Q1 2023
RESULTS

May 11th, 2023

iren

Key Highlights

EBITDA on track with full-year guidance, driven by the recovery of the Market BU's profitability despite severe volumes contraction

Organic growth, led by strong investments, offset by inflation still not captured in tariffs

Effectiveness in extracting value from M&A transactions

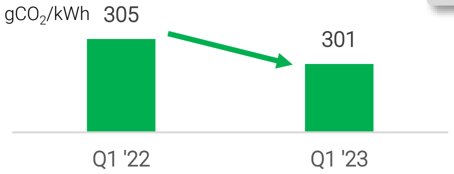
The recent rating upgrade validated the continuous financial discipline

FY 2023 Guidance confirmed

On track on all sustainable key indicators

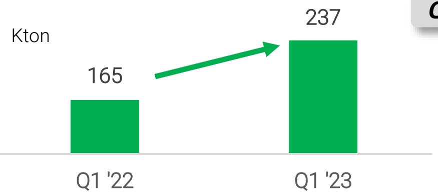
Green transition

Carbon Intensity



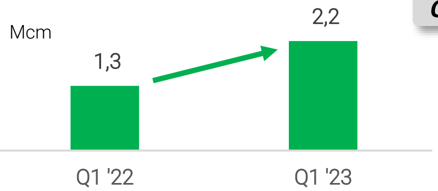
On track

Material recovery in Iren's plants



On track

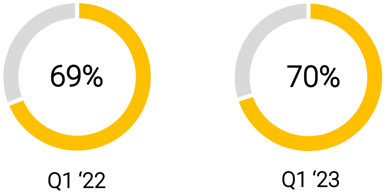
Biomethane from waste



On track

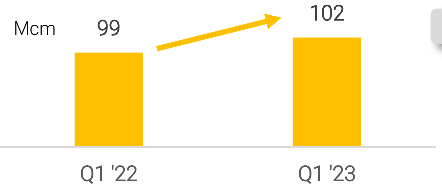
Local presence

Sorted waste collection



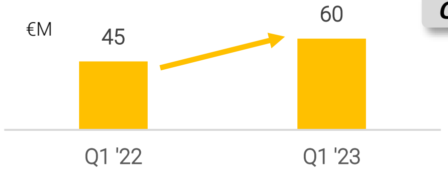
On track

DH volumes



On track

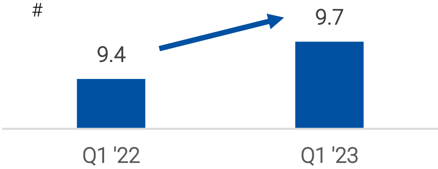
Rebuilding projects *(EPC value)*



On track

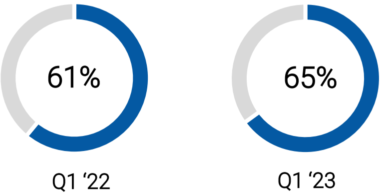
Service quality

Physical Stores' Customer Satisfaction Index



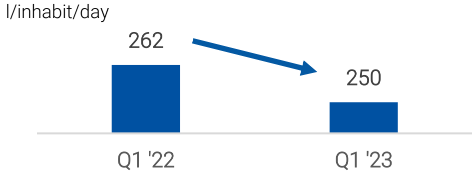
On track

Districtization activities on water cycle



On track

Water withdrawals



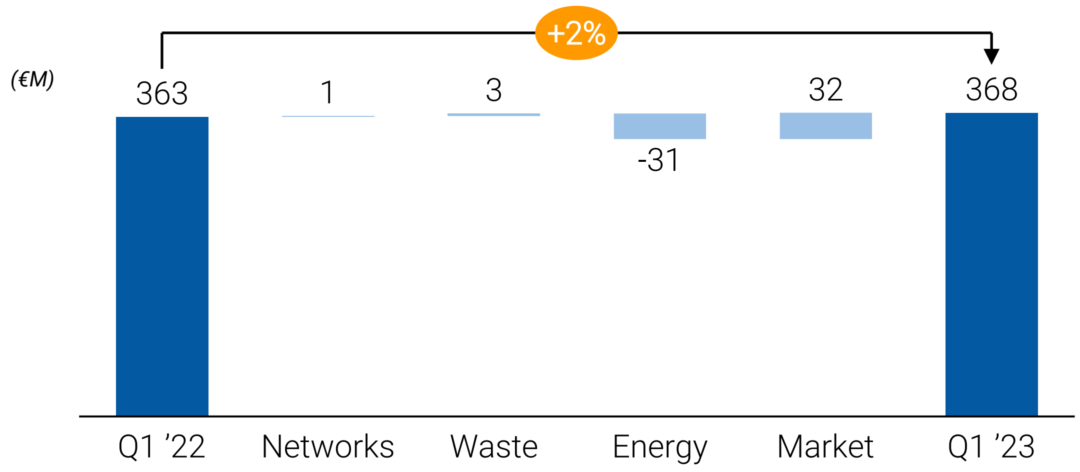
On track

Market profitability recovery offset by severe energy volumes contraction

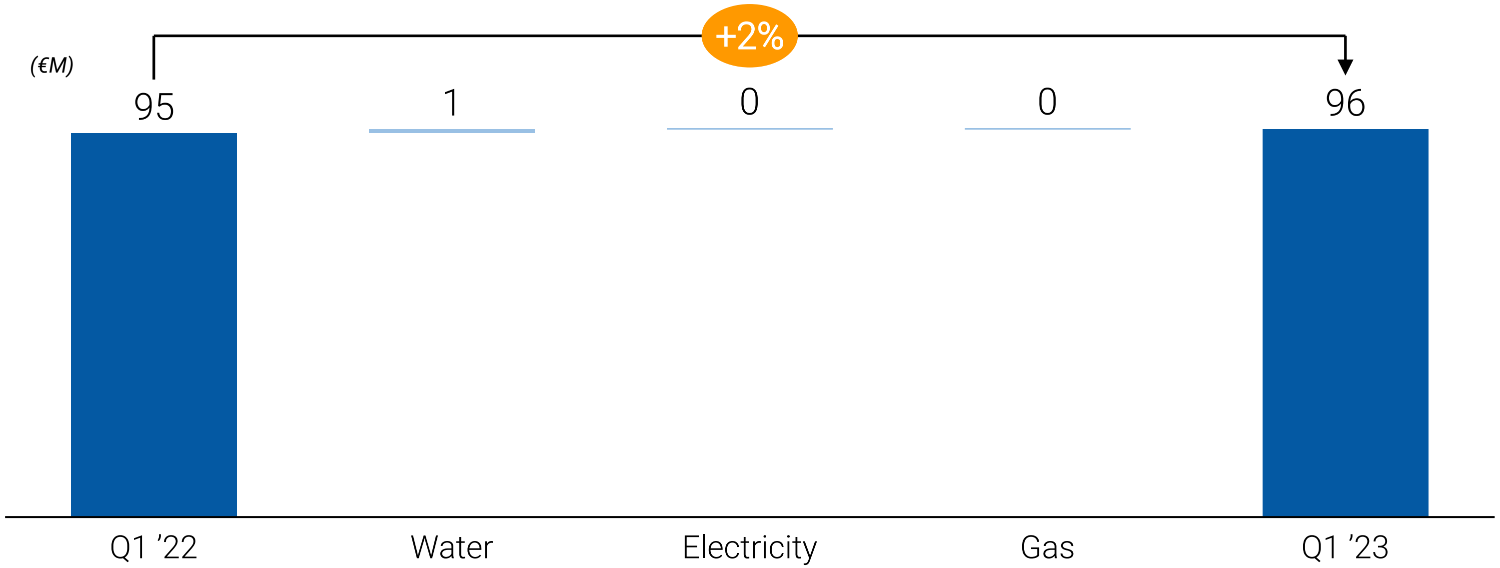
(€M)	Q1 '22	**Q1 '23**	Δ	Δ%
Revenues	2,186	**2,020**	-166	-7.6%
EBITDA	363	**368**	6	1.6%
EBIT	225	**210**	-15	-6.5%
Group net profit	118	**135**	17	14.6%
Gross investments	378	**265**	-113	-29.8%
Net Financial Position	3,347*	**3,716**	369	11.0%

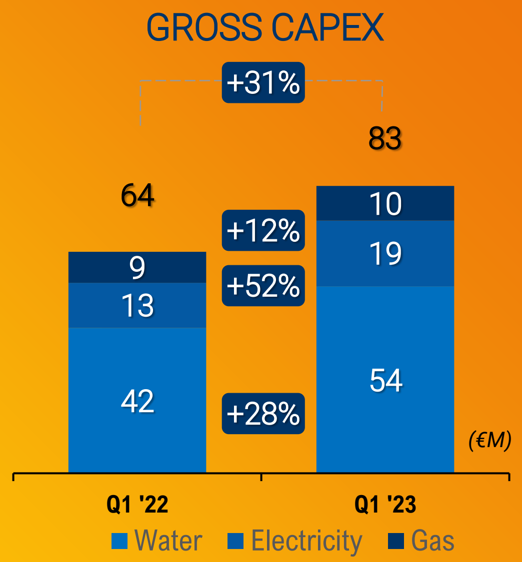
** FY 2022*

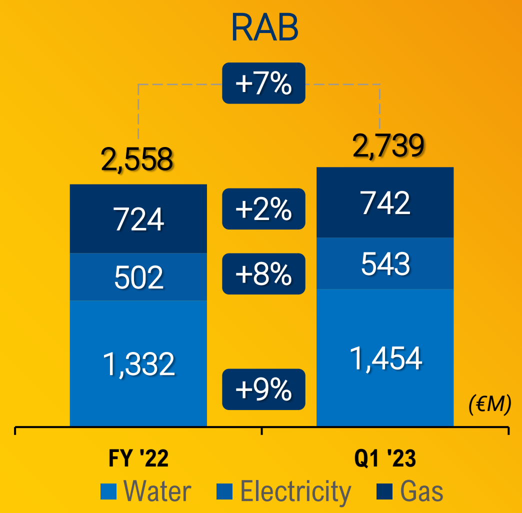
EBITDA EVOLUTION



RAB expansion offset by inflation-impacted operational costs

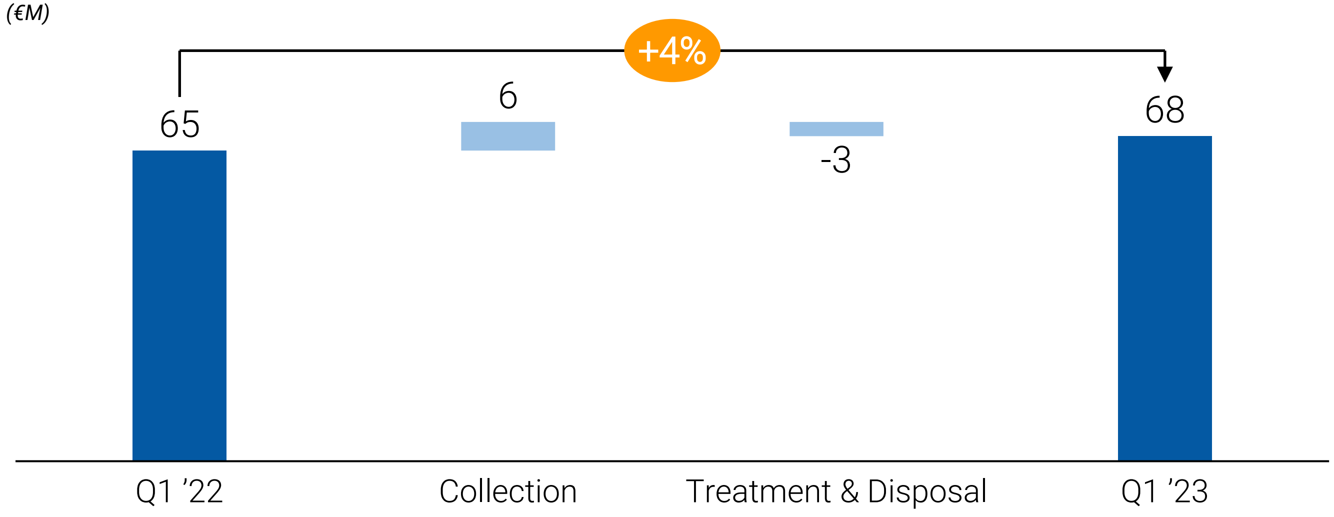


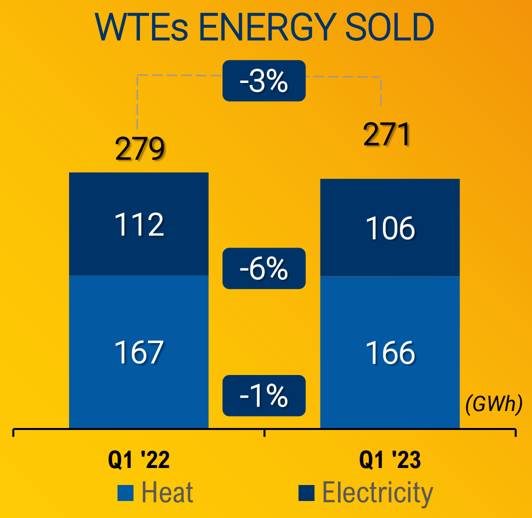




- **7% RAB expansion** led by Water and Electricity businesses
- **Higher operational costs due to inflation**, which will be recovered in tariffs in the coming years
- **+31% investments increase** mainly linked to wastewater revamping and the modernisation of Gas and Electricity networks
- **Consolidation** in Water networks **underway** (AMTER, Acquaenna)

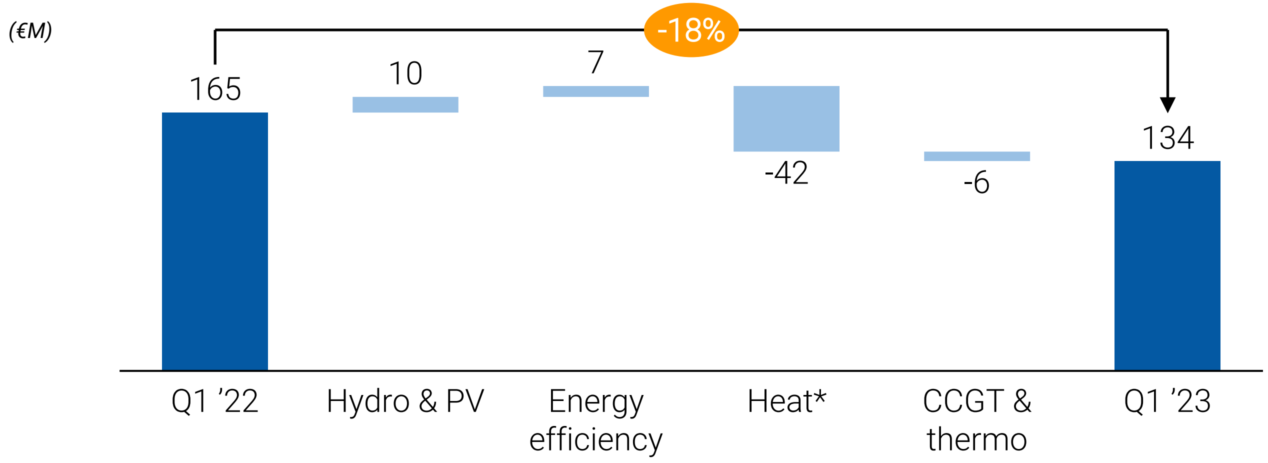
Waste performance in line with prior year





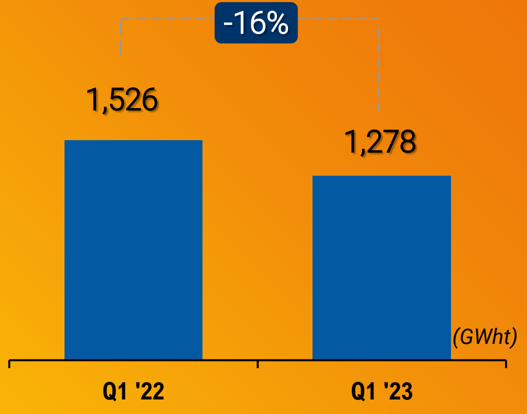
- **Treatment & Disposal:** favourable contribution from WTEs supported by higher PUN price, counterbalanced by lower energy volumes sold (-3%), heat price and lower recyclable waste prices
- **Inflation offset by efficiencies**
- **Collection:** positively affected by SEI Toscana consolidation (from July '22)
- **Doubling of investments** to support the phase-in of 3 new plants in Q2 2023

Lower volumes affecting energy profitability across the board

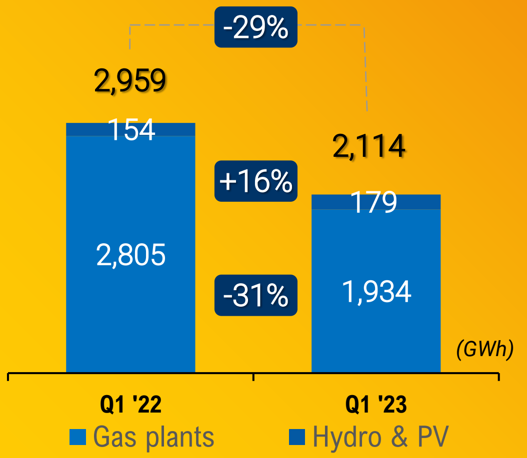


- Contracted **heat volumes** due to mild temperatures and energy savings, combined with reduced margins (Q1 '22 positively affected by price volatility linked to energy crisis)
- Higher prices on **Hydroeletric** production; volumes in line with last year given persistent drought
- Lower thermoelectric volumes (-870GWh) as a result of a continuous **turbine outage** and the **severe reduction in MSD** contribution, partially offset by a **positive clean spark spread**
- Solid contribution from **energy efficiency** activities

HEAT DISTRIBUTED

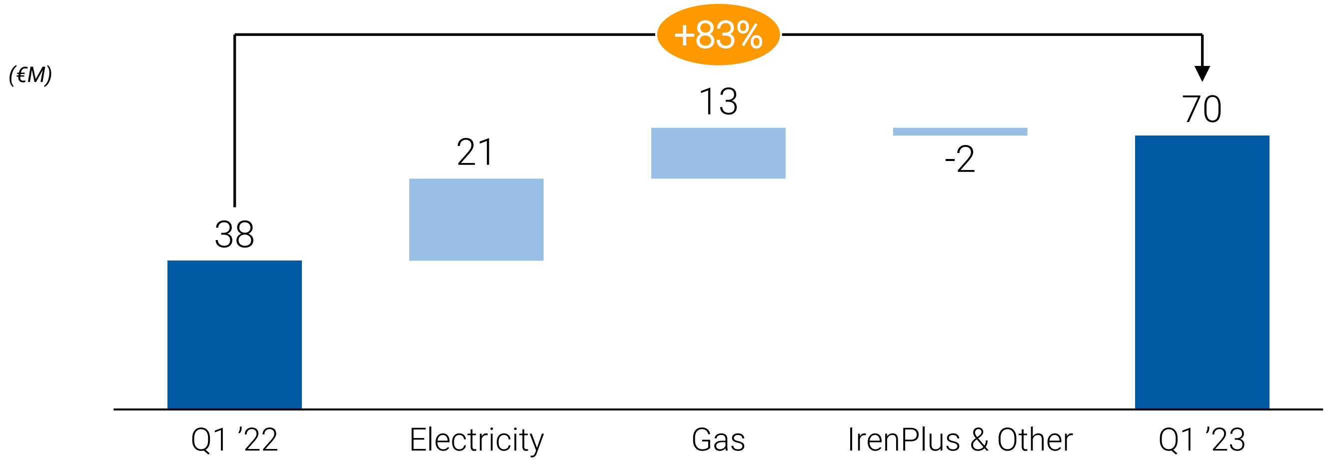


ELECTRICITY PRODUCED



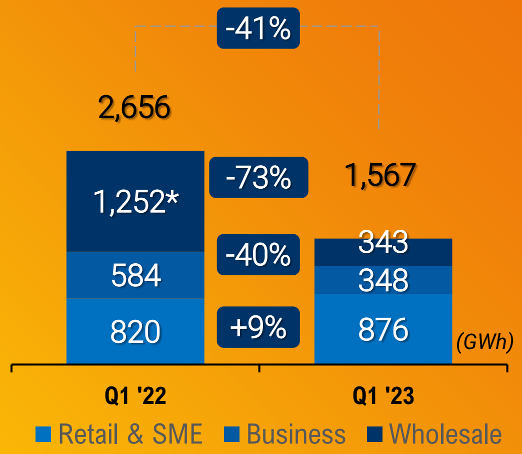
* Q1 '22 reported a one off for +6€M

Progressive recovery of customers' portfolio value



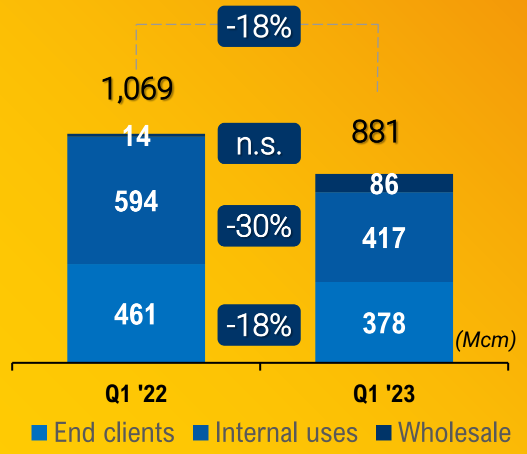
- **Supply profitability recovery** from the exceptionally low level of prior year more than offset reduced gas volumes linked to mild temperatures
- **Electricity volumes down** following the change in client mix shifting focus from business to retail clients to minimize exposure to price and volumes volatility
- In April 2023, **completed rebalancing of retail contracts** towards fixed contributions and variable commodity prices

ELECTRICITY SOLD



*Q1 2022 includes volumes related to opportunistic transactions on wholsale market

GAS SOLD



EBITDA to Group Net Profit reconciliation

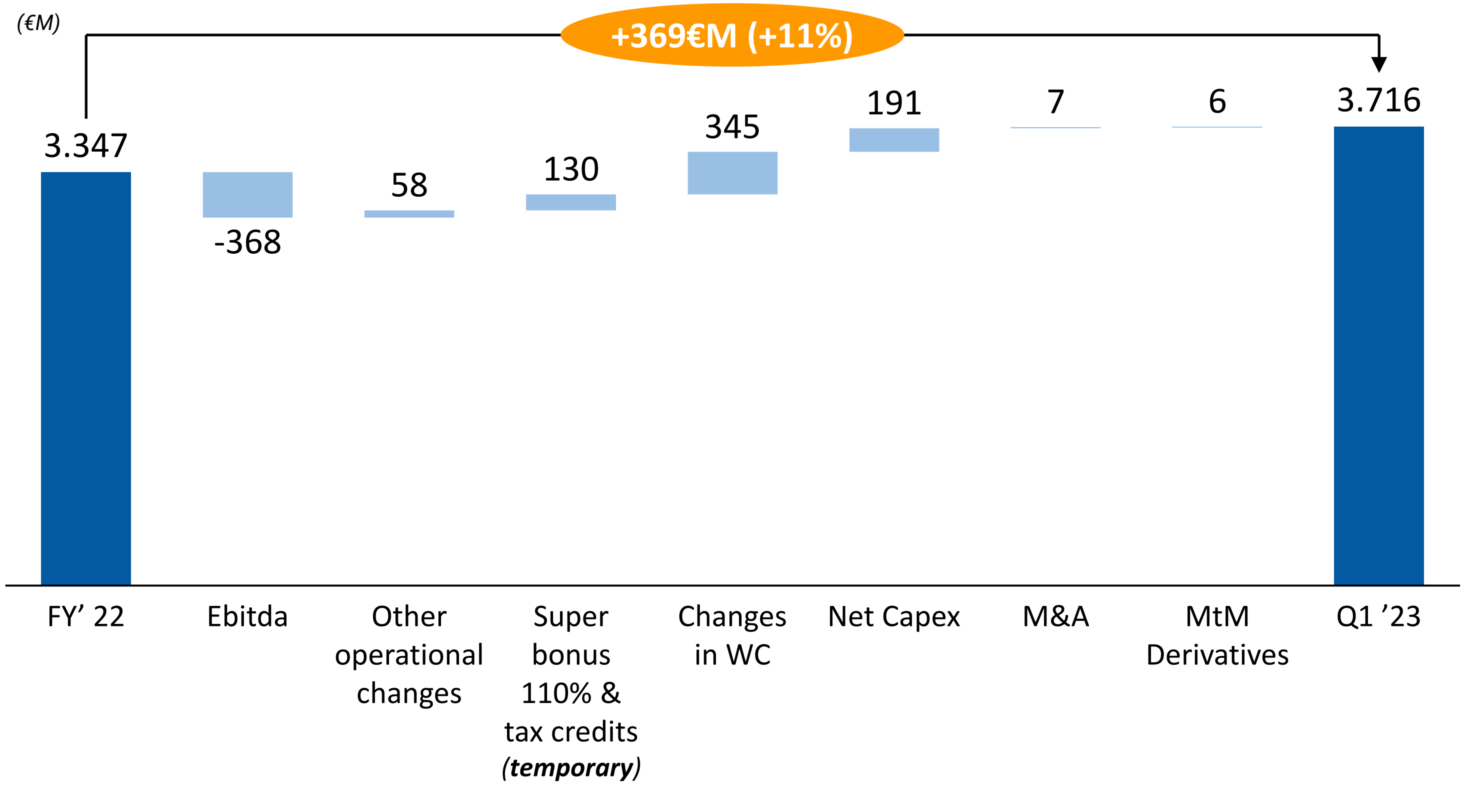
(€M)

	Q1 '22	Q1 '23	Δ	Δ%
EBITDA	363	**368**	6	1.6%
D&A	*-122*	***-140***		
Provisions to bad debt	*-14*	***-16***		
Other provisions and write-downs	*-2*	***-2***		
EBIT	225	**210**	-15	-6.5%
Financial charges	*-17*	***-19***		
Companies consolidated at equity method	*3*	***1***		
Others	*1*	***0***		
EBT	213	**193**	-20	-9.5%
Taxes	*-86*	***-49***		
Minorities	*-9*	***-9***		
Group net profit	118	**135**	17	14.6%

- Higher depreciation as a result of new acquisitions and industrial investments (still not captured by tariffs) carried-out during the period
- Provisions to bad debt in line with last year

- Q1 2022 impacted by "Contributo di solidarietà" decree (24€M)

Net Financial Position Evolution (Q1 2023 vs FY2022)



Changes in WC	345 €M
Acceleration of capex in Q4 2022 (*temporary*)	120 €M
Seasonality (*temporary*)	105 €M
Change in waste collection payment method	60 €M
Still not normalized gas payment terms	60 €M

~350€M of temporary Net Debt impact: 130M€ of Superbonus 110% and 225 €M of changes in WC expected to be reabsorbed in the next quarters

Closing Remarks

2023 OUTLOOK — GUIDANCE CONFIRMED

INDUSTRIALS

- Continued growth based on recovery of Market profitability
- Full availability of thermo facilities since the beginning of May
- Expected BP achievement in 2023:
  - Phase-in of 3 new waste treatment plants
  - 70MW of new solar capacity
  - PPP proposal on expired Hydro concessions

FINANCIALS

- ~350€M of changes in WC expected to be reabsorbed in the next quarters
- The sale of a minority stake of Gas Networks is ongoing and will be closed within 2023
- Strong commitment to preserve the NFP/Ebitda ratio and our newly upgraded rating

EBITDA +6% vs. FY 2022

GROSS CAPEX: ~1.2B€*

NFP/EBITDA: ~3.3x

*Includes third party investments and contributions

ANNEXES

Q1 2023 Business units' results

NETWORKS

€M	Q1 '22	Q1 '23	Δ	Δ%
Revenues	257	**292**	35	20%
Ebitda	95	**96**	1	2%
Electricity	*19*	***19***	*0*	-2%
Gas	*21*	***21***	*0*	-1%
Water	*55*	***56***	*2*	4%
Ebit	48	**45**	-3	-7%
Gross Capex	64	**83**	19	31%

WASTE

€M	Q1 '22	Q1 '23	Δ	Δ%
Revenues	244	**302**	58	24%
Ebitda	65	**68**	3	*4%*
Collection	*13*	***19***	*6*	*41%*
Treatment & disposal	*52*	***49***	*-3*	*-5%*
Ebit	37	**29**	-8	-22%
Gross Capex	23	**47**	24	(*)

ENERGY

€M	Q1 '22	Q1 '23	Δ	Δ%
Revenues	1,295	**1,009**	-286	-22%
Ebitda	165	**134**	-31	-19%
Hydro&Renewables	*6*	***16***	*10*	*(*)*
Thermo/Coge, DH	*149*	***101***	*-48*	*-32%*
Energy efficiency	*10*	***17***	*7*	*72%*
Ebit	128	**93**	-35	-27%
Gross Capex	17	**24**	7	39%

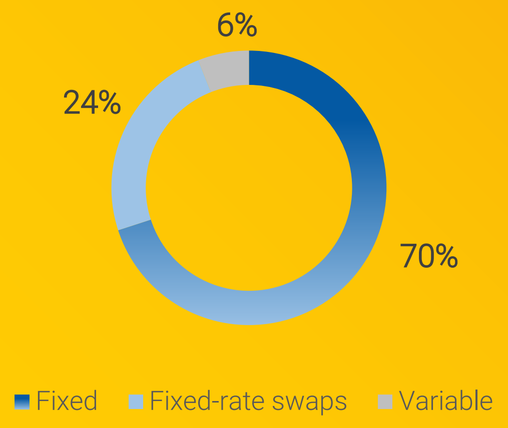
MARKET

€M	Q1 '22	Q1 '23	Δ	Δ%
Revenues	1,941	**1,557**	-384	-20%
Ebitda	38	**70**	32	83%
Electricity	*-15*	***6***	*21*	*(*)*
Gas	*49*	***62***	*13*	*29%*
Iren Plus & others	*4*	***2***	*-2*	*-62%*
Ebit	14	**43**	29	(*)
Gross Capex	23	**18**	-4	-19%

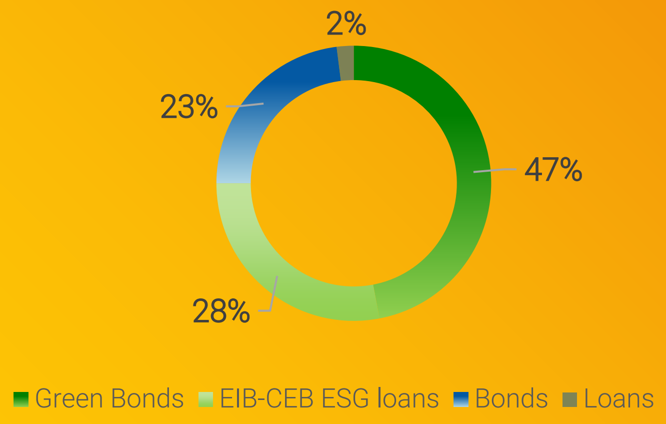
(*) Variation greater than 100%

Financials

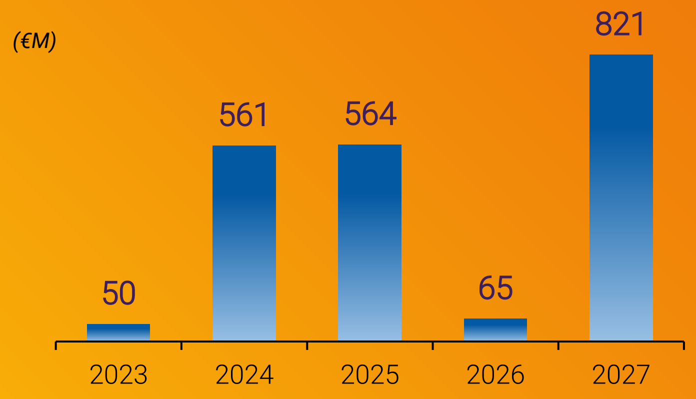
INTEREST RATE



DEBT STRUCTURE



MATURITIES



- **94% of gross debt at fixed interest rate**
- Average long-term debt **duration** of about **5.0 years** vs 5.4 years in Q1 '22
- Increase in the **average cost of debt** (**1.8%** vs. 1.7% in Q1 '22)
- **75%** of the Iren total **debt is composed of green and assimilated** instruments

S&P Global Ratings	*BBB*	Outlook *Stable*
FitchRatings	*BBB*	Outlook *Stable*

Industrial KPIs

	Q1 '22	Q1 '23	Δ%
Electricity distributed (GWh)	935	900	-3%
Gas distributed (mcm)	533	442	-19%
Water distributed (mcm)	42	43	-
Waste collected (Kton)	390	480	+23%
Waste treated (Kton)	627	673	+7%
Renewable production (GWh)	154	179	+16%
Hydro production (GWh)	116	139	+20%
Solar production (GWh)	38	40	+5%

Scenario

	Q1 '22	**Q1 '23**	Δ%
PSV *€/000 scm*	103,7	**60,6**	-42%
PUN *(€/Mwh)*	248	**157**	-37%
CO2 *€/Ton*	83	**87**	+5%
Green Cert. Hydro *(€/Mwh)*	42,9	**0**	-100%

Disclaimer

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

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

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

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

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