia
G.A.I.A. S.p.A.	Asti	Euro	5,539,700	45	Iren Ambiente
Iniziative Ambientali S.r.l.	Novellara (RE)	Euro	100,000	40	Iren Ambiente
OMI Rinnovabili S.c.a.r.l.	Reggio Emilia	Euro	10,000	40.15	Alfa Solutions S.p.A.
Piana Ambiente S.p.A. (2)	Gioia Tauro	Euro	1,719,322	25	Ireti
Rimateria S.p.A. (3)	Piombino (LI)	Euro	4,589,273	30	Iren Ambiente
Seta S.p.A.	Turin	Euro	12,378,237	48.85	Iren Ambiente
Sistema Ambiente S.p.A.	Lucca	Euro	2,487,657	36.56	Iren Ambiente
STU Reggiane S.p.A.	Reggio Emilia	Euro	16,770,080	30	Iren Smart Solutions
Tirana Acque S.c. a r.l. (1)	Genoa	Euro	95,000	50	Ireti

(1) Company in liquidation
(2) Company in liquidation classified under assets held for sale
(3) Company in bankruptcy

List of equity investments in other companies

Company	Registered office	Currency	Share/quota capital	% interest	Investor
Acque Potabili Siciliane S.p.A. (1)	Palermo	Euro	5,000,000	9.83	Iren Acqua
Aeroporto di Reggio Emilia S.p.A.	Reggio Emilia	Euro	2,177,871	0.11	Alfa Solutions
AISA S.p.A. in liquidation (1)	Arezzo	Euro	3,867,640	3	Iren Ambiente Toscana
AISA Impianti S.p.A.	Arezzo	Euro	6,650,000	3	Iren Ambiente Toscana
Alpen 2.0 S.r.l.	Turin	Euro	70,000	14.29	Maira
Acquedueo S.c.a.r.l.	Biella	Euro	40,000	20.00	ASM Vercelli
Aurora S.r.l.	S. Martino in Rio (RE)	Euro	514,176	0.1	Alfa Solutions
Autostrade Centro Padane S.p.A.	Cremona	Euro	30,000,000	1.46	Ireti
C.R.P.A. S.p.A.	Reggio Emilia	Euro	2,201,350	2.27	Ireti
CIDIU Servizi S.p.A.	Collegno (TO)	Euro	10,000,000	17.9	Amiat
Consorzio CIM 4.0 s.c.a.r.l.	Turin	Euro	232,000	4.3	Iren
CCC-Consorzio cooperative costruzioni	Bologna	Euro	15,637,899	0.06	BSA
Consorzio Integra	Bologna	Euro	42,548,492	0.02	BSA
Consorzio Topix	Turin	Euro	1,600,000	0.3	Iren Energia
EGEA S.p.A.	Alba (CN)	Euro	58,167,200	0.47	SEI Toscana
Enerbrain S.r.l.	Turin	Euro	28,181	7.8	Iren Smart Solutions
Environment Park S.p.A.	Turin	Euro	11,406,780	3.39	Iren Energia
				7.41	AMIAT
Restart	Ascoli Piceno	Euro	13,670,060	0.066	Uniproject
L.E.A.P. S.c. a r.l.	Piacenza	Euro	247,728	15.13	Iren Ambiente
MiTo Tech Ventures SLP SICAV-RAIF	Luxembourg				Iren Spa
Parma Servizi Integrati S.c. a r.l.	Parma	Euro	20,000	11	Iren Smart Solutions
Reggio Emilia Innovazione S.c.a.r.l. in liquidation (2)	Reggio Emilia	Euro	871,956	0.99	Iren Ambiente
Serchio Verde Ambiente S.p.a. in liquidation (2)	Castelnuovo di Garfagnana (LU)	Euro	1,128,950	5.93	Iren Ambiente Toscana
Società di Biotecnologie S.p.A.	Turin	Euro	536,000	2.93	Iren Smart Solutions
Stadio Albaro S.p.A. in liquidation (2)	Genoa	Euro	1,230,000	2	Iren Mercato
Tech4Planet	Rome	Euro	149,348	11.03	Iren Spa
T.I.C.A.S.S. S.c. a r.l.	Genoa	Euro	136,000	2.94	Ireti

Financial figures of the main fully consolidated companies , joint ventures and associates

Fully consolidated companies

Company	Currency	Total Assets	Equity	Total Revenue	Profit/loss
Iren Ambiente S.p.A.	Euro	1,059,229,496	285,776,717	437,884,433	13,283,952
Iren Energia S.p.A.	Euro	2,321,846,139	1,245,909,066	1,837,964,530	57,713,582
Iren Mercato S.p.A.	Euro	1,365,459,483	206,148,220	3,315,622,683	94,936,184
Ireti S.p.A.	Euro	2,746,291,083	1,136,586,796	444,985,613	92,394,150
Acam Acque S.p.A.	Euro	346,761,796	48,311,019	97,849,559	9,399,995
Acam Ambiente S.p.A.	Euro	46,748,740	5,431,562	63,957,802	(919,693)
Acquaenna S.c.p.a.	Euro	157,099,592	9,253,042	28,189,404	402,897
Agrovoltaica S.r.l.	Euro	13,142,488	(46,734)	-	(51,347)
Alegas S.r.l.	Euro	20,593,630	182,706	30,466,388	(520,222)
Alfa Solutions S.p.A.	Euro	28,807,762	10,380,262	28,762,906	3,046,005
AMIAT S.p.A.	Euro	251,957,757	84,702,243	228,861,272	3,371,366
AMIAT V S.p.A.	Euro	50,577,206	36,947,951	-	3,433,856
Amter S.p.A.	Euro	31,440,394	1,296,203	6,251,821	(314,831)
ASM Vercelli S.p.A.	Euro	240,475,753	129,293,798	63,478,293	3,729,926
Asti Energia e Calore S.p.A.	Euro	4,308,617	1,206,568	1,381,867	172,960
Atena Trading S.r.l.	Euro	14,204,379	4,439,283	40,532,119	1,024,622
Bonifica Autocisterne S.r.l.	Euro	1,437,286	937,655	1,336,141	83,277
Bonifiche Servizi Ambientali S.r.l.	Euro	32,304,052	17,335,838	(20,926,997)	2,234,779
Consorzio GPO	Euro	22,632,163	22,605,321	8	26,517
C.R.C.M. S.r.l.	Euro	3,756,953	2,749,277	1,858,357	(497,292)
Dogliani Energia S.r.l.	Euro	3,382,508	20,537	-	(64,345)
Ekovision S.r.l.	Euro	2,908,580	1,639,883	3,841,714	12,942
Formaira S.r.l.	Euro	179,840	52,459	100,432	(4,623)
Futura S.p.A.	Euro	30,075,244	3,822,014	8,930,936	506,362
Iblu S.r.l.	Euro	67,727,494	9,209,708	70,380,787	(7,086,730)
Iren Acqua S.p.A.	Euro	860,173,741	516,212,625	254,707,468	53,995,965
Iren Acqua Piacenza S.r.l.	Euro	100,568	(1,268)	-	(11,268)
Iren Acqua Reggio S.r.l.	Euro	452,431,761	80,735,924	102,628,370	13,301,171
Iren Acqua Tigullio S.p.A.	Euro	114,205,860	21,452,839	31,033,240	2,226,854
Iren Ambiente Parma S.p.A	Euro	34,920,950	14,340,472	85,762,181	5,079,970
Iren Ambiente Piacenza S.p.A.	Euro	25,589,481	6,896,110	49,200,200	(140,999)
Iren Ambiente Toscana S.p.A.	Euro	74,425,474	4,833,837	279,702	920,904
Iren Laboratori S.p.A.	Euro	15,694,625	8,537,476	17,790,051	2,636,515
Ireti Gas S.p.A.	Euro	726,161,823	499,694,593	154,620,664	41,034,650
Iren Green Generation S.r.l.	Euro	69,077,098	24,952,463	28,058	(756,876)
Iren Green Generation Tech S.r.l.	Euro	157,768,751	25,364,699	26,372,383	5,580,090
Iren Smart Solutions S.p.A.	Euro	403,984,520	12,121,454	241,443,025	(19,868,166)
Limes 1 S.r.l.	Euro	16,453,965	6,584,351	2,408,069	912,204
Limes 2 S.r.l.	Euro	23,002,654	9,510,313	1,906,684	627,484
Limes 20 S.r.l.	Euro	19,100,872	45,682	104,351	(302,011)
Maira S.p.A.	Euro	11,146,613	8,988,441	2,927,071	1,239,228
Manduriambiente S.p.A.	Euro	50,663,588	17,333,312	23,049,104	2,829,406
Nord Ovest Servizi S.p.A.	Euro	19,261,551	18,737,368	495,633	367,020
ReCos S.p.A.	Euro	54,993,664	4,842,522	27,398,019	161,129
ReMat S.r.l.	Euro	6,765,371	834,616	2,897,341	(933,014)
Rigenera Materiali S.r.l.	Euro	28,452,272	1,920,911	160,548	(378,027)
Salerno Energia Vendite S.p.A.	Euro	159,973,175	16,590,454	238,705,524	4,630,499

San Germano S.p.A.	Euro	78,564,424	6,027,002	98,412,279	(811,887)
Scarlino Energia S.p.A.	Euro	30,373,854	18,370,996	1,511,466	566,556
SEI Toscana S.r.l.	Euro	238,824,347	45,388,913	226,620,377	7,805,573
Semia Green S.r.l.	Euro	6,715,076	2,712,930	1,753,704	(615,247)
Siena Ambiente S.p.A	Euro	107,591,552	35,571,909	37,322,775	3,933,105
TB S.p.A.	Euro	8,315,509	7,769,479	4,579,021	306,293
Territorio e Risorse S.r.l.	Euro	37,949,249	9,457,862	5,018,091	(1,693,791)
TRM S.p.A.	Euro	352,433,876	126,494,252	114,522,626	31,691,556
UNIPROJECT S.r.l.	Euro	46,167,730	6,591,659	4,666,088	572,859
Valdarno Ambiente S.r.l.	Euro	28,945,158	23,448,412	394,485	207,053
Valle Dora Energia S.r.l.	Euro	23,146,934	8,849,557	9,288,588	4,978,814

Joint ventures

Company	Currency	Total Assets	Equity	Total Revenue	Profit/loss
Acque Potabili S.p.A. (1)	Euro	44,734,000	17,192,000	912,000	177,000
Nuova Sirio S.r.l.	Euro	674,645	160,857	208,050	(886)
Vaserie Energia S.r.l.	Euro	1,642,731	1,565,053	439,653	157,625

Associates

Company	Currency	Total Assets	Equity	Total Revenue	Profit/loss
A2A Alfa S.r.l. (1)	Euro	199,638	6,762	17,148	4,115
Acos Energia S.p.A. (1)	Euro	15,360,570	4,782,978	23,246,410	641,666
Acos S.p.A. (1)	Euro	54,052,760	42,504,197	5,119,443	1,322,144
Aguas de San Pedro (1)	Lempiras	1,845,872,517	1,417,768,624	1,330,631,106	196,987,016
Aiga S.p.A. (1)	Euro	2,493,344	(1,534,271)	206,540	113,180
Amat S.p.A. (1)	Euro	18,058,938	(11,010,321)	491,302	46,370
Arienes S.c. a r.l. (1)	Euro	45,516,261	50,000	52,379,439	-
ASA S.c.p.a. (1)	Euro	19,172,981	2,442,488	5,537,230	-
ASA S.p.A. (1)	Euro	412,501,489	100,665,239	125,094,706	2,831,395
ASTEA S.p.A. (1)	Euro	162,170,030	113,376,961	1,198,300	41,286,928
Asti Servizi Pubblici S.p.A (1)	Euro	58,625,312	19,268,303	43,902,937	2,636,899
Barricalla S.p.A. (1)	Euro	34,236,252	4,717,538	10,482,857	1,429,302
BI Energia S.r.l. (1)	Euro	7,038,971	215,373	843,953	(144,564)
Centro Corsi S.r.l. (1)	Euro	166,140	24,073	238,167	2,144
CSA Centro Servizi Ambientali S.p.A. in liquidation (1)	Euro	815,540	756,233	22,578	-
CSAI - Centro Servizi Ambientali Impianti S.p.A. (1)	Euro	57,333,926	5,219,336	6,821,331	97,040
EGUA S.r.l. (1)	Euro	5,908,041	1,853,119	1,569,587	461,413
Fin Gas S.r.l.	Euro	11,663,112	11,448,920	-	(87,124)
Fratello Sole Energie Solidali Impresa Sociale S.r.l. (1)	Euro	17,008,728	199,644	1,276,287	6,869
GAIA S.p.A. (1)	Euro	79,999,531	19,229,980	33,362,233	140,878
Iniziative Ambientali S.r.l.(1)	Euro	3,345,432	122,582	26	(44,781)
OMI Rinnovabili S.c.a.r.l	Euro	83,556	10,000	240,843	-
SETA S.p.A (1)	Euro	31,062,074	16,181,077	36,890,761	323,012
Sistema Ambiente SpA (1)	Euro	28,629,830	8,370,503	25,224,262	401,624
STU Reggiane S.p.A. (1)	Euro	41,616,510	19,229,373	11,546,982	37,546

(1) figures at 31 December 2023

Reconciliation of IFRS financial statements with reclassified financial statements (Consob Communication no. 6064293 of 26 July 2006)

thousands of euro

IFRS STATEMENT OF FINANCIAL POSITION		RECLASSIFIED STATEMENT OF FINANCIAL POSITION	
Property, plant and equipment	4,516,355	Property, plant and equipment	4,516,355
Investment property	1,974	Investment property	1,974
Intangible assets	3,357,523	Intangible assets	3,357,523
Goodwill	247,273	Goodwill	247,273
Equity-accounted investments	282,462	Equity-accounted investments	282,462
Other equity investments	8,723	Other equity investments	8,723
Total (A)	8,414,310	Non-current Assets (A)	8,414,310
Other non-current assets	131,668	Other non-current assets	132,069
Sundry liabilities and other non-current liabilities	(751,559)	Sundry liabilities and other non-current liabilities	(751,560)
Total (B)	(619,891)	Other non-current assets (Liabilities) (B)	(619,491)
Inventories	84,033	Inventories	84,033
Non-current contract assets	300,238	Non-current contract assets	300,238
Current contract assets	69,291	Current contract assets	69,291
Non-current trade receivables	33,840	Non-current trade receivables	33,840
Trade receivables	1,442,454	Trade receivables	1,442,454
Current tax assets	14,474	Current tax assets	14,474
Sundry assets and other current assets	298,717	Sundry assets and other current assets	256,345
Trade payables	(1,787,198)	Trade payables	(1,787,198)
Contract liabilities	(88,983)	Contract liabilities	(88,983)
Sundry liabilities and other current liabilities	(353,693)	Sundry liabilities and other current liabilities	(323,529)
Current tax liabilities	(12,743)	Current tax liabilities	(12,743)
Total (C)	430	Net working capital (C)	(11,778)
Deferred tax assets	389,533	Deferred tax assets	389,533
Deferred tax liabilities	(116,857)	Deferred tax liabilities	(116,857)
Total (D)	272,676	Deferred tax assets (Liabilities) (D)	272,676
Employee benefits	(81,495)	Employee benefits	(81,495)
Provisions for risks and charges	(276,258)	Provisions for risks and charges	(276,258)
Provisions for risks and charges - current portion	(281,389)	Provisions for risks and charges - current portion	(272,314)
Total (E)	(639,142)	Provisions and employee benefits (E)	(630,067)
Assets held for sale	790	Assets held for sale	790
Liabilities related to assets held for sale	-	Liabilities related to assets held for sale	-
Total (F)	790	Assets held for sale (F)	790
		Net invested capital (G=A+B+C+D+E+F)	7,426,440
Equity (H)	3,343,697	Equity (H)	3,343,697
Non-current financial assets	(124,756)	Non-current financial assets	(124,355)
Non-current financial liabilities	4,460,916	Non-current financial liabilities	4,460,915
Total (I)	4,336,160	Non-current financial debt (I)	4,336,560
Current financial assets	(580,646)	Current financial assets	(541,407)
Cash and cash equivalents	(326,568)	Cash and cash equivalents	(326,568)
Current financial liabilities	656,530	Current financial liabilities	614,158
Total (L)	(250,684)	Current financial debt (L)	(253,817)
		Net financial debt (M=I+L)	4,082,743
		Own funds and net financial debt (H+M)	7,426,440

Reconciliation between total financial debt (ESMA communication of 4 March 2021) and net financial debt

thousands of euro

	31/12/2024	31/12/2023
A. Cash	(326,568)	(436,134)
B. Cash equivalents	-	-
C. Other current financial assets	(465,034)	(13,030)
D. Liquidity (A) + (B) + (C)	(791,602)	(449,164)
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	47,364	71,289
F. Current portion of the non-current financial debt	566,794	582,628
G. Current financial debt (E + F)	614,158	653,917
H. Net current financial (position) debt (G - D)	(177,444)	204,753
I. Non-current financial debt (excluding current portion and debt instruments)	1,468,002	1,525,634
J. Debt instruments	2,992,913	2,522,470
K. Commercial and other non-current debt	-	-
L. Non-current financial debt (I + J + K)	4,460,915	4,048,104
M. Total financial debt (H + L)	4,283,471	4,252,857
(-) C. Other current financial assets	465,034	13,030
(+) Non-current financial assets (statement of financial position item)	(124,355)	(128,937)
(+) Current financial assets (statement of financial position item net of fair value of commodity derivatives)	(541,407)	(203,145)
Net financial debt	4,082,743	3,933,805

Deferred tax assets and liabilities

FY 2024

			differences		
	Opening balance	formation	Change in consolida-tion scope	reversal	Closing balance
Deferred tax assets					
Non-taxable provisions	706,653	345,761	2,620	368,909	686,125
Differences in non-current assets	958,439	141,160	824	40,511	1,059,911
Connection grants	144,677	-	854	118,598	26,934
Derivatives	211,512	205,468	-	81,597	335,383
Tax loss carry-forwards + ACE	34,504	8,499	1	5,430	37,575
Other	105,594	26,317	105	58,498	73,518
Total taxable amount/deferred tax assets	2,161,379	727,205	4,404	673,543	2,219,446
Deferred tax liabilities					
Differences in non-current assets	573,418	16,289	40,338	129,940	500,106
Loss allowance and other provisions	49,878	29,700	18	1,517	78,079
Derivatives	53,804	57,667	1,180	26,297	86,354
Other	237,892	161,852	76	95,913	303,907
Total taxable amount/deferred tax liabilities	914,992	265,508	41,612	253,667	968,446
Net deferred tax assets (liabilities)	1,246,387	461,697	(37,208)	419,876	1,251,000

FY 2023

			differences		
	Opening balance	formation	Change in consolida-tion scope	reversal	Closing balance
Deferred tax assets					
Non-taxable provisions	573,722	397,901	2,443	267,413	706,653
Differences in non-current assets	931,801	73,698	254	47,314	958,439
Connection grants	141,997	72,528	-	69,848	144,677
Derivatives	202,069	179,383	-	169,940	211,512
Tax loss carry-forwards + ACE	34,651	8,627	1,479	10,253	34,504
Other	85,652	42,089	1,098	23,245	105,594
Total taxable amount/deferred tax assets	1,969,892	774,226	5,274	588,013	2,161,379
Deferred tax liabilities					
Differences in non-current assets	564,917	41,500	14,641	39,324	581,734
Loss allowance and other provisions	60,508	26	1,057	11,713	49,878
Derivatives	66,723	40,640	-	53,559	53,804
Other	247,888	38,177	7,638	55,811	237,892
Total taxable amount/deferred tax liabilities	940,036	120,343	23,336	160,407	923,308
Net deferred tax assets (liabilities)	1,029,856	653,883	(18,062)	427,606	1,238,071

thousands of euro

Change in consolida-tion scope	taxes to profit or loss	taxes to equity	IRES (Corporate income tax)	IRAP (Regional business tax)	total
			taxes		
638	(18,806)	-	174,461	21,467	195,928
228	6,289	-	199,917	15,263	215,180
240	(3,120)	-	12,428	2,102	14,530
-	(1,276)	8,551	51,073	8,264	59,337
-	(1,086)	-	8,209	-	8,209
99	2,215	-	9,890	262	10,152
1,205	(15,784)	8,551	455,978	47,358	503,336
8,900	(11,875)	-	137,203	16,899	154,102
(170)	1,820	202	7,758	1,308	9,067
284	(70)	(6,759)	10,688	1,905	12,593
46	(1,344)	(178)	44,889	10,009	54,898
9,060	(11,469)	(6,735)	200,538	30,121	230,660
(7,855)	(4,315)	15,286	255,440	17,237	272,676

thousands of euro

Change in consolida-tion scope	taxes to profit or loss	taxes to equity	IRES (Corporate income tax)	IRAP (Regional business tax)	total
			taxes		
688	37,549	26	186,461	27,635	214,096
900	7,730	-	192,835	15,827	208,662
-	13,397	-	14,959	2,451	17,410
-	(1,597)	4,349	45,018	7,044	52,062
355	(390)	-	9,295	-	9,295
311	4,546	180	6,969	869	7,838
2,254	61,235	4,555	455,537	53,826	509,363
4,129	49	-	138,761	18,317	157,078
298	(3,244)	-	6,207	1,008	7,215
-	11,471	(12,865)	16,716	2,423	19,139
2,154	(5,372)	509	48,713	7,658	56,371
6,581	2,904	(12,356)	210,397	29,406	239,803
(4,327)	58,331	16,911	245,140	24,420	269,560

Related party transactions

	Trade Receivables	Loan assets	Sundry assets	Trade Payables	Financial liabilities
OWNERS					
Municipality of Genoa	714	-	2	845	-
Municipality of Parma	7,887	-	413	1,701	-
Municipality of Piacenza	2,593	-	-	1,923	-
Municipality of Reggio Emilia	1,683	-	540	195	-
Municipality of Turin	80,498	36,232	83	2,593	6,068
Finanziaria Sviluppo Utilities	-	-	41	-	-
JOINT VENTURES					
Acque Potabili	153	-	-	(2)	-
EGEA Holding Group	24,480	-	-	-	-
Nuova Sirio	-	240	-	-	-
Vaserie Energia	5	-	-	-	-
ASSOCIATES					
ACOS	8	4,691	-	-	-
ACOS Energia	3	-	-	-	-
Aguas de San Pedro	2	83	-	-	-
AIGA	228	75	-	85	-
AMAT	24	-	-	-	-
ARCA	27,197	-	-	112	448
Arienes	13,737	-	-	4,113	538
ASA	456	-	-	335	-
ASA Livorno	420	-	-	(106)	-
ASTEA	8	426	-	2	-
Asti Servizi Pubblici	185	-	-	112	-
Barricalla	1,046	490	-	1,237	-
Energy BI	5	1,232	-	-	-
Centro Corsi	-	30	-	28	-
CSA in liquidation	477	-	-	-	-
CSAI	271	443	-	437	-
EGUA	279	126	-	47	-
Fingas	-	102	-	-	-
Fratello Sole Energie Solidali	824	-	-	115	-
GAIA	1,262	-	-	675	-
Iniziative Ambientali	1	-	-	-	-
Omi Rinnovabili	15	-	-	-	-
Piana Ambiente in liquidation	70	-	-	-	-
SETA	4,335	-	-	270	-
Sistema Ambiente	50	-	-	-	-
STU Reggiane	58	510	-	-	-
OTHER RELATED PARTIES					
Subsidiaries of Municipality of Turin	1,410	-	50	1,154	-
Subsidiaries of Municipality of Genoa	1,329	-	-	1,645	6
Subsidiaries of Municipality of Parma	548	-	107	1,301	-
Subsidiaries of Municipality of Piacenza	68	-	-	20,004	-
Subsidiaries of Municipality of Reggio Emilia	4,227	-	-	4,020	-
Others	9	-	-	-	-
TOTAL	176,565	44,680	1,236	42,841	7,060

thousands of euro

	Sundry liabilities	Revenue and income	Costs and other charges	Financial income	Financial expense
OWNERS					
Municipality of Genoa	-	1,954	8,853	-	-
Municipality of Parma	-	1,380	1,509	-	58
Municipality of Piacenza	-	18,675	1,337	-	-
Municipality of Reggio Emilia	-	3,311	500	66	-
Municipality of Turin	-	238,602	6,482	283	10
Finanziaria Sviluppo Utilities	-	-	-	-	-
JOINT VENTURES					
Acque Potabili	-	69	-	-	-
EGEA Holding Group	-	71,578	-	-	-
Nuova Sirio	-	-	-	-	-
Vaserie Energia	-	9	-	-	-
ASSOCIATES					
ACOS	-	46	-	-	-
ACOS Energia	-	5	91	-	-
Aguas de San Pedro	-	1	-	-	-
AIGA	-	-	-	-	-
AMAT	-	-	-	-	-
ARCA	95	86,364	1,624	194	40
Arienes	-	20	-	-	-
ASA	-	1,136	2,537	-	-
ASA Livorno	-	505	139	22	-
ASTEA	-	8	18	-	-
Asti Servizi Pubblici	-	1,415	188	-	-
Barricalla	-	1,266	2,283	-	77
Energy BI	-	7	-	-	-
Centro Corsi	-	4	92	-	-
CSA in liquidation	-	477	-	-	-
CSAI	-	1,862	706	-	3
EGUA	-	418	47	-	-
Fingas	-	-	-	2	-
Fratello Sole Energie Solidali	7	136	194	-	-
GAIA	-	2,513	4,815	12	-
Iniziative Ambientali	-	1	-	-	-
Omi Rinnovabili	-	-	114	-	-
Piana Ambiente in liquidation	-	-	-	-	-
SETA	-	12,447	1,008	-	-
Sistema Ambiente S.p.A.	-	72	-	-	-
STU Reggiane	-	61	20	31	-
OTHER RELATED PARTIES					
Subsidiaries of Municipality of Turin	5	4,204	3,335	-	18
Subsidiaries of Municipality of Genoa	1	6,379	1,636	-	1
Subsidiaries of Municipality of Parma	-	1,820	2,936	1	-
Subsidiaries of Municipality of Piacenza	-	158	1,143	-	-
Subsidiaries of Municipality of Reggio Emilia	-	6,698	6,248	-	6
Others	-	307	-	-	-
TOTAL	108	463,908	47,855	611	213

List of grants under Decree Law 34/2019 art. 35

RECEIVING COMPANY / Lending Party	Type of contribution	Amounts in euro
ACAM ACQUE		
Liguria Region	Grants related to income	780,491
Province of La Spezia	Grants related to assets	3,461,700
ACAM AMBIENTE		
Province of La Spezia	Grants related to assets	108,884
Municipality of Calice	Grants related to assets	81,810
Municipality of Bonassola	Grants related to assets	14,549
Municipality of Vernazza	Grants related to assets	48,995
Province of La Spezia	Grants related to income	206,398
AMIAT		
Ministry of Ecological Transition – Sustainable Development Department	Grants related to assets	341,817
IBLU		
MASE	Grants related to assets	1,985,507
IREN ACQUA		
Municipality of Tiglieto - Metropolitan City of Genoa	Grants related to assets	195,050
Metropolitan City of Genoa	Grants related to assets	1,180,509
IREN ACQUA REGGIO		
Municipality of Castelnovo di Sotto	Grants related to assets	40,000
ANAS S.P.A	Grants related to assets	30,000
Municipality of Rolo	Grants related to assets	13,150
Ministry of the Interior	Grants related to assets	89,857
Emilia-Romagna Territorial Agency	Grants related to assets	940,468
IRETI		
Port System Authority	Grants related to assets	117,240
Municipality of Piacenza	Grants related to assets	47,840
Emilia-Romagna Regional Agency	Grants related to income	246,000
Emilia-Romagna Regional Agency	Grants related to assets	23,000
Liguria Regional Agency	Grants related to assets	44,478
Municipality of Savona	Grants related to assets	24,755
Ministry of Infrastructure	Grants related to assets	10,509,240
ATO ASTI	Grants related to assets	30,000
Emilia-Romagna Regional Agency	Grants related to assets	564,286
Municipality of Genoa	Grants related to assets	19,421
IRETI GAS		
CSEA	Grants related to assets	563,480
RECOS		
Province of La Spezia	Grants related to assets	4,000,000
REMAT		
Ministry of Ecological Transition	Grants related to assets	72,722
SEMIA GREEN		
Ministry of Ecological Transition – Sustainable Development Department	Grants related to assets	75,162
SIENA AMBIENTE		
Ministry of Infrastructure and Transport	Grants related to assets	7,569,924

Independent auditors' fees

thousands of euro

	Statutory audit	Non-audit services		Total
		Services for the purpose of issuing an attestation	Other services	
Iren S.p.A.	298	319	-	617
Direct and indirect subsidiaries of Iren S.p.A.	1,607	186	-	1,793
Total Iren Group	1,905	505	-	2,410

Statement regarding the Consolidated Financial Statements pursuant to art. 81-ter of CONSOB regulation No. 11971 of 14 May 1999, as subsequently amended and supplemented

1. The undersigned Gianluca Bufo, Chief Executive Officer, and Giovanni Gazza, Manager in charge of financial reporting of Iren S.p.A., taking into account the provisions of art. 154-bis, paragraphs 3 and 4, of Legislative Decree 58 of 24 February 1998, hereby certify:

   - the adequacy in relation to the characteristics of the group and

   - the effective application of the administrative and accounting procedures in preparing the 2024 consolidated financial statements.

2. It is also hereby certified that:

   2.1. the consolidated financial statements:

   c) are prepared in compliance with the applicable International Financial Reporting Standards endorsed by the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and Council, of 19 July 2002;

   c) correspond to the results of the books and accounting records;

   c) provide a true and fair representation of the financial position and performance of the Issuer and the group companies included in the consolidation scope;

   2.2 the Directors' Report includes a reliable analysis of the operating performance and results, and of the situation of the issuer and of all companies included in the consolidation scope, together with a description of the major risks and uncertainties to which they are exposed.

24 March 2025

The Chief Executive Officer	Manager in charge of financial reporting under Law 262/05
Gianluca Bufo	Giovanni Gazza

(signed on the original)

Report of the Independent Auditors on the Consolidated Financial Statements

KPMG S.p.A.
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(The accompanying translated consolidated financial statements of the Iren Group constitute a non-official version which is not compliant with the provisions of Commission Delegated Regulation (EU) 2019/815. This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

To the shareholders of
Iren S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the Iren Group (the "group"), which comprise the statement of financial position as at 31 December 2024, income statement and the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include material information on the accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Iren Group as at 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union, as well as the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the consolidated financial statements*" section of our report. We are independent of Iren S.p.A. (the "parent") in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG S.p.A.
è una società per azioni
di diritto italiano
e fa parte del network KPMG
di entità indipendenti affiliate a
KPMG International Limited,
società di diritto inglese.

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Trieste Varese Verona

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Capitale sociale
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Iren Group
Independent auditors' report
31 December 2024

Recoverability of the carrying amount of goodwill

Notes to the consolidated financial statements: note V "Accounting policies" and note 4 "Goodwill"

Key audit matter	Audit procedures addressing the key audit matter
The consolidated financial statements at 31 December 2024 include goodwill of €247 million, accounting for approximately 2% of total assets. The directors tested the groups of cash-generating units (CGUs) and/or individual CGUs to which goodwill is allocated for impairment for the purposes of the consolidated financial statements. The directors have calculated the groups of and/or individual CGUs' estimated recoverable amount, based on their value in use, using the discounted cash flow model and the cash flows derived from the business plan approved by the parent's board of directors on 25 June 2024 (the "plan"), updated based on the 2025 budget forecasts and with an explicit horizon until 2027. The model is very complex and entails the use of estimates which, by their very nature, are uncertain and subjective, about: • the expected cash flows, calculated by taking into account the general economic performance and that of the group's sector, the actual cash flows for recent years and the projected growth rates; • the financial parameters used to calculate the discount rate. For the above reasons, we believe that the recoverability of the carrying amount of goodwill is a key audit matter.	• Analysing the process adopted by the parent to prepare the impairment tests. • Analysing the criteria used to identify the CGUs and allocate goodwill thereto and/or to the groups of CGUs and trace their carrying amounts to the consolidated financial statements. • Assessing the consistency of the cash flows used for impairment testing with the cash flows forecast in the plan. • Checking any discrepancies between the previous year business plans' figures and actual figures, in order to check the accuracy of the estimation process adopted by the directors; • Analysing the expected cash flows and the reasonableness of the main assumptions used to calculate the groups of CGUs' and/or CGUs' value in use. • Involving experts in the assessment of the reasonableness of the valuation models and related assumptions. • Checking the sensitivity analysis presented in the notes in relation to the key assumptions used for impairment testing. • Assessing the appropriateness of the disclosures provided in the notes.

Recognition of revenue from the supply of electricity and gas not yet invoiced

Notes to the consolidated financial statements: note V "Accounting policies", note 14 "Trade receivables" and note 33 "Revenue from goods and services"

Key audit matter	Audit procedures addressing the key audit matter
Revenue from the supply of electricity and gas to end users is recognised at the time the electricity or gas is delivered and includes, in addition to amounts invoiced on the basis of periodic meter readings or on the volumes notified by distributors and transporters, an estimate of the electricity and gas delivered during the year but not yet invoiced that is calculated also taking account of any network losses. Revenue accrued between the date of the last meter reading and the year end is based on calculations of the daily consumption of individual customers, primarily based on their historical information, adjusted to reflect the climate factors or other matters that may affect the estimated consumption.	• Understanding the process for the recognition of revenue from the supply of electricity and gas not yet invoiced. • Assessing the design, implementation and operating effectiveness of controls, including it controls, deemed material for the purposes of our audit, including by involving our it specialists. • Checking the accuracy of the data used to estimate revenue accrued and not invoiced. • Comparing the accruals for invoices to be issued for revenue from the supply of electricity and gas recognised in the prior year's consolidated financial statements with the subsequent actual figures.

Iren Group
Independent auditors' report
31 December 2024

Key audit matter	Audit procedures addressing the key audit matter
Since the accruals are determined using methods that require the use of complex methods and algorithms, we believe that the recognition of this revenue component and the related invoices to be issued is a key audit matter.	• Assessing the appropriateness of the disclosures provided in the notes about the revenue from the supply of electricity and gas not yet invoiced.

Responsibilities of the parent's directors and board of statutory auditors ("Collegio Sindacale") for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union, as well as the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the parent or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or the safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

Other information required by article 10 of Regulation (EU) no. 537/14

On 13 June 2019, the parent's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2021 to 31 December 2029.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the parent in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Iren Group
Independent auditors' report
31 December 2024

Report on other legal and regulatory requirements

Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The parent's directors are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the consolidated financial statements at 31 December 2024 to be included in the annual financial report.

We have performed the procedures required by Standard on Auditing (SA Italia) 700B in order to express an opinion on the compliance of the consolidated financial statements with Commission Delegated Regulation (EU) 2019/815.

In our opinion, the consolidated financial statements at 31 December 2024 have been prepared in XHTML format and have been marked up, in all material respects, in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.

Due to certain technical limitations, some information included in the notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format.

Opinion and statement pursuant to article 14.2.e)/e-bis)/e-ter) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The parent's directors are responsible for the preparation of the group's directors' report and report on corporate governance and ownership structure at 31 December 2024 and for the consistency of such reports with the related consolidated financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to:

- express an opinion on the consistency of the directors' report and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 with the consolidated financial statements;
- express an opinion on the compliance of the directors' report, excluding the section that includes the consolidated sustainability statement, and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 with the applicable law;
- issue a statement of any material misstatements in the directors' report and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98.

In our opinion, the directors' report and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 are consistent with the group's consolidated financial statements at 31 December 2024.

Moreover, in our opinion, excluding the section which includes the consolidated sustainability statement, the directors' report and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 have been prepared in compliance with the applicable law.

Iren Group
Independent auditors' report
31 December 2024

With reference to the above statement required by article 14.2.e-ter) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Our opinion on compliance with the applicable law does not extend to the directors' report's section which includes the consolidated sustainability statement. Our conclusion on the compliance of this section with the legislation governing its preparation and with the disclosure requirements of article 8 of Regulation (EU) 2020/852 is included in the assurance report prepared in accordance with article 14-bis of Legislative decree no. 39/10.

Turin, 2 April 2025

KPMG S.p.A.

(signed on the original)

Fabio Monti
Director of Audit