



Q1 2022 RESULTS

12th May 2022

Key Highlights

EBITDA +16% YoY
Gross Investments
2.3x YoY

Optimal working capital management stabilizing Net Debt evolution

Integrated energy value chain enabling to counter challenging scenario + margin stabilization through capacity market

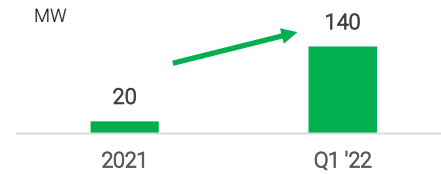
Set up of renewables organization with first important acquisition achieved

Capability to extract value from integration of acquired companies

On track on all ESG KPIs with RES and service quality targets achieved ahead of plan

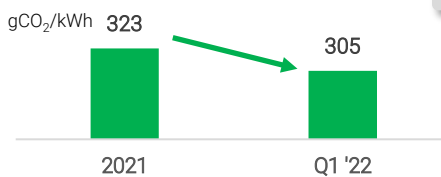
Green transition

PV capacity



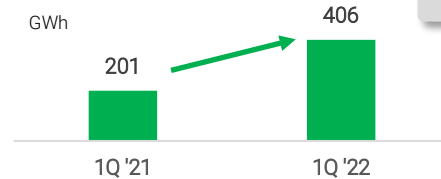
Ahead ✓✓

Carbon Intensity



On track ✓

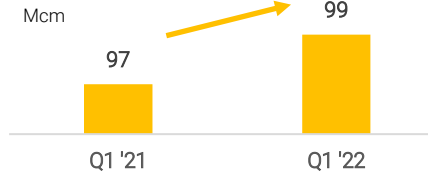
Green energy sold



Ahead ✓✓

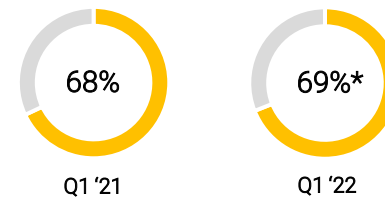
Local presence

DH volumes



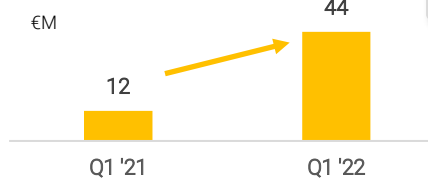
On track ✓

Sorted waste collection



On track ✓

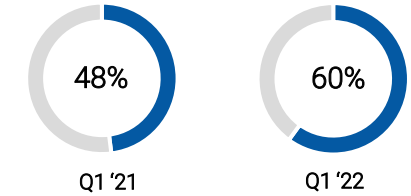
Rebuilding projects (EPC value)



On track ✓

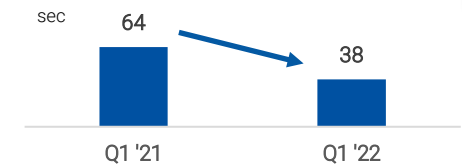
Service quality

Clients digital contacts



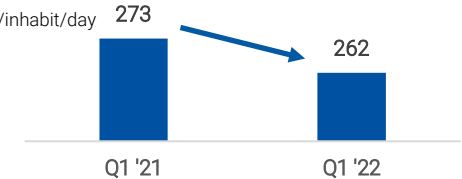
Ahead ✓✓

Average waiting time on phone



Ahead ✓✓

Water withdrawals



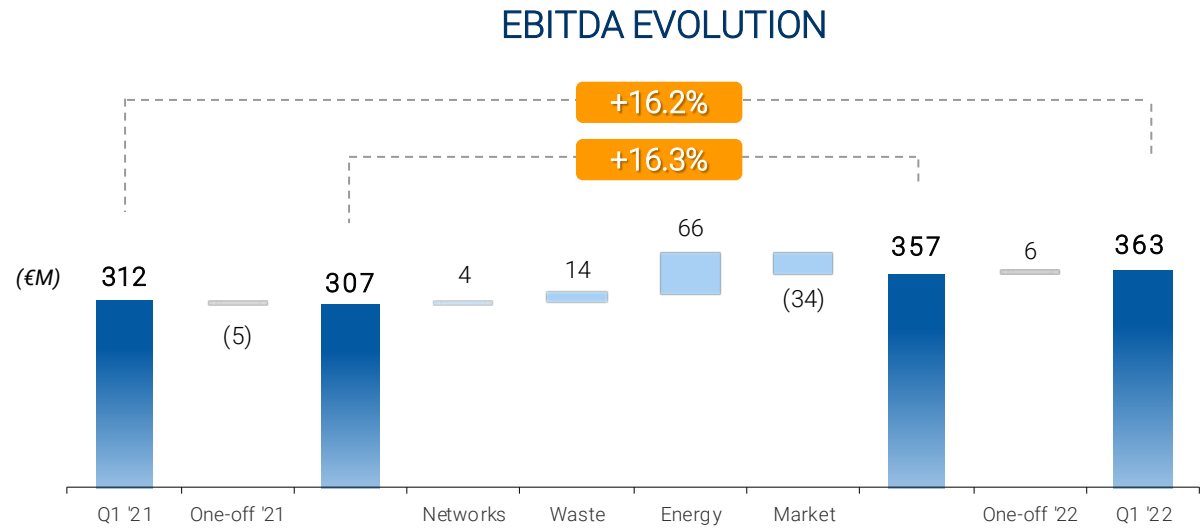
Ahead ✓✓

* Slightly impacted by seasonality

Sound Q1 2022 performance despite a very challenging energy & market scenario



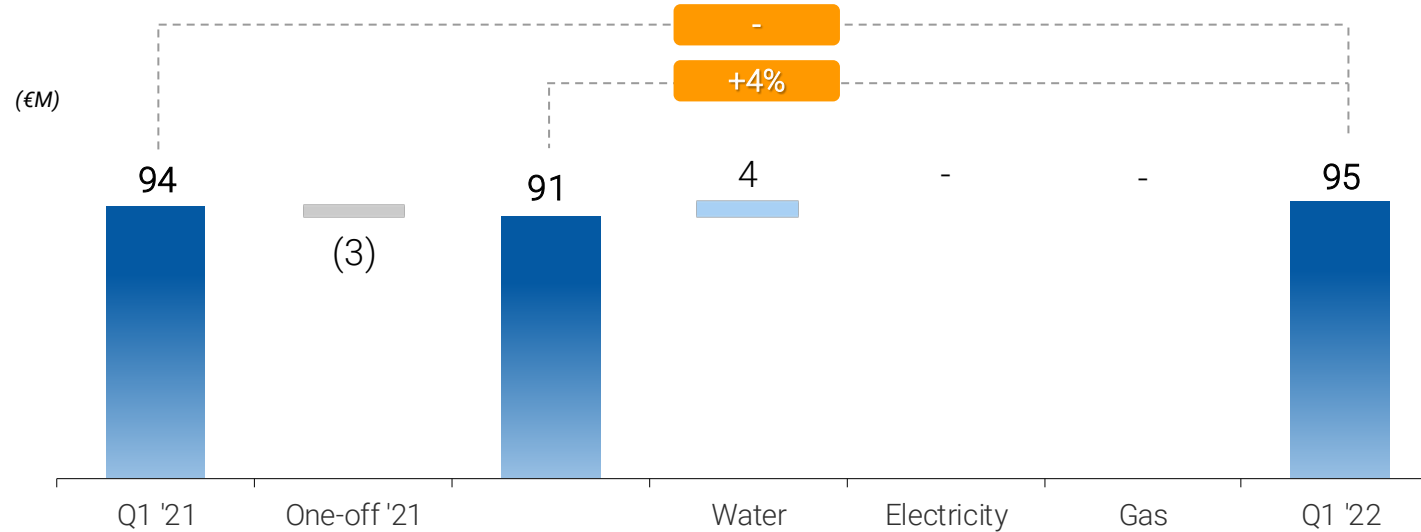
(€M)	Q1 '21	Q1 '22	Δ	Δ%
Revenues	1,140	2,186	1,046	91.8%
EBITDA	312	363	51	16.2%
EBIT	184	226	42	22.9%
Group net profit*	120	118	-2	-1.7%
Gross investments	163	378	215	131.9%
Net Financial Position	2,906**	2,957	51	1.8%



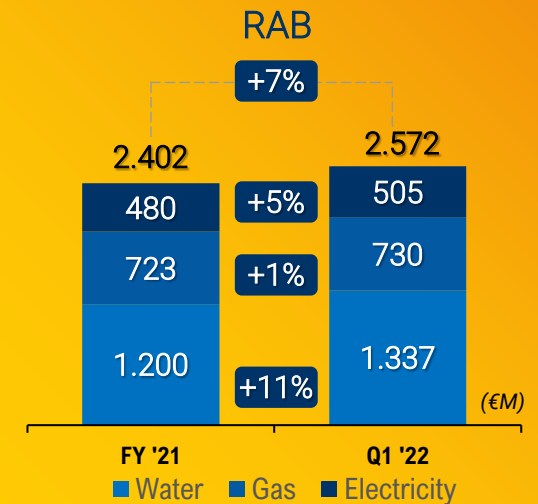
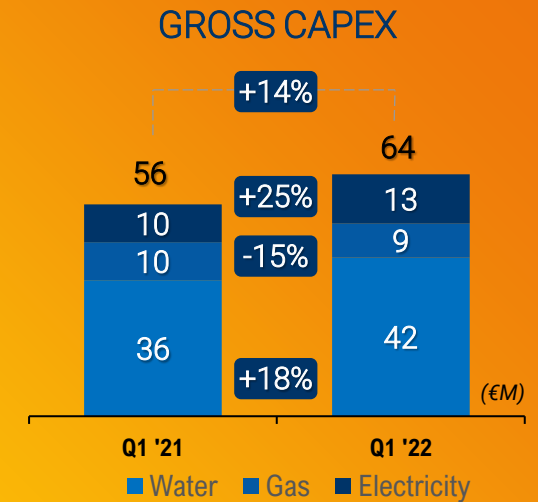
* Q1 '21 affected by a €12M pre-tax positive one-off effect linked to Unieco debt optimization; Q1 '22 impacted by "Contributo di solidarietà - ex art. 37 DL Taglia Prezzi" decree for estimated €24M (including impact of new measures announced and approved by Government on May 2)

**FY 2021

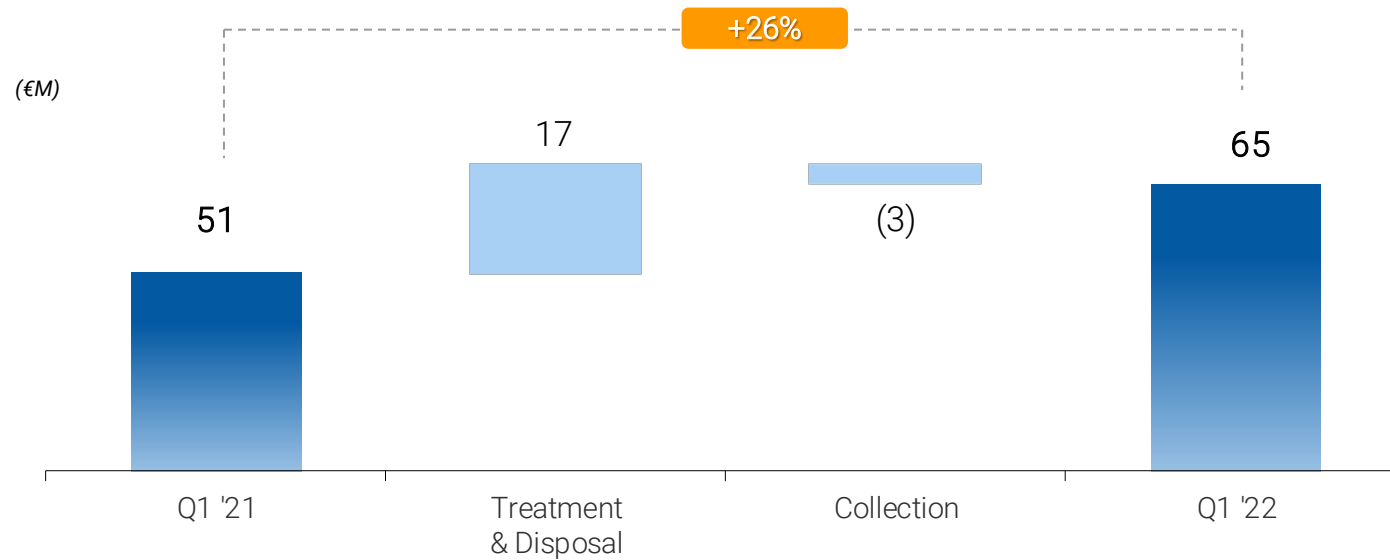
RAB expansion fully offsetting WACC reduction



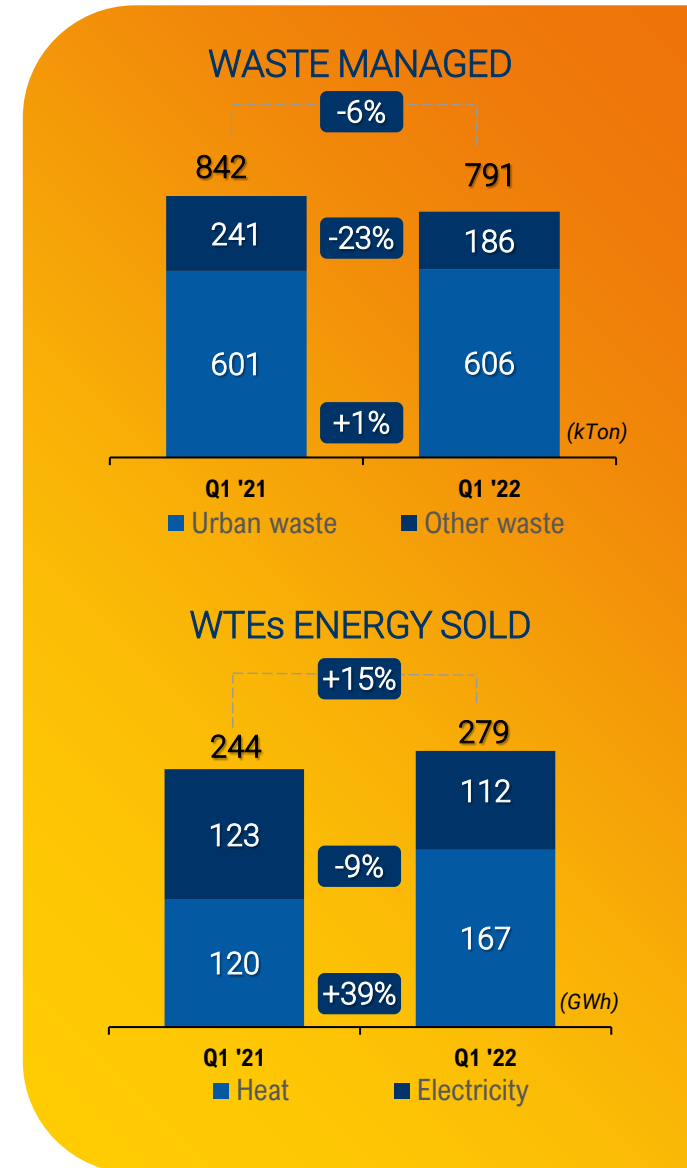
- Allowed revenues growth, mainly in water business, supported by previous years' investments (RAB), more than offsetting regulatory revision of WACC (€-3M overall impact)
- RAB increased by 7% in line with the development plan outlined in our 2030 Strategic Plan for water and electricity; gas RAB yoy evolution consistent with our strategy of maintaining stable RAB over time
- Investments increased by 14%
- Districtization activities on water cycle continued, reaching 60%+ of the grid



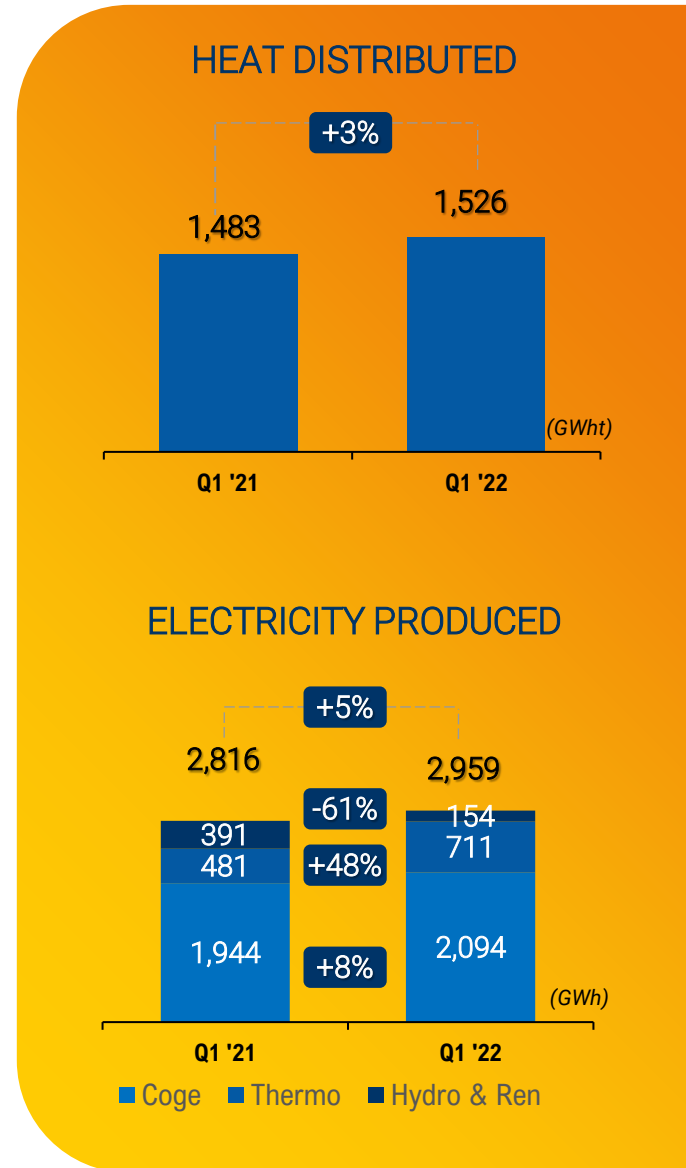
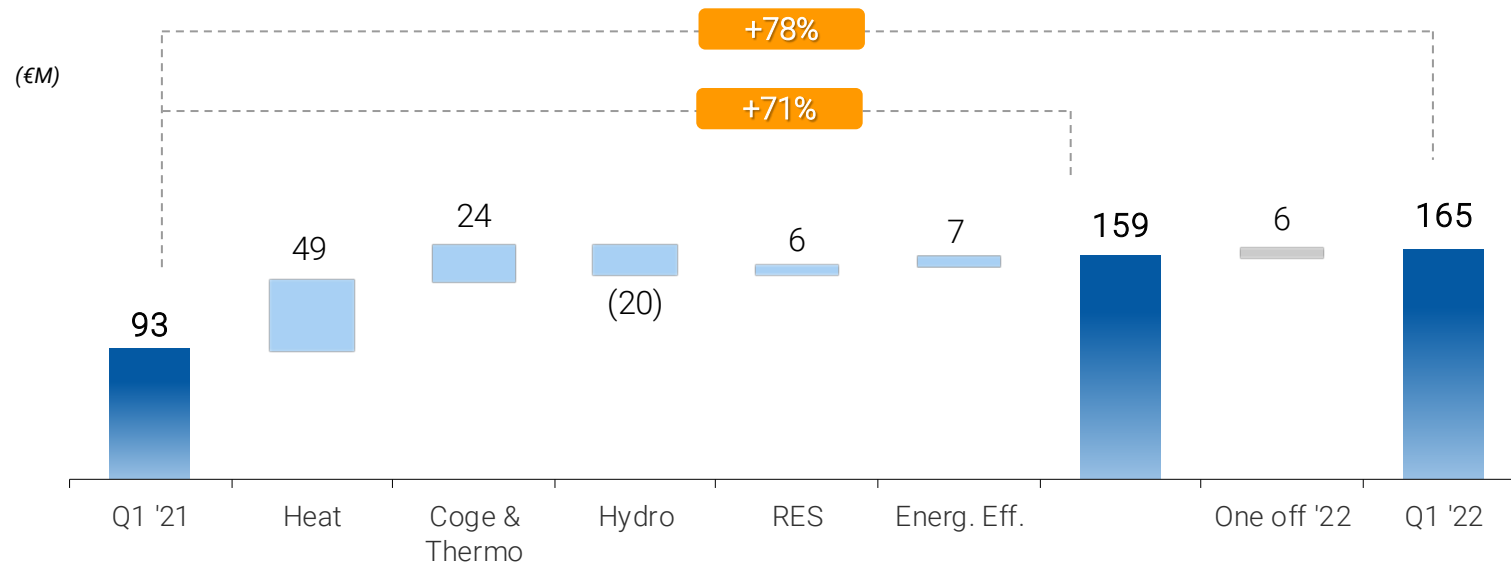
Favourable market conditions combined with optimized industrial footprint



- WTEs saturation underpinning increase in heat volumes produced, combined with favourable prices evolution
- Profitability growth in recoverable waste
- Full contribution of biomethane new plants phased in during 2021
- Higher waste volumes delivered to landfills
- Higher operational costs on collection activities to improve service quality

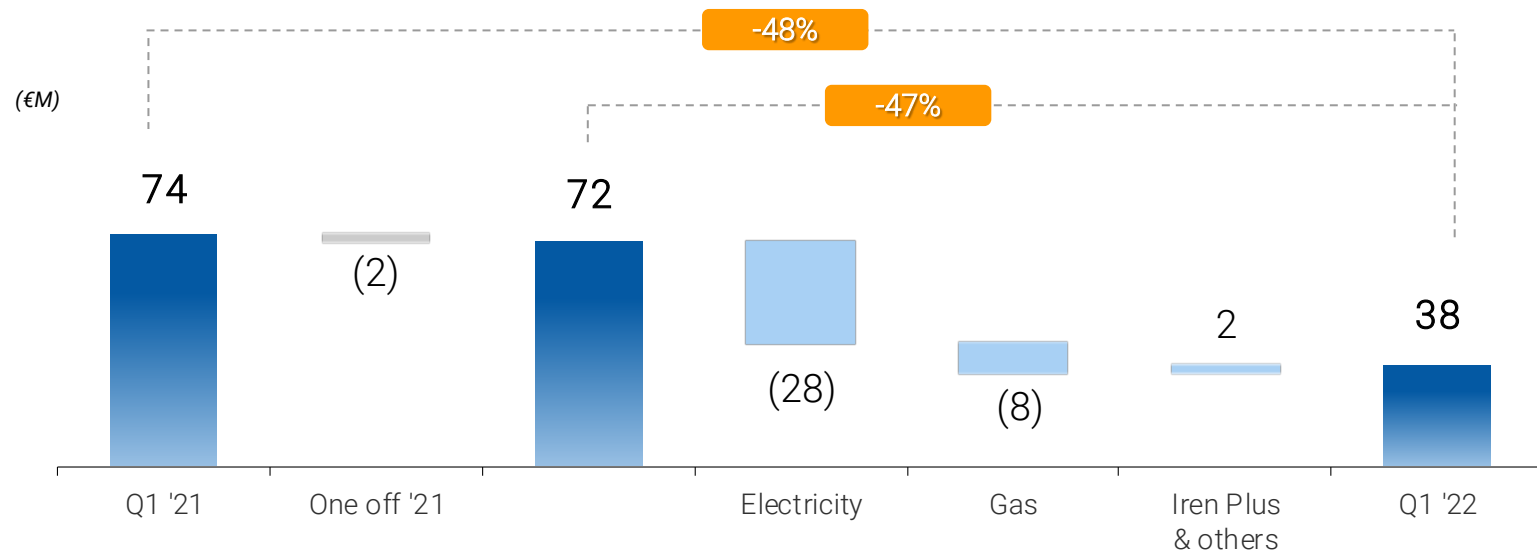


Strong Thermoelectric and Heat performance along with new RES capacity



- Heat margin normalization to recover last 2 years contraction (~€25M) along with a positive scenario impact
- Effective management of our thermo facilities, leveraging robust clean spark spread, sound ancillary services and the Capacity Market kick-off (€17M)
- Lower Hydro profitability led by severe drought (volumes down by 60%, worth €-20M)
- Photovoltaic assets acquisition contributing for €6M (Puglia Holding)
- Growth in Iren Smart Solutions activities (energy efficiency) in the wake of incentives

Lower supply profitability driven by natural hedging management



- Natural hedging strategy almost fully balancing the **electricity margins** evolution in the Market BU (recovered by generation assets)
- **Gas profitability** impacted by a spike in volumes due to climate conditions, combined with exceptionally high prices in the quarter
- **Strong customer base growth** vs end of 2021, with +50k retail & SMEs clients
- **Iren Plus** positive results highlighted by the increase in penetration rate

RETAIL & SMEs CLIENTS

Category	FY '21	Q1 '22	% Change
Electricity	1,049	1,087	+4%
Gas	954	965	+1%

(n. 000)

IREN PLUS – Penetration rate

Period	Penetration rate (%)	% Change
Q1 '21	15,2	-
Q1 '22	24,0	+58%

(%)

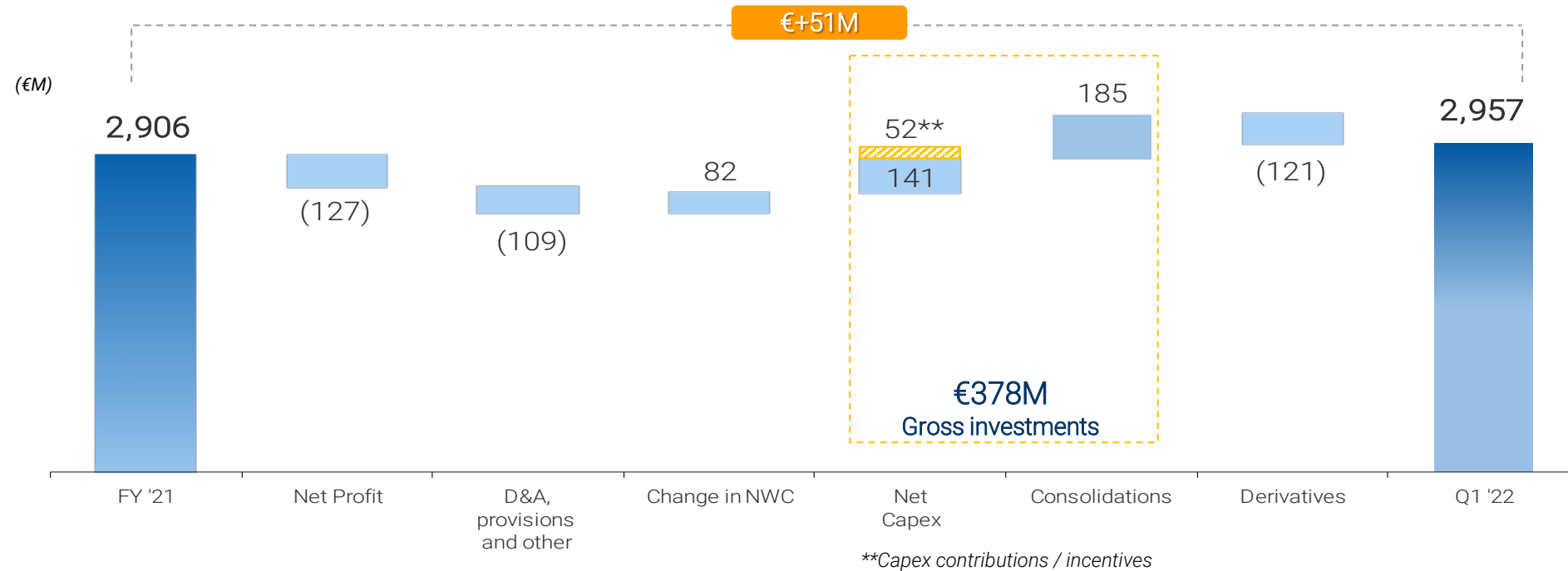
EBITDA to Group Net Profit reconciliation

(€M)

	Q1 '21	Q1 '22	Δ	Δ%
EBITDA	312.3	362.8	50.5	16.2%
<i>D&A</i>	-112.0	-121.2		
<i>Provisions to bad debt</i>	-2.0	-1.6		
<i>Other provisions and write-downs</i>	-14.6	-14.3		
EBIT	183.7	225.8	42.1	22.9%
<i>Financial charges</i>	-16.3	-16.5		
<i>Companies consolidated at equity method</i>	-0.2	2.9		
<i>Others</i>	12.3	1.4		
EBT	179.5	213.5	34.0	19.0%
<i>Taxes</i>	-52.1	-86.4		
<i>Minorities</i>	-7.0	-8.8		
Group net profit	120.4	118.3	-2.1	-1.7%
Group net profit adjusted	111.9	142.3	30.4	27.2%

- ➔ Higher depreciations linked to increased investments
- ➔ Decrease in average cost of debt (1.7% in Q1 2022 vs 1.8% in Q1 2021)
- ➔ 2021 affected by extraordinary element worth €12M (pre-tax)
- ➔ €24M estimated impact of “Contributo di solidarietà” decree (ex art. 37 DL Taglia Prezzi)
- ➔ Ordinary tax rate at 29.2%

Net Financial Position Evolution (Q1 2022 vs FY2021)



- Investments increase largely offset by the strong cash generation in the quarter
- Effective working capital management allows to overcome the increase in trade receivables linked to doubling in revenues, seasonality and the impact of government measures (bill instalment payments)
- Positive contribution from derivatives mainly related to commodities

Closing Remarks



Our strategic growth path sustained by the sound Q1 performance



Continuous working capital optimization and discipline

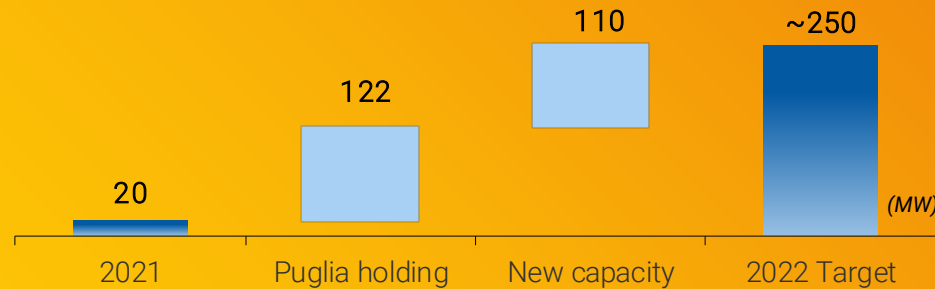


Strengthening of the integrated energy value chain strategy to tackle the scenario volatility

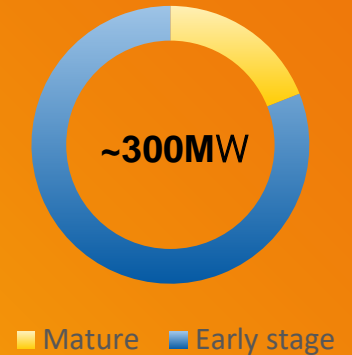


Well positioned to execute our investment pipeline and to accelerate in our renewable investments target

Installed/authorized solar capacity



New renewable capacity pipeline



FY 2022 guidance confirmed

ANNEXES

Iren at a glance



>7million

INHABITANTS IN IREN'S 3
LEGACY REGIONS

CUSTOMERS:

- ~2.0M in the energy sector
- ~2.7M inhabitants served in the water service
- ~3M inhabitants served in the waste sector
- ~0.6M inhabitants served in district heating

**REGULATED
ACTIVITIES**
(46% of Ebitda)



Energy Infrastructure

- RAB Electricity distribution: 480m€
- RAB Gas distribution: 723m€
- 2.75% electricity network leaks (vs. national avg. 6.4%)



Water Service

- RAB water cycle management: 1,199m€
- 32.6% water network leaks (vs. national avg. 42%)



Urban Waste Collection

- ~1.7m tons of waste collected
- 70.3% of sorted waste collection (vs. national avg. 63%)

**QUASI
REGULATED
ACTIVITIES**
(24% of Ebitda)

Hydroelectric Green Certificates

- 225 GWh GCs produced through hydro
- 560K tons CO2 emission avoided from hydro

District Heating

- 99.0 mcm of district heated volumes
- 750K tons CO2 emission avoided from cogeneration

Urban Waste Disposal

- 3 Waste To Energy plants (total capacity ~800Kton/y, 95MW of capacity)
- 100% energy or material recovery from waste managed

**UNREGULATED
ACTIVITIES**
(30% of Ebitda)

Generation

- 2,800 MW of generation capacity
- 76% of electricity produced by environmentally friendly sources

Energy Market

- ~6.0 TWh electricity sold to end clients
- ~1.0 bcm gas sold to end clients
- 92% customer satisfaction

Special Waste

- ~881K tons of special waste managed
- 223.9K tons special waste to energy recovery

2021 Data

Q1 2022 Business units' results

NETWORKS

	€M	Q1 '21	Q1 '22	Δ	Δ%
Revenues		252	257	5	2%
Ebitda		94	95	1	1%
<i>Electricity</i>		19	19	0	3%
<i>Gas</i>		22	21	-1	5%
<i>Water</i>		54	55	1	2%
Ebit		48	48	0	1%
Gross Capex		56	64	8	5%

WASTE

	€M	Q1 '21	Q1 '22	Δ	Δ%
Revenues		217	244	27	12%
Ebitda		51	65	14	27%
<i>Collection</i>		16	13	-3	-19%
<i>Treatment & disposal</i>		35	52	17	49%
Ebit		25	37	12	48%
Gross Capex		22	23	1	5%

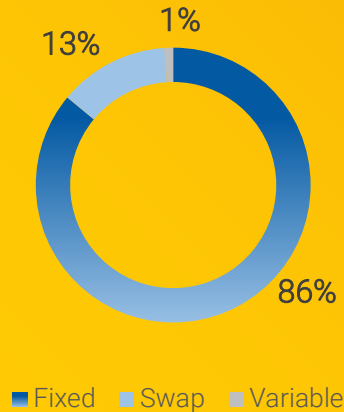
ENERGY

	€M	Q1 '21	Q1 '22	Δ	Δ%
Revenues		397	1.295	898	226%
Ebitda		93	165	72	77%
<i>Hydro&Renewables</i>		20	1	-19	-95%
<i>Thermo/Coge, DH</i>		70	154	84	120%
<i>Energy efficiency</i>		3	10	7	233%
Ebit		58	128	70	121%
Gross Capex		20	16	-4	-20%

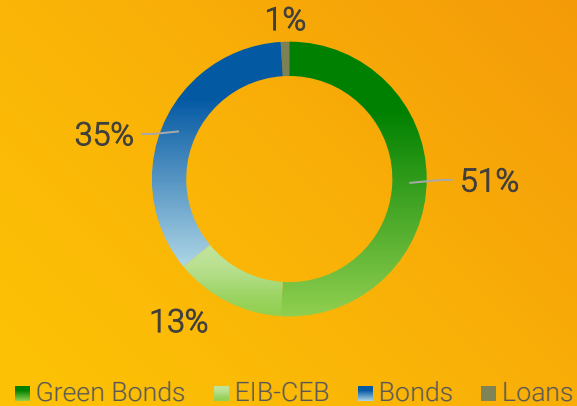
MARKET

	€M	Q1 '21	Q1 '22	Δ	Δ%
Revenues		721	1.941	1.220	169%
Ebitda		74	38	-36	-49%
<i>Electricity</i>		13	-15	-28	-215%
<i>Gas&Heat</i>		61	53	-8	-13%
Ebit		53	14	-39	-74%
Gross Capex		16	23	7	44%

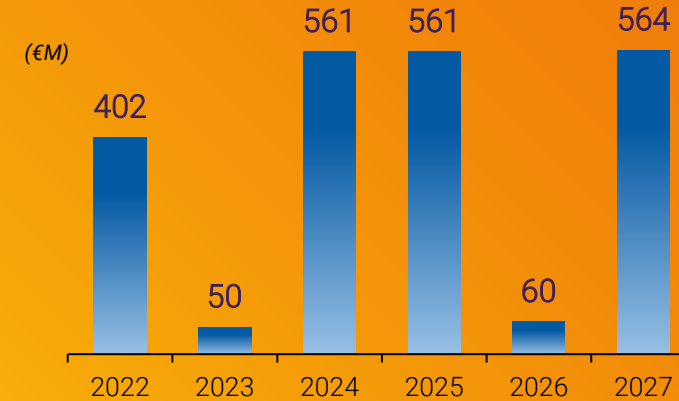
INTEREST RATE



DEBT STRUCTURE



MATURITIES



- 99% of gross debt at fixed interest rate
- Average long-term debt duration of about 5.4 years vs 5.9 years in Q1 '21
- Reduction in the average cost of debt (1.7% vs. 1.8% in Q1 '21)
- 64% of the Iren total debt is composed of green and assimilated instruments

- New Sustainability Financing Framework published
- New credit rating from S&P and confirmed of rating Fitch

S&P Global
Ratings

BBB-

Outlook *Positive*

Fitch Ratings

BBB

Outlook *Stable*

Industrial KPIs

	Q1 '21	Q1 '22	Δ%
Electricity distributed (GWh)	918	935	1.9%
Gas distributed (mcm)	570	533	-6.5%
Water distributed (mcm)	44	42	-2.8%
Waste collected (Kton)	397	390	-1.8%
Waste treated (Kton)	707	706	-0.1%
Thermal production (GWh)	2,425	2,805	15.7%
Renewable production (GWh)	391	154	-59.9%
<i>Hydro production (GWh)</i>	387	116	-69.5%
<i>Solar production (GWh)</i>	4	38	(*)
Electricity sold to end clients (TWh)	1,341	1,404	4.7%
Gas sold to end clients (mcm)	425	431	1.4%

(*) Variation greater than 100%

Scenario

	Q1 '21	Q1 '22	Δ%
Gas Demand (<i>bcm</i>)	25.2	25.6	1.6%
PSV <i>€/000 scm</i>	19.8	103.7	(*)
Energy Demand (<i>Twh</i>)	78.3	78.4	0.1%
PUN (<i>€/Mwh</i>)	59.2	248.1	(*)
CO2 <i>€/Ton</i>	37.4	83.3	(*)
Green Cert. Hydro (<i>€/Mwh</i>)	109.4	42.9	-60.8%
TEE (<i>€/TEE</i>)	260	255	-1.9%

(*) Variation greater than 100%

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.

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