



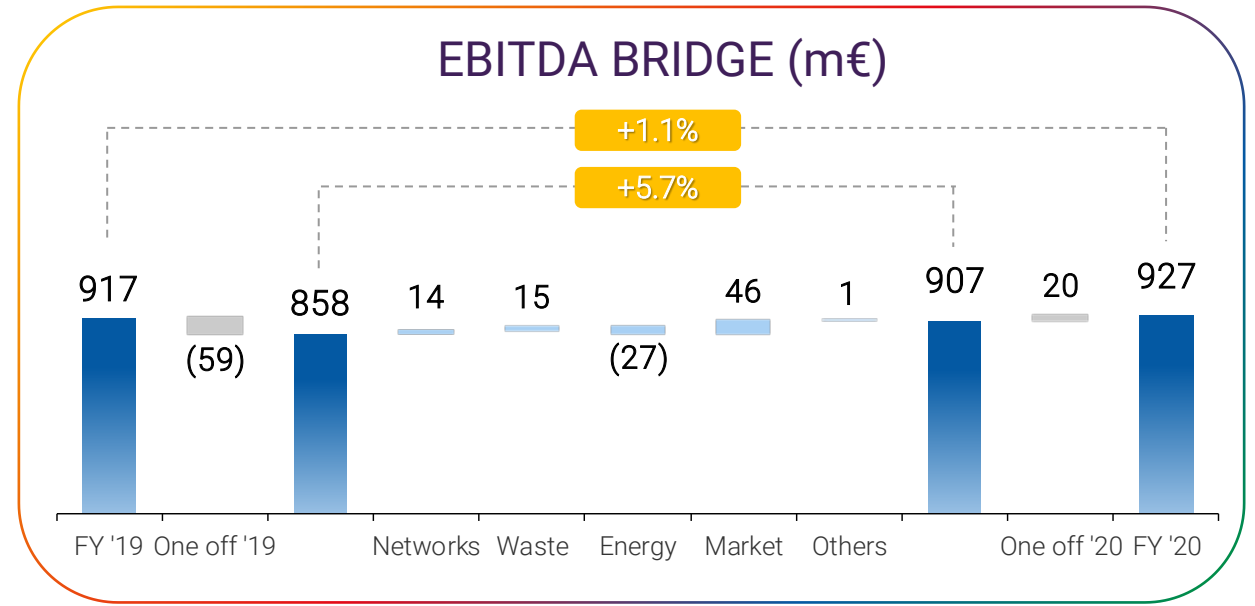
IREN PRESENTATION

EXANE EVENT

21st April 2021

KPIs

	m€	FY '19	FY '20	Δ	Δ%
Revenues		4,275	3,725	-550	-12.8%
Ebitda		917	927	10	1.1%
Ebit		452	416	-36	-8.0%
Group net profit		236	235	-1	-0.4%
Tech. Capex		524	685	161	30.7%
PFN		2,706	2,948	242	8.9%



- **Revenues -12.8%:** decrease mainly in the energy value chain caused by lower volumes and prices and strategic choices in market BU
- **Ebitda +1.1%:** Positive results leveraging on clients' portfolio margins normalization, organic growth and consolidation despite a difficult scenario affected by Covid for 15 m€ and a negative impact from regulation of 10m€.
- **Ebit -8.0%:** higher depreciations and provisions to bad debt due to the emergency partially offset by a release of a provision fund for 19m€
- **Group net profit -0.4%:** reduction in the cost of debt and a temporary lower tax rate
- **Tech. Capex +30.7%:** strong capex plan following business plan assumptions.

MAIN FY 2020 TAKEAWAYS

- Ebitda increase despite pandemic and several positive one-offs reported last year
- Negative Covid impact on Ebitda: 15m€
- M&A activism confirmed
- Investment plan confirmed
- Dividend proposed to AGM of 9.5 €c/share (+2.7% vs 2019)

2021 EXPECTATIONS

Organic growth leveraging on further capex acceleration

Energy scenario: recovery in volumes and prices

Integration of consolidated companies

COVID impacts on:

- Ebitda impact not more than 10m€
- Net working capital around 40m€ (from 60m€ in FY2020)
- Credit losses up to 10m€






In light of the previous elements, we provide the following FY 2021 guidance

GUIDANCE ON 2021

- Ebitda: 960/970m€
- NFP/Ebitda: ~3.4x
- Capex: ~800m€



We continue to act in order to improve our leading position as multi-business operator in our reference areas

-  Strong relationship with communities to meet territory needs
-  Almost 900€ of investments per inhabitant served in reference regions in the next 6 years (+8% vs latest BP)
-  Confirmation of water concessions, improving the efficiency and quality of service (water leaks at 29% @2025; now at 33.4%, -8bps vs national average)
-  Confirmation of waste concessions and possible participation in other tenders, improving the collection activity and the percentage of sorted waste (73% @2025; now at 67%, +9bps vs national average)
-  Saturation and expansion of district heating networks to improve air quality in our cities and reduce fossil fuel consumptions



3 reference regions with more than 7 million inhabitants served



Geographic expansion thanks to M&A transactions



1st national player in Corepla plastics selection and in plasmix treatment



Top operator for the widest range of high value-added products and services sold to our clients



1st operator in district heating

The current national leadership in specific activities makes us confident in scaling up our size in some vertical business sectors

WASTE

- New geographies and businesses managed through M&A and tenders
- Relevant player in **waste collection** services
- Strengthen the leading position in **plastic selection** and **plasmix** treatment
- **Special waste** business development

CLIENTS

- National retail **clients acquisition**
- **Digital-based** commercial policy
- New opportunities from **digital payments**
- Wide range of **high value-added services** offered
- **E-mobility** diffusion

ENERGY EFFICIENCY

- Leading player in **district heating**
- National public/private **customers acquisition**
- Acceleration of **commercial development** by leveraging **superbonus** incentives

We overcome the traditional circular economy concept to emphasize our multi-business industrial approach, in which different activities share the value of efficient and conscious use of resources

COLLECTION

- Geographic expansion of collection in new areas
- Expansion of the **door to door** and **pay-as-you-throw** collection systems to further increase **sorted waste collection** percentage
- Full development of **Just Iren**
- R&D of new **technologic** systems to improve the **selection** of waste collected

TREATMENT & DISPOSAL

- New infrastructures to seize opportunities along the **entire value chain**
- Increase in **organic fraction** treatment capacity and **biomethane** production
- Reinforcement along the **plastic chain**, boosting selection and recycling
- Development of the **paper chain** through industrial partnerships

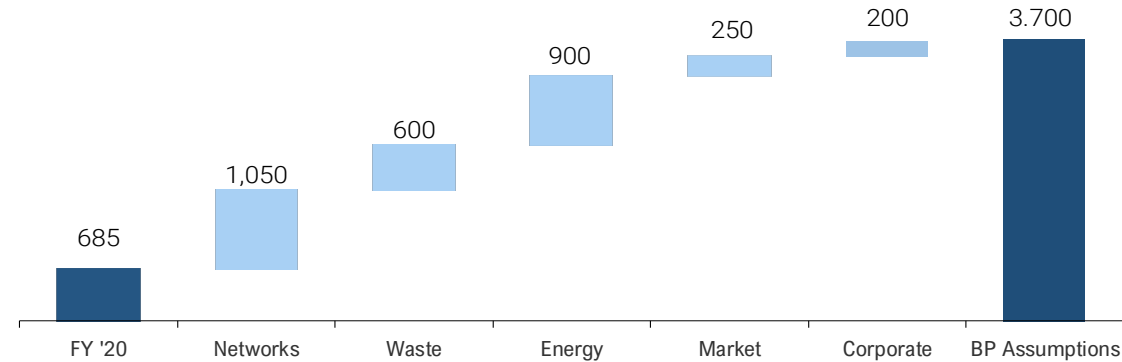
WATER CYCLE

- Water network **districtization** to reduce leakages
- Wastewater** reuse for agricultural and industrial purposes
- Wastewater treatment** capacity increase

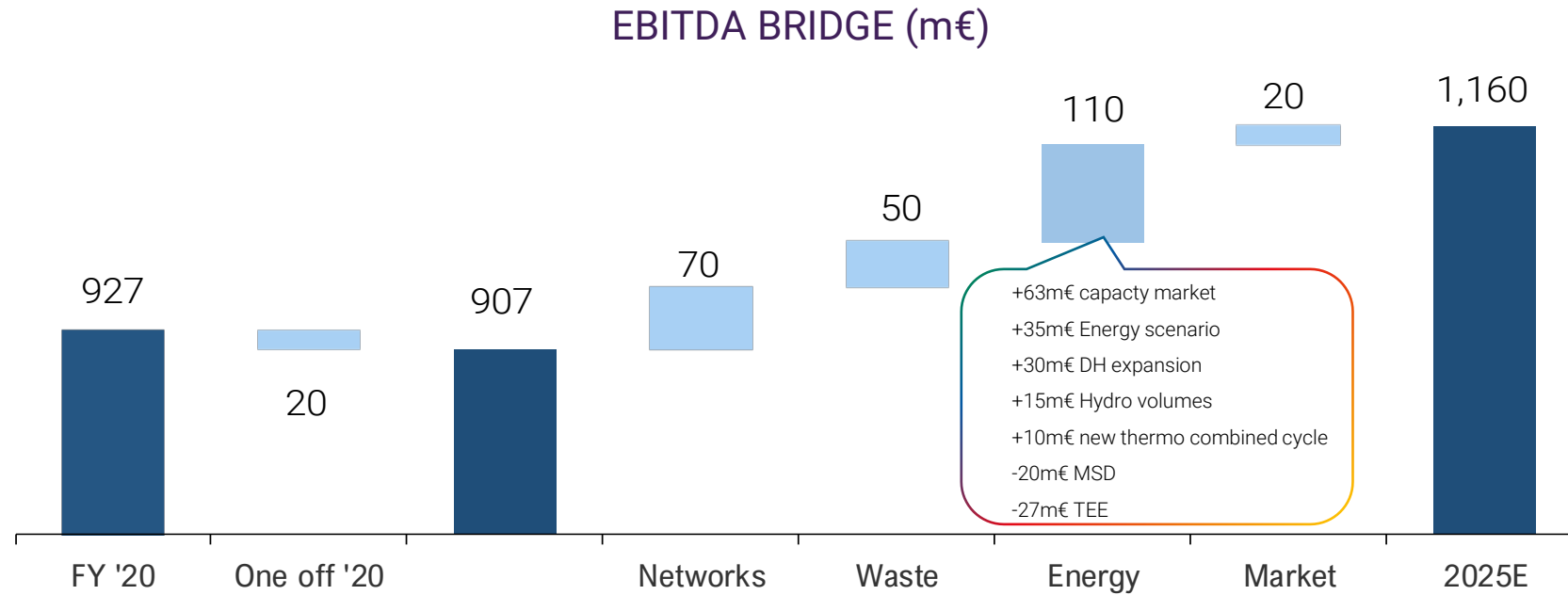
DISTRICT HEATING

- Harness cogeneration resources to provide **efficient heating** in urban areas

61% of investments in BP are related to Sustainable projects



- Strong capex plan in Network, mainly in water for the improvement of the infrastructure and the construction of new purification plants
- Investments in energy concerning the expansion of district heating, energy efficiency projects and the thermoelectric combined cycle
- In waste business we planned to build 8 new treatment plants and improve the quality of collection activity
- In market the capex are related to maintain the value of our clients' portfolio and increase the customer base



- Growth is driven by RAB increase, improvement in service quality and synergies
- The new treatment plants will allow to close the waste cycle and to increase margins of the whole waste value chain along with the positive contribution of consolidated companies
- Widening of district heating network , increase in thermo capacity and the energy efficiency projects led the growth supported also by a recovery in energy scenario
- Expansion of the customer base and sales growth of Iren Plus products

Annexes



>7million

INHABITANTS IN IREN'S 3 REFERENCE REGIONS

REGULATED ACTIVITIES



Energy Infrastructure

- RAB Electricity distribution: 460m€
- RAB Gas distribution: 712m€
- **2.9% electricity network leaks (vs. national avg. 6.4%)**



Water Service

- RAB water cycle management: 1,111m€
- **33.3% water network leaks (vs. national avg. 43.7%)**



Urban Waste Collection

- ~2.3m tons of municipal waste collected
- **69.3% of sorted waste collection (vs. national avg. 61.3%)**

QUASI REGULATED ACTIVITIES

Hydroelectric Green Certificates

- 261 GWh GCs produced through hydro
- **592K tons CO₂ emission avoided from hydro**

District Heating

- 96.7 mcm of district heated volumes
- **716K tons CO₂ emission avoided from cogeneration**

Urban Waste Disposal

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

UNREGULATED ACTIVITIES

Generation

- 2,700 MW of generation capacity
- **73% of electricity produced by environmentally friendly sources**

Energy Market

- ~7.3 TWh electricity sold to end clients
- ~3.0 bcm gas purchased
- **92% customer satisfaction**

Special Waste

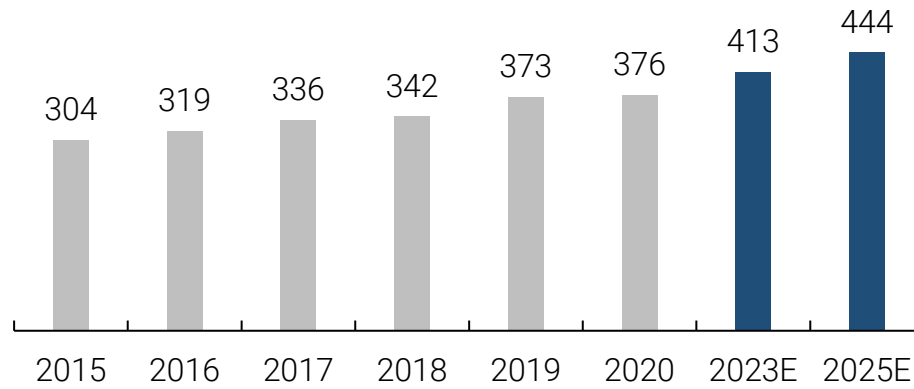
- ~817K tons of special waste managed
- **238.5K tons special waste to energy recovery**

2020 Data

CUSTOMERS:

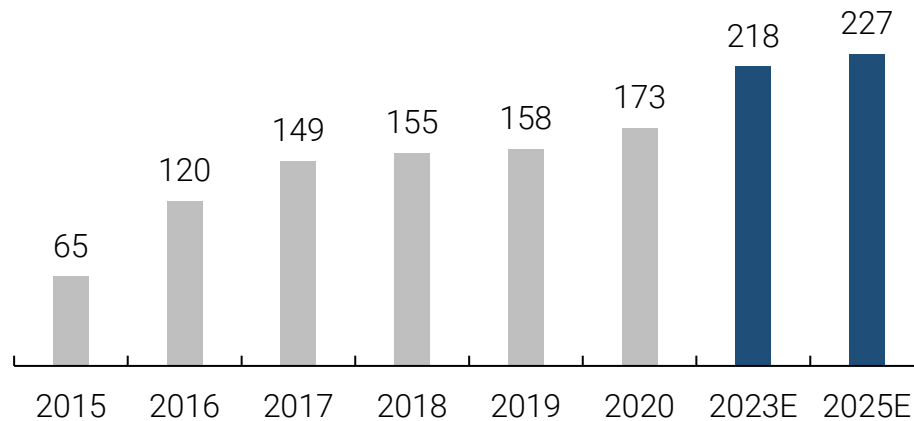
- ~1.877M in the energy sector
- ~2.8M inhabitants served in the water service
- ~3.1M inhabitants served in the waste sector
- ~0.9M inhabitants served in district heating

NETWORKS EBITDA BRIDGE (m€)



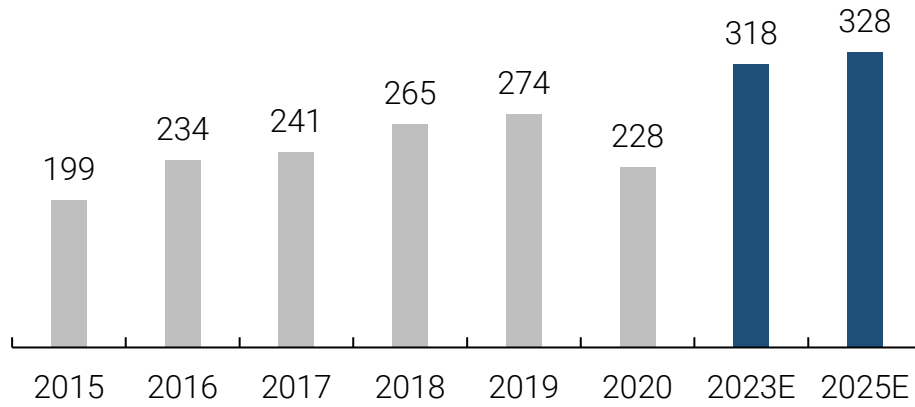
- 1.3b€ of Investments to significantly increase RAB by 700m€, reaching 2.93b€ by the end of 2025
- Capex devoted to develop water purification plants, in order to complete our circular vision also in the integrated water cycle
- Further synergies will be exploited from continuous improvement in asset/workforce management system
- Participation in tenders within reference areas in which IREN is incumbent (not included in BP figures)

WASTE EBITDA BRIDGE (m€)



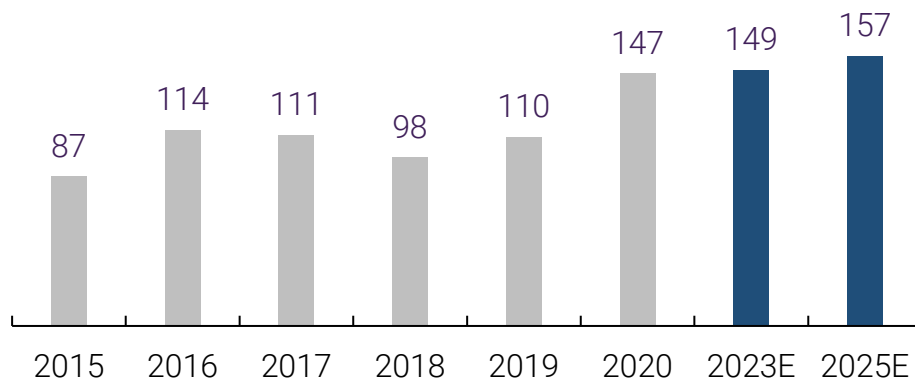
- Over 700m€ of capex to build new treatment plants and improve the quality of the collection activity
- +1 million tons waste treated in our plants thanks to new treatment plants (paper, plastic, wood, organic fraction, sludge)
- +4 bps, reaching more than 70%, in sorted waste collection supported by widening of door-to-door and pay-as-you-throw collection systems. Confirmation of all the currently owned concessions
- Fully consolidation of I.Blu and Unieco
- Possible participation in tenders within reference areas in which IREN is not incumbent (not included in BP figures)

ENERGY EBITDA BRIDGE (m€)

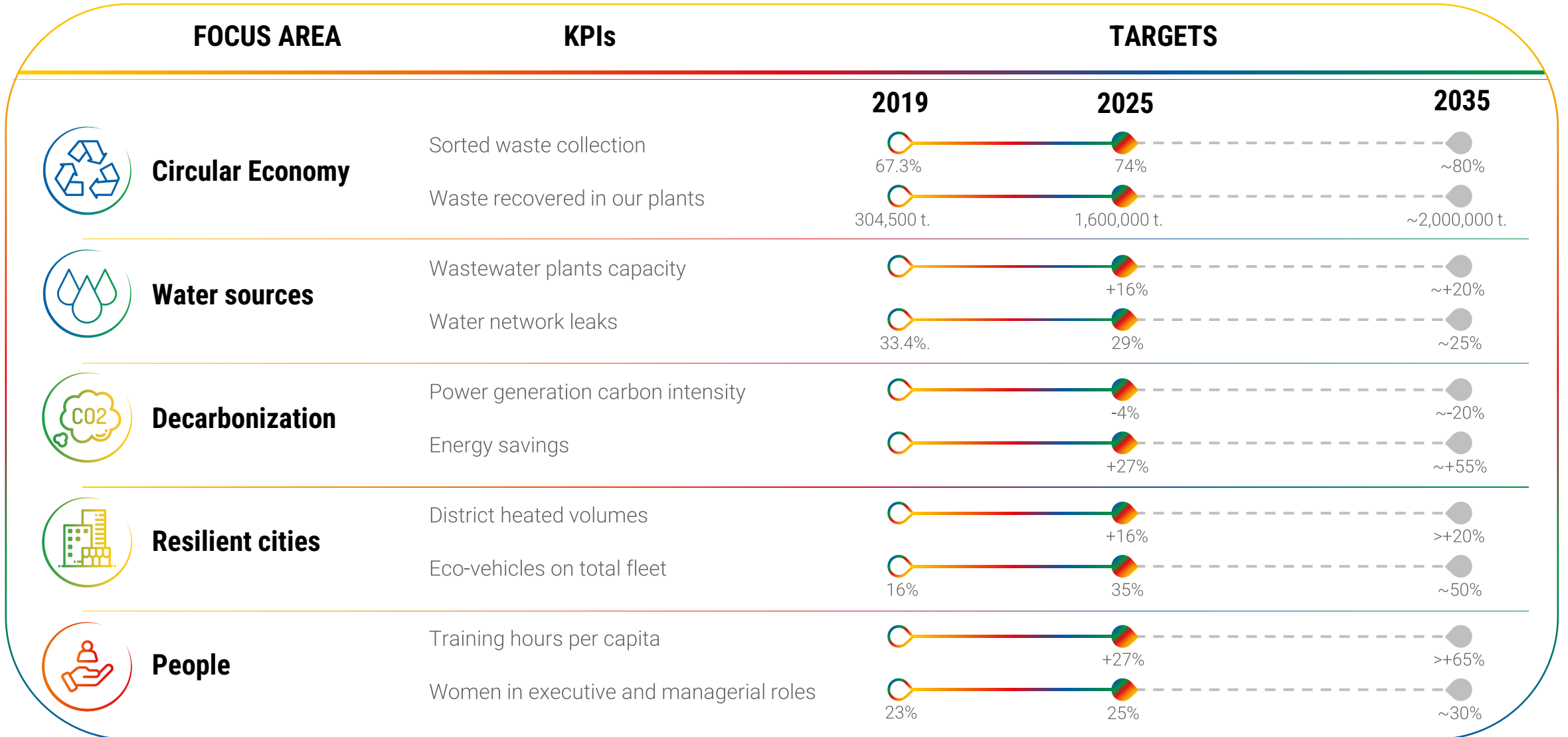


- Over 1b€ of capex to expand district heating, improve the flexibility of generation plants and to sustain energy efficiency interventions
- Significant increase in thermoelectric production thanks to the new gas combined cycle Group in Turbigo.
- Launch of the capacity market
- Extension of the district heating networks and saturation of the existing infrastructure (+15 cubic meters) with the achievement of 100 million cubic meters in 2022.
- Growth in the energy efficiency segment also taking advantage of the introduction of the 110% Superecobonus

MARKET EBITDA BRIDGE (m€)



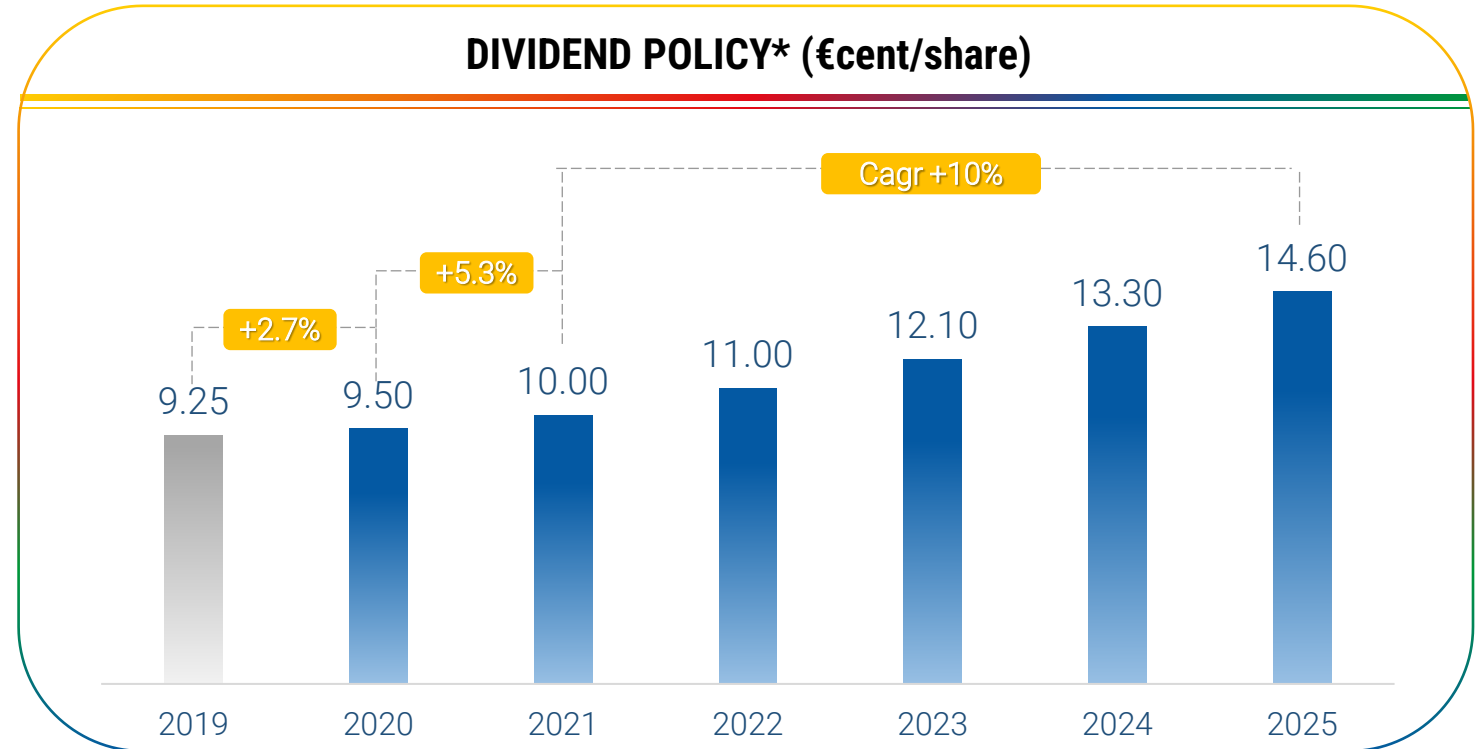
- 300m€ of investments to expand the client base (+28%) by going national, keeping the churn rate as one of the lowest in the sector, thanks to a new customer experience driven by digital platforms
- 5x national clients thanks to digital strategy and commercial excellence
- +100% Iren Plus penetration rate driven by the extension of products and services offered, favored by Superbonus
- FY2020 includes an extra profitability of 14m€ due to commodities price volatility



Short-term dividend policy revised taking into account the following main elements:

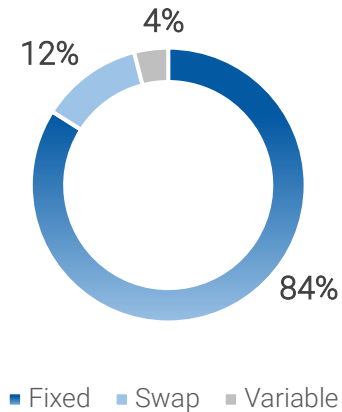
- Covid impact on 2020 results
- Capex acceleration in 2020 and 2021
- Strategic M&A transactions

We are committed to deliver value to our shareholders through a combination of growth and a dividend policy of roughly **8% DPS cagr** over the business plan time frame

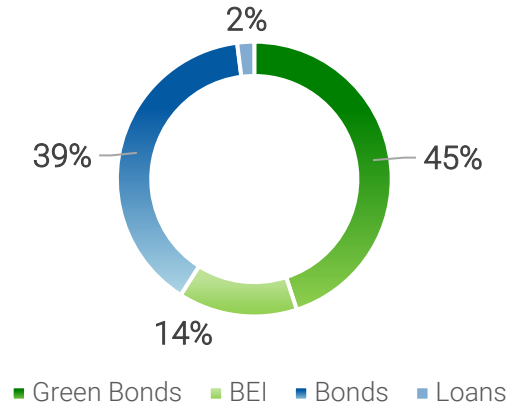


*Referred to the result of the corresponding year and paid the following year

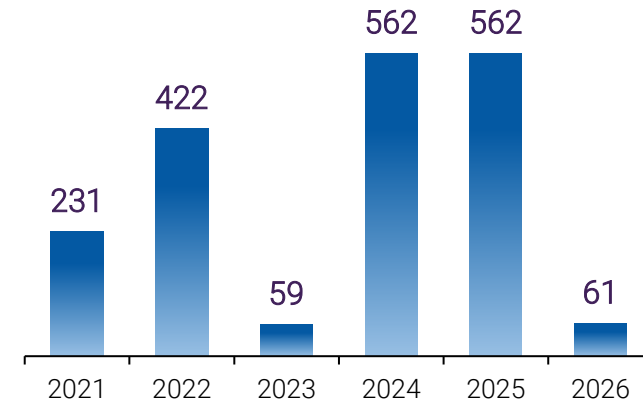
INTEREST RATE



DEBT STRUCTURE



MATURITIES



- 96% of gross debt at fixed interest rate and 4% of gross debt at variable interest rate
- Average long-term debt **duration** of about **6.1 years** vs 5.8 years in FY 2019
- Reduction in the **average cost of debt** (2.1% vs. 2.4% in FY 2019)
- 59% of the Iren total debt is composed of green and

assimilated instruments (45% Green Bond, 14% EIB loans)

- On 10th December Iren issued its **fourth Green Bond** of 300m€
- Iren is the only Italian local multiutility to have issued **4 Green Bonds** for a total size of 1.8b€

	Gas distribution	Electricity distribution	Water service	Integrated waste collection service
Regulatory period	6 years (2020 – 2025)	8 years (2016 – 2023)	4 years (2020 – 2023)	4 years (2018-2021)
WACC methodology update	6 years (2016 – 2021)	6 years (2016 – 2021)	4 years (2020 – 2023)	4 years (2018-2021)
WACC update	every three years (2022) update of β in 2020	every three years (2022)	every two years (2020)	every four years (2022)

	Until 2021	2022 - 2025
Gas distribution and metering	6.3%	6.3%
Electricity distrib. and metering	5.9%	5.9%
Integrated water service	5.2%	5.2%
Integrated waste collection serv.	6.3%	6.3%

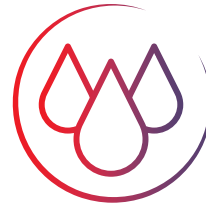
■ Already defined values

■ Assumptions



GAS CONCESSIONS

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



WATER CONCESSIONS

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



ELECTRICITY CONCESSIONS

AREA	Expiry
Torino	2030
Parma	2030
Vercelli 1	2030



HYDROELECTRIC CONCESSIONS

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

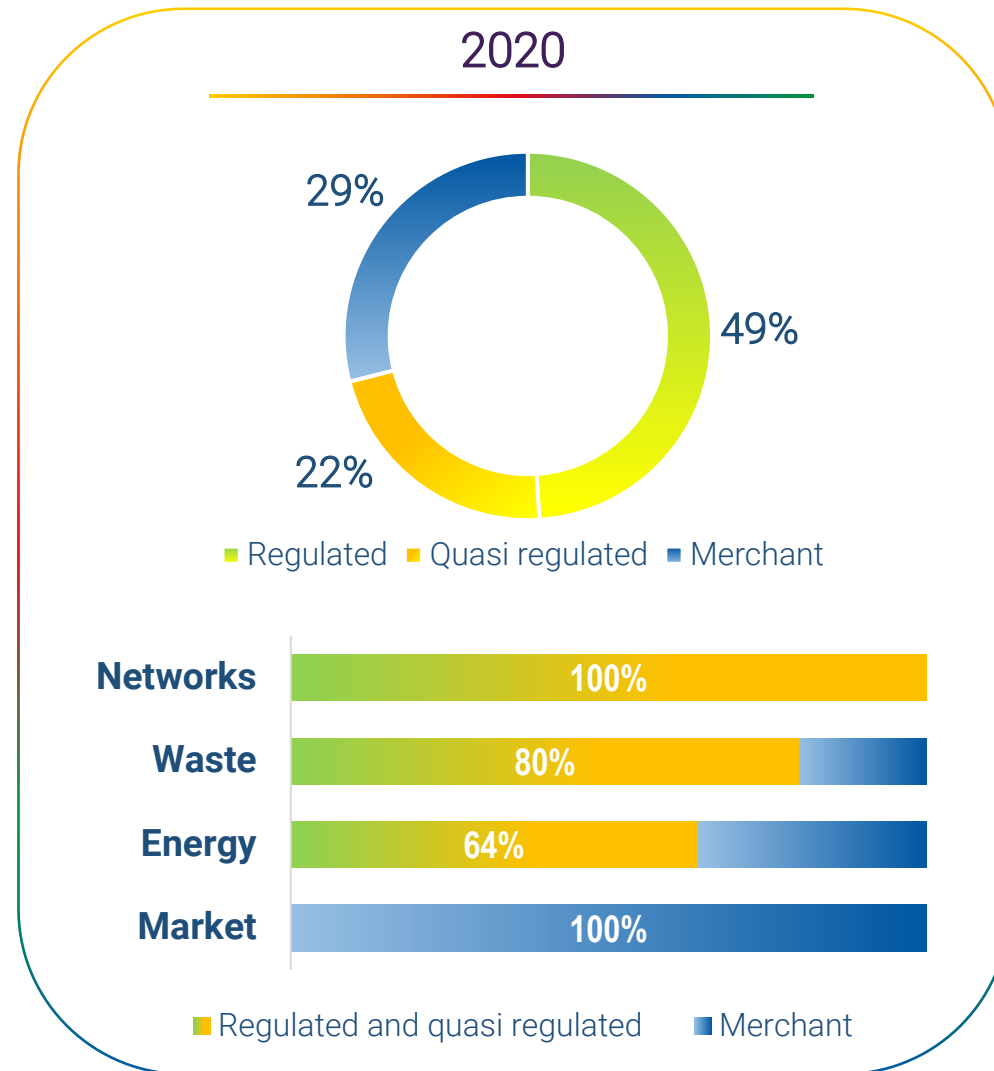
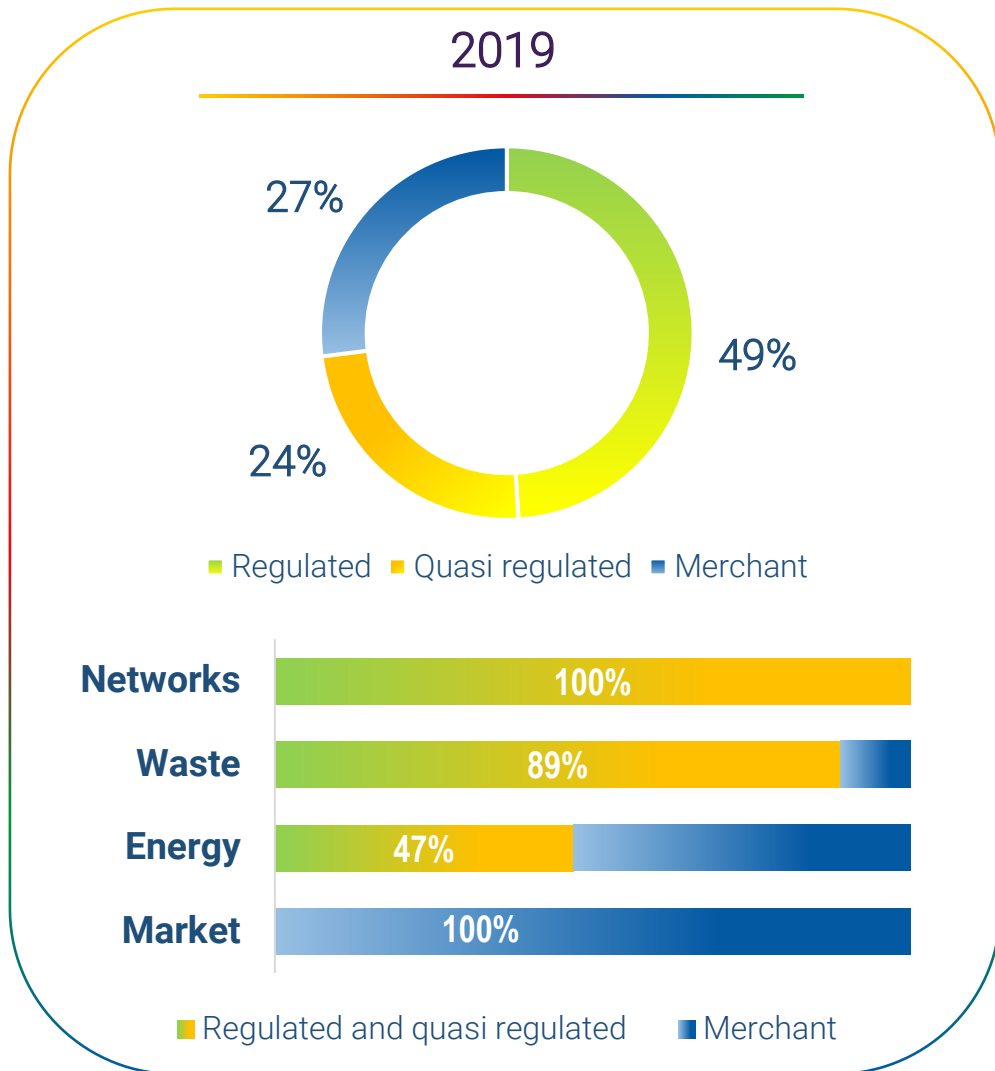
* The expiring date is not provided for electric power plants <3 MW



MAIN WASTE CONCESSIONS

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

** 1st in ranking, pending the official final award



SCORE



A/AAA



29,7



A/A



Advanced



72,63



E+

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

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