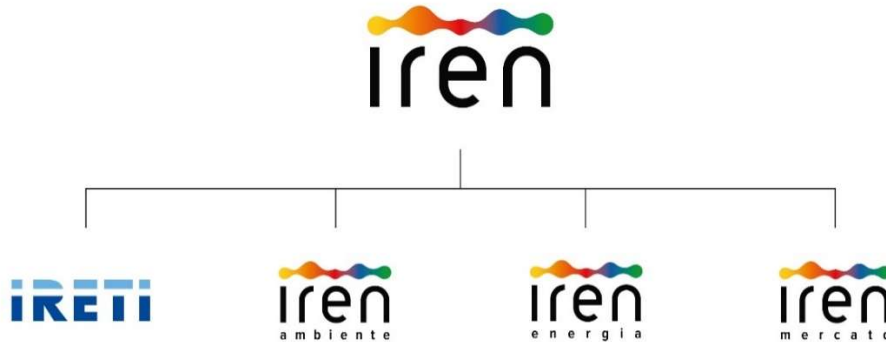


# Iren Group Business Model



[SBM-1\_01, SBM-1\_02, SBM-1\_03]

Iren Group, which had 11,908 employees as at 31 December 2025, operates in Italy in the sectors of electricity (generation, distribution, and sales), district heating (heat generation, distribution, and sales), gas (distribution and sales), integrated water services management, environmental services (waste collection and disposal), and integrated solutions (smart solutions) for energy efficiency. The Group operates primarily on the Italian market, in various regions, serving a diversified customer base comprising households, businesses and public authorities.

In 2025, thanks to the expansion of its consolidation scope following the acquisition of the EGEA Holding Group, Iren expanded the services it manages, particularly in the Piedmont region.

The Group, which adopts a structure aimed at integrating the various business chains and strengthening its local roots, is structured according to the model of:

- an industrial holding company (the parent Iren S.p.A., listed on the Italian Stock Exchange, with registered office in Reggio Emilia) that groups together all corporate staff activities;
- four Business Units (BU) governed by four lead companies, which preside over the activities by business line according to a model based on competencies and digitalisation of processes, which is highly scalable with the immediate integration of all acquired entities.

Specifically, Iren S.p.A. is responsible for strategic planning, development, coordination and control, while the four Business Units (BUs) are tasked with steering and coordinating the companies operating in their respective sectors:

<b>Networks BU</b>	<ul style="list-style-type: none"> <li>• Integrated water service</li> <li>• Gas distribution</li> <li>• Electricity distribution</li> </ul>
<b>Waste Management BU</b>	<ul style="list-style-type: none"> <li>• Waste collection and transportation</li> <li>• Urban sanitation</li> <li>• Design and management of waste treatment and disposal plants</li> </ul>
<b>Energy BU</b>	<ul style="list-style-type: none"> <li>• Electricity generation from renewable sources</li> <li>• Combined heat and power generation (CHP)</li> <li>• Thermoelectric power generation</li> <li>• District heating management</li> <li>• Smart solutions: services for energy efficiency, public lighting, global service and heat management</li> </ul>
<b>Market BU</b>	<ul style="list-style-type: none"> <li>• Sale of electricity, gas and heat</li> <li>• Products/services for energy saving and home automation</li> <li>• Electric mobility services for customers</li> </ul>

## Iren Group

The Group also provides a range of **additional services**, including laboratory services, telecommunications, and other minor services, both for Group companies and external customers.

As mentioned, in January 2025, Iren S.p.A. acquired control of EGEA Holding, increasing its shareholding from 50% to 52.77% with the consequent line-by-line consolidation, and finalised the purchase of the remaining 47.23% in May.

Through its member companies, the EGEA Holding group operates in all of the aforementioned sectors: the contribution, where relevant to the understanding of the results for the year, is also explained later in this Report in the chapter "Segment reporting".

Some summary information on the size of the organisation is given below, while for information on employees, see the chapter Iren People.

## NETWORKS BU

### Integrated Water Service

The Networks BU operates in water supply, sewerage and wastewater treatment in the provinces of Genoa, Savona, Piacenza, Parma, Reggio Emilia, Vercelli, La Spezia, Enna and Cuneo (through EGEA Acque). Overall, in the Optimal Local Areas (ATO) managed, the service is provided in 311 municipalities, serving over 3 million residents.

Service quality	
Residents served (no.)	3,310,136
Municipalities served (no.)	311
Water sold (Mm <sup>3</sup> )	190.9

The Networks BU manages the service through a distribution network of approximately 24,000 kilometres and a sewerage network of nearly 13,000 kilometres, with over 1,500 wastewater treatment plants.

Networks and plants managed	
Aqueduct networks (km)	24,044
Sewage systems (km)	12,981
Wastewater treatment plants (no.)	1,511

It should also be noted that, as of 1 January 2025, IRETI will no longer manage the Integrated Water Service of the Piacenza provincial area directly but through its subsidiary Iren Acqua Piacenza.

### Gas distribution

The distribution service, managed in 171 municipalities, guarantees the withdrawal of natural gas from SNAM Rete Gas pipelines and its transportation through local networks for delivery to end users. In particular, the Networks BU distributes methane gas in the provinces of Reggio Emilia, Parma and Piacenza (including the provincial capitals), in the municipality of Genoa and other municipalities in Liguria, as well as in various municipalities in Piedmont, including the cities of Vercelli and Alba.

The distribution network, made up of 9,578 kilometres of high, medium and low-pressure pipes, serves a catchment area of approximately 800 thousand redelivery points.

Lastly, the Networks BU manages the distribution and sale of LPG, particularly in the province of Reggio Emilia and in the province of Genoa, via specific storage plants, located in towns that are still not reached by the natural gas network.

	Network managed (km)	End-users (no.)	Gas distributed (Mm <sup>3</sup> )
Emilia-Romagna	6,196	394,830	727
Liguria	1,848	324,023	284
Piedmont	1,317	64,711	105
Other areas	217	17,161	28
<b>Total</b>	<b>9,578</b>	<b>800,725</b>	<b>1,144</b>

**Electricity distribution**

The Networks BU provides the electricity distribution service in the cities of Turin, Parma and Vercelli with 7,939 kilometres of network in high, medium and low voltage, and a total of more than 734 thousand connected users.

	Network managed (km)	End-users (no.)	Electricity distributed (GWh)
Parma	2,616	132,488	1,008
Turin	4,772	573,182	2,632
Vercelli	551	28,964	233
<b>Total</b>	<b>7,939</b>	<b>734,634</b>	<b>3,873</b>

**WASTE MANAGEMENT BU**

The Business Unit carries out all the activities of the municipal waste management cycle (collection, sorting, treatment, recovery and disposal), with particular attention to sustainable development and environmental protection confirmed by increasing levels of sorted waste collection; it also manages an important portfolio of customers to whom it provides all services and plant availability for the treatment, recovery, and disposal of special waste.

The activities are carried out in various geographical areas, from the historic Emilia region (provinces of Reggio Emilia, Parma, and Piacenza) to Piedmont, specifically Turin and the province of Vercelli (areas where the Waste Management BU is responsible for waste collection and has treatment and disposal facilities), and the provinces of Asti and Cuneo, and Liguria, in the areas of collection (province of La Spezia) and treatment and recovery. Moreover, in the Tuscan area, the Waste Management BU is present in all stages of the supply chain, with a significant presence in the provinces of Siena, Grosseto and Arezzo, where the Group also manages the collection service. The Business Unit also operates as a contracted waste collection operator in specific areas of Sardinia, Marche and Lombardy and has disposal facilities in the Marche and Apulia regions.

Finally, via I.Blu, it is active in the sorting of plastic waste for recovery and recycling and in the treatment of plastic waste for the production of Blupolymer (polymer for civil uses) and Bluair (reducing agent for steel plants).

The Waste Management BU serves a total of 659 municipalities with nearly 4.5 million residents.

The Group's infrastructure for the integrated waste cycle consists primarily of 4 waste-to-energy plants (TRM in Turin, Parma, Piacenza, and the facility in the locality of Foci in Poggibonsi, Province of Siena), 4 active landfills, 62 plants for sorting, storage, recovery, anaerobic digestion and composting, and 463 collection centres/equipped technological stations. The EGEA Holding Group companies operating in the waste management sector contribute 2 treatment plants located in the province of Cuneo and 28 equipped technological stations/waste collection centres located across Piedmont, Liguria and Lombardy.

Service quality	
Waste managed (t)	4,129,210
Urban waste treated (t)	3,220,407
Sorted waste collection <sup>(1)</sup> (%)	73%
Plants managed (no.)	70
Residents served (no.)	4,499,523
Municipalities served (no.)	659
Collection centres managed (no.)	463

<sup>(1)</sup> Figure for historical areas served

## ENERGY BU

The Business Unit operates in the production of electricity and heat, the latter distributed through district heating networks, and in energy efficiency services to public and private entities.

### Production of electricity and heat

The Energy BU directly operates 165 electricity generation plants: 27 hydroelectric plants (including reservoir, run-of-river and mini-hydro facilities), mostly located in Piedmont and Campania; 24 cogeneration thermoelectric plants (Piedmont and Emilia-Romagna); one conventional thermoelectric plant in Turbigo (Milan); and, finally, 113 photovoltaic and wind power plants (the latter with a total installed capacity of 228 MW, the largest of which are located in Apulia and Basilicata).

Electricity generated by plants powered by renewable sources or high-efficiency cogeneration accounts for approximately 72% of total production.

Regarding thermal generation, on average, 73% of the heat destined for district heating is produced by high-efficiency cogeneration plants at Group level, while only 16% comes from conventional heat generators, while the remaining portion (11%) is produced by plants outside the Business Unit (primarily waste-to-energy plants, as part of their waste-to-energy operations).

In addition to the information provided for the Energy BU, the Group's electricity and heat generation facilities also include plants belonging to other Business Units, notably the waste-to-energy plants and biogas plants located at landfill sites, which belong to the Waste Management BU, and the hydroelectric plants located on reservoirs managed for drinking water purposes, which belong to the Networks BU: the table below shows the total number of plants at Group level, together with their annual generation.

Power generation plants	no.	Electricity production 2025 (MWh)	Thermal production 2025 (MWh)
Hydroelectric	35	1,341,484	-
Photovoltaics and wind power	137	306,896	-
Thermoelectric cogeneration	28	4,732,978	2,281,087
Thermoelectric	1	2,334,981	-
Thermal	103	-	509,967
Waste-to-energy plants	4	581,205	334,111
From biogas, biomass and other renewables	20	46,392	407
<b>Total</b>	<b>328</b>	<b>9,343,936</b>	<b>3,125,572</b>

Finally, the table below, again at the overall Group level, shows the total installed capacity figures.

Installed power	MW
Total electric power (electricity set-up)	3,486
Renewable power	851
Thermal power	3,237

### District heating

The Energy BU has the most extensive district heating network in Italy (1,288 kilometres), with a total heated volume of 115 million cubic metres.

In addition to the areas where district heating has historically been established, following the acquisition of the EGEA Holding group, the scope of operations has been extended to include the areas of Cuneo (Alba, Canale, Bra, Cortemilia, Narzole and Magliano Alfieri), Alessandria, Acqui Terme, and the metropolitan city of Turin (Piossasco and Carmagnola, Piobesi and Salice d'Ulzio), Nizza Monferrato (Asti) and Cairo Montenotte (Savona).

	Network managed (km)	Volumes (Mm <sup>3</sup> )	Residents served <sup>(1)</sup>
Turin and metropolitan area	801	80.6	537,341
Reggio Emilia	220	13.9	56,745
Parma	104	6.5	35,801
Piacenza	36	2.6	11,188
Genoa	8	1.6	7,911
Province of Cuneo	71	6.2	32,970
Province of Asti	6	0.3	2,137
Province of Alessandria	37	2.9	21,280
Province of Savona	4	0.3	2,488
<b>Total</b>	<b>1,288</b>	<b>115</b>	<b>707,861</b>

<sup>(1)</sup> Estimated data for residential utilities.

### Energy efficiency services

The Energy BU, through its subsidiary Iren Smart Solutions, addresses companies, private condominiums, Public Administration and third sector entities, with an articulated portfolio of services:

- energy efficiency, carrying out design and implementation of energy requalification interventions: insulation, co-insulation, replacement of windows, innovative technological services, efficiency improvement of heating and air conditioning systems;
- installation of photovoltaic, solar thermal and self-generation energy systems;
- management of heating systems;
- realisation of Renewable Energy Communities (RECs);
- energy consultancy, energy management and monitoring for energy saving;
- global service for the integrated management of electrical and technological plants of complex property assets;
- relamping LEDs through energy efficiency projects in lighting, public and artistic lighting, efficient management of traffic light systems.

With the acquisition of Ardea, a company of the EGEEA Holding group, the Energy BU carries out the activity of managing public lighting systems, with the supply of the energy carrier, also in 21 municipalities in the province of Cuneo.

## MARKET BU

The Market BU operates in the sale of electricity, gas and heat for district heating, and of extra-commodity services and products, in particular for energy efficiency. It is present throughout Italy, with a greater concentration in the central-northern area.

### Sale of electricity

The Market BU operates, in the context of the free market, all over the country, with a higher concentration of customers in the Centre-North, and handles the sale of the energy provided by the Group's various sources on the market of final customers and wholesalers.

The number of retail electricity customers exceeds 1.4 million, distributed mainly in the Group's traditional areas of operation (Turin, Parma, Reggio Emilia, Piacenza, Vercelli and Genoa), in lower Piedmont (Cuneo and Asti, following the acquisition of EGEEA Energie), and in other commercially served areas (Alessandria, Salerno and various provinces in southern Italy).

Electricity	
Electricity sold (GWh)	13,863
to end customers and wholesalers (GWh)	6,560
on the stock exchange (GWh)	7,303
Retail customers (no.)	1,412,746

**Sale of Natural Gas**

The retail gas portfolio of the Market Business Unit mainly covers the Group's traditional markets of Genoa, Turin and Emilia, neighbouring development areas, as well as Vercelli, Alessandria and La Spezia. It also includes the Campania region (almost all provinces), and some municipalities in the regions of Basilicata, Calabria, Tuscany and Lazio, serving a total of about 934,000 customers.

With the acquisition of EGEA Energie, the Market BU consolidated its presence in Piedmont, mainly in the provinces of Cuneo and Asti.

Natural gas	
Gas supplied (Mm <sup>3</sup> )	2,347
gas sold to end customers (Mm <sup>3</sup> )	863
gas consumption by the Group (Mm <sup>3</sup> )	1,474
gas in storage as at 31/12 (Mm <sup>3</sup> )	10
Retail customers (no.)	933,847

**Sale of heat through the district heating network**

Iren Mercato markets heat supplied by Iren Energia mainly to customers connected to the district heating network in the municipalities of Turin and neighbouring areas, Reggio Emilia, Parma, Piacenza and Genoa.

Heat	
Heat sold (GWh)	3,065
Customers served (no.)	58,003

Among the commercial proposals complementary to the sale of commodities, we highlight the business lines intended for the sale to retail customers of innovative products in the area of home automation, energy saving and maintenance of domestic systems, in addition to e-mobility, with the aim of reducing the environmental impact of travel, including through the installation of charging infrastructure at Group offices and the progressive introduction of electric vehicles.

# Main areas served

