



Credit Update

December 2023



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**9M 2023
RESULTS**

FINANCIALS

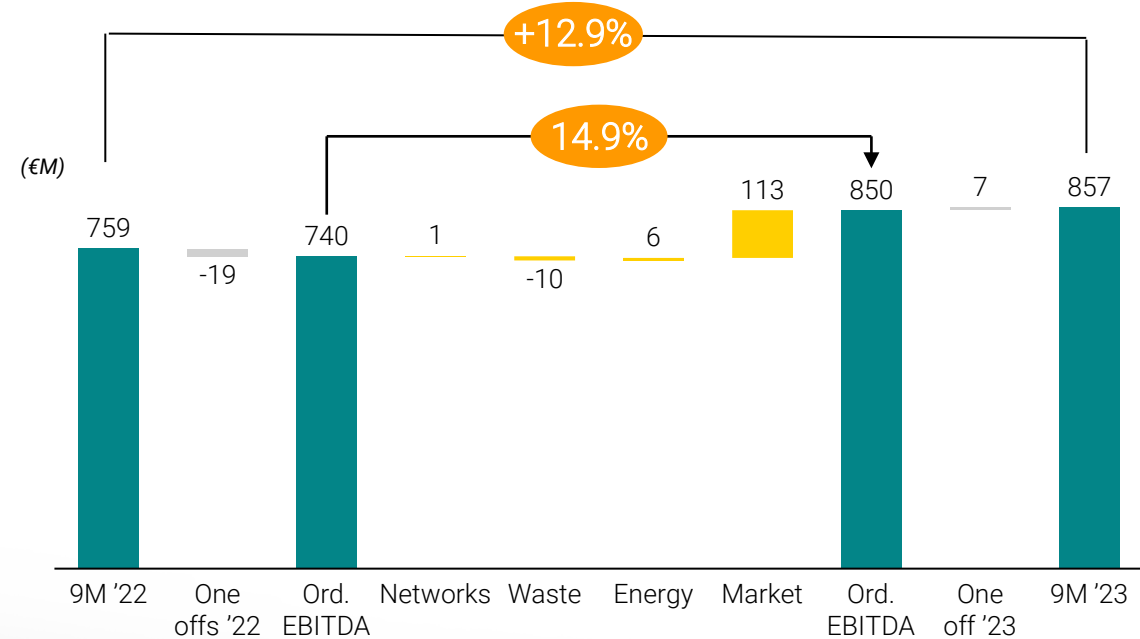
ANNEXES

ENERGY SUPPLY RECOVERY DRIVEN EBITDA GROWTH

€M

	9M '22	9M '23	Δ	Δ%
Revenues	5.644	4.626	-1.018	-18,0%
EBITDA	759	857	98	12,9%
EBIT	321	325	4	1,0%
EBIT Adj.**	321	366	45	14,0%
Group net profit	141	177	36	25,6%
Technical capex***	557	548	-9	-1,6%
Net Financial Position	3,347*	3.930	583	17,4%

EBITDA EVOLUTION



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+

Tailwinds

- Market BU profitability recovery
- Higher hydroelectric prices and volumes
- Integration of collection activities in Tuscany and newly consolidated water network in Sicily

-

Headwinds

- Strong MSD reduction
- Lower Heat volumes
- Organic growth offset by inflation impact on opex

* FY 2022 Data

** Adjusted for provisions related to Italian Government's clawback decree on renewable prices (41€M)

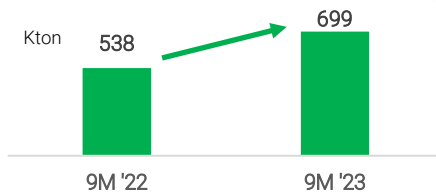
*** Total investments, including M&A and other, at 831€M (-23% vs 9M 2022)

SUSTAINABLE GROWTH CONTINUED THROUGHOUT THE QUARTER

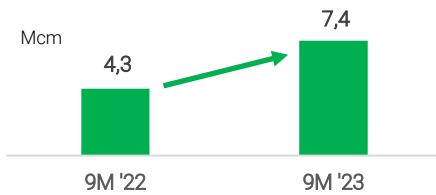


Green transition

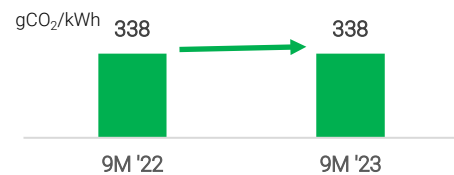
Material recovery in Iren's plants **On track** ✓



Biomethane from waste **On track** ✓

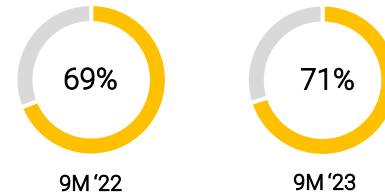


Carbon Intensity **On track** ✓

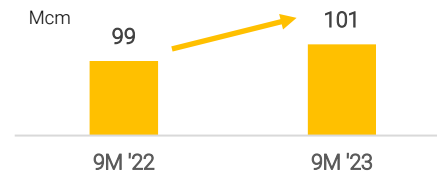


Local presence

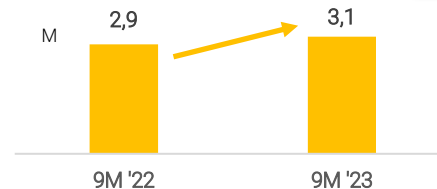
Sorted waste collection **Ahead** ✓✓



District Heating volumes **On track** ✓

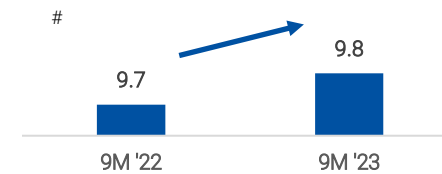


Inhabitants served in water services **On track** ✓

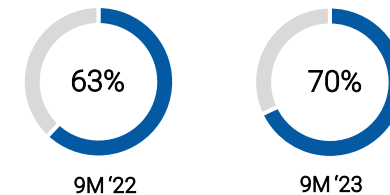


Service quality

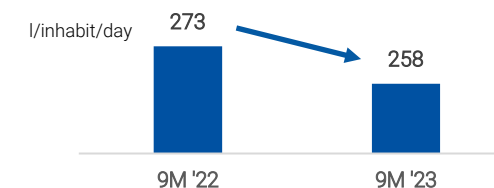
Stores' Customer Satisfaction Index **On track** ✓



Districtization activities on water cycle **Ahead** ✓✓



Water withdrawals **Ahead** ✓✓



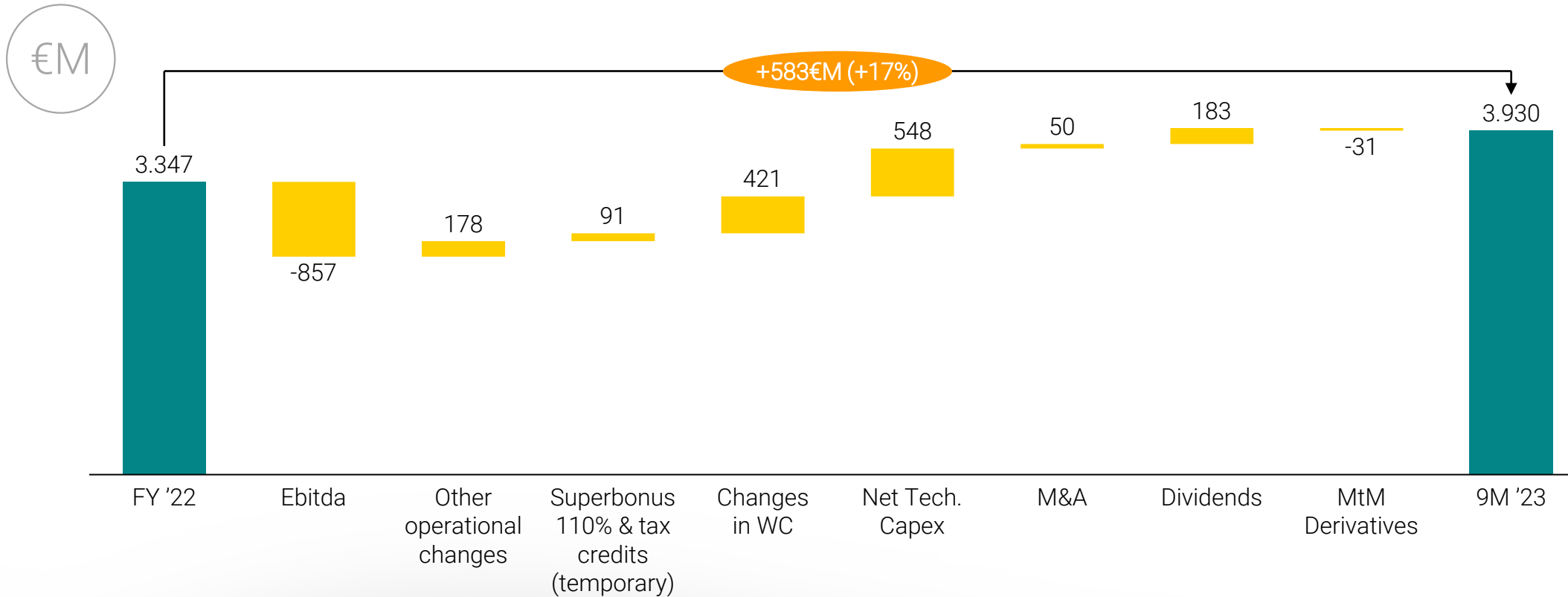
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NET FINANCIAL POSITION EVOLUTION (9M 2023 VS FY2022)



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NWC reduction is expected by the end of the year thanks to:

- Continuous reduction of Superbonus 110% tax credits
- Confirmed normalization of gas payment terms with energy suppliers (restored conditions as before gas market tensions) starting from October

CLOSING REMARKS

Guidance
2023
CONFIRMED

- EBITDA +10% vs FY2022
- Gross Investments at 1.3€B
- NFP/EBITDA: 3,3x

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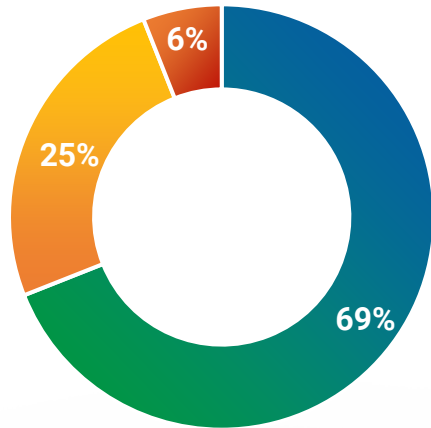
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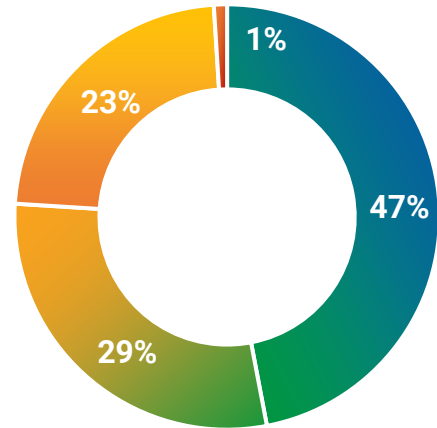
A SOUND AND SUSTAINABLE DEBT STRUCTURE

INTEREST RATE



■ Fixed ■ Fixed-rate swap ■ Variable

DEBT STRUCTURE



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

94%

Fixed rate debt

4.7 years

Average duration

1.8%

Average cost

76%

Sustainable debt

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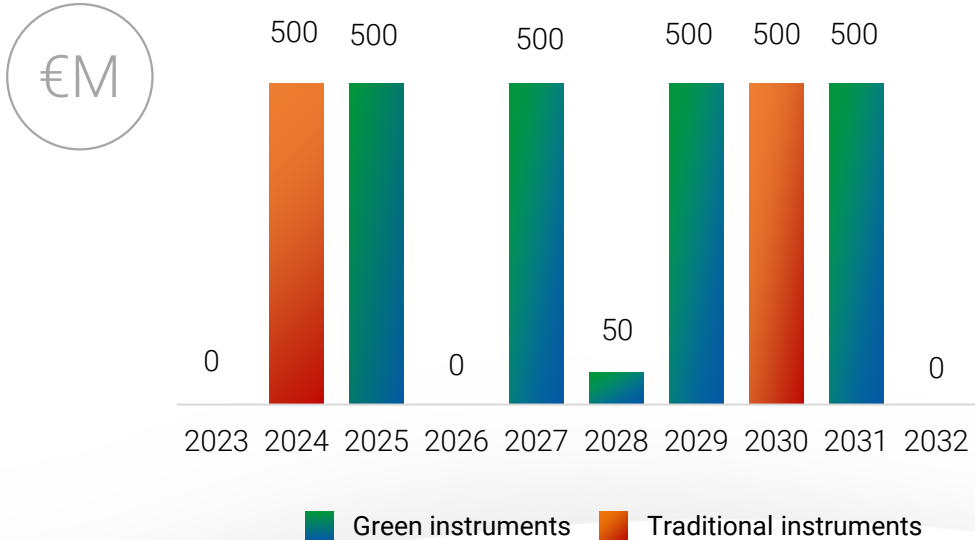
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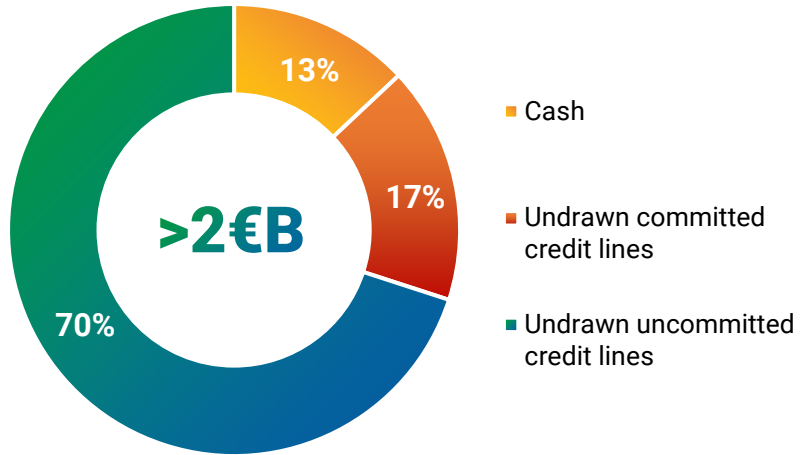


AMPLE LIQUIDITY TO COPE WITH MATURITIES

BOND MATURITY



LIQUIDITY



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



STRONG COMMITMENT TO MAINTAIN FINANCIAL SOLIDITY

2023 Guidance confirmed on NFP/EBITDA at 3.3x. Rating KPIs are expected to be in line with metrics, leveraging on 80% of EBITDA coming from regulated and quasi regulated activities in 2022

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S&P Global Ratings

BBB

Stable

Fitch Ratings

BBB

Positive

Debt¹ and FFO², M€

NLAD¹ and FFO², M€

MIN 18%

MAX 5x

20,6% (*)

3,8x

3.900

800

2022

3.520

910

2022

FFO DEBT FFO/DEBT S&P rating maintenance threshold

FFO NLAD NLAD/FFO Fitch rating maintenance threshold

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

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

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

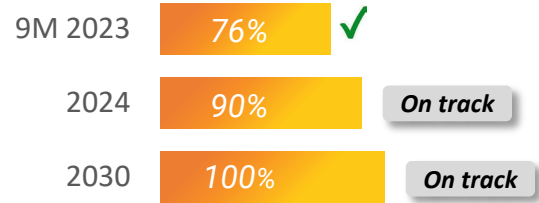
1. Net Lease Adjusted Debt (Adjusted Gross financial position according to Fitch criteria)

2. Fund from Operations (according to Fitch criteria)

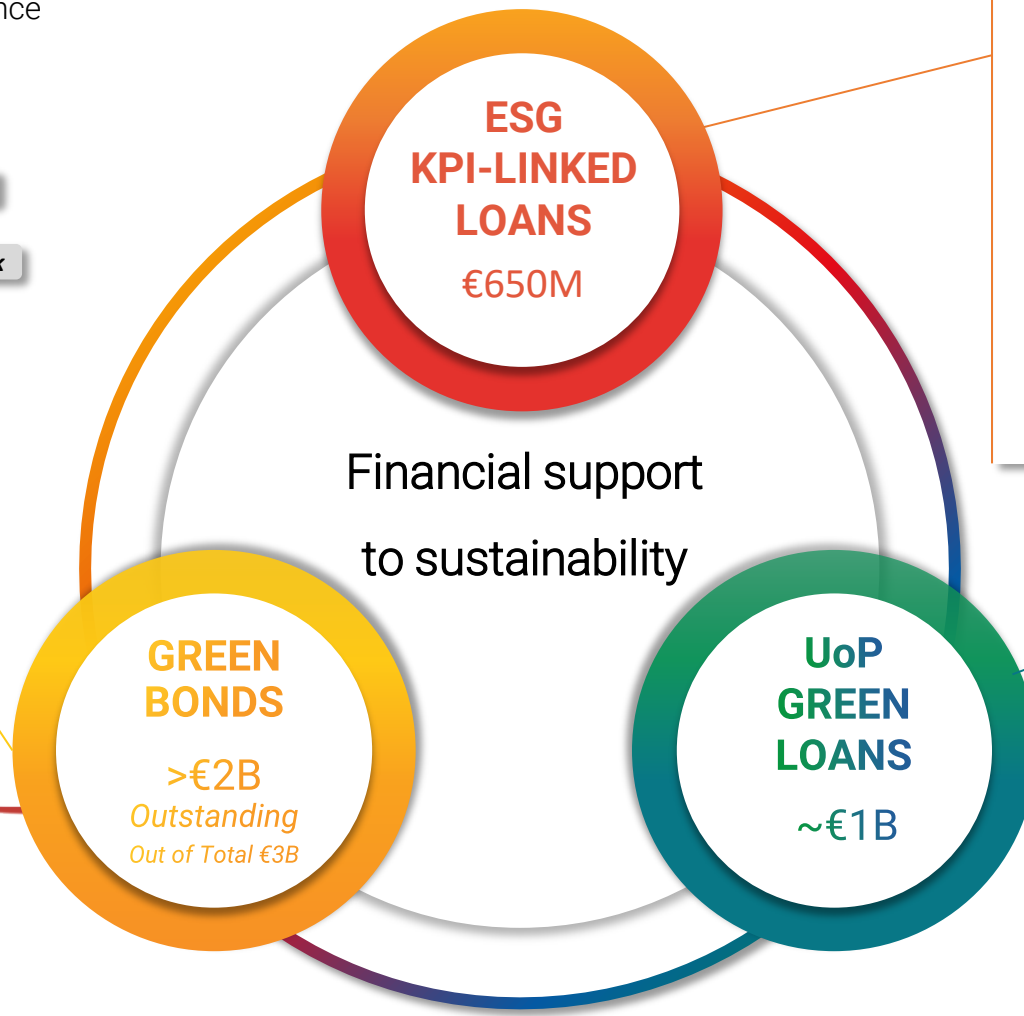


SUSTAINABLE FINANCE

Our commitment to Sustainable Finance
(% on Total Debt)



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



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

- Credit facilities by EIB (European Investment Bank), CEB (Council of Europe Development Bank) and CDP (Cassa Depositi e Prestiti) devoted to financing specific sustainable projects and to support Group green transition
- Very long-lasting relationship with multilateral banks with €2B+ granted over the period

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



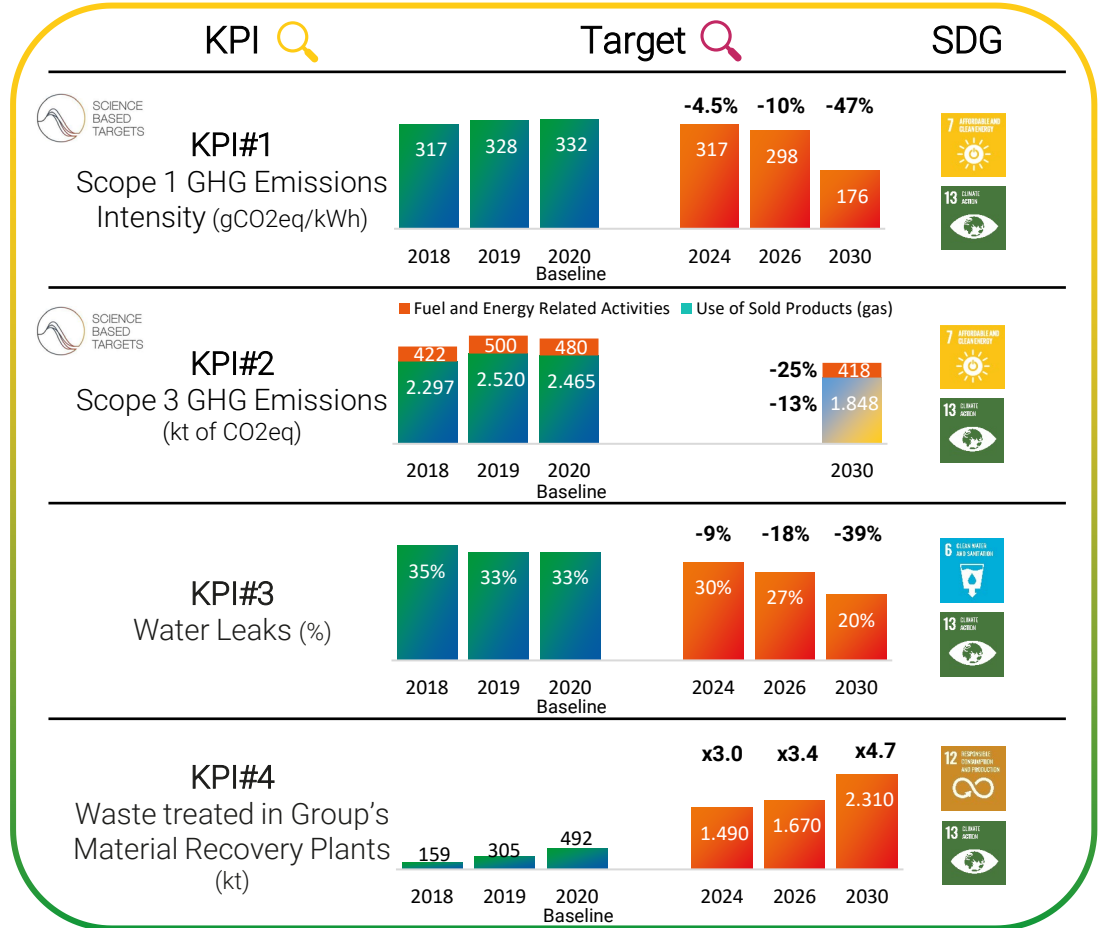
FRAMEWORK COMPONENTS

Green Financing Component



Category	Eligible Projects/Activities	SDG
Renewable Energy	<ul style="list-style-type: none"> Hydroelectric power electricity generation Solar PV electricity generation Wind power electricity generation 	
Energy Efficiency	<ul style="list-style-type: none"> Energy network development Electricity storage Thermal storage capacity Cogeneration facilities District heating networks Gas network hydrogenation Buildings energy efficiency Waste to Energy facilities Waste-to-chemical facilities 	
Circular Economy	<ul style="list-style-type: none"> Waste urban collection Waste urban recycling Waste urban treatment 	
Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> Wastewater treatment plant upgrades Water distribution network efficiency 	
Clean Transportation	<ul style="list-style-type: none"> Electric Vehicles E-mobility 	

Sustainability-Linked Component



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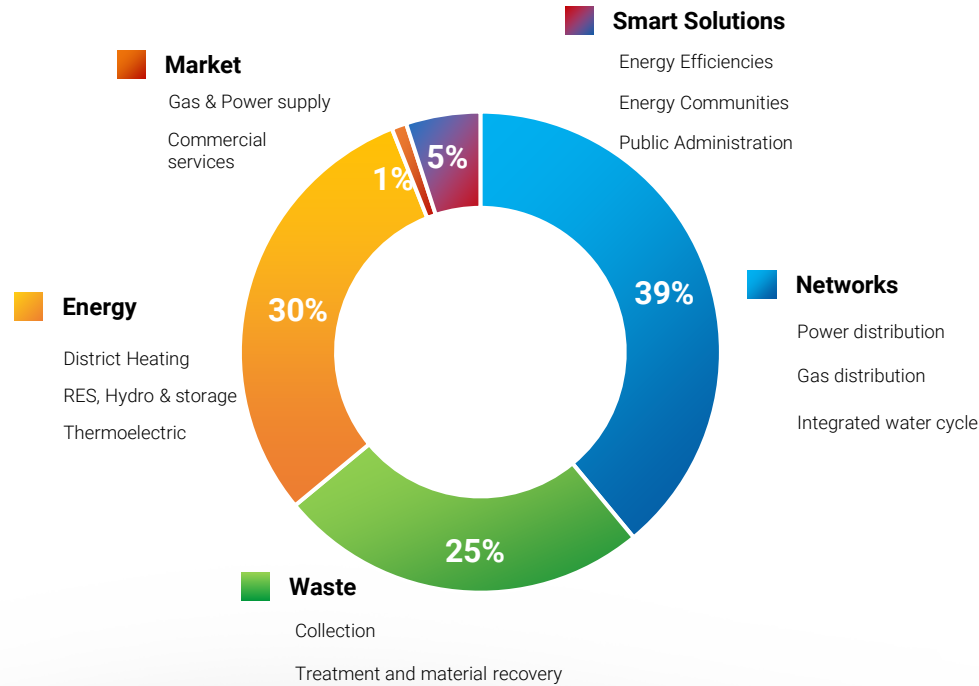
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STRATEGY

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IREN AT A GLANCE



EBITDA FY 2022: 1.05B€

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



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

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

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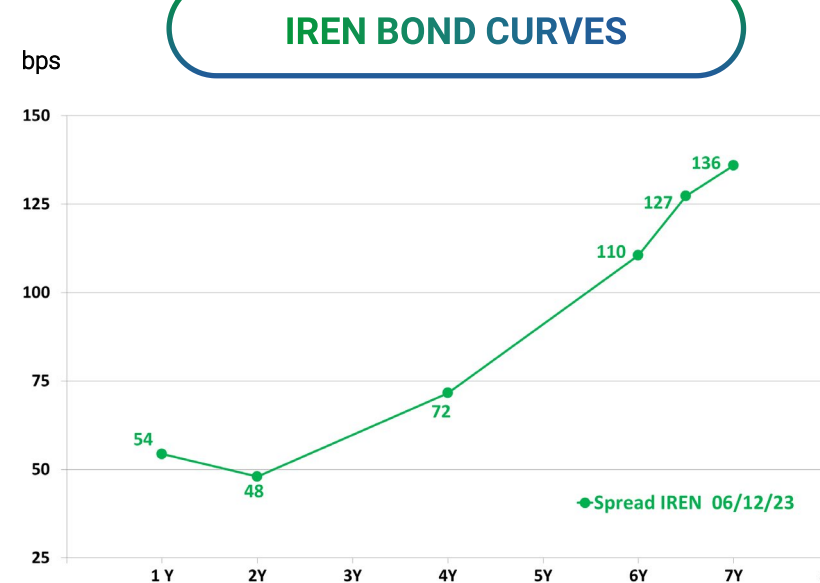
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BOND PORTFOLIO

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



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

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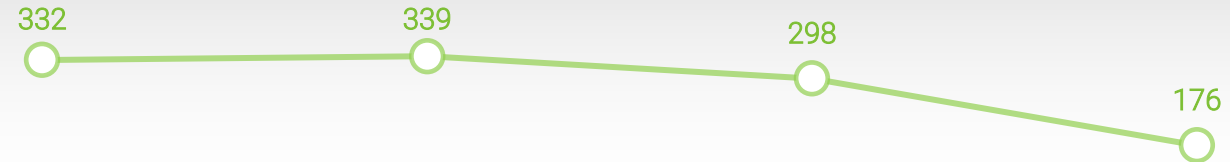
DECARBONIZATION



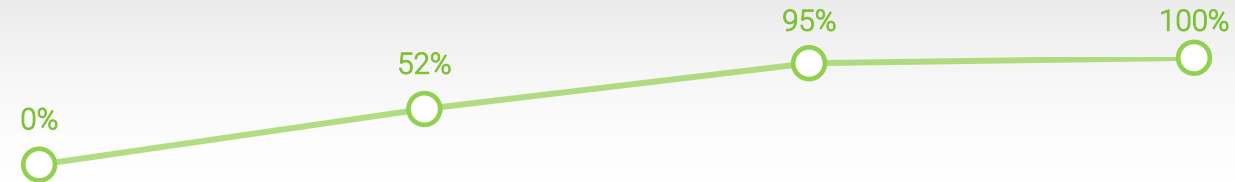
2020 2022 2026 2030

INVESTOR DAY 2023

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



Certified renewable electricity purchased (scope 2), %



Scope 3 emissions

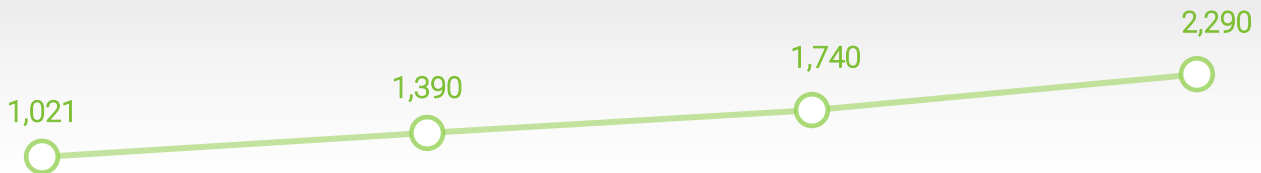
- USE OF SOLD PRODUCTS (GAS)
- FUEL AND ENERGY RELATED ACTIVITIES



Energy saving of production processes, kTep



Emissions avoided from waste recovery ktCO₂



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CIRCULAR ECONOMY

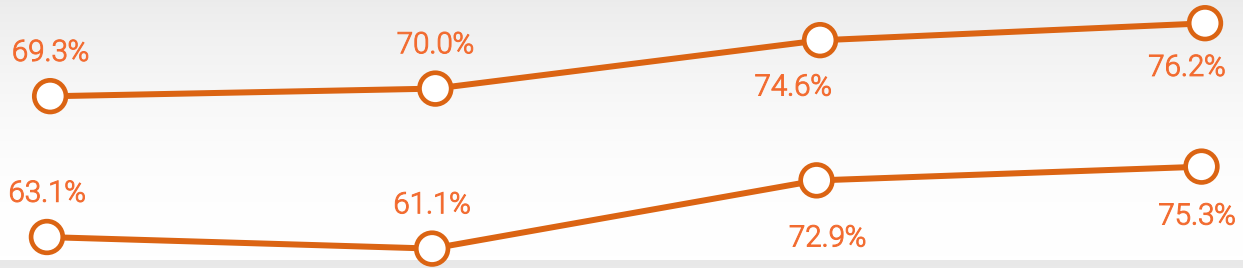


2020 2022 2026 2030

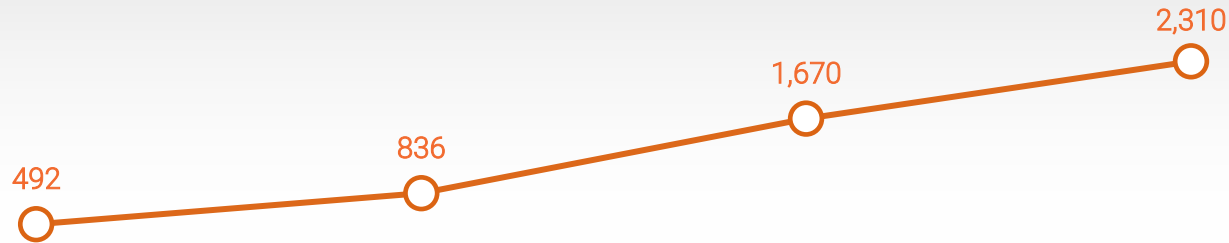
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Sorted waste collection, %

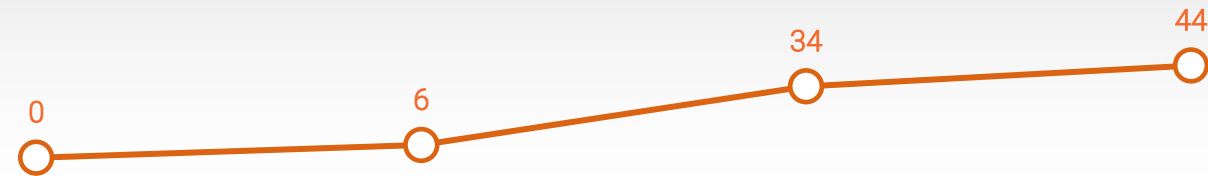
LEGACY REGIONS
NEW REGIONS



Waste recovered in Iren plants, kton



Biomethane produced from biodegradable waste, Mcm



Wastewater reused, Mcm



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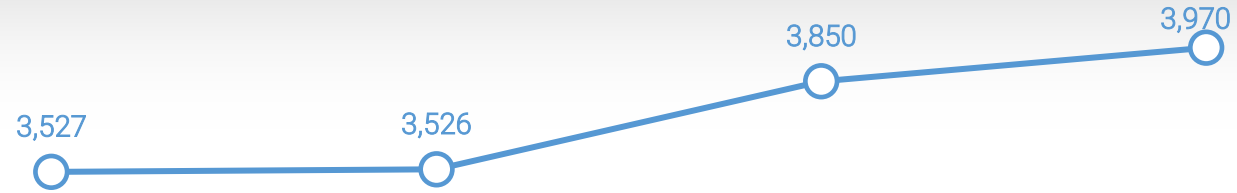
WATER SOURCES



2020 2022 2026 2030

INVESTOR DAY 2023

Wastewater plants capacity, k equivalent inhabitants



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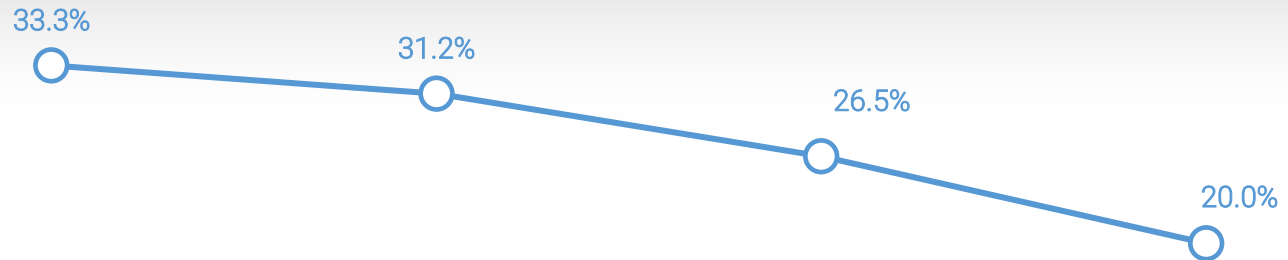
Water withdrawals from the environment, liters/inhabitant/day



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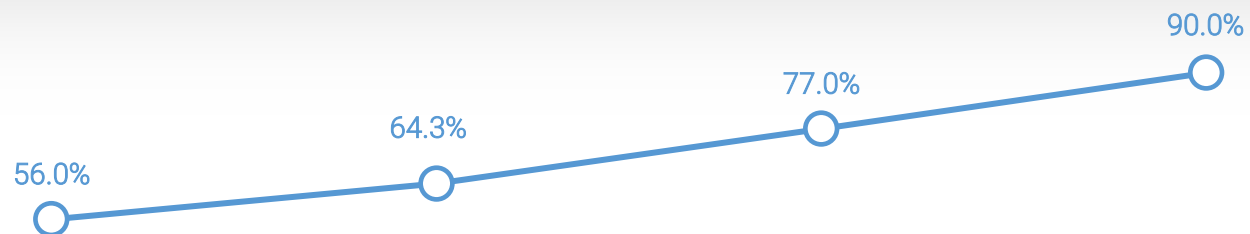
Water network leaks, %

LEGACY REGIONS



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ESG

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



RESILIENT CITIES



2020 2022 2026 2030

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District heated volumes, Mcm



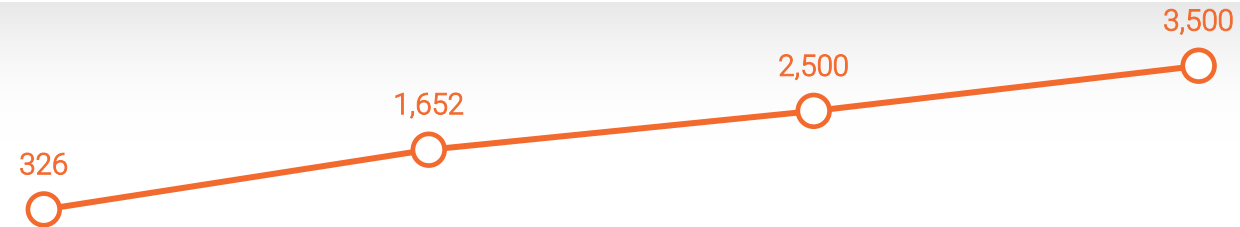
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Eco-vehicles on total fleet, %



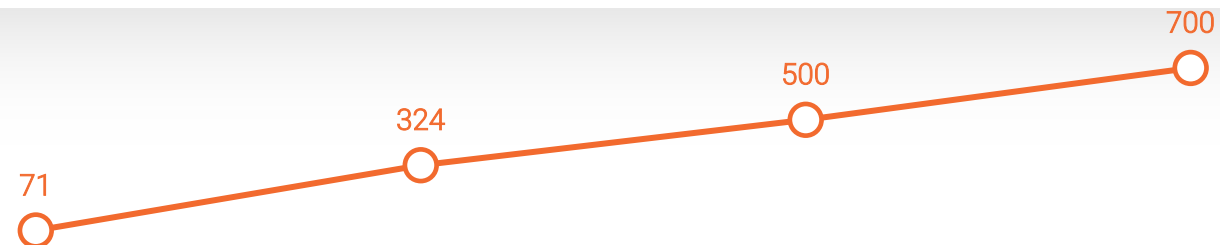
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Green electricity sold to retail clients, GWh



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Energy saving from Iren products/services, kTep



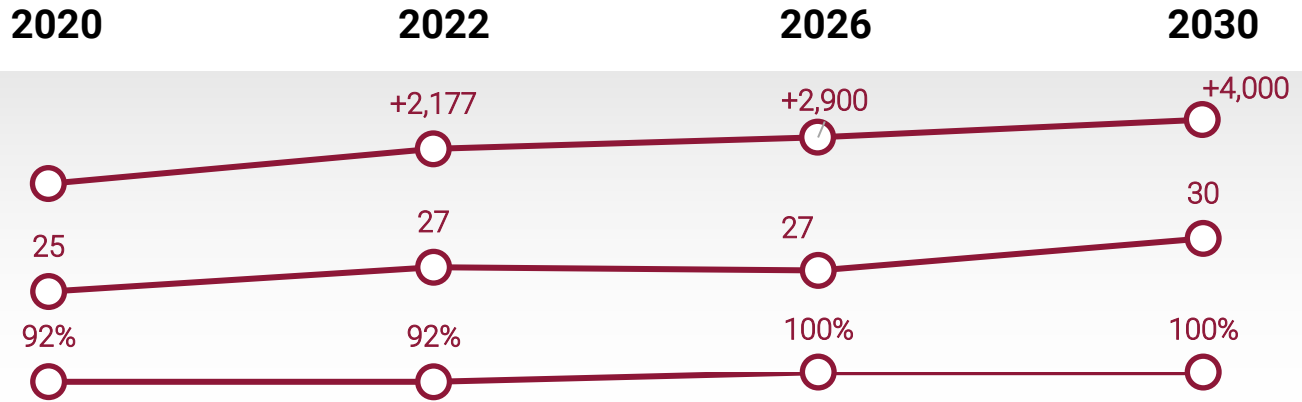
PEOPLE



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Employment, development and enhancement of skills

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



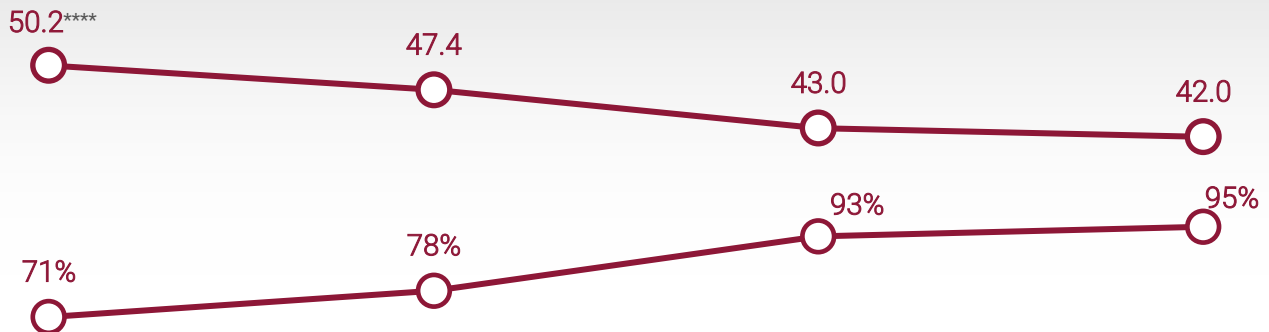
Diversity & Inclusion

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



Welfare And people care

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



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



DISCLAIMER

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

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