



Consolidated Financial Statements

3



Statement of Financial Position

thousands of euro

	Notes	31/12/2025	of which related parties	31/12/2024	of which related parties
ASSETS					
Property, plant and equipment	(1)	4,613,575		4,516,355	
Investment property	(2)	2,885		1,974	
Intangible assets with a finite useful life	(3)	3,715,489		3,357,523	
Goodwill	(4)	272,464		247,273	
Equity-accounted investments	(5)	204,951		282,462	
Other equity investments	(6)	9,395		8,723	
Non-current contract assets	(7)	353,313		300,238	
Non-current trade receivables	(8)	34,430	29,125	33,840	28,876
Non-current financial assets	(9)	148,395	36,610	124,756	37,998
Other non-current assets	(10)	107,003	1,086	131,668	1,081
Deferred tax assets	(11)	386,352		389,533	
Total non-current assets		9,848,252	66,821	9,394,345	67,955
Inventories	(12)	68,215		84,033	
Current contract assets	(13)	40,719		69,291	
Trade receivables	(14)	1,363,596	101,379	1,442,454	147,689
Current tax assets	(15)	8,045		14,474	
Sundry assets and other current assets	(16)	429,612	150	298,717	155
Current financial assets	(17)	59,513	9,292	580,646	6,682
Cash and cash equivalents	(18)	205,765		326,568	
Assets held for sale	(19)	103,746		790	
Total current assets		2,279,211	110,821	2,816,973	154,526
TOTAL ASSETS		12,127,463	177,642	12,211,318	222,481

				thousands of euro	
	Notes	31/12/2025	of which related parties	31/12/2024	of which related parties
EQUITY					
Equity attributable to the owners of the parent					
Share capital		1,300,931		1,300,931	
Reserves and Retained Earnings		1,857,573		1,306,622	
Profit for the year		300,546		268,471	
Total equity attributable to the owners of the parent		3,459,050		2,876,024	
Equity attributable to non-controlling interests		251,517		467,673	
TOTAL EQUITY	(20)	3,710,567		3,343,697	
LIABILITIES					
Non-current financial liabilities	(21)	4,490,987		4,460,916	
Employee benefits	(22)	80,467		81,495	
Provisions for risks and charges	(23)	338,120		276,258	
Deferred tax liabilities	(24)	93,104		116,857	
Sundry liabilities and other non-current liabilities	(25)	872,210	125	751,559	1
Total non-current liabilities		5,874,888	125	5,687,085	1
Current financial liabilities	(26)	126,382	5,207	656,530	7,060
Trade payables	(27)	1,655,446	32,757	1,787,198	42,841
Current contract liabilities	(28)	28,541		88,983	
Sundry liabilities and other current liabilities	(29)	364,770	251	353,693	107
Current tax liabilities	(30)	18,025		12,743	
Provisions for risks and charges - current portion	(31)	330,495		281,389	
Liabilities associated with assets held for sale	(32)	18,349		-	
Total current liabilities		2,542,008	38,215	3,180,536	50,008
TOTAL LIABILITIES		8,416,896	38,340	8,867,621	50,009
TOTAL EQUITY AND LIABILITIES		12,127,463	38,340	12,211,318	50,009

Income statement

	Notes	FY 2025	of which related parties	FY 2024	of which related parties
thousands of euro					
Revenue					
Revenue from goods and services	(33)	6,333,392	395,455	5,903,454	452,150
Other income	(34)	240,665	15,019	139,671	11,758
Total revenue		6,574,057	410,474	6,043,125	463,908
Operating expenses					
Raw materials, consumables, supplies and goods	(35)	(2,380,325)	(1,774)	(2,224,054)	(1,875)
Services and use of third-party assets	(36)	(2,115,665)	(43,798)	(1,860,883)	(34,742)
Other operating expenses	(37)	(117,117)	(12,107)	(102,657)	(11,238)
Capitalised costs for internal work	(38)	60,537		60,193	
Personnel expense	(39)	(668,532)		(641,605)	
Total operating expenses		(5,221,102)	(57,679)	(4,769,006)	(47,855)
GROSS OPERATING PROFIT		1,352,955		1,274,119	
Depreciation, amortisation, provisions and impairment losses					
Amortisation and Depreciation	(40)	(716,266)		(655,475)	
Impairment losses on loans and receivables	(41)	(86,231)		(74,482)	
Other provisions and impairment losses	(41)	(20,486)		(24,462)	
Total depreciation, amortisation, provisions and impairment losses		(822,983)		(754,419)	
OPERATING PROFIT		529,972		519,700	
Financial management	(42)				
Financial income		38,336	948	45,701	611
Financial expense		(146,138)	(4)	(136,333)	(213)
Net financial expense		(107,802)	944	(90,632)	398
Gains (losses) on equity-accounted investments	(43)	2,359		(1,260)	
Share of profit or loss of equity-accounted investees, net of tax effects	(44)	13,895		7,471	
Pre-tax profit		438,424		435,279	
Income taxes	(45)	(122,164)		(131,697)	
Profit from continuing operations		316,260		303,582	
Profit (loss) from discontinued operations	(46)	-		-	
Profit for the year		316,260		303,582	
attributable to:					
- Profit for the year attributable to the owners of the parent		300,546		268,471	
- Profit for the year attributable to non-controlling interests	(47)	15,714		35,111	
Earnings per share	(48)				
- basis (euro)		0.23		0.21	
- diluted (euro)		0.23		0.21	

Statement of Comprehensive Income

		thousands of euro	
		FY 2025	FY 2024
Profit/(loss) for the year - owners of the parent and non-controlling interests (A)		316,260	303,582
Other comprehensive income that will be subsequently reclassified to profit or loss			-
- effective portion of fair value gains/(losses) on cash flow hedges		48,450	(60,167)
- fair value gains/(losses) on financial assets		-	-
- share of other gains/(losses) of equity-accounted investees		(192)	(804)
- change in translation reserve		(4,797)	922
Tax effect of other comprehensive income		(13,001)	15,311
Other comprehensive income (expense) that will be subsequently reclassified to profit or loss net of tax effect (B1)	(49)	30,460	(44,738)
Other comprehensive income that will not be subsequently reclassified to profit or loss			
- actuarial gains/(losses) on employee defined benefit plans (IAS19)		1,767	(159)
- share of other actuarial gains/(losses) of equity-accounted investees related to employee defined benefit plans (IAS 19)		147	(161)
Tax effect of other comprehensive income		(191)	(25)
Other comprehensive income (expense) that will not be subsequently reclassified to profit or loss net of tax effect (B2)	(49)	1,723	(345)
Comprehensive income (A)+(B1)+(B2)		348,443	258,499
attributable to:			
- Profit for the year attributable to the owners of the parent		333,311	224,121
- Profit for the year attributable to non-controlling interests		15,132	34,378

Statement of changes in equity

	Share capital	Share premium reserve	Legal reserve	Hedging reserve	Equity instruments reserve	Other reserves and retained earnings
31/12/2023 Restated	1,300,931	133,019	111,093	12,758	-	993,655
Owner transactions						
Dividends to shareholders						
Retained earnings			8,614			93,709
Repurchase of treasury shares						-
Changes in consolidation scope						-
Change in equity interests						(594)
Other changes						(1,153)
Total owner transactions	-	-	8,614	-	-	91,962
Comprehensive income for the year						
Profit for the year						
Other comprehensive expense				(45,059)		580
Total comprehensive income for the year	-	-	-	(45,059)	-	580
31/12/2024	1,300,931	133,019	119,707	(32,301)	-	1,086,197

	Share capital	Share premium reserve	Legal reserve	Hedging reserve	Equity instruments reserve	Other reserves and retained earnings
31/12/2024	1,300,931	133,019	119,707	(32,301)	-	1,086,197
Owner transactions						
Dividends to shareholders						
Retained earnings			10,625			93,227
Repurchase of treasury shares						-
Perpetual hybrid bonds					495,282	
Hybrid perpetual bond coupons						(4,218)
Changes in consolidation scope						
Change in equity interests						(76,252)
Other changes						(475)
Total owner transactions	-	-	10,625	-	495,282	12,282
Comprehensive income for the year						
Profit for the year						
Other comprehensive income				35,998		(3,236)
Total comprehensive income for the year	-	-	-	35,998	-	(3,236)
31/12/2025	1,300,931	133,019	130,332	3,697	495,282	1,095,243

thousands of euro

	Total reserves and Retained earnings	Profit for the year	Total equity attributable to the owners of the parent	Equity attributable to non-controlling interests	Total equity
31/12/2023 Restated	1,250,525	254,752	2,806,208	438,086	3,244,294
Owner transactions					
Dividends to shareholders	-	(152,429)	(152,429)	(26,255)	(178,684)
Retained earnings	102,323	(102,323)	-	-	-
Repurchase of treasury shares	-	-	-	-	-
Changes in consolidation scope	-	-	-	32,612	32,612
Change in equity interests	(594)	-	(594)	(16,065)	(16,659)
Other changes	(1,153)	-	(1,153)	4,788	3,635
Total owner transactions	100,576	(254,752)	(154,176)	(4,920)	(159,096)
Comprehensive income for the year					
Profit for the year	-	268,471	268,471	35,111	303,582
Other comprehensive expense	(44,479)	-	(44,479)	(604)	(45,083)
Total comprehensive income for the year	(44,479)	268,471	223,992	34,507	258,499
31/12/2024	1,306,622	268,471	2,876,024	467,673	3,343,697

thousands of euro

	Total reserves and Retained earnings	Profit for the year	Total equity attributable to the owners of the parent	Equity attributable to non-controlling interests	Total equity
31/12/2024	1,306,622	268,471	2,876,024	467,673	3,343,697
Owner transactions					
Dividends to shareholders	-	(164,619)	(164,619)	(12,122)	(176,741)
Retained earnings	103,852	(103,852)	-	-	-
Repurchase of treasury shares	-	-	-	-	-
Perpetual hybrid bonds	495,282	-	495,282	-	495,282
Hybrid perpetual bond coupons	(4,218)	-	(4,218)	-	(4,218)
Changes in consolidation scope	-	-	-	72,444	72,444
Change in equity interests	(76,252)	-	(76,252)	(292,003)	(368,255)
Other changes	(475)	-	(475)	390	(85)
Total owner transactions	518,189	(268,471)	249,718	(231,291)	18,427
Comprehensive income for the year					
Profit for the year	-	300,546	300,546	15,714	316,260
Other comprehensive income	32,762	-	32,762	(579)	32,183
Total comprehensive income for the year	32,762	300,546	333,308	15,135	348,443
31/12/2025	1,857,573	300,546	3,459,050	251,517	3,710,567

Statement of cash flows

thousands of euro

	FY 2025	FY 2024
A. Opening cash and cash equivalents	326,568	436,134
Cash flows from operating activities		
Profit for the year	316,260	303,582
Adjustments:		
Income taxes for the year	122,164	131,697
Share of profit (loss) of associates and joint ventures	(13,895)	(7,471)
Net financial expense (income)	107,802	90,632
Amortisation and depreciation	716,266	655,475
Net impairment losses (reversals of impairment losses) on assets	6,730	13,541
Impairment losses on loans and receivables	86,231	74,482
Net provisions for risks and other charges	255,501	237,226
Capital (gains) losses	4,499	5,389
Payment of employee benefits	(7,741)	(9,876)
Utilisations of provisions for risks and other charges	(224,296)	(298,068)
Change in other non-current assets	48,315	32,813
Change in sundry liabilities and other non-current liabilities	60,569	33,665
Taxes paid	(115,202)	(174,775)
Other changes in equity	88	93
Change in inventories	17,599	(12,610)
Change in contract assets	(22,489)	(107,714)
Change in trade receivables	95,863	(224,289)
Change in current tax assets and other current assets	(99,360)	252,534
Change in trade payables	(211,536)	126,162
Change in contract liabilities	(60,442)	9,341
Change in current tax liabilities and other current liabilities	(42,492)	7,529
Change in market exposure for commodity derivatives	37,430	(56,183)
B. Net cash and cash equivalents generated by operating activities	1,077,864	1,083,175
Cash flows from/(used in) investing activities		
Investments in property, plant and equipment and intangible assets	(925,414)	(830,217)
Investments in financial assets	(1,552)	(87,911)
Investment realisation	4,286	7,044
Acquisition of subsidiaries net of cash acquired	20,456	8,089
Sale of subsidiaries and business units net of cash sold	10,981	(85)
Dividends collected	3,958	2,039
C. Net cash and cash equivalents used in investing activities	(887,285)	(901,041)
Cash flows from/(used in) financing activities		
Repurchase of treasury shares	-	-
Dividends paid	(178,215)	(189,779)
Issuance of hybrid bonds	493,792	-
Coupons paid to holders of hybrid bonds	(5,550)	-
Purchase of interests in consolidated companies	(169,739)	-
Non-controlling investors' payments into consolidated companies	-	3,353
New non-current loans	270,000	1,000,000
Repayment of non-current loans	(1,079,741)	(623,249)
Repayment of lease liabilities	(31,650)	(17,852)
Change in other financial liabilities	(13,604)	(35,533)
Change in loan assets	501,725	(325,881)
Interest paid	(131,814)	(125,314)
Interest received	33,414	22,555
D. Net cash and cash equivalents used in financing activities	(311,382)	(291,700)
E. Cash flow for the year (B+C+D)	(120,803)	(109,566)
F. Closing cash and cash equivalents (A+E)	205,765	326,568

Notes

Foreword

Iren S.p.A. is an Italian multi-utility company, listed on the Italian Stock Exchange (Borsa Italiana) and established on 1 July 2010 through the merger of IRIDE and ENIÀ. The Company's registered office is in Italy, in Reggio Emilia, Via Nubi di Magellano 30. There were no changes in the company name during 2025.

The Group is structured according to a model which provides for an industrial holding company and four companies responsible for the single business lines operating in the main operating bases in Alba, Genoa, La Spezia, Parma, Piacenza, Reggio Emilia, Turin and Vercelli.

The operating segments in which the Group operates are:

- Networks (Electricity distribution networks, Gas distribution networks, Integrated Water Service)
- Waste Management (Waste collection and disposal)
- Energy (Hydroelectric Production and production from other renewable sources, Combined Heat and Power, District Heating Networks, Thermoelectric Production, Public Street Lighting, Global services, Energy efficiency services)
- Market (Sale of electricity, gas, heat)
- Other services (Laboratories, Telecommunications and other minor services).

Paragraph XIII, Segment reporting, includes the information required by IFRS 8.

The company's consolidated financial statements as at and for the year ended 31 December 2025 include the financial statements of the Parent and of its subsidiaries, (collectively referred to as the "Group" and, individually, as "Group companies") and the Group's equity interest in jointly-controlled companies and in associates, measured using the equity method.

I. Basis of presentation

The Consolidated Financial Statements of Iren Group at 31 December 2025 have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and endorsed by the European Union, as well as the measures issued in implementation of Article 9 of Legislative Decree No. 38/2005. The IFRS refer to all the revised international accounting standards (IAS/IFRS), all the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), previously referred to as the Standing Interpretations Committee (SIC).

In preparing these consolidated financial statements, the same accounting standards adopted in preparing the financial statements of the previous year were applied, with the exception of as reported in the paragraph "Accounting standards, amendments and interpretations applied from 1 January 2025".

The consolidated financial statements for assets and liabilities are drawn up on the basis of the historical cost principle, with the exception of certain financial instruments measured at fair value and potential fees deriving from a business combination (i.e. put options to non-controlling investors) for the assets held for sale, which are measured at fair value, as well as on the going concern assumption. The Group did not detect any particular risks connected with its business and/or any uncertainties that might cast doubt on its ability to continue as a going concern.

These consolidated financial statements are stated in euro, the parent's functional currency. All amounts expressed in euro are rounded to the nearest thousand in these consolidated financial statements. Due to rounding, there could be cases in which the detailed tables contained in this document show a difference of around one thousand euro. It is believed that these cases do not alter the reliability and informative value of these consolidated financial statements.

Financial statement formats

The financial statement formats adopted by Iren Group in preparing these consolidated financial statements are the same as those applied in preparing the consolidated financial statements at 31 December 2024.

In line with what was previously published, in the statement of financial position, assets and liabilities are classified as "current/non-current". Assets and liabilities classified as discontinued or held for sale are shown separately. Current assets, which include cash and cash equivalents, are those that will be realised, transferred or consumed during the Group's ordinary operating cycle or during the twelve months following year end. Current liabilities are those for which settlement is envisaged during the Group's ordinary operating cycle or during the twelve months following year end.

The Income Statement is classified on the basis of the nature of the costs. In addition to the Operating Profit, the Income Statement also shows the interim total of Gross Operating Profit obtained by deducting total operating expenses from total revenue.

The indirect method is used in the Statement of Cash Flows. The cash configuration analysed in the Statement of Cash Flows includes cash on hand and cash in current accounts.

Publication of the Consolidated Financial Statements

The Consolidated Financial Statements were approved for publication by Iren S.p.A.'s Board of Directors at its meeting of 23 March 2026. The Board of Directors authorised the Chair, and the Chief Executive Officer to make such changes to the consolidated financial statements as necessary or adequate to improve them until the date of approval by the Shareholders. The Shareholders' Meeting to be called to approve the separate financial statements of the Parent has the right to request amendments to the aforementioned consolidated financial statements.

Use of estimates and assumptions by management

Estimates

Preparation of the Consolidated Financial Statements entails making estimates, opinions and assumptions that have an effect on the amounts of revenue, costs, assets and liabilities, including contingent liabilities, and on the information provided. These estimates and assumptions are based on past experience and other factors considered reasonable in the case in question, particularly when the value of assets and liabilities is not readily apparent from comparable sources.

Estimates and assumptions were used in applying the accounting standards, in particular to measure the following items of the financial statements:

- revenue from contracts with customers: revenue from the sale of electricity, gas and heat to end customers is recognised at the time the electricity or gas is supplied and includes, in addition to the amounts invoiced on the basis of periodic readings (and pertaining to the financial year) or on the basis of the volumes communicated by distributors and transporters, an estimate of the electricity and gas supplied during the financial year but not yet invoiced, as the difference between the electricity and gas injected into the distribution network and those invoiced during the financial year, calculated taking account of any network losses. Revenue between the date of the last reading and the end of the year is based on estimates of the customer's daily consumption, primarily based on the customer's historical profile, adjusted to reflect weather conditions or other factors that may affect the estimated consumption. As regards payments from the Capacity Market framework, the Group recognises as revenue for the year amounts that are highly likely not to be returned in the future. This probability is based on the progress of the measures that the Group is required to complete by 15 December 2028.
- impairment of non-financial assets: assets such as property, plant and equipment, investment property, intangible assets, right-of-use assets, goodwill and equity investments in associates/joint ventures are impaired when their carrying amount exceeds their recoverable amount, represented by the higher of fair value, net of costs to sell, and value in use. The recoverable amount is sensitive to the estimates and assumptions used to determine the amount of cash flows and the discount rates applied. However, possible variations in the basic assumptions on which these calculations are based could produce different recoverable amounts. Information on the main assumptions used to estimate the recoverable amount of assets with reference to impacts related to climate change as well as information on changes in these assumptions is provided in Note 4 "Goodwill".
- Expected losses on financial assets: at the end of each reporting date, the Group recognises a loss allowance for trade receivables and other financial assets measured at amortised cost, debt instruments measured at fair value through other comprehensive income, contract assets and all other assets within the scope of impairment. Loss allowances for financial assets are based on assumptions regarding the risk of default and the measurement of expected losses. In making these assumptions and selecting the inputs to calculate the expected credit loss, management uses its professional judgement, based on the Group's past experience, current market conditions, as well as forward-looking estimates at the end of each reporting period.
- Determining the useful life of non-financial assets. In determining the useful life of property, plant and equipment and intangible assets with a finite useful life, the Group considers not only the future economic benefits - contained in the assets - enjoyed through their use, but also many other factors, such as physical deterioration, obsolescence of the product or service provided by the asset (e.g. technical, technological or commercial), legal restrictions or other similar constraints (e.g. safety, environmental, etc.) on the use of the asset, if the useful life of the asset depends on the useful life of other assets. For further details on this aspect, see Note 1 "Property, plant and equipment".
- the useful life of transferable assets related to hydroelectric concessions. Said assets are depreciated according to the expiry term of the related concession decrees. Decree-Law No. 135 of 14 December 2018 (Urgent provisions on support and simplification for businesses and public administration - "Decreto-Law Semplificazioni") converted, with amendments, by Law No. 12 of 11 February 2019, regulates the new regime of remuneration of the so-called "Wet Works" concerning concessions for large-scale diversions of water for hydroelectric power plants; the new regulations establish that "Wet Works" are to be transferred without compensation to the Regions. If the Operator has made new investments during the useful life and provided that these investments have been authorised or permitted by the competent Public Administration, the Operator will have the right to a remuneration limited to the non-depreciated value. As regards the so-called "dry works" (property, plant and equipment included in the business unit of the outgoing operator and not included under the "wet works" category, the so-called non-transferable assets), the new law did not introduce changes and, therefore, the outgoing operator has the right to a consideration determined on the basis of the value of reconstruction as new, less normal wear. Consequently, for purposes of legal consistency, the depreciation schedule of the Wet works

concerning the expired concessions was redetermined, considering the possible reassignment dates thereof, which, on the basis of the previous law, was interrupted starting from the 2012 financial statements.

While acknowledging that the new regulations introduce significant changes regarding the transfer of ownership of the business unit required for the operation of the hydroelectric concession, the difficulties associated with the practical application of the aforementioned principles are evident owing to their uncertainties, which do not allow a reliable estimate to be formulated of the amount that can be recovered at the end of the existing concession (residual value).

Accordingly, management has decided that it is not able to arrive at a reasonable and reliable estimate of residual value. Given that the law in question nevertheless requires the incoming concessionaire to award a consideration to the outgoing concessionaire, management reconsidered the depreciation schedules of assets to be relinquished free of charge prior to Law 134/2012 (until the year ended on 31 December 2011, as the assets were to be relinquished free of charge, the depreciation schedule corresponded to the closest period between that of the concession or the useful life of the individual asset), no longer as proportional to the duration of the concession but, if longer, to the useful life of the individual asset: for this reason, in 2021, the management started a valuation process aimed at assessing the plants held by the Group in order to identify their residual life, which concerned the plants of San Mauro and Valle Orco. This path was continued in the years 2022 and 2023 with regard to the other hydroelectric plants, and the carrying amounts of the assets involved were changed prospectively.

- the determination of the fair value of derivative instruments and certain financial assets. The fair value of financial instruments is determined on the basis of prices directly observable on the market, where available, or, for unlisted financial instruments, using specific valuation techniques (mainly based on present value) that maximise the use of inputs observable on the market. In the rare circumstances where this is not possible, the inputs are estimated by management taking into account the characteristics of the instruments being valued. For further details on financial instruments measured at fair value, please refer to chapter VI Group Financial Risk Management. Changes in the assumptions made in estimating input data could affect the fair value recognised for these instruments, especially in the current context in which markets are volatile and the economic outlook highly uncertain and subject to rapid changes. When valuations are subject to significant measurement uncertainty due to the current environment and there is a wide range of possible fair value estimates, the Group is required to apply judgement in determining the point within that range that is most representative of fair value under the circumstances.
- Hedge accounting. Hedge accounting is applied to derivatives in order to reflect the effects of risk management strategies in the financial statements. To this end, the Group documents at the inception of the transaction, the relationship between the hedging instrument and the hedged item, as well as the risk management objectives and strategy. In addition, the Group assesses, both at the inception of the relationship and on a systematic basis, whether hedging instruments are highly effective in offsetting changes in the fair value or cash flows of hedged items. Based on the opinion of the Directors, the assessment of effectiveness based on the existence of an economic relationship between hedging instruments and hedged items, the dominance of credit risk in changes in value and the hedge ratio, as well as the measurement of ineffectiveness, are evaluated by means of a qualitative assessment or a quantitative calculation, depending on the specific facts and circumstances and the characteristics of the hedging instruments and hedged items. With respect to cash flow hedges of future transactions, management assesses and documents that they are highly probable and present an exposure to changes in cash flows that impacts profit or loss. For more details about the key assumptions on assessing effectiveness and measuring ineffectiveness, please refer to Section VI Group Financial Risk Management.
- The determination of the amount of provisions for future risks and charges. The Group is a party to various civil, administrative and tax proceedings connected with the normal course of its business, which could give rise to liabilities of a significant amount, for which it is not always objectively possible to predict the final outcome. The assessment of the risks connected with the above proceedings is based on complex elements that by their nature entail recourse to the judgement of the Directors, also taking account of elements acquired from external consultants assisting the Group, with reference to their classification among contingent liabilities or among liabilities. Provisions have been established to cover all significant liabilities for cases where attorneys have noted the likelihood of an adverse outcome and a reasonable estimate of the amount of the expense. The Group determines whether to consider each uncertain tax treatment separately or jointly with one or more uncertain tax treatments, as well as whether to report the effect of uncertainty using the most probable amount method or the expected value method, choosing the one that, according to its projections, best provides for the resolution of the uncertainty, taking into account tax regulations. The Group makes significant use of professional judgement in identifying uncertainties about income tax treatments and reviews opinions and estimates made when there is a change in facts and circumstances that could change the conclusion about the acceptability of a particular tax treatment or the estimated effects of the uncertainty, or both. Refer to Note 45 Income Taxes for further details regarding income taxes.
- Onerous Contracts. In order to identify an onerous contract, the Group estimates the non-discretionary costs required to perform the obligations assumed (including any penalties) under the contract and the economic benefits expected to be obtained from the same contract.
- Evaluation of the existence of significant influence over an associate. Associates are companies in which the Group exercises significant influence, i.e., the power to participate in determining decisions about the financial and operating policies of the investee without exercising control or joint control over those policies. As a general rule, the Group is presumed to have significant influence when it holds an interest of at least 20%. In order to determine the existence of significant influence, management's judgement is required to evaluate all facts and circumstances. The Group reviews the existence of significant influence when facts and circumstances indicate that there has been a change in one or more of the elements considered for the test of the existence of significant influence. For further details of the Group's equity investments in associates, reference should be made to Note 5 "Equity-accounted investments".
- Application of IFRIC 12 "Service Concession Arrangements" to concessions. IFRIC 12 applies to "public-to-private" service concession arrangements, which can be defined as contracts that oblige a concessionaire to provide public services, i.e.,

to provide access to key economic and social services, for a specified period of time on behalf of the public authority (i.e. the grantor). In these contracts, the grantor transfers to the concessionaire the right to operate the infrastructure used to provide these public services.

The estimates and assumptions are regularly revised. Any changes deriving from the revision of accounting estimates are recognised in the period in which they are revised, if the revision refers only to the period under evaluation. Should the revision involve both current and future periods, the variation is recognised in both the year in which the revision occurs and in the related future periods.

The criticality inherent in these valuations refers to the use of assumptions and judgements relating to issues that are by their very nature uncertain, and is amplified by the peculiarity and variety of the businesses in which the Group operates. In addition, any changes in the conditions underlying the assumptions and judgements could have a significant impact on the results of subsequent years.

II. Basis of consolidation

The consolidation scope includes subsidiaries, joint ventures and associates.

Subsidiaries

Entities controlled by the Group are considered subsidiaries, as defined by IFRS 10 – *Consolidated Financial Statements*. Control exists when the Parent has all of the following:

- power over the investee, i.e. the current ability to direct the relevant activities of the investee that significantly affect the investee's returns;
- exposure, or rights, to variable returns from its involvement with the investee;
- the ability to use its power over the investee to affect the amount of the investor's returns.

The financial statements of subsidiaries are included in the consolidated financial statements beginning on the date when control is acquired until the time when control ceases.

Equity and the profit/loss attributable to non-controlling interests are identified separately in the consolidated statement of financial position and income statement.

Subsidiaries are consolidated on a line-by-line basis, where intra-group balances, transactions, unrealised income and expenses are eliminated in full.

Furthermore: a) all changes in the equity interest that do not constitute a loss of control are treated as equity transactions and, therefore, have a balancing entry in equity; b) when a parent transfers control to an investee, but retains an interest in the company, it measures the retained equity investment at fair value and recognises any gains or losses deriving from loss of control in profit or loss.

Joint ventures

These are companies over which the Group has joint control, in virtue of contractual agreements. Joint control, as defined by IFRS 11 – *Joint Arrangements*, is the "contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control".

With reference to entities jointly owned by mixed public and private companies, given the objective possibility for the public shareholder to influence the company not only by means of governance agreements, but also because of its nature as public entity, the existence of joint control is ascertained on the basis of contractual agreements, assessing the actual possibility for the private partner to jointly control strategic decisions regarding the joint venture.

Joint arrangements are divided into 2 types:

- a Joint Venture (JV) is an arrangement whereby the parties have rights to the net assets of the arrangement. Joint Ventures are measured using the equity method;
- a Joint Operation (JO) is an arrangement whereby the parties are not limited exclusively to participating in the company's profit or loss, but have rights to its assets and obligations for its liabilities. In this case the assets/revenue on which the joint operator exercises such rights and the liabilities/costs of which the joint operator assumes the obligations are fully consolidated.

Associates (accounted for using the equity method)

An associate is a company over which the Group has significant influence, but not control or joint control over its financial and operating policies. The consolidated financial statements include the Group's share of the associates' profit or loss recognised using the equity method from the date that significant influence commences until the date that significant influence ceases.

Equity investments measured at equity are accounted for an amount equal to the corresponding portion of equity resulting from the latest available financial statements, adjusted to take into account the differences between the price paid and equity at the date of purchase and for any intra-group transactions, if significant.

The investor's share of profit or loss arising from application of the equity method is recognised as a "Share of profit or loss of equity-accounted associates and joint ventures", while the share of other comprehensive income is recognised in the statement of comprehensive income.

The difference between the purchase cost and the present value, attributable to the owners of the Parent, of the identifiable current and contingent assets and liabilities of the associate or joint venture at the acquisition date, is recognised as goodwill, included in the carrying amount of the investment, and tested for impairment using the same procedures described in the section above.

The risk deriving from losses which exceed the investor's share of equity is provided for in provisions for risks to the extent that the company has a legal or constructive obligation with the investee or is committed to covering its losses.

Dividends on equity investments are recognised when the right to receive payment is established. This usually coincides with the resolution passed by the Shareholders' Meeting.

Business combinations

The Group accounts for business combinations by applying the acquisition method when the group of assets and property acquired meets the definition of a business and the Group obtains control. In determining whether a particular group of activities and assets constitutes a business, the Group assesses whether that group includes, at a minimum, a substantial input and process and whether it has the capacity to create output.

The Group has the option to carry out a 'concentration test', which enables it to ascertain through a simplified procedure that the acquired group of activities and assets is not a business. The optional concentration test is positive if almost all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of identifiable assets with similar characteristics.

The consideration transferred and the net identifiable assets acquired are usually recognised at fair value. The carrying amount of any goodwill that arises is tested annually for impairment. Any gain from a bargain purchase is recognised immediately in the Income Statement under gains or losses on equity Investments, while costs related to the combination, other than those related to the issuance of debt or equity instruments, are recognised as an expense in profit/(loss) for the year when incurred.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Normally, these amounts are recognised in profit/(loss) for the year.

The contingent consideration is booked at fair value on the acquisition date. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity related to the subsidiary. Any profit or loss deriving from the loss of control is recognised in profit/(loss) for the year. Any interest retained in the former subsidiary is measured at fair value when control has been lost.

Transactions eliminated on consolidation

Intra-group balances and significant transactions and any unrealised gains and losses arising from intra-group transactions are all eliminated in preparing the consolidated financial statements. Unrealised gains and losses arising from transactions with jointly controlled entities are eliminated to the extent of the Group's interest in the entity. The related tax effect is calculated for all consolidation adjustments.

III. Consolidation scope

The consolidation scope includes companies directly or indirectly controlled by the Parent, in addition to joint ventures and associates.

Parent:

Iren S.p.A.

Companies consolidated on a line-by-line basis

The four companies responsible for the individual business lines and their direct and indirect subsidiaries, in addition to EGEA Holding, whose subsidiaries operate in the same business sectors as the Group, are fully consolidated.

- 1) Iren Ambiente and subsidiaries:
 - ACAM Ambiente
 - AMIAT V and subsidiary:
 - o AMIAT
 - Bonifiche Servizi Ambientali
 - Bonifica Autocisterne
 - I.Blu
 - Iren Ambiente Parma
 - Iren Ambiente Piacenza
 - Iren Ambiente Toscana and subsidiaries:
 - o Centro Servizi Ambiente – Impianti (CSAI) and subsidiary:
 - Agricola Riofi
 - o Futura
 - o Scarlino Energia
 - o SEI Toscana and subsidiary:
 - Ekovision
 - o Semia Green
 - o Siena Ambiente
 - o Valdarno Ambiente and subsidiary:
 - CRCM
 - Manduriambiente
 - ReCos
 - ReMat
 - Rigenera Materiali
 - San Germano
 - Territorio e Risorse
 - TRM
 - Uniproject
- 2) Iren Energia and subsidiaries:
 - Asti Energia e Calore
 - Dogliani Energia
 - Iren Smart Solutions and subsidiary:
 - o Alfa Solutions and subsidiary:
 - Cierre
 - Maira and subsidiary:
 - o Formaira
 - Iren Green Generation and subsidiaries:
 - o Agrovoltaica
 - o Capo dell'Acqua
 - o Iren Green Generation Tech
 - o Limes 1
 - o Limes 2
 - o Limes 20
 - Valle Dora Energia

- 3) Iren Mercato and subsidiaries:
 - Alegas
 - Atena Trading
 - Salerno Energia Vendite

- 4) IRETI and subsidiaries:
 - ACAM Acque
 - Acquaenna
 - ASM Vercelli
 - Consorzio GPO
 - Iren Laboratori
 - Iren Acqua Piacenza
 - Iren Acqua Reggio
 - Iren Acqua Tigullio
 - IRETI Gas
 - Nord Ovest Servizi

- 5) EGEA Holding and subsidiaries:
 - EGEA Ambiente and subsidiaries.
 - Olmo Bruno
 - Sisea
 - Ardea
 - Edis
 - EGEA New Energy
 - TLRNet and subsidiaries:
 - Acqui Energia
 - Alessandria Calore
 - Bra Energia
 - Carmagnola Energia
 - Monferrato Energia
 - SEP
 - Telenergia
 - Valbormida Energia
 - EGEA Energie
 - EGEA Acque and subsidiary:
 - Tecnoedil Lavori
 - Reti Metano Territorio

Changes in consolidation scope for 2025 are due to the acquisition of control of EGEA Holding, along with its direct and indirect subsidiaries, Cierre, CSAI and its subsidiary Agricola Riofi. Further details on these transactions are provided in Chapter IV. Business combinations, below.

From the point of view of the change in ownership structures of subsidiaries, it should be noted that the following interests have changed:

- in 20 February 2025, IRETI finalised the acquisition of the remaining 40% investment in Iren Acqua, previously held by F2i SGR. The price paid was a total of 282,500 thousand Euros, of which 100,000 thousand were paid at closing and 182,500 thousand Euros deferred over 4 years and three months with the application of interest at the annual compound rate of 4.5%. The book value of Iren Acqua's net assets in the consolidated financial statements at the acquisition date was equal to 548,015 thousand Euros. A comparison between the consideration transferred, including ancillary charges, amounting to 283,156 thousand Euros and the book value of the minority interests acquired amounting to 219,206 thousand Euros, revealed a difference of 63,950 thousand Euros recorded as a reduction in shareholders' equity attributable to the shareholders of the parent company under item "Other accumulated reserves and gains (losses);
- in December 2025, CSAI was fully consolidated by Iren Group and as a result of this consolidation, the percentages of equity interest within the Group changed with reference to the companies Sei Toscana (from 59.295% to 62.229%), Valdarno Ambiente (from 56.016% to 73.749%), CRCM (from 50.838% to 66.026%), Ekovision (from 59.295% to 62.229%), and Futura (from 91.859% to 92.446%) in which CSAI holds, directly or indirectly, investments;
- in November 2025, the share capital of the subsidiary ReMat was reduced to zero and reconstituted, with a consequent increase in the investment from 94.77% to 100%.

During the year, additional corporate transactions became effective, which, although they did not change the consolidation scope, resulted in a restructuring of the Group's ownership structure. In particular, as of 1 January 2025, the mergers of AMTER and TB into their respective direct parents, IRETI and Valdarno Ambiente, became effective, while as of 1 July 2025, the merger of Iren Acqua into IRETI became effective.

For details of the subsidiaries, joint ventures and associates, please see the lists included in the Annexes.

IV. Business combinations

The business combinations carried out by the Group in 2025 involved the acquisition of control of the companies:

- EGEA Holding and its direct and indirect subsidiaries;
- Cierre;
- Centro Servizi Ambiente – Impianti (CSAI) and subsidiary Agricola Riofi.

Business combinations definitively accounted for

EGEA Holding Group

EGEA Holding S.p.A. is a new company (NewCo) established at the beginning of 2024, into which the operating branches – including their equity investments – of EGEA S.p.A. and EGEA Produzioni e Teleriscaldamento S.r.l. were transferred, as part of the negotiated crisis resolution procedure pursuant to Legislative Decree no. 14/2019 (“Crisis Code”) of the same companies. Moreover, within the same negotiated settlement procedure, within the subsidiary Egea Energie S.r.l. - also established at the beginning of 2024 - the operational branch of Egea Commerciale S.r.l. was transferred. The main assets included in the scope of the acquisition concern:

- a portfolio of about 200 thousand between gas and electricity customers;
- the district heating networks located in the municipalities of Alba, Canale, Bra, Cortemilia and Narzole (Province of Cuneo), Alessandria and Acqui Terme in the same province, Piossasco and Carmagnola (Province of Turin), Nizza Monferrato (Asti) and Cairo Montenotte (Savona);
- the public lighting service in some municipalities in the province of Cuneo;
- the waste collection service in approximately 290 municipalities in the regions of Piedmont, Liguria, Tuscany, Lazio and Sardinia (a total of 1.2 million inhabitants served);
- the Integrated Water Service for 300,000 inhabitants in the ATO 4 of Cuneo in particular;
- gas distribution with more than 50 thousand Redelivery Points in Piedmont and Lombardy;
- electricity generation through renewable sources such as photovoltaic plants, biogas and biomethane.

On 1 August 2024, Iren acquired an investment in Egea Holding through a non-separable capital increase of 85,000 thousand euro, reaching a 50% stake in the share capital. The remaining 50% share was, as of that date, held by a single shareholder, MidCo 2024 S.r.l., whose reference shareholder is EGEA S.p.A.

According to the agreements that governed the governance of Egea Holding (articles of association and investment agreement, entered into between EGEA S.p.A. and Iren S.p.A. subject to homologation by the court), the investment made by Iren qualified as of 31 December 2024 as a joint venture. In fact, the governance agreements did not give Iren control of Egea Holding, pursuant to IFRS 10. The same investment agreement also provided for two further transactions:

- a) a pre-resolved divisible capital increase in the amount of 42,500 thousand euro that Iren could subscribe from 1 January 2025 until 30 June 2025, with the possibility of extension until 31 December 2025;
- b) the granting to Iren of a call option exercisable from 31 March 2025 until 31 March 2029 to purchase the share held by the other shareholder in Egea Holding.

Following the receipt of Antitrust and Golden Power clearances, on 10 January 2025, Iren S.p.A. subscribed and paid a capital increase of 10 million euro in EGEA Holding (2,941 euro in share capital and 9,997,059 euro in share premium), increasing its investment from 50% to 52.77%.

Iren subscription of the pre-resolved capital increase resulted in a substantial change in governance rights, as provided for by Egea Holding articles of association and the investment agreement signed with the other shareholder MidCo 2024. In particular, Iren:

- owns the majority of voting rights exercisable at the shareholders’ meeting (52.77% of voting rights for Iren, 47.23% of voting rights for the other shareholder);
- appoints the majority of the members of the board of directors (4 directors appointed by Iren, 3 directors appointed by the other shareholder), including the CEO and the Chair, who is vested with the power over Egea Holding significant decisions;
- has unilateral power to distribute dividends.

The residual veto rights assigned to MidCo 2024 partly qualify as protective rights and partly as non-substantive.

On the basis of what has been described above, as of January 2025, Iren controls the Egea Holding Group because it holds valid rights that give it the current ability to direct its relevant activities, it is exposed to the variable returns arising from its relationship with EGEA Holding and it has the ability to exercise its power to affect the amount of its returns.

Furthermore, with regard to the same transaction, on 31 March 2025, Iren S.p.A. notified the other shareholder, MidCo 2024, of the exercise of its call option for the acquisition of the remaining investment in EGEA Holding (47.23%). The consideration for exercising the option, determined on the basis of the provisions of the investment agreement, is equal to 74.8 million euro. According to the terms of the agreement, the payment of a portion of the price (68.9 million euro) took place at the closing (22 May 2025), while the payment of the remaining portion of 6.7 million euro, including financial expenses, is deferred until 31 March 2029.

In the 12-month period ended 31 December 2025, EGEA Holding and its subsidiaries generated revenue of 373,684 thousand euro and a profit of 14,743 thousand euro.

The following table shows the value of identifiable assets acquired and liabilities assumed.

	thousands of euro		
	Nominal values	FV Adjustment	Fair value
Property, plant and equipment	68,745	-	68,745
Intangible assets with a finite useful life	217,574	68,239	285,813
Equity-accounted investees	3,382	-	3,382
Other equity investments	5	-	5
Non-current trade receivables	1,250	-	1,250
Non-current financial assets	21,025	-	21,025
Other non-current assets	15,574	-	15,574
Deferred tax assets (liabilities)	34,869	(16,858)	18,011
Inventories	3,251	-	3,251
Current contract assets from	83	-	83
Trade receivables	119,964	-	119,964
Current tax assets	2,381	-	2,381
Sundry assets and other current assets	44,713	-	44,713
Current financial assets	1,352	-	1,352
Cash and cash equivalents	23,112	-	23,112
Non-current financial liabilities	(88,033)	-	(88,033)
Employee benefits	(4,073)	-	(4,073)
Provisions for risks and charges	(20,781)	(11,050)	(31,831)
Sundry liabilities and other non-current liabilities	(77,674)	-	(77,674)
Current financial liabilities	(108,505)	-	(108,505)
Trade payables	(103,085)	-	(103,085)
Sundry liabilities and other current liabilities	(55,877)	-	(55,877)
Current tax liabilities	(3,803)	-	(3,803)
Non-controlling interests held in Group companies	(3,076)	-	(3,076)
Total net identifiable assets	92,373	40,331	132,704

Trade receivables include gross contractual amounts of 154,408 thousand euro, of which 35,359 thousand euro considered non-collectable at the date of acquisition.

The analysis carried out for the purpose of purchase price allocation identified intangible assets related to customer relations for the sale of electricity and gas and district heating concessions that do not fall within the scope of IFRIC 12. In addition, the nominal value of concessions related to district heating falling within the scope of IFRIC 12, the gas distribution service and the integrated water service was adjusted to fair value. Lastly, a provision was recognised for a contingent liability in connection with litigation and tax assets deemed recoverable related to past losses accrued by EGEA Holding Group companies.

The fair value measurement of the customer relationship for the sale of electricity and gas and of the assets relating to district heating was conducted on the basis of the incremental economic flow method (Multi Period Excess Earning method - MEEM), which is based on the principle that a company's entire current income must be allocated to the assets identified when allocating the purchase price. The income attributable to the identified intangible asset can then be derived by difference by deducting the normal remuneration of all other assets (property, plant and equipment and intangible assets) from total income. The fair value of the intangible asset is thus obtained by discounting the expected residual income over the years of the useful life of the asset identified.

Specifically, the relationship with customers for the sale of electricity and gas was valued at 34,887 thousand euro using forecast data for the period 2025-2033 and applying an average churn rate for the last four years that determined a residual life of 6 years for the portion representing 'electricity' customers and 8 years for the portion representing 'gas' customers. The discount rate used was 7.3%.

District heating concessions were valued at 8,142 thousand euro using forecast data over the entire remaining life of the individual concessions and a discount rate of 5.9%.

The value of the assets of the integrated water service infrastructure was increased by 7,762 thousand euro in order to adjust it to the Residual Value (VR) prepared on the basis of an appraisal by an independent external technician, in line with the regulations and tools defined by ARERA. Assets are depreciated on the basis of the regulatory useful life of each category of non-current asset defined using the above method.

The value of the gas distribution infrastructure assets was increased by 17,448 thousand euro in order to adjust it to the Residual Industrial Value (RIR) and the RAB. The VIR is the commercial value of natural gas distribution plants calculated according to the methodology indicated in the MiSE Guidelines. The RAB represents the value of assets for regulatory purposes, calculated on the basis of the rules defined by the Regulatory Authority for Energy Networks and the Environment (ARERA) in order to determine the reference revenue for regulated businesses. Assets are depreciated on the basis of the regulatory useful life of each category of non-current asset defined using the above method.

The analysis performed to allocate the purchase price resulted in the recognition of a provision for risks of 11,050 thousand euro for a contingent liability in connection with a dispute related to the purchase of shares in an associate operating in the waste management sector. At the date of acquisition, the liability was deemed not probable, but as indicated by IFRS 3 Business Combinations, the best estimate was made of the possible expense that the Group might incur as a result of the pending litigation.

Tax assets deemed recoverable related to past losses accrued by EGEA Holding Group companies amount to 2,384 thousand euro. Deferred tax assets (liabilities) in the table above, in addition to the above-mentioned tax assets, includes 19,242 thousand Euros of deferred tax liabilities relating to the fair value adjustments described above.

The fair value at the acquisition date of the consideration transferred amounted to 95,000 thousand euro and is detailed in the table below:

	thousands of euro
Cash and cash equivalents	10,000
Carrying amount of interest held before acquisition of control	85,319
Restatement of interests at fair value through profit or loss	(319)
Total fee transferred	95,000

For this acquisition, the positive difference between the fair value of the consideration and the fair value of the identifiable assets acquired and liabilities assumed was allocated to goodwill.

	thousands of euro
Consideration transferred	95,000
Fair value of net identifiable assets	132,704
Non-controlling interests in net identifiable assets	(62,676)
Goodwill	24,972

The goodwill arising from the acquisition mainly refers to the skills and technical knowledge of the EGEA Holding Group's personnel and the synergies expected to be achieved from the integration of the acquired EGEA Holding Group companies with Iren Group. The goodwill recognised in the financial statements will be deductible for income tax purposes for 16,466 thousand euro as it relates to the acquisition of tax-relevant business units. The remaining 8,506 thousand euro will not be deductible for income tax purposes as it relates to the acquisition of fiscally irrelevant investments.

Goodwill arising from the business combination is allocated to cash-flow-generating units or groups (CGUs) that are expected to benefit from the synergies of the business combination in which the goodwill arose, as shown in the table below, regardless of the CDUs in which the acquiree's other assets or liabilities have been accounted for.

	thousands of euro
Waste management	6,321
Gas distribution	1,265
Power and Heat Generation	2,203
Photovoltaic and Wind Generation	2,385
Market	12,798
Total	24,972

The allocation of goodwill was predominantly determined on the basis of the difference between the fair value of the CGUs before and after the acquisition. In particular, goodwill was distributed among the CGUs on the basis of the relative increase in their fair value resulting from the acquisition.

The differential between the consideration paid to MidCo for the acquisition of the residual investment in EGEA Holding (47.23%) in May 2025 and the carrying amount of the non-controlling interests acquired was deducted from Group equity in the amount of 12,327 thousand euro.

Cierre

On 10 July 2025, the subsidiary Alfa Solutions finalised the acquisition of 80% of the quotas of Cierre S.r.l., an Arezzo-based company operating in the sectors of chemical and microbiological analysis and consultancy and services for the industrial sector, with a focus on the precious metals, fashion, environmental, agricultural and food sectors. The acquisition enables the Group to expand its presence in Tuscany and to integrate specialist expertise, thereby expanding its portfolio of services.

In the 6-month period ended 31 December 2025, Cierre generated revenue of 1,098 thousand euro and a profit of 56 thousand euro.

The following table shows the value of identifiable assets acquired and liabilities assumed.

	thousands of euro
	Fair value
Property, plant and equipment	715
Intangible assets with a finite useful life	8
Other non-current assets	9
Inventories	123
Trade receivables	529
Sundry assets and other current assets	4
Cash and cash equivalents	515
Non-current financial liabilities	(326)
Employee benefits	(375)
Deferred tax liabilities	(9)
Current financial liabilities	(10)
Trade payables	(237)
Sundry liabilities and other current liabilities	(236)
Current tax liabilities	(42)
Total net identifiable assets	668

Trade receivables include gross contractual amounts of 540 thousand euro, of which 11 thousand euro considered non-collectable at the date of acquisition.

The analysis conducted for the purpose of allocating the purchase price did not identify any adjustments to be made to the carrying amounts of the identifiable assets acquired and liabilities assumed in order to bring them into line with their fair value.

The consideration transferred in the form of cash and cash equivalents, subject to price adjustment, amounted to 802 thousand euro.

Goodwill arising from the acquisition has been recognised as shown in the table below and has been allocated to the Power and Heat Generation cash-generating unit.

	thousands of euro
Consideration transferred	802
Fair value of net identifiable assets	668
Non-controlling interests in net identifiable assets	(96)
Goodwill	230

The goodwill arising from the acquisition mainly refers to the skills and technical knowledge of Cierre personnel and the synergies expected to be achieved from the integration of the company acquired with Iren Group. Said goodwill is not tax deductible.

Lastly, it is noted that the fair value of the put option exercisable by the non-controlling investor on its shares in Cierre was recorded for 236 thousand euro under non-current financial liabilities.

Business combinations provisionally accounted for**Centro Servizi Ambiente – Impianti (CSAI)**

In December 2025, Shareholders' Agreements were signed between Iren Ambiente Toscana S.p.A. and the Municipality of Terranuova Bracciolini (Province of Arezzo) relating to the governance of the company Centro Servizi Ambiente – Impianti (CSAI). Said Shareholders' Agreements, by virtue of the amendments to the Articles of Association approved by the Shareholders' Meeting in extraordinary session on 3 December 2025, allow Iren Group to exercise control over the company and its subsidiary Agricola Riofi as of December 2025. The Iren Ambiente Toscana S.p.A. 40.32% investment already held in Centro Servizi Ambiente – Impianti (CSAI) remains unchanged.

The company operates a landfill for municipal and special waste located in the Municipality of Terranuova Bracciolini (AR) and an additional landfill in the 'post-closure' phase located in the Municipality of Castiglion Fibocchi (AR). CSAI is also building:

- a liquid waste treatment plant with a capacity of 30,000 tonnes, for liquid waste from both the landfill sites it manages and from third-party suppliers;
- a photovoltaic electricity generation plant with a capacity of approximately 1 MW;
- a biomethane production plant to replace the current biogas-fuelled electricity generation engines.

The following table shows the provisional fair value of identifiable assets acquired and liabilities assumed.

	thousands of euro
	Fair value
Property, plant and equipment	8,410
Investment property	940
Intangible assets with a finite useful life	36
Non-current financial assets	22,379
Other non-current assets	204
Deferred tax assets	32
Inventories	632
Trade receivables	561
Current tax assets	163
Sundry assets and other current assets	1,021
Cash and cash equivalents	7,631
Non-current financial liabilities	(195)
Employee benefits	(492)
Provisions for risks and charges	(35,065)
Deferred tax liabilities	(2,135)
Sundry liabilities and other non-current liabilities	(1,251)
Trade payables	(1,049)
Sundry liabilities and other current liabilities	(336)
Provisions for risks and charges - current portion	(542)
Non-controlling interests held in Group companies	10,096
Total net identifiable assets	11,040

Trade receivables include gross contractual amounts of 610 thousand euro, of which 49 thousand euro considered non-collectable at the date of acquisition.

For the purpose of measuring goodwill or a gain from a bargain purchase, since this was a business combination achieved without the transfer of consideration, the fair value at the acquisition date of the consideration transferred was considered to be the fair value at the date of acquisition of the prior interest in CSAI. The latter was determined using the company's discounted cash flow (DCF) prospective method.

Provisional goodwill arising from the acquisition has been recognised as shown in the table below.

	thousands of euro
Fair value at the date of acquisition of the prior interest	4,569
Carrying amount of interest held before acquisition of control	1,965
Restatement of interests at fair value through profit or loss	2,604
Fair value of net identifiable assets	11,040
Non-controlling interests in net identifiable assets	(6,594)
Interim goodwill	123

The provisional goodwill deriving from the acquisition mainly refers to the synergies that are expected to be obtained from the integration of the acquired company in the waste treatment sector. Provisional goodwill recognised in the financial statements will not be deductible for income tax purposes.

V. Accounting policies

The accounting policies adopted in drawing up these Consolidated Financial Statements of Iren Group at 31 December 2025 are indicated below; the accounting policies described were applied consistently by all the Group entities and have not changed with respect to those adopted as at 31 December 2024 with the exception of the amendments to IAS 21 which, however, did not have any consequences.

Property, plant and equipment

- Property, plant and equipment owned

Property, plant and equipment are recognised at contribution, purchase or internal construction cost. This cost includes all directly attributable costs necessary to make the asset available for use (including, when relevant and where a real obligation exists, the present value of the estimated costs of dismantling and removing the asset and reclaiming the site on which it is located), net of trade discounts and rebates.

Financial expense related to the purchase or internal construction of items of property, plant and equipment is capitalised for the part of the cost of the asset until it becomes operative.

If significant items of property, plant and equipment have different useful lives, these components are accounted for separately.

In particular, under this policy, land and buildings located on the land are to be recognised separately; only the buildings are depreciated, while the carrying amount of land is subject to impairment, as described in the section "Impairment losses on non-financial assets" below.

Ordinary maintenance expenses are fully recognised in profit or loss. Other costs of an incremental nature are allocated to the assets to which they refer, in accordance with IAS 16, and depreciated in relation to the residual useful life of the assets to which they refer. Costs that reasonably expect an increase in future economic benefits, such as an increase in useful life, an increase in production capacity, an improvement in product quality or the adoption of production processes that result in a substantial reduction in production costs, are considered to be incremental.

Assets under construction include costs related to the construction of plants incurred until the reporting date. These investments are depreciated once the asset becomes operative.

Property, plant and equipment are depreciated systematically on a straight-line basis annually using economic-technical rates determined in line with their residual useful lives. Landfills are depreciated based on the filling percentage.

The rates applied are provided for in the following table:

	Min. rate	Max. rate
Buildings	1.11%	40.40%
Light constructions	1.75%	25.00%
Vehicles	3.26%	33.33%
Sundry equipment	1.95%	50.00%
Furniture and office machines	5.00%	50.00%
Hardware	6.00%	50.00%
Plants	0.50%	50.00%

The changes in rates compared to 2024 are due to the new companies that came into the full consolidation scope, the updating of the economic and technical useful lives of individual assets and the outcome of the inspections carried out on them by the technicians responsible for the plants.

The table below shows the residual term of the lease contracts on the basis of which the rights of use recognised among property, plant and equipment are depreciated:

	Years	
	from	to
Land	2	93
Buildings	2	33
Plant and machinery	2	14
Industrial and commercial equipment	2	27
Other assets (motor vehicles)	2	10

Grants related to assets are recognised as deferred revenue and taken to profit or loss over the depreciation period of the related item of property, plant and equipment.

- Leased assets

Lessee

IFRS 16 establishes a criterion based on the control (right of use) of an asset to distinguish leases from contracts for services, regardless of the contractual form adopted (lease, rental or hire). The discriminants are: the identification of the asset, the right to replace the same, the right to obtain substantially all the economic benefits deriving from use of the asset and the right to direct the use of the asset underlying the contract.

As lessee, the Group applies the practical expedient of IFRS 16, which requires the recognition of financial assets and related liabilities in the statement of financial position for all lease contracts with a term of more than 12 months, unless the underlying asset has a unit replacement value of less than five thousand euro.

The lease liability is initially measured at the present value of the payments due for the lease, primarily the fixed and/or variable payments contractually provided for and the price to exercise the option if there is a reasonable certainty of exercising it; with regard to the rate used for discounting, reference is made to the marginal financing rate inferred from the market value of the listed debt instruments issued by Iren. Subsequently, the liability is reduced by the principal repaid and, if necessary, restated to take account of new valuations or changes. The residual debt must be accounted for by separating the current portion (within 12 months) from the non-current portion.

The right of use of the asset underlying the lease contract is recognised under property, plant and equipment at cost, consisting of the initial measurement of the financial liability increased by any initial costs incurred. The asset is depreciated over the duration of the lease or, if the transfer of ownership at the end of the lease is provided for, over the expected useful life of the underlying asset. The asset may also be reduced as the result of any impairment losses, and adjusted to take into account any redetermination of the lease liability.

In the statement of financial position, the Group shows right-of-use assets that do not meet the definition of investment property under 'property, plant and equipment' and lease liabilities under 'financial liabilities'.

In the income statement interest on the debt and depreciation are recognised separately, as is any impairment loss on the right-of-use asset.

Lessor

At the inception of a contract or upon amendment of a contract that contains a lease component, the Group allocates the contract consideration to each lease component based on its stand-alone price.

At the inception of the lease, the Group, in its role as lessor, classifies each of its leases as either a finance lease or an operating lease.

For this purpose, the Group generally assesses whether the lease transfers substantially all the risks and rewards associated with ownership of the underlying asset. In this case, the lease is classified as a finance lease, otherwise as an operating lease. As part of this assessment, the Group considers, among other indicators, whether the lease term covers most of the economic life of the underlying asset.

With respect to sub-leases, the Group, as an intermediate lessor, classifies its share in the head lease separately from the sub-lease. For this purpose, it classifies the sub-lease by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset. If the head lease is a short-term lease that the Group has accounted for by applying the above exemption, the sub-lease is classified as an operating lease.

For contracts containing a lease component and one or more lease and non-lease components, the Group allocates the contract consideration by applying IFRS 15.

The Group applies the derecognition and impairment provisions of IFRS 9 to the net investment in leases. The Group periodically reviews estimates of non-guaranteed residual values used in the calculation of gross investment in leases.

The Group recognises payments received for operating leases as income on a straight-line basis over the lease term in 'other income'.

Investment property

Investment property is initially measured at purchase or construction cost. This cost includes the purchase price and any directly attributable costs. The related transaction costs are recognised among the property costs, when purchase is recognised. Investment property is subsequently measured at cost.

Costs incurred subsequent to the purchase or completion of an investment property are charged to the initial cost of the asset if it is probable that, as a result of such costs, the company will obtain future economic benefits greater than those previously estimated. Otherwise, these costs are charged to profit or loss.

Investment property is systematically depreciated each year on a straight-line basis at rates deemed representative of the residual useful life of the asset.

Intangible assets

Intangible assets are recognised as assets in the statement of financial position when it is probable that the use of the asset will generate future economic benefits and when the cost of the asset can be measured reliably. They are recognised at contribution, acquisition or production cost, including any directly attributable costs.

Development costs are capitalised if all of the following features can be demonstrated:

- the technical feasibility of completing the asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- the ability to reliably measure the expenditure attributable to the asset during its development;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- it is clear how the asset will generate future economic benefits.

If only one of these requirements is not met, the costs in question are fully expensed in the period in which they are incurred.

Intangible assets with a finite useful life are amortised systematically over their expected future useful life, such that their carrying amount at the end of the reporting period corresponds to their residual useful life or the amount that can be recovered based on the company's business plans. Amortisation begins when the asset is available for use.

Amortisation of intangible assets is calculated on a straight-line basis over the following useful lives:

	Years	
	from	to
Industrial patents and intellectual property rights	3	20
Concessions, licences, trademarks and similar rights	2	80
Software	2	20
Other intangible assets with a finite useful life	2	50

Amortisation begins when the asset is available for use, in other words, when it is able to operate as intended by the company's management. Amortisation ceases at the later of the effective date the asset is classified as held for sale (or included in a disposal group classified as held for sale) in accordance with IFRS 5 and the date when the asset derecognised.

Assets under development and payments on account relate to internal and external costs associated with intangible assets for which ownership of the right has not yet been acquired and have not started to be used in production. These investments are amortised from the date they begin to be used in production.

In accordance with IAS 36, at each reporting date or whenever there is evidence that an intangible asset is impaired, assets under development undergo an impairment test to verify the correspondence between their carrying amount and recoverable amount.

Goodwill

Goodwill is initially recognised at cost. It represents the difference between the cost of the acquisition and the value of non-controlling interests and the net fair value referred to the identifiable assets, and current and contingent liabilities related to the complex acquired. If, after this restatement, the fair value of current and contingent assets and liabilities exceeds the purchase cost, the excess is immediately recognised in profit or loss.

Any goodwill deriving from the acquisition of an associate or joint venture is included in the carrying amount of the investment.

Goodwill is allocated to one or more cash-generating units and is not amortised, but is annually tested for impairment or more frequently if specific events or changes in circumstances indicate that impairment may have taken place (see section on "Impairment losses on non-financial assets").

Non-current assets held for sale - Discontinued operations

A non-current asset (or group of assets and liabilities held for disposal) is classified as available for sale if its carrying amount will be recovered mainly through a sale transaction rather than through its continued use. Immediately prior to initial classification of the asset (or disposal group) as available for sale, the carrying amounts of the assets are measured in accordance with Group accounting policies. The asset (or disposal group) is then recognised at the lower between its carrying amount and its fair value less costs to sell. Impairment loss on a disposal group is initially taken to goodwill, then to the residual assets and liabilities on a proportional basis, except for inventories, financial assets, deferred tax assets, employee benefits, investment property and biological assets, which continue to be measured in accordance with Group accounting policies. Impairment losses on the initial classification of an asset as held for sale compared to subsequent measurements are recognised in the income statement. Reversals of impairment losses are recognised only to the extent of any accumulated impairment loss.

Discontinued operations represent a part of the group that has been discontinued or classified as held for sale, and:

- a. represents an important business unit or geographical segment;
- b. is part of a single coordinated disposal plan or an important autonomous business unit or geographical segment;
- c. is a subsidiary acquired solely with a view to resale.

If a single non-current asset is involved (e.g. a property or an investment in an associate), the recognition of profit or loss from the disposal or valuation depends on the nature of the asset.

If it is a discontinued operation and is a material component of the item "Profit/loss from discontinued operations", a single amount is recorded represented by the total of:

- i. profit or loss on the discontinued operation, net of tax effects; and
- ii. the capital gain or loss, net of tax effects, recognised after the fair value measurement, net of costs to sell or actual disposal of the asset.

The income statement of the comparative period is restated in order to guarantee consistent comparison.

If the asset is immaterial, revenue and costs from the discontinued operation continue to be recognised on a line-by-line basis under the related income statement items, whilst the profit/loss from discontinued operations includes only the capital gain or loss referred to under point ii) above.

Service concession arrangements

IREN Group is subject to application of IFRIC 12, which defines the recognition and measurement criteria to be adopted in agreements between public and private sectors related to development, financing, management and maintenance of concession-based infrastructures. In particular, should the grantor control the infrastructure by regulating and controlling the characteristics of the services supplied and the applicable prices, as well as by maintaining a residual interest in the activity, the operator will acquire either the right to use said infrastructure, or the financial asset, or both, based on the agreements made. Therefore, the operators that are included in the above cases cannot recognise the assets assigned as property, plant and equipment in the statement of financial position, regardless of the acknowledgement of ownership in favour of the same operators included in the service concession arrangements.

In particular, the operator purchases a financial asset to the extent that it has an unconditioned contractual right to payment or another financial asset from, or upon instruction of, the grantor with reference to the building services. The financial asset recognised is subject to the provisions of IAS 32, IFRS 9 and IFRS 7.

The operator purchases an intangible asset to the extent that it has a right (licence) to receive payment from users of the public utility. The right to receive payments from users is not an unconditional right to receive payments since the amounts depend on the extent to which the public uses the service. The intangible asset recognised is subject to the provisions of IAS 38.

If the operator is paid for the construction services partly with a financial asset and partly with an intangible asset, the two amounts composing the payment to the operator shall be recognised separately. The payment received or to be received for both items is initially recognised at the fair value of the amount received or to be received and disclosed in the relevant revenue item.

With reference to the grants received on non-current assets, included in the application of IFRIC 12, these grants are classified under Other liabilities, divided between current and non-current, while the related disbursement is included in Other revenue.

Impairment losses on non-financial assets

The IFRS require a company to assess whether there are any specific indications of impairment. An impairment test is performed, which consists of estimating the recoverable amount of the asset and comparing it to its carrying amount.

The recoverable amount is the higher of fair value less costs to sell (if an active market exists) and the value in use of the asset. Value in use is the present value of the future cash flows expected to be derived from an asset or Cash-Generating Unit or Groups of Cash-Generating Unit, inclusive of taxes, by applying a discount rate, before taxes, which reflects the current market assessments of the time value of money and risks specific to the asset. If the recoverable amount of an asset is less than its carrying amount, an impairment loss is recognised. If the impairment loss recognised in prior periods no longer exists or has decreased, the carrying amount of the asset or cash-generating unit is increased, with a balancing item in profit or loss, up to the estimated new recoverable amount. The latter amount shall not exceed the carrying amount that would have been determined if no impairment loss had been recognised. The reversal of an impairment loss is not applicable to goodwill.

The value in use is generally defined by discounting the cash flows expected from use of the asset or Cash Generating Units and from the value expected from its disposal at the end of its useful life.

The Cash Generating Units were identified in keeping with the Group's organisational and business structure, as assets that generate independent incoming cash flows deriving from continuous use of the same.

Assets that are not subject to amortisation (goodwill and other intangible assets with an indefinite useful life) and intangible assets that are not yet available for use are tested for impairment annually, even if no indication of impairment exists.

Financial instruments

All financial instruments, including derivatives, are recognised in the statement of financial position when the group becomes a party to the agreement and therefore acquires a right to receive cash flows or an obligation to pay.

- Financial assets and liabilities

At the moment of initial recognition the financial asset or liability is measured at fair value plus or minus, in the case of a financial asset or liability not measured at fair value recognised in the income statement, the transaction costs directly attributable to the acquisition or issue of the financial asset or liability. After initial recognition the financial asset or liability is measured as described below.

Financial assets are classified in three categories: a) financial assets measured at amortised cost; b) financial assets measured at fair value through other comprehensive income (FVOCI); c) financial assets measured at fair value through profit or loss (FVTPL).

The classification under the categories indicated above is made on the basis of the entity's business model and in relation to the characteristics of the cash flows generated by the said assets:

- a. a financial asset is measured at amortised cost if the entity's business model envisages that the financial asset is held to collect the related cash flows (therefore, substantially, not to make a profit also from sale of the instrument) and the characteristics of the cash flows of the asset correspond only to payment of principal and interest;
- b. a financial asset is measured at Fair Value with a balancing item in Other Comprehensive Income if it is held with the objective both of collecting the contractual cash flows, and of being sold (Hold to Collect and Sell model);
- c. finally if it is a financial asset held for trading and in any case does not come within the cases indicated in points a) and b) it is measured at fair value through profit or loss.

At each reporting date all financial assets, with the exception of those measured at fair value recognised in profit (loss) for the year, are subjected to an impairment test to determine whether there is objective evidence that can lead to the belief that the value of the asset is not fully recoverable. In accordance with what is provided for in IFRS 9, the impairment model adopted by Iren Group is based on expected credit losses, where "loss" means the present value of cash shortfalls considering forward-looking information. According to the general approach concerning all financial assets, the expected credit loss is a function of probability of default (PD) of the loss given default (LGD) and exposure at default (EAD): the PD represents the probability that an asset will not be repaid and will go into default; the LGD is the amount of money lost when a borrower defaults on a loan; the EAD represents the exposure claimed against the counterparty, including any guarantees, collateral, etc. The estimate is made initially on the expected credit losses in the subsequent 12 months; in view of any gradual deterioration of the receivable, the estimate is adjusted to cover the expected credit losses along the entire life of the financial asset.

Financial liabilities are generally classified as measured at amortised cost, with the exception of derivatives which are measured at fair value recognised through profit or loss. Changes in the fair value of a financial liability designated as measured at fair value through profit or loss, if these are due to a change in the creditworthiness of the liability itself are recognised under other comprehensive income.

- Other equity investments

Other equity investments, consisting of non-controlling interests in unlisted companies that the Group intends to keep in its portfolio in the near future, are measured at FVTPL – fair value through profit and loss.

Hedging instruments

The Group holds hedging instruments, acquired for non-speculative purposes, solely to hedge its exposure to currency, interest rate and commodity risks.

A hedging relationship qualifies for hedge accounting if all of the following conditions are met:

- at the inception of the hedge there is formal designation and documentation of the hedging relationship and the group's risk management objective and strategy for undertaking the hedge;
- the hedge is expected to be highly effective in offsetting changes in fair value (fair value hedges) or cash flows (cash flow hedges) attributable to the hedged risk;
- for cash flow hedges, an expected future transaction that is hedged must be highly probable and must present an exposure to changes in cash flows that might ultimately affect profit or loss;
- the effectiveness of the hedge can be reliably measured, i.e. the fair value or cash flows of the hedged item and the fair value of the hedging instrument can be reliably measured;
- the hedge is assessed on an ongoing basis and is considered highly effective throughout the entire life of the derivative.

Hedging instruments are recognised at fair value, determined with measurement models appropriate to each type of financial instrument using, where available, the forward curves of both regulated and unregulated markets (intrinsic value); for options, the fair value is supplemented with the time value component, which is based on their residual life and the volatility of the hedged item.

At each reporting date, hedging instruments are tested for effectiveness to check whether the hedge still meets the requirements for designation as effective and can be recognised using hedge accounting. A hedging relationship is effective if:

- there is an economic relationship between the hedged instrument and hedging instrument;
- the credit risk effect does not dominate the change in value that results from the economic relationship;
- the ratio between the quantity of the hedging instrument and the quantity of the hedged instrument in terms of relative weight does not determine an imbalance in terms of the hedge ratio.

If the requirements for the application of hedge accounting are met:

- for a cash flow hedge, changes in the fair value of the hedging instrument are recognised in equity for the effective portion of the hedge (intrinsic value), and in profit or loss for the time-value component and any ineffective portion (over-hedging);
- for fair value hedges, changes in the fair value of both the hedging instrument and the hedged item are recognised in profit or loss.

If the hedge does not meet the criteria for hedge accounting, the gains or losses deriving from measurement at fair value of only the hedging instrument are fully recognised in profit or loss.

Considering the provisions of IFRS 7 on the fair value hierarchy, as extended by IFRS 13, for each category of financial instrument measured at fair value the fair value hierarchy is as follows:

- Level 1: Quoted prices (unadjusted) on active markets for identical assets or liabilities;
- Level 2: Inputs other than Level 1 quoted prices which are observable for the asset or liability, either directly (as in the case of prices), or indirectly (i.e. derived from prices);
- Level 3: Inputs for the asset or liability which are not based on observable market data.

- Trade receivables and payables

Trade receivables and payables, with repayment dates that are in line with normal commercial practices, are not discounted as the time value of money is not material for their measurement, and are recognised at fair value (equal to their nominal value). After initial recognition they are measured at amortised cost.

Trade receivables are shown net of loss allowances determined, in accordance with IFRS 9, by applying, instead of the general approach, valid for all financial assets with the exception of those measured at fair value through profit or loss, the simplified approach and, more specifically, the provision matrix model, which is based on identifying the default rates by maturity bands observed on a historical basis, applied for the entire expected life of the receivable and updated on the basis of significant future scenario elements.

- Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and short-term, highly liquid investments (maturities of three months or less from the date of acquisition) that are readily convertible into known amounts of cash and that are subject to an insignificant risk of changes in value.

Cash and cash equivalents, including ancillary charges, are measured at fair value.

Cash on hand and equivalents in hand are measured at their nominal value.

- Derecognition of financial assets and liabilities

Financial assets are derecognised whenever one of the following conditions occurs:

- the contractual right to receive the cash flows associated with the asset has expired;
- the Group has substantially transferred all the risks and rewards associated with the asset, either by transferring its rights to receive the cash flows from the asset or assuming a contractual obligation to remit the cash flows to one or more beneficiaries under a contract that meets the requirements under IFRS 9 (pass through test);
- the Group has transferred the control of the financial asset but has neither transferred nor retained the risks and rewards associated with the financial asset.

Financial liabilities are derecognised when they are settled, i.e. when the contractual obligation is fulfilled, cancelled or prescribed. When an existing financial liability is replaced by another to the same creditor on substantially different terms, or the terms of an existing liability are substantially modified, such replacement or modification is treated as derecognition of the original liability and recognition of a new liability.

The difference between the respective carrying amounts is taken to profit or loss.

- Contracts for the purchase or sale of non-financial items

Contracts for the purchase or sale of non-financial items, entered into and held on an ongoing basis for the purpose of collection or delivery in accordance with the Group's normal purchase, sale or usage requirements, do not fall within the scope of IFRS 9 and are accordingly recognised as executive contracts, with effect in profit or loss at the time of the physical exchange ('own use exemption').

Inventories

Inventories, mainly made up of materials and supplies for the maintenance and construction of plants, raw materials, i.e. fuel oil and diesel, and gas in relation to the marketing activity, are measured at the lower of cost (purchase cost, transformation and other costs incurred to bring the inventories to their current place and condition) and their expected net realisable or replacement value.

Cost is determined using the weighted average cost method.

If the cost of inventories cannot be recovered because they are damaged, have become entirely or partly obsolete or their sales prices have decreased, they are written down to their net realisable value. If the circumstances leading to the write-down no longer exist, the write-down is reversed.

Employee benefits

Post-employment benefits are defined according to plans which, based on their characteristics, are separated into "defined contribution" and "defined benefit" plans.

In defined contribution plans, the company obligation, limited to the payment of State contributions or to a separate fund, is calculated on the basis of contributions due. For the Group, this category includes the post-employment benefits accrued since 1 January 2007, payable to the INPS (the Italian Social Security Institution) fund and the share paid to the supplementary pension funds.

The liability relating to defined benefit plans, net of any plan assets, is calculated according to actuarial assumptions. For the Group, this category includes post-employment benefits accrued up to 31 December 2006 (or the date chosen by the employee if opting for allocation to supplementary funds), the tariff discounts for employees and former employees, additional monthly salary payments, the loyalty bonus paid to employees, and contributions paid to the Premungas fund.

The present value of the liability is calculated for each employee using the projected unit credit method. The total liability is calculated by estimating the amount payable on termination of the employment relations, considering economic, financial and demographic factors. This amount is recognised on a proportional basis over the period of service matured. For post-employment benefits accrued as at 31 December 2006 (or the date chosen by the employee if opting for allocation to supplementary funds), the proportional basis is not applied because at the reporting date the benefits can be considered accrued in full.

The demographic, economic and financial variables are validated annually by an independent actuary.

As regards presentation in the financial statements, the changes in liabilities connected with the obligation related to a defined benefit plan are broken down into three components:

- 1) operating (service costs), personnel expense;
- 2) financial (financial expense), net interest income/expense;
- 3) measurement (remeasurement costs), actuarial gains/losses.

Gains and losses resulting from actuarial calculations for post-employment benefits are immediately recognised in Other comprehensive income, except for the loyalty bonus which is entirely recognised in profit or loss.

With regard to disclosures, information is provided on the characteristics of the plans and the amounts recognised in the financial statements, as well as on the risk resulting from the plans and including a sensitivity analysis of fluctuations in demographic risk.

Provisions for risks and charges

Provisions for risks and charges are set aside to cover liabilities of uncertain amount or maturity that must be recognised when, and only when, the following conditions are met:

- the group has a present obligation (legal or constructive) as a result of a past event at the reporting date;
- it is likely that an outflow of resources embodying economic benefits will be required to settle the obligation;
- a reliable estimate can be made of the amount of the obligation.

Risks for which the related liability is only potential are disclosed in the notes to the financial statements, and no provision is made.

No additional information is provided for events that are remote, i.e. where it is very unlikely they will arise, and no provision is made.

The provisions are recognised at the amount representing the best estimate of the total that the group would pay to settle the obligation, or transfer it to third parties at year end. If the discounting effect on the value of money is significant, the provisions are calculated by discounting expected future cash flows at a pre-tax discount rate that reflects the current market assessment of the time value of money.

On discounting, the time-related increase in the provision is recognised as financial expense.

The post-closure provisions are discounted according to the cash flows indicated in the report prepared by an independent expert.

Hybrid bond instruments

The non-convertible hybrid perpetual bonds issued are classified as equity instruments. These are, in fact, instruments for which Iren is permitted to defer the payment of interest over time, the early repurchase of which is permitted upon the occurrence of certain events or at the reset date. They are instruments that cannot be converted into shares and, in the event of liquidation, dissolution or insolvency of the company, coupon payments will be subordinate to all other payment obligations of the issuer. The proceeds received from the sale of the instruments and subsequent principal repayments are recognised as increases and decreases in equity, respectively.

Costs directly attributable to the issuance transactions are recognised as a decrease in equity, in accordance with the provisions of IAS 32 for equity instruments.

Interest expense, when an obligation to pay arises, is recognised as a reduction of equity.

Treasury shares

Treasury shares are recognised at cost and deducted from equity. The effects of any subsequent sales are also recognised in equity.

Dividends

Dividends payable to the shareholders of the Parent and to non-controlling interests are recognised as a decrease in equity and recorded as financial liabilities on the date they are approved by the Shareholders' Meeting.

Dividends from investees are recognised when the shareholders' right to receive payment is established.

Revenue from goods and services

Revenue is measured at fair value with respect to the amount received or due, taking account of any trade discounts and reductions connected with quantity. A distinction is made between revenue from operating activities and any financial income accruing up to the date of collection.

For correct recognition of revenue from contracts with customers, reference is made to IFRS 15 which provides for a revenue recognition model based on 5 steps:

1. identify the contract with the customer. Contract means a commercial agreement approved by two or more parties that creates enforceable rights and obligations. A contract is valid when the following conditions are jointly met: a) the parties have approved the contract (in writing or according to usual commercial practices); b) it is possible to identify the customer's rights as regards the goods or services that must be transferred; c) the payment terms are identifiable; d) the contract has commercial substance; e) it is probable that the price will be collected (only the customer's ability and intention to pay are considered);
2. identify the "Performance Obligations" contained in the contract. Where a contract provides for the supply/provision of multiple goods and services, it is assessed whether these should be recognised separately or together, considering their individual characteristics.

Activities carried out to execute the contract, such as administrative formalities for preparing the contract itself, do not transfer separate goods and services to the customer, and therefore do not represent performance obligations. Non-refundable initial expenses charged to the customer are not revenue unless they refer to separate goods and services.

If under a contract an entity grants the customer an option to purchase future goods or services, that option is a separate performance obligation only if it provides the customer with a benefit that it could not otherwise obtain, such as a greater discount than is typically given for those particular goods or services. An option to purchase goods or services at a price that reflects its stand-alone selling price, is not a separate performance obligation even if it can be obtained only by signing the contract in question.

In this context, it is determined whether the entity is acting as “principal” or “agent,” depending on whether or not, respectively, it controls the promised good or service before control thereof is transferred to the customer. When the entity acts as an “agent,” particularly with respect to gas and electric grid connection services, revenue is recognised on a net basis;

3. determine the “Transaction Price”. The following elements must be considered in determining the transaction price: a) any amounts collected on behalf of third parties, which must be excluded from the price; b) variable components of the price (such as performance bonuses, penalties, discounts, refunds, incentives, etc.); c) financial component, if the payment terms grant the customer a significant extension;
4. allocate the price to the Performance Obligations on the basis of the “Relative Stand Alone Selling Price”. For any bundled supplies, the selling price is generally allocated on the basis of the stand-alone price of each good or service, i.e., the price at which the Group would sell such good or service separately to the customer;
5. recognise revenue when the Performance Obligation is satisfied. The asset or service is transferred when the customer obtains control over the asset or service and that is when it has the ability to decide and/or direct its use and obtain substantially all its benefits. The transfer of control, and consequently the recognition of revenue may occur at a certain point in time or over time.

For each obligation fulfilled over time, revenue is recognised by evaluating progress toward complete fulfilment of the obligation. On the asset side, contract assets, specifically identified in the financial statements, represent the right to the price for goods and services transferred to the customer when said right is subject to a condition other than the passage of time.

When said right is unconditional, i.e. collection of the price depends solely on the passage of time, an asset is recognised. If the customer pays the price before the transfer of goods or services occurs, a contract liability is recognised at the time payment is made (or payment is due); this liability is recognised as revenue when the obligation under the contract is fulfilled.

In the case of variable consideration with a multi-year scope, the Group recognises as operating revenue those amounts that are highly likely not to be returned in the future.

With reference to the Group’s operating segments, it should also be noted that:

- revenue from the sale of electricity, gas and heat to customers is recognised at the time of supply and includes the estimated amount relating to supplies made but not yet invoiced. This estimate is based on the customer’s historical consumption profile, adjusted to reflect weather conditions or other factors that may affect the estimated consumption;
- revenue from network businesses (electricity, gas and water distribution) is entered on the basis of the tariffs determined by the competent Authorities to reflect the remuneration paid for the investments made;
- revenue relating to contracts for the energy efficiency upgrading of buildings or plants is recognised on the basis of the stage of completion of the contract work, deduced from the total estimated costs incurred, by means of the recognition of a contract asset until the obligation has been fully met.
- revenue relating to collection and urban hygiene refer to obligations that are fulfilled continuously over time based on existing assignments and are recognised at the time of disbursement;
- revenues from the municipal and special waste treatment, including their disposal and recovery, are accounted for as services provided over time, with reference to the continuous disposal of homogeneous waste units, also within the framework of the agreements with the competent authorities;
- revenue from the provision of services is recognised to the stage of completion of the activities, the same criteria applied for work in progress contracts. When it is not possible to reliably determine the value of the revenues, the latter are recognised up to the amount of the costs incurred that are expected to be recovered.

In the event of contractual amendment, that is a change in the subject and/or the price of the contract approved by the parties, if the amendment introduces new separate goods and/or services and the increase in the contractual price is equal to the stand-alone selling price of the new goods and/or services, the contractual amendment is accounted for as a new contract. If the two aforementioned conditions are not met and the goods and/or services still to be delivered are separate with respect to what has already been transferred to the customer before the amendment, the change is treated as cancellation of the old contract and introduction of a new contract with prospective effect on revenue; otherwise the amendment is treated as continuation of the original contract with retrospective effect on revenue.

The costs of obtaining contracts with customers are capitalised in accordance with the provisions of IFRS 15 and are amortised over the duration of the relationship with the customer. In order to determine this expected period, reference is made to historical experience with churn rates.

Grants related to assets and grants related to income

Grants related to assets are recognised, when they become payable, as deferred revenue and systematically recognised as income over the useful life of the asset to which they refer. The deferred revenue relating to the grants themselves is reflected in the statement of financial position as other liabilities, with appropriate separation between the current portion and the non-current portion.

Grants related to income are recognised in profit or loss when the recognition criteria are met, i.e. when their recognition as a balancing entry of supply costs related to the grants is certain.

Connection grants invoiced by companies that provide the distribution service as reimbursement of the costs incurred for the connection/meter installation under the terms of IFRS 15 cannot be considered part of the price of the distribution service

because there is no transfer of control over the asset. They are therefore deferred and released along the life of the asset of reference in line with what is envisaged for tariff purposes.

Other income

Other income includes all kinds of revenue not included in the previous types and not of a financial nature. Income is measured at the fair value of the consideration received or receivable and is recognised when the amount of revenue can be reliably estimated and it is probable that the economic benefits of the transaction will flow to the group.

Costs for the purchase of goods and services

Costs are measured at the fair value of the amount paid or to be paid. Costs for the acquisition of goods and services are recognised when their amount can be reliably determined. Costs for the purchase of assets are recognised upon delivery which, based on outstanding agreements, identifies the moment of transfer of the related risks and rewards. Costs for services are recognised on an accruals basis upon receipt.

Financial income and expense

Financial income and expense are recognised when they accrue on the basis of the interest earned on the net amount of the related financial assets and liabilities using the effective interest rate.

Borrowing costs that are directly attributable to the acquisition, construction or production of a plant are capitalised since it is probable that they will result in future economic benefits for the group and are reliably determined.

Income taxes

Income taxes include all the taxes calculated on the Group's taxable income.

Current and deferred taxes are recognised as income or expense and included in the profit or loss for the year, except to the extent that the tax arises from a transaction or event that is recognised, in the same or a different year, directly in equity.

Current tax is the expected tax payable on the taxable income for the year, applying the tax legislation enacted or substantially enacted at the reporting date. Deferred tax liabilities are calculated based on the temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the amounts used for taxation purposes.

Deferred tax assets are recognised only when their recovery is probable.

Deferred tax liabilities have been calculated considering the expected tax rate for the year in which the differences will reverse.

The Group also exercised the option for the tax consolidation scheme, pursuant to Art. 118 of the new Consolidated Law on Income Tax. This requires that the consolidated companies transfer their IRES debit/credit positions to the Parent IREN S.p.A. The latter then calculates IRES on the algebraic sum of taxable profits/losses of each company taking part in the tax consolidation scheme.

In return for the taxable income earned and transferred to the parent, the consolidated company commits to paying "tax settlements" to the parent equal to the amount of taxes owed on the income transferred, net of the transferred IRES assets.

Uncertainty of income tax treatment

The definition of uncertainty should consider whether a given tax treatment would be acceptable to the Tax Authority. If it is considered probable that the Tax Authority will accept the tax treatment (the term "probable" being understood as "more likely than not"), then the Group recognises and measures its current or deferred tax assets and liabilities by applying the provisions of IAS 12.

Conversely, if the Group believes that it is not likely that the Tax Authority will accept the tax treatment for income tax purposes, the Group reflects the effect of such uncertainty by using the method that best provides for the resolution of the uncertain tax treatment. The Group decides whether to consider each uncertain tax treatment separately or in conjunction with one or more uncertain tax treatments, choosing the approach that best provides for resolution of the uncertainty. In assessing whether and how uncertainty affects tax treatment, the Group assumes that the Tax Authority does or does not accept uncertain tax treatment on the assumption that the Tax Authority, on audit, will check the amounts it is entitled to examine and that it will be fully aware of all relevant information. The Group reflects the effect of uncertainty in determining current and deferred income taxes, using either the expected value method or the most probable amount method, depending on which method best provides for resolution of the uncertainty. Since uncertain tax positions relate to the definition of income taxes, the Group reports uncertain tax assets/liabilities as current taxes or deferred taxes.

Translation criteria for foreign currency items

The functional and reporting currency adopted by the Group is the Euro. When transactions in foreign currency are made, they are initially recognised at the exchange rate in effect on the transaction date. Except for non-current assets, assets and liabilities in foreign currency are recognised at the closing rate and related exchange rate gains and losses are recognised in the income statement. Any net gain that emerges is set aside in a special reserve unavailable until the date of realisation.

Emission Trading Scheme

The Emission Trading Scheme is part of the so-called 'flexible mechanisms' allowed under the Kyoto Protocol to reduce greenhouse gas emissions. In this context, the Group actively participates in the emissions trading scheme, contributing to the achievement of the reduction targets set by the national reduction plan.

The emission quotas purchased as part of the activities related to the achievement of these objectives in excess of the requirements, determined in relation to the obligations accrued at the end of the financial year (so-called "surplus"), are recorded under other intangible assets at cost incurred. Quotas received free of charge are not recognised. Since it is an asset with instantaneous use, this item is not subject to amortisation.

With regard to the obligations relating to the year, if the requirement exceeds the quotas in the portfolio at the reporting date (so-called "deficit"), the charge necessary to meet the residual obligation is allocated in the financial statements, estimated on the basis of any purchase contracts, including forward contracts, already entered into at the reporting date and, residually, market prices.

Any emission quotas held for trading which are still unsold at year end are recognised in the statement of financial position under Inventories. These quotas are measured at the lower of cost and market value.

Other energy certificates

Closely related to the activities carried out, the Group is interested in certain types of incentives or energy certificates strictly related to the performance of specific activities aimed at energy saving and the introduction into the electricity system of energy produced from renewable sources. In particular, the Group received:

- from the Energy Services Operator ("Gestore dei Servizi Energetici" - GSE) the ex-green certificate incentive, as established by the Ministerial Decree of 6 July 2012, valid for the production of plants that already benefited from green certificates;
- from the Energy Services Operator (GSE), tradable certificates that certify that energy-saving work has been carried out (Energy Efficiency Certificates – "EECs"- the so-called "white certificates").

For accounting purposes, these cases are treated as follows:

- the incentive tariff (formerly referred to as green certificates) deriving from the annual production of electricity from renewable sources is recognised on the basis of the accruals concept when the right matures;
- white certificates are accounted for in a slightly different way according to whether the entity is obliged or not obliged to return the EECs.

In fact, entities that are obliged to return EECs recognise among other income the grant received related to the obligation for the year and among cost for raw materials the cost of EECs purchased to meet this obligation in the year of accrual. If the EECs purchased exceed the compulsory amount, the cost of the exceeding purchased certificates is discounted; conversely, if the certificates purchased are not enough to meet obligations, the cost of certificates to be purchased will be allocated to meet the compulsory amount for the year.

Entities not obliged to return the EECs:

- if they operate in trading activities, recognise revenue and costs of the certificates bought and sold and suspend among Inventories any unsold certificates, measured at the weighted average cost and at the lower between cost and market;
- if white certificates mature in the context of energy efficiency and energy saving activities, the related revenue is recognised as it accrues.

Power Purchase Agreements

Power Purchase Agreements (PPAs), i.e. long-term contracts, at negotiated prices, between an energy producer/seller and a customer, which:

- involve the physical delivery of the commodity;
- do not meet the requirements of IFRS 10 for the existence of control or joint control over a company or asset and IFRS 16 for the recognition of a lease
- comply with the definition of a derivative in IFRS 9

are accounted for by applying the own use exemption when the relevant conditions are met.

With reference to Virtual PPAs (bilateral contracts without physical delivery, which provide for a consideration 'for difference' with respect to market prices against a strike price), which meet the definition of a derivative under IFRS 9, please refer to the section 'Recognition of derivatives' in the chapter 'Group Financial Risk Management'.

Earnings per share

- Basic earnings per share

The group calculates basic earnings per share on the basis of the profit or loss attributable to shareholders holding ordinary shares of the parent. Basic earnings per share is calculated by dividing the profit or loss for the year attributable to shareholders holding ordinary shares by the weighted average number of ordinary shares outstanding during the year.

- Diluted earnings per share

The group calculates diluted earnings per share based on the profit or loss attributable to shareholders of the parent. For the purposes of calculating diluted earnings per share, the number of ordinary shares is the weighted average number of ordinary shares plus the weighted average number of ordinary shares that could be issued on conversion to shares of all potential ordinary shares with dilutive effects. This conversion takes place at the beginning of the year or at the date of issue of the potential ordinary shares.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED FROM 1 JANUARY 2025

As of 1 January 2025, the following accounting standards and amendments to accounting standards, issued by the IASB and endorsed by the European Union, are obligatorily applicable:

Amendments to IAS 21 – Lack of exchangeability

Issued on 15 August 2023, it amends IAS 21, which did not contain explicit provisions for determining the exchange rate. The amendments introduce requirements for determining when a currency can be translated into another currency and when it is not. The amendment is applicable as of 1 January 2025.

The application of the amendments to the aforementioned IFRS did not have any consequences or, in any case, significant effects on the Group's financial position and performance.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS ENDORSED BUT NOT YET APPLICABLE AND NOT ADOPTED IN ADVANCE BY THE GROUP

Amendments to IFRS 9 and IFRS 7 – Amendments to the classification and measurement of financial instruments

Issued in May 2024, in response to questions on the derecognition of financial liabilities, the classification of financial assets and related disclosures. The amendments are applicable from 1 January 2026.

Amendments to IFRS 9 and IFRS 7 - Contracts referencing nature-dependent electricity

On 18 December 2024, the IASB issued amendments to improve the reporting by companies of the financial effects of contracts referencing nature-dependent electricity, often structured as power purchase agreements (PPA). The amendments are applicable from 1 January 2026.

IFRS 18 - Presentation and Disclosure of Financial Statements

Published by the IASB on 9 April 2024, it supersedes IAS 1 Presentation of Financial Statements and establishes significant new requirements for the presentation of financial statements, with the intention of improving the comparability and transparency of companies' performance reporting. It is effective for annual reporting periods beginning on or after 1 January 2027.

During 2025, the process of assessing the impacts of adopting IFRS 18 was initiated. This process involves a systematic analysis of the new accounting standard, the changes to the format of the financial statements, and any potential impact on the structure of the chart of accounts. At present, there is no need to make any significant changes to the chart of accounts, nor to undertake any structural changes to the accounting processes or the related information systems. Activities will continue throughout 2026 with a view to ensuring the timely implementation of the new standard.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ENDORSED BY THE EUROPEAN UNION

IFRS 19 Subsidiaries without Public Accountability: Disclosures

Issued on 9 May 2024, it allows eligible subsidiaries (i.e. reporting to a parent that prepares consolidated financial statements in accordance with the IFRS) to apply reduced disclosure requirements when complying with the recognition, measurement and presentation requirements of the IFRS. It is effective for annual reporting periods beginning on or after 1 January 2027.

VI. Group Financial Risk Management

A summary of the risk management and control methods is shown below with respect to financial instruments (liquidity risk, currency risk, interest rate risk, credit risk) and *commodity* price risk related to fluctuations in the prices of energy *commodities*.

1. FINANCIAL RISKS

Iren Group's business is exposed to various types of financial risks, including: liquidity risk, currency risk and interest rate risk. As part of its Risk Management activities, the Group uses non-speculative hedging contracts to limit currency risk and interest rate risk.

a) Liquidity risk

Liquidity risk is the risk that financial resources available to the group will be insufficient to cover financial and trade commitments in accordance with the agreed terms and deadlines. The procurement of financial resources has been centralised in order to optimise their use. In particular, centralised management of cash flows at Iren makes it possible to allocate the funds available at the Group level according to the needs that from time to time arise among the individual Companies. Cash movements are recognised in intra-group accounts along with intra-group interest income and expense. A number of investees have an independent financial management structure in compliance with the guidelines provided by the Parent.

The current and forecast financial position and the availability of adequate credit facilities are constantly monitored, and no critical points have emerged regarding the coverage of short-term financial commitments. At the end of the year, short-term bank credit facilities used by the Parent were nil.

In addition, having assessed the convenience and advisability from time to time in the context of optimising available financial resources, the Group carries out non-recourse factoring of trade receivables and tax assets, benefiting from the liquidity advance arising therefrom.

In this context, to support the Group's liquidity profile and rating level, in addition to current liquid assets, Iren has medium/long-term credit lines agreed and/or committed, available but not drawn down, totalling 450 million euro.

The table below illustrates the nominal cash flows required to settle financial liabilities:

Financial liabilities at 31 December 2025:

	Carrying amount	Contractual cash flows	within 12 months	1-5 years	Over 5 years
Loan and bond liabilities (*)	4,483,994	(5,127,627)	(147,914)	(2,760,311)	(2,219,402)
Hedging of interest rate risk (**)	(11,309)	11,309	3,608	7,531	170
Lease liabilities	58,615	(66,271)	(17,493)	(38,482)	(10,296)

(*) The carrying amount of "Loan and bond liabilities" includes both current and non-current portions.

(**) The carrying amount of "Hedging of interest rate risk" includes the positive and negative fair value of the hedging contracts.

Financial liabilities at 31 December 2024:

	Carrying amount	Contractual cash flows	within 12 months	1-5 years	Over 5 years
Loan and bond liabilities (*)	4,931,344	(5,552,053)	(664,097)	(2,382,942)	(2,505,014)
Hedging of interest rate risk (**)	(478)	478	2,727	(2,316)	67
Lease liabilities	69,542	(75,407)	(18,566)	(44,339)	(12,502)

(*) The carrying amount of "Loan and bond liabilities" includes both current and non-current portions.

(**) The carrying amount of "Hedging of interest rate risk" includes the positive and negative fair value of the hedging contracts.

Cash flows required to settle other financial liabilities, other than those to lenders and those related to the application of IFRS 16 on the subject of *leases*, do not differ significantly from the recognised carrying amount.

Among the factors that define the risk perceived by the market, the creditworthiness, assigned to Iren by the rating agencies, plays a decisive role since it influences its ability to access sources of financing and the related economic conditions. A substantial worsening of this credit rating could constitute a limitation to access to the capital market and/or an increase in the cost of financing sources, with possible negative effects on the Group's financial position and performance.

As detailed in the "Financial Management" section of the Directors' Report, Iren has "BBB" rating with "Stable" outlook for long-term creditworthiness with Standard & Poor's Global Ratings (S&P) agency and with the Fitch Ratings agency, confirmed on 27 November and 22 December 2025 respectively.

Iren has relations with the leading Italian and international banks, for the purpose of searching for the types of loans most suited to its needs, and the best market conditions.

Details of the activities performed in this area and of the individual transactions are shown in the "Financial Management" section of the Directors' Report.

Financial debt at the reporting date consisted of 34% loans and 66% bonds; it is also noted that:

- the fixed-rate portion accounts for 71%, the hedged portion for 24%, and the remaining floating-rate portion for 5%;
- 85% of total debt is financed by sustainable funds, consistent with the Iren Sustainable Finance Framework, such as Green Bonds and loans whose interest rate is linked to ESG Key Performance Indicators - see also Note 21 "Non-current financial liabilities" of these Notes.

With regard to the liquidity risk potentially deriving from contractual clauses allowing counterparties to withdraw financing should certain events occur (*default* risk and *covenants*), it is noted that the clauses in Iren's loan agreements are complied with. Specifically, for certain medium/long-term loan agreements Iren is committed to observing financial *covenants* (such as Debt/ gross operating profit, gross operating profit /borrowing costs) verified on a yearly basis. Moreover, other covenants have been provided for the Change of Control clause, which states that Iren Group should be kept under the direct and indirect control of public shareholders. In addition, Negative Pledge clauses exist whereby the group undertakes not to grant collateral beyond a specific limit, and the *Pari Passu* clause, which reserves an equal treatment for lending banks with respect to the treatment related to other unsecured creditors.

b) Currency risk

Except as indicated in the section on energy risk, the Group is not significantly exposed to currency risk.

c) Interest rate risk

Iren Group is exposed to interest rate fluctuations especially with regard to the measurement of borrowing costs. Iren Group's strategy is to limit exposure to the risk of interest rate volatility, maintaining at the same time a low cost of funding.

For non-speculative purposes, the risks associated with the increase in interest rates are monitored and, if necessary, reduced or eliminated by *swap* and *collar* contracts with financial high credit *standing* counterparties, for the sole purpose of hedging. At the end of the year, all contracts entered into meet the requirement to limit exposure to interest rate risk and also meet the formal requirements for hedge accounting.

The fair value of the aforementioned interest rate hedging contracts as at 31 December 2025 relates to the position of the parent (positive 10,597 thousand euro) and Siena Ambiente (positive 712 thousand euro).

The hedging contracts entered into, together with fixed-rate loans, hedge 95% of loans against interest rate risk, in line with Iren Group's target of maintaining adequate protection against significant increases in the interest rate.

For a more complete understanding of the interest rate risks to which the Group is subject, stress testing was performed on the sensitivity of net financial expense and evaluation portions in derivative financial contracts to changes in interest rates. With regard to financial expense, this analysis was performed based on reasonable assumptions, as follows:

- a theoretical increase and decrease of 100 basis points in the Euribor interest rates over the year was applied to net financial debt;
- if there was any existing hedge, interest rate shock was applied to both the debt position and related hedging derivative with an extremely limited net effect on the income statement;
- the change in interest rates is also applied to any portion of interest expense capitalised in the year.

With regard to hedging derivatives at year end, a 100 basis points theoretical increase and decrease was applied to the forward curve of interest rates used to measure the fair value of the hedges.

The table below illustrates the results of the above sensitivity analysis performed with reference to 31 December 2025.

	increase of 100 bps	decrease of 100 bps
Increase (decrease) in net financial expense	(906)	826
Increase (decrease) in derivative fair value charges	354	(412)
Increase (decrease) in hedging reserve	32,983	(34,772)

2. CREDIT RISK

The Group's credit risk is mainly related to trade receivables deriving from the sale of electricity, district heating, gas and the provision of energy, water and waste management services. The receivables are spread across a large number of counterparties, belonging to non-uniform customer categories (retail and business customers and public bodies); some exposures are of a high amount and are constantly monitored. Iren Group's Credit Management units devoted to credit recovery are responsible for this activity.

In carrying on its business, the Group is exposed to the risk that assets may not be honoured on maturity with a consequent increase in their age and in insolvency up to an increase in assets subject to arrangement procedures or unenforceable. This risk reflects, among other factors, also the current economic and financial situation.

To limit exposure to credit risk, various tools are adopted. These include analysing the solvency of customers at the acquisition stage through careful assessment of their creditworthiness, transferring the receivables of discontinued and/or active customers to external credit recovery companies and introducing new recovery methods for managing legal disputes. In addition, numerous payment methods are offered to customers through channels, including digital channels, and appropriately monitored payment plans are proposed.

The credit management policy and creditworthiness assessment tools, as well as monitoring and recovery activities, are managed through automated processes and integrated with company applications and differ in relation to the various categories of customers and types of service provided.

Credit risk is hedged, for some types of business customers, with opportune forms of first-demand bank or insurance guarantees issued by subjects of leading credit standing.

An interest-bearing guarantee deposit is required for some types of services (water, natural gas, highly-protected electricity sectors) in compliance with regulations governing these activities. This deposit is reimbursed if the customer uses payment by direct debit from a current account.

The payment terms generally applied to customers are related to the legislation or regulations in force or in line with the standards of the free market; in the event of non-payment, default interest is charged for the amount indicated in the contracts or by the legislation.

The control of credit risks is also strengthened by the monitoring and reporting procedures, in order to identify promptly possible countermeasures. Furthermore, on a quarterly basis, the Credit Management Department provides the Risk Management Department and the Risk Commission with Group reporting on the evolution of the trade receivables of Group companies, in terms of customer type, contract status, business chain, and aging category. The assessment of credit risk is carried out both at consolidated level and at the level of Business Units and companies. Some of the above assessments are carried out at intervals of less than three months or when there is a specific need.

With reference to Trade Receivables and their breakdown by Business Unit and ageing bracket, please refer to the contents of Note 14 "Trade Receivables" in chapter X "Notes to the Statement of financial position".

Impairment losses on loans and receivables reflect, carefully and in accordance with the current legislation (applying the IFRS 9 method), the effective credit risks and are determined with reference to databases of trade receivables and, in general, assessing any changes in the said risk compared to the initial measurement and, estimating the related expected credit losses determined on a prospective basis, taking into due consideration the historical data.

In this regard, a breakdown by financial statements item of the estimated expected credit losses recognised in the year is provided.

	thousands of euro
Trade receivables	85,976
Other non-current assets	255
Total to IS impairment losses on loans and receivables	86,231

Also with reference to "Trade Receivables", in the related Note to the Statement of Financial Position, the specific loss allowance is reported by segment, with evidence of the average loss percentages by ageing bracket.

There is credit concentration in the transactions between the subsidiaries Iren Smart Solutions and AMIAT and the municipality of Turin. For further details, see in particular Note "Non-current financial assets" of the Notes to the statement of financial position.

3. ENERGY RISK

Iren Group is exposed to price risk, on the energy commodities traded, these being electricity, natural gas, CO₂ emission quotas, etc., as both purchases and sales are impacted by fluctuations in the price of such commodities directly or through indexing formulae. Currently no exposure to currency risk, typical of oil-based commodities, is present, thanks to the development of the European organised markets that trade the gas commodity in the euro currency and no longer indexed to oil products.

The Group has a formal procedure that provides for the measurement of residual risk, the definition of a maximum acceptable risk limit and the implementation of hedging transactions through the use of derivative contracts on regulated markets (e.g. European Energy Exchange - EEX) and on Over The Counter (OTC) markets involved in bilateral exchanges. The commodity risk control process makes it possible to limit the impact of unforeseen changes in market prices on margins and, at the same time, provides an adequate margin of flexibility to seize opportunities in the short term.

In this context, the Group's policy is in fact oriented to a strategy of active management of the positions to stabilise the margin taking the opportunities offered by the markets; it is implemented by aligning the indexing of commodities purchased and sold, through vertical and horizontal use of the various business chains, and operating on the financial markets.

For this purpose, the Group plans the production of its plants and purchases and sales of energy and natural gas, in relation to both volumes and price formulae. The objective is to achieve sufficient margin stability through a policy of indexed purchases and sales that achieves a high degree of natural hedging, with adequate recourse to futures and spot markets.

In relation to the energy sold, the Group may use fixed-price contracts, through physical bilateral agreements (e.g. Power Purchase Agreements -PPA-, etc.) or financial contracts (e.g. Contracts for Difference, Virtual Power Purchase Agreements -VPP-, etc.).

In addition to normal activity with physical contracts, derivative transactions are in place to hedge the energy portfolio:

- Over the Counter (OTC) on commodities (commodity swaps on TTF, PSV and PUN indices) totalling 3.3 TWh. The fair value of these instruments as at 31 December 2025 was positive overall by 2,119 thousand euro (depending on the different positions, of which 10,071 thousand euro of positive fair value and 7,952 thousand euro of negative fair value);
- on the regulated platform European Energy Exchange - EEX, on PUN for a total net notional equal to 2.5 TWh. The Fair Value of these instruments (the so-called "Variation Margin") as at 31 December 2025 is positive overall for 1,267 thousand euro, with daily settlement on a specific current account: these instruments are not in fact specifically valued in the financial statements as they are already expressed in terms of "higher/lower" liquidity.

In the first half of 2025, there were two Block Deals for a volume of 15 MW each (maturing 31 December 2026) aimed at neutralising the position on EEX, with simultaneous reopening of the OTC position. This strategy made it possible, with a view to containing liquidity risk and for low fees, to eliminate the Initial Margin and to freeze the Variation Margin at the execution date for the neutralised EEX transaction.

In addition, under the Emission Trading Scheme, Iren Group purchases Emission Unit Allowances (EUA) to meet its obligations arising from CO₂ emissions caused by the production of electricity and heat.

Purchases of EUA take place either Spot (with immediate payment and physical delivery) or forward via Future/Forward (with deferred payment and physical delivery); in addition, they may be concluded either on the OTC market (bilateral contracts with third parties) or directly on the regulated EEX market. The annual domestic requirement to be covered is approximately 2.8 million CO₂ allowances/tonnes.

As at 31 December 2025, there were outstanding Future/Forward transactions:

- Over the Counter (OTC) for a total of 2,540 thousand tonnes. The Fair Value of these instruments totalled a positive 15,929 thousand euro;
- on the regulated platform European Energy Exchange - EEX for a total net notional equal to 556 thousand tonnes. The Fair Value of these instruments is positive overall for 2,372 thousand euro, with daily settlement on a specific current account: these instruments are not specifically valued in the financial statements as they are already expressed in terms of "higher/lower" liquidity.

As at 31 December 2025, there were 29 electricity sales contracts (Power Purchase Agreements) in place, with an average remaining term of three years and one month and a total remaining volume of 520 GWh.

RECOGNITION OF DERIVATIVES

Financial derivatives are measured at fair value, determined on the basis of market values or, if unavailable, according to an internal measurement technique.

In order to recognise derivatives, it is necessary to distinguish between transactions that meet all of the IFRS 9 requirements in order to account for them in compliance with the hedge accounting rules and transactions that do not fulfil all of the aforesaid requirements.

Transactions recognised in compliance with hedge accounting rules

These transactions may include:

- **fair value hedges:** the derivative and the hedged item are recognised at fair value in the statement of financial position and the change in their fair values is recognised directly in the income statement;
- **cash flow hedges:** the derivative is recognised at fair value with a balancing entry in a specific equity reserve for the effective portion of the hedge and in the income statement for the ineffective portion; when the hedged item arises, the amount suspended in equity is reversed to the income statement.

Classification in the income statement of the ineffective portion and the deferred amount transferred from equity is based on the nature of the underlying instrument; in the case of commodity derivatives, this amount is accounted for in the gross operating profit, while in the case of interest rate risk hedges it is recognised in financial income and expense.

Transactions not recognised in compliance with hedge accounting rules

The derivative is recognised at fair value in the statement of financial position. The change in the fair value of the derivative and the realised portion are recognised in the income statement according to the following classification:

- in the case of derivative instruments on commodities for which there is a relationship with a cost or revenue component, in the gross operating profit; in particular, the realised portion is accounted for as an adjustment to the cost or revenue component to which it refers;
- in the case of interest rate risk hedges, in financial income or expense.

Finally, in the case of derivative instruments for which there is no longer a relationship with a cost or revenue component, the change in the fair value of the derivative is recognised in financial income and expense, as they are considered instruments with purely financial characteristics and do not have the characteristics to manage exposures arising from particular risks that could affect the profit for the year.

With regard to the valuation of the derivative among statement of financial position items, it should be noted that the fair value of the derivative is recorded under non-current financial assets/liabilities if the underlying is a non-current item, vice versa it is recorded under current financial assets/liabilities if the underlying is settled within the reporting period.

In the case of derivative instruments for which there is no relationship to a cost or revenue component, the fair value of the derivative is recorded under current or non-current financial assets/liabilities depending on whether the portion is due within or beyond twelve months of the reporting date.

FAIR VALUE

The following table shows, for each financial asset and liability:

- the carrying amount, including the method of accounting;
- the fair value, including the Level in the relative hierarchy.

In this regard, the various levels were defined as shown below:

- Level 1: Quoted prices (unadjusted) on active markets for identical assets or liabilities;
- Level 2: Inputs other than Level 1 quoted prices which are observable for the asset or liability, either directly (as in the case of prices), or indirectly (i.e. derived from prices);
- Level 3: Inputs for the asset or liability which are not based on observable market data.

Loans and bonds

The fair value of loans, level 2, is determined as the sum of estimated future cash flows associated with assets or liabilities, including the related component of financial income or expense, discounted with reference to the reporting date. This present value is determined by applying the forward interest rate curve at the reporting date.

With regard to bonds, the relative fair value (level 1) is derived from the quotation on the regulated markets of the Irish Stock Exchange (Euronext Dublin) and on the ExtraMOT Pro market of Borsa Italiana.

Derivative hedging contracts (rate and commodities)

All the Group's hedging instruments have a fair value which can be classified at level 2, thus measured through valuation techniques, that take, as a reference, parameters that can be observed on the market (e.g. interest rates, commodity prices) and are different from the price of the financial instrument, or in any case that do not require a significant adjustment based on data which cannot be observed on the market. Their fair value is equal to the present value of estimated future cash flows. In particular:

- with regard to financial instruments hedging interest rate risk, estimates of variable-rate future cash flows are based on quoted swap rates, futures prices and interbank rates, from which the yield curve used to discount the estimated cash flows is also obtained. The fair value thus obtained is subject to Credit Risk Adjusted (CRA) to incorporate the Group's and counterparty's credit risk, with calculation parameters (probability of default and percentage of loss in the event of default) valued in accordance with best market practice;
- with regard to financial instruments hedging commodity risk, estimates of variable future cash flows are based on electricity, gas and EUA price quotations extracted from the main market platforms. Cash flows are discounted and adjusted for the credit risk component, similar to interest rate risk hedging instruments.

Put Options

Financial liabilities for put options relate to the fair value measurement of put options granted to non-controlling investors of I.Blu, Nord Ovest Servizi and Cierre.

With reference to I. Blu and Nord Ovest Servizi, their nominal value, contractually defined between the parties and discounted to take into account the time component with respect to the exercise date, is the directly observable input for the Level 2 fair value measurement.

With regard to Cierre, the fair value of the put option, which is also subject to discounting, is calculated according to the contractual terms based on the best estimate of the company's expected profitability in a given timeframe: the relative fair value is therefore hierarchically entered in level 3.

Finally, it should be noted that there have been no transfers between the various levels of the fair value hierarchy and that information on the fair value of financial assets and liabilities not measured at fair value is excluded when their carrying amount is reasonably representative of their fair value.

The following tables do not include assets and liabilities relating to derivatives on the EEX market (used for Cash Flow Hedges), which have a daily adjustment of their fair value on a specific current account: they are not specifically valued in the financial statements as they are already expressed in "higher/lower" cash balances.

In order to provide a disclosure as complete as possible, the corresponding figure from the previous year is also indicated.

thousands of euro

31.12.2025	Carrying amount				TOTAL
	Fair value of hedging instruments	Fair Value Through Profit or Loss	Financial assets measured at amortised cost	Other financial liabilities	
Financial assets measured at fair value					
Derivative hedging contracts (rate)	17,266				17,266
Derivative hedging contracts (commodities)	26,000				26,000
Assets for variable portion of transfer price OLT Offshore LNG Toscana		21,642			21,642
Other equity investments		9,395			9,395
Total Financial assets measured at fair value	43,266	31,037	-	-	74,303
Financial assets not measured at fair value					
Trade receivables			1,394,194		1,394,194
Loan assets			143,000		143,000
Sundry assets and other assets (*)			512,390		512,390
Cash and cash equivalents			205,765		205,765
Total Financial assets not measured at fair value	-	-	2,255,349	-	2,255,349
Financial liabilities measured at fair value					
Derivative hedging contracts (rate)	(5,957)				(5,957)
Derivative hedging contracts (commodities)	(7,952)				(7,952)
Put options		(7,294)			(7,294)
Total Financial liabilities measured at fair value	(13,909)	(7,294)	-	-	(21,203)
Financial liabilities not measured at fair value					
Bonds				(2,998,177)	(2,998,177)
Loans				(1,485,818)	(1,485,818)
Other financial liabilities (**)				(53,556)	(53,556)
Trade payables				(1,655,446)	(1,655,446)
Sundry liabilities and other liabilities (*)				(445,953)	(445,953)
Total Financial liabilities not measured at fair value	-	-	-	(6,638,950)	(6,638,950)
TOTAL	29,357	23,743	2,255,349	(6,638,950)	(4,330,501)

(*) Prepaid expenses and deferred income are excluded

(**) Lease liabilities recognised in accordance with IFRS 16 are excluded

thousands of euro

31.12.2025	Fair value			TOTAL
	Level 1	Level 2	Level 3	
Financial assets measured at fair value				
Derivative hedging contracts (rate)		17,266		17,266
Derivative hedging contracts (commodities)		26,000		26,000
Assets for variable portion of transfer price OLT Offshore LNG Toscana			21,642	21,642
Other equity investments				-
Total Financial assets measured at fair value	-	43,266	21,642	64,908
Financial assets not measured at fair value				
Trade receivables				-
Loan assets				-
Sundry assets and other assets (*)				-
Cash and cash equivalents				-
Total Financial assets not measured at fair value	-	-	-	-
Financial liabilities measured at fair value				
Derivative hedging contracts (rate)		(5,957)		(5,957)
Derivative hedging contracts (commodities)		(7,952)		(7,952)
Put options		(7,053)	(241)	(7,294)
Total Financial liabilities measured at fair value	-	(20,962)	(241)	(21,203)
Financial liabilities not measured at fair value				
Bonds	(2,903,279)			(2,903,279)
Loans		(1,533,418)		(1,533,418)
Other financial liabilities (**)				-
Trade payables				-
Sundry liabilities and other liabilities (*)				-
Total Financial liabilities not measured at fair value	(2,903,279)	(1,533,418)	-	(4,436,697)
TOTAL	(2,903,279)	(1,511,114)	21,401	(4,392,992)

(*) Prepaid expenses and deferred income are excluded

(**) Lease liabilities recognised in accordance with IFRS 16 are excluded

The non-current portion of "Financial assets measured at fair value" includes at Level 3 the asset relating to the variable portion of the sale price of OLT Offshore LNG Toscana, amounting to 21,642 thousand euro as at 31 December 2025, the fair value of which is determined on the basis of the application of the price formula provided for in the contract, taking into account the expected profitability of the company and the discount rate inferred from its financial statements. In this regard, a sensitivity on the fair value of this item is reported, expressing the change in it when the expected profitability and discount rate increase/decrease by one percentage point.

	thousands of euro	
	+1%	-1%
Profitability (flows)	960	(960)
Discount rate	(308)	319

The fair value level of "Other equity investments" (which refer to companies not listed on regulated markets) is not reported, since the related carrying amount is a reasonable approximation.

thousands of euro

31.12.2024	Carrying amount				TOTAL
	Fair value of hedging instruments	Fair Value Through Profit or Loss	Financial assets measured at amortised cost	Other financial liabilities	
Financial assets measured at fair value					
Derivative hedging contracts (rate)	21,957				21,957
Derivative hedging contracts (commodities)	39,640				39,640
Assets for variable portion of transfer price OLT Offshore LNG Toscana		21,744			21,744
Other equity investments		8,723			8,723
Total Financial assets measured at fair value	61,597	30,467	-	-	92,064
Financial assets not measured at fair value					
Trade receivables			1,476,294		1,476,294
Loan assets			622,061		622,061
Sundry assets and other assets (*)			409,047		409,047
Cash and cash equivalents			326,568		326,568
Total Financial assets not measured at fair value	-	-	2,833,970	-	2,833,970
Financial liabilities measured at fair value					
Derivative hedging contracts (rate)	(21,479)				(21,479)
Derivative hedging contracts (commodities)	(42,373)				(42,373)
Put options		(7,192)			(7,192)
Total Financial liabilities measured at fair value	(63,852)	(7,192)	-	-	(71,044)
Financial liabilities not measured at fair value					
Bonds				(3,468,196)	(3,468,196)
Loans				(1,463,148)	(1,463,148)
Other financial liabilities (**)				(45,516)	(45,516)
Trade payables				(1,787,198)	(1,787,198)
Sundry liabilities and other liabilities (*)				(384,619)	(384,619)
Total Financial liabilities not measured at fair value	-	-	-	(7,148,677)	(7,148,677)
TOTAL	(2,255)	23,275	2,833,970	(7,148,677)	(4,293,687)

(*) Prepaid expenses and deferred income are excluded

(**) Lease liabilities recognised in accordance with IFRS 16 are excluded

thousands of euro

31.12.2024	Fair value			TOTAL
	Level 1	Level 2	Level 3	
Financial assets measured at fair value				
Derivative hedging contracts (rate)		21,957		21,957
Derivative hedging contracts (commodities)		39,640		39,640
Assets for variable portion of transfer price OLT Offshore LNG Toscana			21,744	21,744
Other equity investments				-
Total Financial assets measured at fair value	-	61,597	21,744	83,341
Financial assets not measured at fair value				
Trade receivables				-
Loan assets				-
Sundry assets and other assets (*)				-
Cash and cash equivalents				-
Total Financial assets not measured at fair value	-	-	-	-
Financial liabilities measured at fair value				
Derivative hedging contracts (rate)		(21,479)		(21,479)
Derivative hedging contracts (commodities)		(42,373)		(42,373)
Put options		(6,909)	(283)	(7,192)
Total Financial liabilities measured at fair value	-	(70,761)	(283)	(71,044)
Financial liabilities not measured at fair value				
Bonds	(3,352,358)			(3,352,358)
Loans		(1,468,538)		(1,468,538)
Other financial liabilities (**)				-
Trade payables				-
Sundry liabilities and other liabilities (*)				-
Total Financial liabilities not measured at fair value	(3,352,358)	(1,468,538)	-	(4,820,896)
TOTAL	(3,352,358)	(1,477,702)	21,461	(4,808,599)

(*) Prepaid expenses and deferred income are excluded

(**) Lease liabilities recognised in accordance with IFRS 16 are excluded

VII. Information on transactions with related parties

As indicated in the Directors' Report, the information on transactions with related parties is provided below.

Transactions with owners

We present, for the Group's subsidiaries, the main transactions directly carried out with the owner Municipalities which have been classified as related parties (Municipality of Turin, Municipality of Reggio Emilia, Municipality of Parma, Municipality of Piacenza and Municipality of Genoa) where the Group operates.

Through Iren Smart Solutions, the Group operates services awarded by the municipality of Turin, i.e. public street lighting and traffic light services, management of heating and electrical systems of buildings used as administrative offices or to provide services to the community. The services rendered by Iren Smart Solutions are governed by specific long-term contracts. In this context, there is an agreement for the plant and building upgrading aimed at improving the energy efficiency of 800 buildings in the Municipality of Turin, which is added to the work carried out in recent years on the city's public lighting systems and the heating systems of numerous municipal-owned buildings.

In this regard, an onerous current account contract is in place between the City of Turin and Iren Smart Solutions for management of the past-due amounts related to the above activities.

The Group, through Iren Mercato, supplies district heating heat to the municipalities of Parma and Turin at conditions normally applied to the remaining customers.

IRETI (which will merge Iren Acqua from 1 July 2025) and Iren Acqua Piacenza provide water services to the municipalities of Genoa, Parma, and Piacenza, respectively, through supply contracts similar to those in place with their general customers.

Iren Ambiente, Iren Ambiente Parma and Iren Ambiente Piacenza are in charge of the waste collection and disposal service in the municipalities of Reggio Emilia, Parma and Piacenza, respectively, according to the conditions set out in the existing awards.

Again in the context of the sector, for the Municipality of Turin the waste management and snow clearing services, and post-operative management of the "Basse di Stura" landfill site are provided by AMIAT in accordance with the Service Contract in place.

In this regard, an onerous current account contract is in place between the Municipality of Turin and AMIAT for management of the past-due amounts related to the above activities.

Transactions with associates

Among the main transactions carried out by the Group with joint ventures and associates, the following are noted:

- the operational management services of the Integrated Water Service of the Province of Reggio Emilia provided by Iren Acqua Reggio to ARCA, holder of the relevant concession;
- sale of electricity and gas to Asti Servizi Pubblici and gas to GAIA;
- waste collection and disposal services, including special waste, for GAIA, SETA and Asti Servizi Pubblici, which operate in the waste management services sector;
- remediation work related to the Barricalla landfill;
- delivery of waste to the plants of GAIA and the purchase of sorted fractions from GAIA and SETA for treatment;
- maintenance services to ASA S.c.p.a. and the delivery of waste to its landfill;
- waste collection and transport services from Etambiente.

Transactions with other related parties

On the basis of the RPT Procedure, companies controlled, directly or indirectly, by one of the following Municipalities have been identified as related parties: Parma, Piacenza, Reggio Emilia, Turin and Genoa.

Transactions with these companies are mainly of a commercial nature and pertain to services provided to the generality of customers and concern gas, electricity and, in particular, district heating.

In addition, the Group provides waste treatment services to AMIU, a subsidiary of the Municipality of Genoa, and waste disposal services to SMAT, a subsidiary of the Municipality of Turin (the latter also supplies, for some companies of the Group, services relating to the water service).

Lastly, it should be noted that, in order to provide the integrated water service in the provinces of Parma and Piacenza and in the province of Reggio Emilia, IRETI, Iren Acqua Piacenza and Iren Acqua Reggio respectively, in exchange for the payment of an annual fee, use the assets owned by the companies Parma Infrastrutture, Piacenza Infrastrutture and AGAC Infrastrutture, controlled by the relevant Municipalities.

Quantitative information on financial transactions with related parties is provided in chapter "XIV. Annexes to the Consolidated Financial Statements", considered an integral part of these notes.

Lastly and as regards the Directors and Statutory Auditors of Iren, with the exception of payment of the fees envisaged for the performance of duties in the management or control bodies of the Parent or of other Group companies, it should be noted that there are no significant transactions between them and the Group itself.

Transactions that consist of assigning remunerations and economic benefits, in any form, to members of the management and control bodies of Iren and Executives with Strategic Responsibilities of the Group are also subject to the provisions of the RPT Procedure.

The remuneration of key management (members of the Board of Directors - including members that ceased to hold office in 2025 - and Executives with Strategic Responsibilities) totals 5,193 thousand euro, and refers to fixed remuneration (3,236 thousand euro), remuneration for participation in committees (173 thousand euro), bonuses and other incentives (1,742 thousand euro) and non-cash benefits (42 thousand euro).

Disclosure pursuant to Art. 5.8 and 5.9 CONSOB Regulation

For ease of reading, this disclosure is provided considering the first and second half of 2025 separately.

As for the first half of 2025

To complete the information provided in the "2024 Integrated Annual Report", we first recall what was illustrated therein concerning the events that involved the following transactions with related parties, at the time, treated as "major" (hereinafter referred to as "Original Transactions"):

- i. between AMIAT (which is indirectly controlled by Iren) and the Municipality of Turin (which indirectly participates in the share capital of AMIAT, in addition to being a shareholder, again indirectly, of Iren) with regard to the service contract governing their mutual relations. In the course of 2024, it should be recalled, the parties proceeded to adjust this contract with respect to the contents of Resolution No. 385/2023/r/rif of the Regulatory Authority for Energy, Networks and the Environment - ARERA of 3 August 2023, containing the *"Standard service contract outline for the regulation of relations between entrusting Entities and urban waste service managers"*;
- ii. between Iren Smart Solutions (which is also indirectly controlled by Iren) and the Municipality of Turin with reference to the agreement, existing between them, for the award of a concession - by means of project financing pursuant to Article 183, paragraph 15, of the then applicable Legislative Decree 50/2016 - of plant and energy upgrading activities aimed at improving the efficiency of the City of Turin's buildings, including operation and maintenance. Also in the course of 2024, the parties identified the date to be considered for the calculation of the first annuity of adjustment, on an Istat basis, of the fee (so-called REMbaseMAN) provided for in the aforementioned convention.

For the reasons illustrated in the "2024 Integrated Annual Report", these events, as they relate to "major" transactions, have been subject to the same procedure, also in order to ensure wider disclosure to the market, most recently through the publication - on the Iren website (www.gruppoiren.it) and on the authorised storage mechanism "1Info Sdir Storage" - of updates to the disclosure documents relating to the Original Transactions (on 10 January 2025 for that under i. and on 8 April 2025 for that under ii.) to which reference is made for any further details.

Without prejudice to the foregoing, in the first half of 2025, no 'major' transactions with related parties were carried out by Iren (including through its subsidiaries).

Again with regard to the first half of 2025, a transaction with a related party, falling within the category of those of 'minor significance', was submitted to the RPTC, for the relevant profiles, between the aforementioned Iren Smart Solutions and the Municipality of Genoa (indirect shareholder of Iren) concerning the presentation of a public-private partnership proposal for the *"unified management of energy supply services and maintenance of municipal buildings and plants"* in the local area of the entity. This transaction was examined by the RPTC in the meeting of 3 February 2025, at the end of which - having completed the relevant preliminary investigation conducted on the basis of the documentation prepared by the competent corporate Structures and of the information provided by the same during the meeting - the Committee expressed a favourable opinion pursuant to Article 9 of the RPT Procedure on the interest of the Group (and, specifically, of Iren Smart Solutions) in the completion of the transaction in question, as well as on the "convenience" and substantive "fairness" of the related conditions. Remaining on the subject, it should be noted that, in the subsequent meeting of 11 April 2025, the RPTC received a report on the development of the transaction in question, confirming - also in this case on the basis of the documentation prepared by the competent corporate Structures and of what was illustrated by them - the positive opinion previously rendered.

For the sake of completeness, it should be noted that, at the meeting held on 13 March 2025, the RPTC took note of the information provided, by the competent corporate Structures, with respect to the developments concerning the "major" transaction between related parties, between Rigenera Materiali (Ri.Ma, indirectly controlled by Iren) and Amiu Genova (an in-house providing company of the Municipality of Genoa), illustrated in the "2024 Integrated Annual Report" to which reference should be made again for any further details.

As for the second half of 2025

During the second half of 2025, Iren (through its subsidiaries) entered into two “major” related-party transactions, as described below:

- between Iren Smart Solutions and the Municipality of Turin, as already mentioned, concerning the signing of an agreement (hereinafter, “Agreement”) relating to the concession agreement awarded to the company for the plant and energy requalification activity aimed at improving the efficiency of the buildings owned by the City of Turin, including management and maintenance, which has been in place between the parties for some time (hereinafter “ISS-Mun.Tur. Transaction”). In this case, the Agreement served to settle the ‘penalty’ proceedings – ultimately bringing them to a definitive close – initiated, pursuant to the agreement, by the Municipality of Turin against Iren Smart Solutions, in relation to the latter’s assumption of specific obligations. In this regard, it should be noted that the process leading to the finalisation of the concession (which was followed by the agreement) was, at the time, treated as a “major” related-party transaction, given that its equivalent value exceeded the significance threshold (5%) set out in the RPT Procedure. For this reason, and also in order to ensure broader disclosure to the market regarding a development of the original relationship, Iren deemed it appropriate to apply the same framework to the ISS-Mun.Tur. Transaction, irrespective of the fact that its value was below the aforementioned materiality threshold. Therefore, the ISS-Mun.Tur. Transaction was subjected to the preliminary review and approval process envisaged for ‘major’ related-party transactions, which took place:
 - at the RPTC meetings held on 21 July 2025 – during which, among other matters, it was positively ascertained that all members of the Committee met the ‘independence’ and ‘no relation’ requirements (pursuant to Article 7(3) of the RPT Procedure, which, on this point, incorporates the requirements of Article 8(1)(b) of the Consob Regulation) in respect of the ISS-Mun.Tur. Transaction – and, in continuation of the work on this specific matter, the meeting held on 28 July 2025;
 - in the favourable opinion, preparatory to the completion of the ISS-Mun.Tur. Transaction, unanimously expressed by the RPTC – pursuant to Article 10, letter (d), of the RPT Procedure – regarding the ‘interest’ for the Group (and, in particular, for Iren Smart Solutions) in completing the ISS-Mun.Tur. Transaction, as well as the ‘appropriateness’ and substantial ‘fairness’ of the related terms and conditions, on the basis of the documentation acquired in the files and the information provided by the competent corporate Structures – following the aforementioned meetings;
 - at the meeting of the Board of Directors of Iren on 30 July 2025, at which – taking into account, inter alia, the aforementioned favourable opinion of the RPTC – the Parent’s management body approved, to the extent of its competence, the ISS-Mun.Tur. Transaction;
 - at the meeting of the Board of Directors of Iren Smart Solutions, also held on 30 July 2025, at which – in light of all the foregoing – the subsidiary’s management body, in turn, approved, to the extent of its competence, the ISS-Mun.Tur. Transaction;
 - in the publication, in accordance with the procedures already described, of a specific information document on the ISS-Mun.Tur. Transaction on 18 August 2025 (i.e., as required by Article 14.5 of the RPT Procedure, which on this point refers to Article 5(3) of the Consob Regulation, within 7 days of the completion of the ISS-Mun.Tur. Transaction, which took place with the signing of the Agreement between the parties on 8 August 2025); reference is made to said information document for any further details;
- between TRM (indirectly controlled by Iren to the extent of 80% of the share capital) and Iren, concerning the integration of TRM into the Group’s centralised management (and, in particular, treasury management), through the signing of the relevant contracts (special, gratuitous mandate, current account and intra-group financing – hereinafter “T.-I. Transaction”). It should be noted that the T.-I. Transaction formed part of a broader initiative – which did not involve related parties of the Parent – aimed at the early repayment by TRM of the project financing in place between TRM and a pool of lending banks, as well as the related hedging derivative, entered into with BNP Paribas S.A. (hereinafter, “Early Repayment”). With regard to the classification of the T.-I. Transaction – taking into account the impossibility of determining its exact countervalue (which could only have been based on future forecasts, founded on needs that can only be estimated, with reference to the funding that, within the framework of the centralised treasury system, may be granted to TRM) – it was deemed appropriate, if only as a precautionary measure, to apply the procedure set out for “major” transactions with related parties. In this regard, reference was made to Art. 5.2 of the RPT Procedure, pursuant to which *“for financing transactions or the provision of guarantees, the consideration shall be determined as the maximum amount payable”*. The same paragraph also provides that, *“If the economic terms of the Transaction depend as a whole or in part on magnitudes not yet known, its Consideration shall be the maximum value receivable or payable under the agreement”*. It is also noted that, with regard to the T.-I. Transaction – although it involved a company (indirectly) controlled by Iren – the exclusion provided for in relation to ‘intra-group transactions’ (pursuant to Art. 6(g) of the RPT Procedure) could not be applied, given the existence of interests that could be classified as ‘significant’ (pursuant to the Consob Communication of 24 September 2010) held by another related party of Iren (namely, the Municipality of Turin – a shareholder of the Parent – which holds a direct investment in the TRM share capital of 16.51%). In more detail, the aforementioned process was structured as follows:
 - in the meeting of the RPTC, then in office, held on 31 March 2025, during which, inter alia, it was positively ascertained that all its members met the “independence” and “no relation” requirements (pursuant to the aforementioned provisions of the RPT Procedure and the relevant Consob Regulation) in respect of the T.-I. Transaction;
 - in the favourable opinion, preparatory to the completion of the T.-I. Transaction, unanimously expressed by the Committee then in office – pursuant to Article 10(d) of the RPT Procedure – regarding the ‘interest’ for the Group (and, in particular, for TRM) in completing the T.-I. Transaction, as well as the ‘appropriateness’ and substantive

- 'fairness' of the related terms and conditions, based on the documentation on file and the information provided by the competent corporate Structures – following the meeting referred to in the preceding point;
- at the meeting of the Board of Directors of Iren, then in office, held on 1 April 2025, at which the Parent's governing body approved, to the extent of its competence, the T.-I. Transaction (taking into account, inter alia, the aforementioned favourable opinion of the RPTC) and the Early Repayment;
 - at the meeting of the Board of Directors of TRM on 2 April 2025 and at the Shareholders' Meeting of TRM on 22 April 2025, at which – in light of all the foregoing – the T.-I. Transaction and the Early Repayment were approved, to the extent applicable;
 - in the disclosures provided, by way of an update on the T.-I. Transaction and the Early Repayment, to the Boards of Directors of Iren and TRM, most recently on 18 December 2025 and 16 December 2025, respectively;
 - in the publication, in accordance with the procedures already described, of a specific document describing the T.-I. Transaction on 29 December 2025 (i.e., pursuant to the aforementioned Article 14.5 of the RPT Procedure and Article 5, paragraph 3, of the Consob Regulation, within 7 days of the completion of the T.-I. Transaction and, more specifically, of the signing date of the first contract envisaged under the Transaction, the loan agreement between TRM and Iren mentioned above); reference is made to said information document for any further details.

Also with regard to the second half of 2025, the following related-party transactions, falling within the category of 'minor' transactions, were submitted to the RPTC for the profiles of competence:

- at the meeting of 21 July 2025, the transaction between the aforementioned Iren Smart Solutions and SPIM (wholly owned by the Municipality of Genoa, which, as already mentioned, is an indirect shareholder of Iren), concerning the execution of a private deed constituting an addendum and settlement to the agreement previously signed between the parties, namely the *"Public-Private Partnership Agreement concerning the design, construction and management of energy efficiency measures for buildings owned by the Municipality of Genoa and, utilising the tax benefits of the so-called Superbonus pursuant to Decree-Law 34/20, converted with amendments by Law 77/2020, as amended and supplemented, by S.P.IM S.p.A. in exchange for an invoice discount, with the possibility of simultaneously carrying out other related unscheduled maintenance work"*;
- at the meeting of 6 November 2025, between Alfa Solutions (indirectly controlled by Iren, which holds 86% of its share capital) and STU Reggiane (70% of whose share capital is held by the Municipality of Reggio Emilia, a shareholder of Iren), concerning the early termination of the rent-to-buy agreement that has been in place between the three parties for some time;

Following these meetings, the RPTC, to the extent of its remit and on the basis of the documentation on file and the information provided by the competent corporate Structures, unanimously expressed favourable opinions – pursuant to Article 9 of the RPT Procedure – as to the 'interest' for the Group (and, respectively, for Iren Smart Solutions and Alfa Solutions) in carrying out the two transactions, as well as the 'convenience' and substantial 'fairness' of the related terms and conditions.

For the sake of completeness, it should be noted that at the same meeting on 6 November 2025, the RPTC received, from the relevant Structures, an overview of the developments that have taken place over time, as well as of the future progress of the concession agreement for the plant and energy requalification activity aimed at improving the efficiency of the buildings owned by the Municipality of Turin, including management and maintenance, which has been in place for some time (as described in previous reports) between Iren Smart Solutions and the Municipality of Turin.

It should be noted that, within the information flows provided for by the RPT Procedure, in the first half and second half of 2025, the RPTC received information regarding transactions falling within the exclusion categories pursuant to the RPT Procedure itself.

Lastly, with regard to the regulations in question, reference is made to the contents of Article 13, paragraph 1-bis, of Decree-Law No. 95/2025 (converted, with amendments, into Law No. 118/2025, in force as of 10 August 2025), which, on the subject of related-party transactions, stipulates the following: *"For the purposes of Article 2391-bis of the Italian Civil Code, no related-party relationships exist between public administrations that do not exercise management and coordination powers and companies that have shares listed on regulated markets and in which they hold an interest, including indirectly."* The actual impact of this provision on the relevant procedures within the Group is currently being examined in detail.

With regard to the Remuneration and Appointments Committee ("RAC"), it should be noted that:

- during the first half of 2025, the RAC reviewed the related-party transactions falling within its remit, as reported above;
- during the second half of 2025, the RAC met on 23 December 2025 to:
 - (i) receive information on the changes that have occurred in the list of Iren Group Senior Executives with Strategic Responsibilities, with particular reference to the person who has taken on the role of Director of the Market Business Unit of Iren S.p.A. and Chief Executive Officer of Iren Mercato S.p.A. (as of 1 January 2026), and
 - (ii) formulate the relevant proposal, with reference to the progressive remuneration adjustments envisaged for the aforementioned individual; given their consistency with the remuneration policy approved by the competent bodies, there is a case of exclusion from the application of the RPT Procedure, as set out in paragraph 6, letter (f) of the Procedure and Article 13, paragraph 3, letter b), nos. (i), (ii) and (iv) of the Consob Regulation on Related Party Transactions.

VIII. Significant events after the reporting date

EIB loan to support the circular economy and energy efficiency

In March 2026, Iren signed a 225 million euro financing agreement with the European Investment Bank (EIB) to support its investment programme for the period 2025–2028. The initiative aims to support a series of measures designed to promote the circular economy and energy efficiency by upgrading waste collection systems and implementing measures to reduce energy consumption in buildings.

The loan supports investments in municipal waste management, including new containers, collection vehicles, recycling centres and infrastructure to support the introduction of 'Pay-As-You-Throw' (PAYT) systems, which link charges to the quantity of waste actually generated and encourage improved waste separation at source. At the same time, funding is being provided for energy efficiency measures aimed at reducing consumption in buildings, with a particular focus on social care facilities, such as residential homes for the elderly and mental health centres, managed by non-profit organisations.

The investments will be made primarily in the three regions of Northwest Italy where the Group has historically operated (Piedmont, Emilia-Romagna, Liguria), as well as in Tuscany and other Italian regions, particularly by Iren Ambiente and Iren Smart Solutions.

"Decreto Bollette" – decree concerning utility bills

The 2026 "Decreto Bollette", published in the Gazzetta Ufficiale on 20 February 2026, introduces extraordinary measures to support the costs of purchasing electricity for households and businesses. The legislation aims at reducing the final cost of energy, eliminating system charges and the cost of CO₂ (ETS) from price formation, strengthen social bonuses and introduce transitional concessions. In particular, the removal of system charges and the ETS cost from pricing is a particularly important element for energy operators, as it could have structural effects on prices, the generation mix between technologies and the dynamics of cross-border energy flows.

Conflict in the Middle East

Recent geopolitical tensions in the Middle East, resulting from the ongoing conflict between the United States, Israel and Iran, have caused the blockade of the Strait of Hormuz, hindering the transit of ships carrying oil, petroleum products and LNG to Asia and Europe. Attacks on energy infrastructure in the Gulf countries have also been recorded, resulting in significant damage to extraction, refining and transportation processes. These events led to a significant increase in oil and natural gas prices, with direct repercussions on European energy prices. The blockade of ship transit through the Strait of Hormuz could also generate delays and price increases on additional supply chains.

The effects of higher energy prices on the Group's profitability, as well as on macroeconomic scenarios related to inflation and interest rates, will be monitored and assessed in light of the duration of the conflict and the attacks on the region's energy infrastructure.

Despite these regulatory and macroeconomic uncertainties, which are potentially significant, the Group, thanks to the diversification of its activities, largely consisting of essential services for the population and their regulation, is therefore potentially enabled to face both the volatility of the macroeconomic scenario and its impacts, also benefiting from the resilience and management capacity gained over the years.

IX. Other information

CONSOB COMMUNICATION NO. DEM/6064293 OF 28 JULY 2006

Significant non-recurring events and transactions

During 2025, Iren Group was not affected by “non-recurring” events and did not carry out significant transactions identified as such on the basis of the definitions contained in the Communication. In particular, it was not affected by events which do not reoccur frequently during the normal performance of the business.

Positions or transactions deriving from atypical and/or unusual transactions

It is noted that during 2025, the Group did not engage in any atypical and/or unusual transactions, as defined in the Communication. Atypical and/or unusual transactions are transactions that, due to their significance/materiality, nature of the counterparties, the purpose of the transaction, the method by which the sales price is calculated and the timing of the event (proximity to the reporting date) may give rise to doubts as to the correctness/completeness of the information given in the financial statements, conflict of interest and safeguarding the group’s assets or the protection of non-controlling investors.

DISCLOSURE ON PUBLIC DISBURSEMENTS

With reference to what is provided for on the subject of transparency in the system of public disbursements pursuant to article 35 of Decree Law no. 34/2019 (Decree “Crescita”) we can specify what follows:

- the National State Aid Registry includes aid, in favour of Iren Group companies, which must be disclosed. For the related details please see the aforementioned Registry, under the terms of article 35, paragraph 125-quinquies;
- pursuant to Article 35, paragraphs 125 and 125-bis, subsidies, benefits, contributions or aids, in cash or in kind, of a general nature and which are of a consideration, retributive or compensatory nature, such as, for example, amounts deriving from former green certificates, white certificates, all-inclusive tariffs, energy account and, in general, all incentives connected to consideration for supplies and services rendered, are not considered in the disclosure;
- during 2025 grants were received that fall under the relevant legislation; these are listed in the table presented in paragraph “XIV. Annexes to the Consolidated Financial Statements”, with the exclusion of those less than 10 thousand euro per disbursing Body.

X. Notes to the statement of financial position

Unless otherwise stated, the tables below are in thousands of euro.

Assets

NON-CURRENT ASSETS

NOTE 1_PROPERTY, PLANT AND EQUIPMENT

The breakdown of property, plant and equipment, including right-of-use assets and divided between historical cost, accumulated depreciation and carrying amount, is shown in the following table:

	thousands of euro					
	Cost as at 31/12/2025	Accumulated depreciation as at 31/12/2025	Carrying amount as at 31/12/2025	Cost as at 31/12/2024	Accumulated depreciation as at 31/12/2024	Carrying amount as at 31/12/2024
Land	185,953	(10,979)	174,974	174,213	(10,165)	164,048
Buildings	1,108,147	(450,271)	657,876	1,023,999	(413,814)	610,185
Plant and machinery	7,280,009	(4,023,724)	3,256,285	6,953,671	(3,729,896)	3,223,775
Industrial and commercial equipment	353,003	(211,717)	141,286	299,090	(185,184)	113,906
Other assets	526,736	(349,379)	177,357	484,884	(311,552)	173,332
Assets under construction and payments on account	205,797	-	205,797	231,109	-	231,109
Total	9,659,645	(5,046,070)	4,613,575	9,166,966	(4,650,611)	4,516,355

The variation in the historical cost of property, plant and equipment, including the right of use, is as follows:

	thousands of euro						
	31/12/2024	Increases	Decreases	Changes in consolidation scope	(Reversals of) impairment losses of the year	Reclassifica- tions	31/12/2025
Land	174,213	2,582	(708)	9,554	(56)	368	185,953
Buildings	1,023,999	30,792	(4,437)	15,057	(6,266)	49,002	1,108,147
Plant and machinery	6,953,671	198,274	(30,459)	92,814	(4,780)	70,489	7,280,009
Industrial and commercial equipment	299,090	44,648	(7,413)	10,607	-	6,071	353,003
Other assets	484,884	42,760	(22,004)	18,092	-	3,004	526,736
Assets under construction and payments on account	231,109	129,201	(746)	2,667	2,084	(158,518)	205,797
Total	9,166,966	448,257	(65,767)	148,791	(9,018)	(29,584)	9,659,645

The change in accumulated depreciation of property, plant and equipment, including the right of use, is as follows:

	thousands of euro					
	31/12/2024	Depreciation for the year	Decreases	Changes in consolidation scope	Reclassifications	31/12/2025
Land	(10,165)	(1,107)	509	-	(216)	(10,979)
Buildings	(413,814)	(40,539)	2,376	(3,771)	5,477	(450,271)
Plant and machinery	(3,729,896)	(271,431)	26,892	(50,510)	1,221	(4,023,724)
Industrial and commercial equipment	(185,184)	(26,369)	6,480	(7,439)	795	(211,717)
Other assets	(311,552)	(50,177)	21,533	(9,201)	18	(349,379)
Total	(4,650,611)	(389,623)	57,790	(70,921)	7,295	(5,046,070)

The column "Changes in consolidation scope" refers to the balances acquired during the year relating to EGEA Holding Group companies, Cierre, CSAI and Agricola Riofi.

The balance of the "Reclassifications" column refers mainly to net transfers from property, plant and equipment to intangible assets of items that fall within the scope of application of IFRIC 12, and to the transfer to the item "Assets held for sale" of a property located in the Municipality of Genoa, which was used as the Group's head office until February 2025.

Land and buildings

This item primarily includes industrial buildings connected with Group plants and related land.

Plant and machinery

This item refers to costs for electricity production plants, heat production plants, electricity distribution networks, gas distribution networks, heat distribution networks and plants related to waste disposal services not operated under concessions as per IFRIC 12. Freely transferable assets are included in the assets of electricity production plants.

Industrial and commercial equipment

This item includes costs related to the purchase of supplementary or auxiliary assets for plants and machinery, such as rubbish bins, laboratory and other equipment.

Other assets

This item refers to costs for the purchase of office furniture and machines and vehicles.

Assets under construction and payments on account

The item Assets under construction includes all the charges incurred for investments in progress and not yet in operation. This mainly refers to photovoltaic parks (30,326 thousand euro), the extension of the district heating transport network (22,695 thousand euro), thermoelectric production plants (41,258 thousand euro), hydroelectric production plants (8,596 thousand euro), the electricity distribution and metering network (28,326 thousand euro), the gas distribution and metering network not under concession (1,104 thousand euro), energy efficiency (15,668 thousand euro) and waste collection and disposal (52,989 thousand euro).

Increases

The increases in the year, of 448,257 thousand euro, mainly refer to:

- investments in thermoelectric and hydroelectric plants and photovoltaic plants for 99,297 thousand euro;
- development of the district-heating network and new connections to the network, including heat exchange substations, meters and remote reading appliances, for 45,833 thousand euro;
- investments in the electricity distribution grids, including primary substations, of 95,930 thousand euro;
- investments in the gas networks not in a concession arrangement in accordance with the provisions of IFRIC 12 of 13,892 thousand euro;
- investments for collection and disposal in the waste management sector for 128,300 thousand euro;
- investments in corporate, e-mobility and energy efficiency activities for 52,865 thousand euro.

Depreciation

Ordinary depreciation for 2025, totalling 389,623 thousand euro, was calculated on the basis of the rates previously indicated in paragraph "IV. Accounting policies" and considered representative of the residual useful life of the assets.

Finally, no assets are pledged against liabilities.

Right-of-use assets - IFRS 16

IFRS 16 provides for recognition in the statement of financial position of the assets and related financial liabilities for all lease contracts with a term of more than 12 months unless the underlying asset is of low value. The contracts in which Iren Group plays the role of lessee refer mainly to property leases and long-term hires of cars and other motor vehicles.

The breakdown of right-of-use assets, divided between historical cost, accumulated depreciation and carrying amount, is as follows:

	thousands of euro					
	Cost as at 31/12/2025	Accumulated depreciation as at 31/12/2025	Carrying amount as at 31/12/2025	Cost as at 31/12/2024	Accumulated depreciation as at 31/12/2024	Carrying amount as at 31/12/2024
Land	12,260	(4,687)	7,573	12,502	(4,108)	8,394
Buildings	51,561	(20,863)	30,698	57,469	(19,366)	38,103
Plant and machinery	4,587	(2,519)	2,068	3,824	(1,569)	2,255
Industrial and commercial equipment	1,441	(486)	955	1,408	(245)	1,163
Other assets	32,369	(16,127)	16,242	36,567	(15,553)	21,014
Total	102,218	(44,682)	57,536	111,770	(40,841)	70,929

The variation in the historical cost of right-of-use assets, is as follows:

	thousands of euro					
	31/12/2024	Increases	Decreases	Changes in consolidation scope	Other changes	31/12/2025
Land	12,502	163	(698)	293	-	12,260
Buildings	57,469	6,445	(2,912)	1,372	(10,813)	51,561
Plant and machinery	3,824	480	(27)	7,556	(7,246)	4,587
Industrial and commercial equipment	1,408	11	(226)	248	-	1,441
Other assets	36,567	2,589	(8,221)	1,434	-	32,369
Total	111,770	9,688	(12,084)	10,903	(18,059)	102,218

The change in accumulated depreciation of the right-of-use assets is as follows:

	thousands of euro				
	31/12/2024	Depreciation for the year	Decreases	Other changes	31/12/2025
Land	(4,108)	(1,087)	508	-	(4,687)
Buildings	(19,366)	(7,902)	1,782	4,623	(20,863)
Plant and machinery	(1,569)	(2,063)	-	1,113	(2,519)
Industrial and commercial equipment	(245)	(446)	205	-	(486)
Other assets	(15,553)	(8,347)	7,773	-	(16,127)
Total	(40,841)	(19,845)	10,268	5,736	(44,682)

The column "Changes in consolidation scope" refers to the balances acquired during the year relating to EGEA Holding Group companies.

Finally, it should be noted that the net amount of 12,323 thousand euro, reported under "Other changes" in the context of right-of-use assets, refers to assets acquired in 2025 and that were previously the subject of lease contracts.

NOTE 2_ INVESTMENT PROPERTY

The following table highlights the breakdown of the item:

	thousands of euro					
	Cost as at 31/12/2025	Accumulated depreciation as at 31/12/2025	Carrying amount as at 31/12/2025	Cost as at 31/12/2024	Accumulated depreciation as at 31/12/2024	Carrying amount as at 31/12/2024
Land	546	6	540	565	6	559
Buildings	4,450	(2,105)	2,345	3,462	(2,047)	1,415
Total	4,996	(2,111)	2,885	4,027	(2,053)	1,974

This item consists mainly of properties whose fair value is not lower than their carrying amount. The increase compared to 31 December 2024 relates to the balances acquired during the year in relation to the company CSAI.

NOTE 3_ INTANGIBLE ASSETS WITH A FINITE USEFUL LIFE

The breakdown of intangible assets, divided between historical cost, accumulated amortisation and carrying amount is as follows:

	thousands of euro					
	Cost as at 31/12/2025	Accumulated amortisation as at 31/12/2025	Carrying amount as at 31/12/2025	Cost as at 31/12/2024	Accumulated amortisation as at 31/12/2024	Carrying amount as at 31/12/2024
Development costs	46,067	(27,384)	18,683	35,721	(21,337)	14,384
Industrial patents and intellectual property rights	530,189	(369,207)	160,982	450,046	(296,605)	153,441
Concessions, licences, trademarks and similar rights	4,831,462	(2,023,489)	2,807,973	4,409,634	(1,846,094)	2,563,540
Other intangible assets	1,009,148	(588,969)	420,179	862,560	(486,353)	376,207
Assets under development and payments on account	307,672	-	307,672	249,951	-	249,951
Total	6,724,538	(3,009,049)	3,715,489	6,007,912	(2,650,389)	3,357,523

The change in the historical cost of intangible assets is as follows:

	thousands of euro						
	31/12/2024	Increases	Decreases	Changes in consolidation scope	Impairment losses for the year	Reclassifications	31/12/2025
Development costs	35,721	7,232	-	409	(16)	2,721	46,067
Industrial patents and intellectual property rights	450,046	62,377	(90)	10,251	(4)	7,609	530,189
Concessions, licences, trademarks and similar rights	4,409,634	194,799	(8,889)	293,902	(48)	(57,936)	4,831,462
Other intangible assets	862,560	96,078	(1,068)	52,750	(2)	(1,170)	1,009,148
Assets under development and payments on account	249,951	132,956	(781)	9,226	-	(83,680)	307,672
Total	6,007,912	493,442	(10,828)	366,538	(70)	(132,456)	6,724,538

Changes in accumulated amortisation of intangible assets are shown in the following table:

	thousands of euro					
	31/12/2024	Amortisation for the year	Decreases	Changes in consolidation scope	Reclassifica- tions	31/12/2025
Accumulated amortisation of development costs	(21,337)	(5,638)	-	(409)	-	(27,384)
Accumulated amortisation of ind. patents and intellectual property use rights	(296,605)	(68,962)	60	(6,543)	2,843	(369,207)
Accumulated amortisation of concessions, licences, trademarks and similar rights	(1,846,094)	(156,946)	5,245	(72,359)	46,665	(2,023,489)
Accumulated amortisation of other intangible assets	(486,353)	(95,039)	866	(9,702)	1,259	(588,969)
Total	(2,650,389)	(326,585)	6,171	(89,013)	50,767	(3,009,049)

The column "Changes in consolidation scope" refers to the assets acquired during the year of EGEA Holding Group companies, Cierre, CSAI and Agricola Riofi, net of assets relating to the Integrated Water Service business unit of certain municipalities in the Province of Imperia, which were sold in July 2025.

The balance of the "Reclassifications" column refers mainly to the transfer to the item "Assets held for sale" of the assets relating to the Integrated Water Service of 43 municipalities in the ATO 4 in the Cuneo area, and to net transfers from property, plant and equipment to intangible assets of items that fall within the scope of application of IFRIC 12.

The increases in other intangible assets mainly refer to the capitalisation of costs for the commercial development of customers.

The carrying amount of other intangible assets at the end of the year includes 192,225 thousand euro in assets recognised in relation to costs incurred for the commercial development of customers.

Industrial patents and intellectual property rights

This item mainly relates to the total costs borne for the purchase and internal production of company software and the acquisition of rights for the exclusive use of technical studies on the statistical trend of network losses, amortised over three to five years.

Concessions, licences, trademarks and similar rights

This item consists mainly of:

- assets recognised in application of IFRIC 12, related to natural gas distribution, the Integrated Water Service, district heating and waste treatment and disposal;
- the right of use of pipeline networks by virtue of the concessions granted by the municipality of Genoa and other neighbouring municipalities;
- the right of use of penstocks, not owned, of hydroelectric plants;
- concessions for the operation and management of photovoltaic systems.

Other intangible assets

This item consists mainly of:

- rights to use telecommunication infrastructure owned by third parties;
- costs for the commercial development of customers;
- from the valuation of the customer list that took place during the purchase price allocation for the acquisition of control of Atena Trading, Salerno Energia Vendite, Alfa Solutions, Spezia Energy Trading, Sidiren, Alegas and Egea Energie;
- the valuation of the environmental authorisations for the operation of the biodigester and recovery plants which took place during the purchase price allocation for the acquisition of control of Ferrania Ecologia, Territorio e Risorse, I.Blu, Manduriambiente and TB;
- the valuation of the single authorisation for photovoltaic plants and the value of the incentive tariff recognised for the energy produced and fed into the grid that took place during the purchase price allocation for the acquisition of control of Iren Green Generation Group (formerly Puglia Holding);
- the valuation of the concession for the derivation of water for hydroelectric plants that took place during the purchase price allocation for the acquisition of control of Valle Dora Energia;
- the valuation of the ATO Toscana Sud integrated urban waste management service concession that took place during the purchase price allocation for the acquisition of control of SEI Toscana.
- the valuation of the concessions relating to waste management plants, which occurred during the purchase price allocation for the acquisition of control of Siena Ambiente,.

Assets under development and payments on account

This item mainly consists of investments for concession services governed by IFRIC 12, in addition to software licences and related implementation costs.

NOTE 4_GOODWILL

Goodwill, of 272,464 thousand euro (247,273 thousand euro at 31 December 2024), during 2025 showed an increase of 25,191 thousand euro following the acquisitions of control (business combinations) and disposals carried out by the Group during the year and detailed below.

		thousands of euro
Goodwill as at 31.12.2024		247,273
Acquisition EGEA Holding Group	Final accounting	24,972
Acquisition Cierre	Final accounting	230
Acquisition CSAI	Provisional accounting	123
Disposal IWS BU Municipalities province of Imperia	Final accounting	(134)
Goodwill as at 31.12.2025		272,464

Goodwill is considered an intangible asset with an indefinite useful life and, therefore, is not amortised, but is tested for impairment at least once a year to verify the recoverability of its carrying amount. Since goodwill does not generate independent cash flows and cannot be sold on its own, the impairment test on the goodwill recognised in the financial statements is carried out making reference to the Cash Generating Unit or Groups of Cash Generating Unit ("CGU") to which the same can be allocated.

The table below shows the allocation of goodwill to the CGU.

	thousands of euro		
	31/12/2024	Increases (Decreases) Business Combinations	31/12/2025
Waste management	28,792	6,444	35,236
Electricity distribution	67,631	-	67,631
Gas distribution	1,638	1,265	2,903
Integrated Water Service	44,405	(134)	44,271
Power and Heat Generation	7,331	2,433	9,764
Photovoltaic and Wind Generation	31,411	2,385	33,796
Market	66,065	12,798	78,863
Total	247,273	25,191	272,464

At 31 December 2025, the impairment test was carried out using the same methods used at 31 December 2024.

The impairment test consists of verifying that the carrying amount of an asset recognised in the financial statements is not more than the recoverable amount of that asset.

The recoverable amount of an asset is the higher between fair value, less costs to sell, and the value in use.

The fair value is defined as the amount at which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction, less costs to sell.

The value in use is the present value of the estimate of future outgoing and incoming cash flows that will derive from continuous use of the asset and from its final disposal. To measure the value in use, the pre-tax operating cash flows were used, which derive from the most recent economic and financial projections on the basis of the plan approved on 13 November 2025, with an explicit time horizon up to 2028, and the pre-tax terminal value calculated with the perpetual yield method, if applicable, following an industrial logic of continuity across all businesses. The investments contained in the economic flows of the plan include investments for maintaining the plants and infrastructures, in keeping with the going concern assumption. As a control method for the CGUs Electricity Distribution, Gas Distribution and Integrated Water Service, it was assumed that the tariff value of the assets (Regulated Asset Base) would be collected at the end of the explicit period. For the other CGUs, the average of the perpetual yield and net invested capital was used instead at the end of the explicit period. This is based on the reasonable assumption that, if the business is discontinued, the value recognised will be at least equal to the value of the net invested capital.

The discount rate to be applied to the flows related to the explicit time horizon and terminal value, defined starting from the pre-tax weighted average cost of capital (WACC), is calculated specifically for each CGU.

The following table shows for each Cash Generating Unit the discount rates used (WACC) to calculate the value in use in the explicit time horizon and the terminal value.

	Explicit period	Terminal value
Waste management	6.70%	6.80%
Electricity distribution	6.00%	6.10%
Gas distribution	6.20%	6.20%
Integrated Water Service	6.20%	6.30%
Power and Heat Generation	8.10%	8.20%
Photovoltaic and Wind Generation	7.10%	7.10%
Market	6.50%	6.60%

The recoverable amount of the goodwill attributed to the CGU was determined making reference to the value in use of the same.

In general, and prudentially, the "g" growth rate was used to calculate the terminal value equal to zero at real values. In the event of standalone plans used at nominal values, the "g" growth rate used was equal to inflation estimated at 2028 (1.8%).

Waste Management Cash Generating Unit

Goodwill, of 35,236 thousand euro refers mainly to the:

- acquisition of control over CSAI in December 2025 (123 thousand euro);
- acquisition of control over EGEA Holding Group in January 2025 (6,321 thousand euro);
- acquisition of control over Siena Ambiente in January 2024 (2,296 thousand euro);
- acquisition of control over Semia Green in October 2023 (447 thousand euro);
- acquisition of control over ReMat in May 2023 (1,752 thousand euro);
- acquisition of control over CRCM in April 2022 (277 thousand euro);
- acquisition of control over Futura in March 2021 (4,115 thousand euro);
- acquisition of control over the companies operating in the waste management sector acquired from Unieco in November 2020 (9,385 thousand euro);
- acquisition of control over Ferrania Ecologia s.r.l. in July 2019 (7,048 thousand euro).
- acquisition of control over a business unit from SMC S.p.A. consisting of a 48.85% investment in the share capital of Società Ecologica Territorio Ambiente (SETA) S.p.A. and the activities of closure and post-closure management of the Chivasso 0 landfill site in October 2018 (894 thousand euro);
- acquisition of control of ACAM Ambiente (ACAM group) in April 2018 (2,572 thousand euro).

No further loss of value was detected when the impairment test was performed, in that the recoverable amount of the Waste Management CGU exceeds the net invested capital of the same including the goodwill recognised.

Electricity Distribution Cash Generating Unit

Goodwill, of 67,631 thousand euro refers mainly to the:

- acquisition in 2000 from ENEL of the business unit related to the distribution and sale of electrical energy to non-eligible customers in the municipality of Turin, in which the positive difference between the purchase cost and the fair value of acquired and identifiable assets and liabilities was recognised as goodwill for 64,608 thousand euro;
- acquisition in 2000 by ENEL of the BU related to electricity users of the city of Parma, for an amount of 3,023 thousand euro.

No further loss of value was detected when the impairment test was performed, in that the recoverable amount of the Electricity Distribution Cash Generating Unit exceeds the net invested capital of the same including the goodwill recognised.

Gas Distribution Cash Generating Unit

Goodwill, of 2,903 thousand euro refers mainly to the:

- acquisition of control over EGEA Holding Group in January 2025 (1,265 thousand euro);
- acquisition of control of Busseto Servizi in January 2019 (1,638 thousand euro);

No further loss of value was detected when the impairment test was performed, in that the recoverable amount of the Gas Distribution CGU exceeds the net invested capital of the same including the value of goodwill recognised.

Integrated Water Service Cash Generating Unit

Goodwill, of 44,271 thousand euro refers mainly to the:

- acquisition of control of Acquaenna in May 2023 (479 thousand euro);
- acquisition of control of Amter in March 2023 (2,179 thousand euro);
- acquisition of control of Società dell'Acqua Potabile in July 2022 (880 thousand euro);
- acquisition of control over ACAM Acque (ACAM group) in April 2018 (15,442 thousand euro);
- acquisition of control over Acquedotto di Savona in July 2015 (1,907 thousand euro);
- the acquisition of control of Acqua Italia S.p.A in 2005 (now Iren Acqua S.p.A.), where the positive difference between the purchase cost and the fair value of acquired and identifiable assets and liabilities was recognised as goodwill of 23,202 thousand euro.

No further loss of value was detected when the impairment test was performed, in that the recoverable amount of the Integrated Water Service CGU exceeds the net invested capital of the same including the value of goodwill recognised.

Power and Heat Generation Cash Generating Unit

Goodwill, of 9,764 thousand euro refers mainly to the:

- acquisition of control over the company Cierre in July 2025 (230 thousand euro);
- acquisition of control over EGEA Holding Group in January 2025 (2,203 thousand euro);
- acquisition of control in May 2020 of a business unit called "SEI Energia" which includes the district heating network in the municipalities of Rivoli and Collegno, and 49% of the company NOVE, then operator of the district heating network in the municipality of Grugliasco (2,068 thousand euro);
- acquisition of control over Iren Rinnovabili in 2017 following the expiry of the governance agreements entered into with the other shareholder CCPL S.p.A. which made Iren Rinnovabili a joint venture (3,544 thousand euro);
- the Heat Service Management business unit transferred in 2017 from the Market Cash Generating Unit to the Energy Cash Generating Unit (948 thousand euro).

No further loss of value was detected when the impairment test was performed, in that the recoverable amount of the Power and Heat Generation Cash Generating Unit exceeds the net invested capital of the same including the goodwill recognised.

Photovoltaic and Wind Cash Generating Unit

Goodwill, of 33,796 thousand euro refers mainly to the:

- acquisition of control over EGEA Holding Group in January 2025 (2,385 thousand euro);
- acquisition of control over WFL in October 2023 (2,154 thousand euro);
- acquisition of control over the Puglia Holding Group (now Iren Green Generation) in February 2022 (29,257 thousand euro).

No further loss of value was detected when the impairment test was performed, in that the recoverable amount of the Photovoltaic and Wind Cash Generating Unit exceeds the net invested capital of the same including the value of goodwill recognised.

Market Cash Generating Unit

Goodwill, of 78,863 thousand euro refers mainly to the:

- acquisition of control over EGEA Holding Group in January 2025 (12,798 thousand euro);
- acquisition of control over Alegas in April 2022 (15,072 thousand euro);
- acquisition of control over Sidiren in July 2021 (18,533 thousand euro);
- acquisition of control of Spezia Energy Trading in September 2018 (2,694 thousand euro).
- acquisition in 2012 of the business unit from ERG Power & Gas related to the marketing and sale of electricity (3,401 thousand euro);
- the equity interest in Enia Energia (now merged into Iren Mercato), acquired from SAT Finanziaria S.p.A. and Edison in 2008 (16,761 thousand euro);
- business unit acquired from ENEL in 2000 and referred to electricity users of the city of Parma (7,421 thousand euro).

No further loss of value was detected when the impairment test was performed, in that the recoverable amount of the Market Cash Generating Unit exceeds the net invested capital of the same including the goodwill recognised.

In light of the considerations set out above, the recoverable amount is higher than the carrying amount of the net invested capital for all the cash-generating units and therefore, no impairment losses were recognised. In the years prior to the year ended 31 December 2025, goodwill was impaired for a total of 9,636 thousand euro, related to the Waste Management CGU. The recoverable amount is particularly sensitive to changes in the pre-tax weighted average cost of capital (WACC) and the definition of the Terminal Value. The definition of these two variables follows a prudential approach in terms of construction logic and absolute value. Appropriate stress tests were therefore performed on the sensitivity of the recoverable amount as the two variables deteriorate, without any significant problems emerging.

The table below shows the pre-tax weighted average cost of capital (WACC) that would make the value in use equal to the carrying amount of each Cash Generating Unit.

Waste management	13.70%
Electricity distribution	12.50%
Gas distribution	9.50%
Integrated Water Service	12.00%
Power and Heat Generation	15.10%
Photovoltaic and Wind Generation	8.90%
Market	31.00%

In this regard, it should be noted that ESMA, through several recommendations published since 2020, suggests to issuers that, in estimating the future cash flows of a cash-generating unit (CGU), it is reasonable to expect that entities consider introducing models relating to multiple possible future scenarios, aimed at reflecting the greater level of uncertainty on future economic prospects.

To this end, the Group has developed a 'sensitivity scenario', which takes into account adverse events and specific risks relevant in certain areas (market, arising from technological changes, climate change, related to the macroeconomic scenario and regulation) not otherwise assessed in the base scenario (Business Plan) and identified and defined in the Group's Risk Map perimeter according to specific procedures.

The main specific relevant risks considered in the sensitivity of cash flows concerned, depending on the CGU concerned:

- Electricity Distribution: failure to achieve the quality of the service with consequent penalties and failure to comply with the National Cyber Security Perimeter (PSNC);
- Gas Distribution: loss of concessions in the relevant areas, failure to achieve the quality of the service with consequent penalties and malfunctions and unavailability of gas distribution networks with repercussions on the provision of the service;
- Integrated Water Service: loss of concessions in the relevant areas, extreme natural events affecting service delivery, failure to achieve the quality of the service with consequent penalties and leaks along the distribution network, resulting in damage to third-party property;
- Power and Heat Generation: increased competitive pressure on contribution margins, extreme natural events with damage to thermoelectric plants and loss of concessions in the hydroelectric sector;
- Photovoltaic and Wind Power Generation: increased competitive pressure on contribution margins;
- Waste Management: loss of concessions in the relevant areas, increased competitive pressure on the margins of free market activities (special waste) and damages to waste selection and treatment plants following fires;
- Market: increase in expected churn rates.

Accordingly, the future cash flows for each individual CGU were adjusted for the negative impacts of these risks and adverse events. These analyses did not reveal any critical issues with regard to the recoverable amount of the Group's goodwill, intangible assets and property, plant and equipment.

The impact of the Utility Bills Decree and the current conflict in the Middle East, to which reference is made to paragraph VIII. Significant events occurring after the end of the year, given the current cover and the sensitivity analyses carried out, were not considered triggers for the purposes of the impairment analysis.

In light of the current market volatility and uncertainty about future economic prospects, the group believes it appropriate to point out that regulated businesses are subject to specific industry regulations governing their profitability; therefore, these businesses have more stable and predictable profitability even during market turbulence periods. In 2025, non-regulated activities contributed 26.3% to gross operating profit (30.4% in 2024), regulated activities accounted for 57.1% (54.3% in 2024), and semi-regulated activities contributed 16.6% (15.3% in 2024).

NOTE 5_EQUITY-ACCOUNTED INVESTMENTS

Equity-accounted investments are investments in companies in which the Group has joint control or exercises a significant influence. It should be noted that measurement at equity is carried out on the basis of the latest available financial statements (consolidated if prepared) of the investees.

The list of Group companies measured using the equity method at 31 December 2025 is annexed.

The item amounted to a total of 204,951 thousand euro (282,462 thousand euro as at 31 December 2024). Changes for the year are shown in the following tables:

Equity investments in joint ventures

	thousands of euro						
	31/12/2024	Increases (Decreases)	Changes in consolidation scope	Changes in profit or loss	Changes in Equity	Dividend distribution	31/12/2025
Acque Potabili	8,175	-	-	151	-	-	8,326
Acqui Rete Gas	-	-	229	-	-	-	229
EGEA Holding	85,320	-	(85,000)	(320)	-	-	-
Enerbrain	-	870	-	-	-	-	870
Nuova Sirio	81	(61)	-	(20)	-	-	-
Vaserie Energia	862	-	-	209	-	(100)	971
TOTAL	94,438	809	(84,771)	20	-	(100)	10,396

For EGEA Holding, the change in the consolidation scope is related to the acquisition of control and the consequent full consolidation of the company and its subsidiaries. Following the control exercised over the EGEA Holding Group, which holds shares in the Acqui Rete Gas companies, the latter is consolidated using the equity method with effect from 1 January 2025.

In April 2025, the Shareholders' Meeting of Enerbrain, already 7.8% owned by the Group, resolved to reduce the share capital to zero to cover losses and a subsequent capital increase of 50,000 euro plus share premium, subscribed equally by Iren Group and another shareholder (49.69% each), as well as to provide for a revision of the governance agreements. Given the situation of substantially equal governance rights between Iren and the other shareholder, pursuant to IFRS 11, Enerbrain is therefore a joint venture and consequently is measured using the equity method as required by IAS 28.

Finally, it should be noted that the company Acque Potabili is in a state of liquidation, effective as of 31 May 2021.

Equity investments in associates

thousands of euro

	31/12/2024	Increases (Decreases)	Changes in consolidation scope	Changes in profit or loss	Changes in Equity	Dividend distribution	31/12/2025
3A	-	-	35	-	-	-	35
A2A Alfa	-	-	-	-	-	-	-
Acos	16,066	-	-	1,182	(71)	(123)	17,054
Acos Energia	1,243	-	-	551	-	(475)	1,319
AETA	-	-	10	-	-	-	10
Agrinord Energia	-	-	142	-	-	-	142
Aguas de San Pedro	23,003	-	-	2,378	(4,650)	(666)	20,065
Aiga	-	-	-	-	-	-	-
Amat	-	-	-	-	-	-	-
Arca	40	-	-	38	-	-	78
Arienes	21	-	-	-	-	-	21
Asa	45,586	-	-	4,721	(97)	-	50,210
Asa scpa	1,197	-	-	-	-	-	1,197
Astea	25,095	-	-	776	(215)	(149)	25,507
Asti Servizi Pubblici	20,932	-	-	1,478	-	(556)	21,854
Barricalla	14,654	-	-	45	211	(525)	14,385
BI Energia	166	-	-	(23)	-	-	143
Calore Verde	-	-	332	-	-	-	332
Centro Corsi S.r.l.	20	-	-	2	-	-	22
CSA	363	-	-	2	-	-	365
CSAI	1,668	-	(4,568)	2,900	-	-	-
E.G.U.A.	682	-	-	147	-	-	829
Eta Ambiente	-	-	2,003	-	-	-	2,003
Fingas	-	-	-	-	-	-	-
Fratello Sole Energie Solidali	240	-	-	7	-	-	247
G.A.I.A.	14,928	-	-	10	-	-	14,938
Global Service	-	-	-	-	-	-	-
Iniziative Ambientali	48	-	-	383	-	-	431
OMI Rinnovabili	4	-	-	-	-	-	4
Rimateria	-	-	-	-	-	-	-
SETA	13,164	-	-	1,639	-	(789)	14,014
Sistema Ambiente	3,135	-	-	319	-	(287)	3,167
STU Reggiane	5,769	-	-	(397)	180	-	5,552
Tanaro Servizi Acque	-	-	145	-	-	-	145
Tirana Acque	-	-	-	-	-	-	-
Valenza Rete Gas	-	-	486	-	-	-	486
TOTAL	188,024	-	(1,415)	16,158	(4,642)	(3,570)	194,555

For CSAI, the change in the consolidation scope relates to the acquisition of control and the consequent consolidation of the company.

Following the control exercised over the EGEA Holding Group, which holds shares in the companies 3A, AETA, Agrinord Energia, Calore Verde, Etambiente, Tanaro Servizi Acque and Valenza Rete Gas, the latter are consolidated using the equity method starting from 1 January 2025.

The amounts related to the column Change in Equity are due mainly to the exchange difference (Aguas de San Pedro) and to changes in the hedging reserves and in actuarial reserves pursuant to IAS 19.

NOTE 6_OTHER EQUITY INVESTMENTS

This item relates to equity investments in companies over which the Group has neither control, nor joint control, nor significant influence. These equity investments are measured at *fair value* but, as the most recent information available for measuring the *fair value* is insufficient and the cost represents the best estimate of the *fair value*, they are carried at cost.

The list of other Group equity investments as at 31 December 2025 is provided in the annex.

The breakdown of this item is as follows:

	31/12/2024	Changes in consolidation scope	Increases	Decreases	31/12/2025
AISA Impianti	992	-	-	-	992
Autostrade Centro Padane	881	-	-	-	881
CIDIU Servizi	2,655	-	-	-	2,655
Environment Park	1,243	-	-	-	1,243
MiTo Tech	269	-	575	-	844
Tech4Planet	2,011	-	82	-	2,093
Others	672	5	25	(15)	687
TOTAL	8,723	5	682	(15)	9,395

thousands of euro

NOTE 7_NON-CURRENT CONTRACT ASSETS

Non-current contract assets, net of the related loss allowance, total 353,313 thousand euro (300,238 thousand euro at 31 December 2024) and mainly refer to:

- assets of the integrated water service for tariff adjustments and for lower volumes supplied than the operator's guaranteed revenue; the current tariff method provides generally (unless the fee growth limit is reached) for their recovery through fees after two years (322,852 thousand euro as at 31 December 2025, 280,760 thousand euro as at 31 December 2024);
- assets of the electricity transmission, distribution, and metering services deriving from the rules issued in AEEGSI Resolution no. 654/2015 on the subject of tariff regulation for the period 2016-2023 which entailed the recognition of revenue from electricity transport and of the related assets (21,070 thousand euro as at 31 December 2025, 18,947 thousand euro as at 31 December 2024) which will be recovered until 2030;
- assets arising from the Capacity Market regulations relating to the variable fees (9,098 thousand euro as at 31 December 2025) that Terna will collect upon completion of certain improvement works at the Moncalieri and Turbigio thermal power plants, as set out in the tender participation specifications for the three-year period 2025–2027. The variable consideration was determined as the sum of the probability-weighted amounts within a range of possible consideration amounts.

The following table summarises the contract assets (non-current and current) and liabilities in order to provide information on the net position.

	31/12/2025	31/12/2024
Non-current contract assets	353,313	300,238
Current contract assets	40,719	69,291
Current contract liabilities	(28,541)	(88,983)
Total	365,491	280,546

thousands of euro

NOTE 8_NON-CURRENT TRADE RECEIVABLES

Receivables, which are affected by discounting, amounted to 34,430 thousand euro (33,840 thousand euro at 31 December 2024) and mainly refer to receivables from the Municipality of Turin for the waste management service and the technological renewal and efficiency upgrading of the heating systems at some municipal buildings (28,440 thousand euro at 31 December 2025, 27,850 thousand euro at 31 December 2024). For more information on the overall position of Iren Group in relation to the Municipality of Turin please see Note 9 "Non-current financial assets".

NOTE 9_NON-CURRENT FINANCIAL ASSETS

The item of 148,395 thousand euro (124,756 thousand euro as at 31 December 2024) mainly consists of loan assets and derivatives with positive fair value. These are as follows:

	thousands of euro	
	31/12/2025	31/12/2024
Non-current loan assets with associates	5,931	5,844
Non-current loan assets with owners	29,672	31,951
Non-current loan assets with others	56,433	42,634
Fair value of derivatives – non-current portion	17,268	22,358
Securities other than equity investments	17,449	225
Other financial assets	21,642	21,744
Total	148,395	124,756

Non-current loan assets with associates

They mainly refer to the amounts due from ACOS and BI Energia.

Non-current loan assets with owners

Amounting to 29,672 thousand euro (31,951 thousand euro as at 31 December 2024), these refer to amounts due from the Municipality of Turin, and relate to:

- the application of the financial asset model provided for in IFRIC 12 to the energy efficiency project ("Turin LED") associated with the Public Lighting service performed under concession by Iren Smart Solutions in the city of Turin, for the non-current portion (29,531 thousand euro). Recognition of the discounted financial asset is a result of the vesting of the current unconditional right to receive the contractually-agreed cash flows, which coincided with completion of the installation of the related LED devices.
- the non-current portion of the amount related to the current account which governs transactions between the subsidiaries AMIAT, Iren Smart Solutions, and the municipality of Turin (141 thousand euro). The current account agreement runs until 31 December 2036 and the interest accruing on the balance is calculated based on the actual average cost incurred by Iren Group for its financial exposure.

The accounting treatment of the aforementioned current account agreement determines a reduction of trade receivables presented in the statement of cash flows as a generation of operating cash flows, and a corresponding increase in loan assets, presented as a cash absorption in cash flows from financing activities.

These assets form part of an overall position, totalling 86,831 thousand euro, and are divided among various financial statements items according to their classification by type and expiry date: Non-current trade receivables (Note 8), Non-current financial assets (this Note 9), Trade receivables (Note 14) and Current financial assets (Note 17), as shown in the table presented below.

Financial assets were divided by the directors between current portion and non-current portion on the basis of a forecast of their collection times also following the results of the agreement signed by the Municipality of Turin and Iren Group during financial year 2018.

	thousands of euro	
	31/12/2025	31/12/2024
Non-current trade receivables	28,440	27,850
Invoices issued for services	9,319	36,815
Invoices to be issued or services	15,343	15,818
Supply of heat and other	27	15
Loss allowance - trade receivables	(52)	(47)
Total current trade receivables	24,637	52,601
Non-current portion of current account assets	141	167
Non-current portion of service concession financial assets	29,721	31,986
Loss allowance - non-current financial assets	(190)	(202)
Total non-current financial assets	29,672	31,951
Current portion of accrued interest income	16	11
Current portion of service concession financial assets	4,068	4,068
Loss allowance - current financial assets	(2)	(2)
Total current financial assets	4,082	4,077
Total	86,831	116,479

Non-current financial assets with others

Non-current financial assets with others include the non-current portion of assets arising from the application of the financial asset model provided for by IFRIC 12 to efficiency-boosting projects related to the Public Lighting service provided under concession in several cities, including Vercelli, Fidenza and some municipalities in the Cuneo area, and assets for finance leases related to air-conditioning systems.

Fair value of derivatives – non-current portion

The fair value of derivatives refers to instruments in the portfolio for hedging the risk of changes in rates.

Securities other than equity investments

These amounted to 17,449 thousand euro (225 thousand euro as at 31 December 2024) and included 12,723 thousand euro in investments in government securities and bonds issued by leading Italian credit institutions resulting from the consolidation of CSAI, and 3,900 thousand euro in units of a closed-end alternative investment fund, which were subscribed through the contribution of past due trade receivables.

Other financial assets

The item amounted to 21,642 thousand euro (21,744 thousand euro as at 31 December 2024) and is represented by the variable portion of the sale price of the investment in OLT Offshore LNG Toscana and the related loan. This asset is measured at fair value and any changes are recognised in profit or loss.

NOTE 10_OTHER NON-CURRENT ASSETS

These are as follows:

	thousands of euro	
	31/12/2025	31/12/2024
Security deposits	11,527	7,836
Non-current tax assets	55,727	95,214
Other non-current assets	35,728	24,512
Non-current accrued income and prepaid expenses	4,021	4,106
Total	107,003	131,668

Non-current tax assets refer mainly to deductions on work done in order to improve the energy efficiency of buildings (ecobonus) and to VAT assets for which claims for refund have been made. Tax assets for deductions on work carried out to improve the energy efficiency of buildings (ecobonus) classified as non-current will be used by the Group to offset taxes due for the next five years.

Other non-current assets include assets arising from the 2018 and 2019 settlement agreements signed to define the consideration for the years 2014 - 2018 due to the subsidiary Sei Toscana in relation to the waste collection service in the ATO Toscana Sud. This amount will be collected at the end of the concession (31 December 2033).

Prepaid expenses mainly include the non-current portion of prepaid costs for energy service contracts of the subsidiary Iren Smart Solutions.

NOTE 11_DEFERRED TAX ASSETS

They amounted to 386,352 thousand euro (389,533 thousand euro as at 31 December 2024) and refer to deferred tax assets arising from income components deductible in future years.

For further details please see the note to the income statement, "Income taxes" (Note 42) and the annexed table.

CURRENT ASSETS

NOTE 12_INVENTORIES

Inventories, measured at weighted average cost, primarily comprise natural gas and consumables intended for maintenance and construction of the Group plants. The table below summarises the amounts of the item in the years in question:

	thousands of euro	
	31/12/2025	31/12/2024
Gas storage	2,466	11,690
Consumables and spare parts	73,402	81,956
Inventory write-down provision	(7,653)	(9,613)
Total	68,215	84,033

The change in gas storage follows the reduction in existing stocks as of 31 December 2025 compared to 31 December 2024. The inventory write-down provision was set aside and is used to take into consideration inventories that are technically obsolete and slow-moving.

At 31 December 2025 no inventories were pledged against liabilities.

NOTE 13_CURRENT CONTRACT ASSETS

Current contract assets amounted to 40,719 thousand euro (69,291 thousand euro as at 31 December 2024) and mainly related to activities performed to improve the energy efficiency of buildings.

NOTE 14_TRADE RECEIVABLES

These are as follows:

	thousands of euro	
	31/12/2025	31/12/2024
Trade receivables from customers	1,578,916	1,597,034
Trade receivables from joint ventures	99	24,633
Trade receivables from associates	58,540	50,964
Trade receivables from owners	36,997	64,500
Trade receivables from other related parties	5,743	7,591
Total gross trade receivables	1,680,295	1,744,722
Loss allowance	(316,699)	(302,268)
Total	1,363,596	1,442,454

As at 31 December 2025, there are factoring transactions with derecognition of the receivable for a total of 14,770 thousand euro while it amounted to 10,522 thousand euro as at 31 December 2024.

The table below shows the credit risk exposure with reference to trade receivables, together with the related expected losses (loss allowance), broken down by due date range:

	thousands of euro		
	Gross trade receivables	Loss allowance - trade receivables	Average credit loss percentage
Not past due	1,030,000	(18,239)	1.8%
Past due from 0 to 3 months	168,269	(21,334)	12.7%
Past due from 3 to 12 months	175,949	(77,889)	44.3%
Past due for more than 12 months	306,077	(199,237)	65.1%
Total	1,680,295	(316,699)	

Trade receivables not past due include invoices to be issued of 737,361 thousand euro (863,449 thousand euro at 31 December 2024) which include the estimate of revenue earned for services supplied between the date of the last reading of effective consumption and the reporting date.

Trade receivables from customers

They mainly relate to receivables for the supply and distribution of electricity, gas and heat, energy efficiency services, of the waste management sector, and the Integrated Water Service.

Trade receivables from Associates and Joint Ventures

This item includes amounts due from the Group's associates and joint ventures, consolidated using the equity method. These relate to normal trade transactions performed at arm's length and related to the business segments listed above.

Trade receivables from owners

Receivables from owners refer to trade transactions performed at arm's length, related to the segments listed above. with local authorities classified as related parties (Municipalities of Genoa, Parma, Piacenza, Reggio Emilia and Turin).

Trade receivables from other related parties

These mainly regard amounts due from the companies controlled by the territorial body owners (municipalities of Genoa, Parma, Piacenza, Reggio Emilia and Turin) and refer to normal commercial transactions carried out at arm's length, related to the segments listed above.

For more details on business relations with related parties, please refer to the chapter "Notes to transactions with related parties" and the related table in the annex.

The following table shows gross trade receivables broken down by segment:

	thousands of euro					
	Networks	Waste management	Energy	Market	Other services	Total
Not past due	219,874	257,753	153,947	397,818	608	1,030,000
Past due from 0 to 3 months	42,833	18,506	16,005	90,897	28	168,269
Past due from 3 to 12 months	41,670	20,164	5,520	108,595	-	175,949
Past due for more than 12 months	68,783	41,711	9,408	185,561	614	306,077
Total gross trade receivables	373,160	338,134	184,880	782,871	1,250	1,680,295

Loss allowance - trade receivables

The table below shows the changes in the loss allowance:

	thousands of euro				
	31/12/2024	Increases	Decreases	Changes in consolidation scope	31/12/2025
Loss allowance - trade receivables	302,268	85,976	(106,963)	35,418	316,699

The increases in the year were recognised to adjust the loss allowance to the amount of expected credit losses on the basis of the simplified approach provided for by IFRS 9, where "loss" means the present value of all future cash shortfalls, considering forward-looking information. The decreases in the year refer mostly to utilisations to fully impair non-collectable amounts.

The following table shows the loss allowance broken down by segment:

	thousands of euro					
	Networks	Waste management	Energy	Market	Other services	Total
Not past due	(9,572)	(1,746)	(1,855)	(5,304)	(100)	(18,577)
Past due from 0 to 3 months	(5,767)	(4,119)	(1,384)	(9,724)	(1)	(20,995)
Past due from 3 to 12 months	(19,368)	(7,776)	(1,785)	(48,960)	-	(77,889)
Past due for more than 12 months	(57,725)	(35,492)	(8,727)	(96,681)	(613)	(199,238)
Total loss allowance - trade receivables	(92,432)	(49,133)	(13,751)	(160,669)	(714)	(316,699)

NOTE 15_CURRENT TAX ASSETS

These amounted to 8,045 thousand euro (14,474 thousand euro as at 31 December 2024) and include IRES and IRAP assets.

NOTE 16_SUNDRY ASSETS AND OTHER CURRENT ASSETS

These are as follows:

	31/12/2025	31/12/2024
		thousands of euro
Government land tax /UTIF	6,260	5,637
VAT assets	68,904	35,193
Other tax assets	189,390	66,109
Current tax assets	264,554	106,939
Cassa Servizi Energetici e Ambientali (CSEA)	30,513	49,451
Green certificates	16,835	12,933
Advances to suppliers	12,301	23,263
Other current assets	84,971	88,848
Other current assets	144,620	174,495
Accrued income and prepaid expenses	20,438	17,283
Total	429,612	298,717

The increase in tax assets for government land tax is due to pre-payments and settlement payments which are influenced by invoicing volumes for the current year and the previous year.

Other tax assets include 164,797 thousand euro for deductions on work carried out to improve the energy efficiency of buildings (ecobonus). Beginning in 2021, part of these assets is recognised under current assets, as the business model calls for the financial asset to be realised through transfers to financial intermediaries. The increase of 121,887 thousand euro compared to 31 December 2024 is attributable to assets accrued for work carried out during 2025.

In September 2019, Iren S.p.A. exercised the option for establishment of the VAT Group, with effect from 1 January 2020.

The companies that take part in the VAT Group for 2025, not including the Parent Iren S.p.A., are as follows: Iren Energia S.p.A., Ireti S.p.A., Iren Mercato S.p.A., Iren Ambiente S.p.A., Amiat S.p.A, Iren Smart Solutions S.p.A., Iren Acqua Tigullio S.p.A., Iren Acqua S.p.A. (merged into Ireti S.p.A), Iren Acqua Reggio S.r.l., Iren Laboratori S.p.A., Bonifica Autocisterne S.r.l., ASM Vercelli S.p.A., Atena Trading S.r.l, Acam Ambiente S.p.A., Acam Acque S.p.A., ReCos S.p.A., Alfa Solutions S.p.A., TRM S.p.A, San Germano S.p.A., Maira S.p.A., Formaira S.r.l., Territorio e Risorse S.r.l., Rigenera Materiali S.r.l., RE.MAT SRL, Bonifiche Servizi Ambientali s.r.l., Uniproject S.r.l., Manduriamambiente SpA, Iren Ambiente Toscana S.p.A., TB S.p.A. (merged into Valdarno), Futura S.p.A., I Blu S.r.l., Iren Ambiente Parma S.r.l., Iren Ambiente Piacenza S.r.l., Asti Energia e Calore S.p.A, Ireti Gas Spa , Sei Toscana SpA, Valdarno AMBIENTE Srl, Iren Green Generation Tech SpA, Valle Dora S.r.l., Dogliani Energia S.r.l., Alegas S.r.l. (merged into Iren Mercato S.p.A.), Ekovision S.r.l., Limes 20 S.r.l., Limes 1 S.r.l., Limes 2 S.r.l., Acquaenna S.c.p.A., Am.ter S.p.A (merged into Ireti SpA), Iren Acqua Piacenza S.r.l., Semia Green S.r.l. , Agrovoltaica Srl, C.R.C.M. S.r.l..

Amounts due from the Cassa Servizi Energetici e Ambientali (CSEA) relate to Energy Efficiency Certificates for 20,145 thousand euro (24,507 thousand euro as at 31 December 2024). It should be noted that a portion of the amounts due from the Cassa Servizi Energetici e Ambientali may not be collectable within the next 12 months.

Other current assets mainly refer to receivables for security deposits, receivables for RAI licence fees and receivables from suppliers for penalties, receivables for the previous environmental hygiene tariff (TIA), receivables for additional provincial reimbursements on electricity.

NOTE 17_CURRENT FINANCIAL ASSETS

These are as follows:

	31/12/2025	31/12/2024
		thousands of euro
Loan assets with joint ventures	2,121	240
Loan assets with associates	4,644	3,931
Loan assets with owners	4,082	4,077
Loan assets with others	22,668	533,159
Current portion of derivative financial instruments	25,998	39,239
Total	59,513	580,646

All loan assets recognised in this item are due within 12 months. The carrying amount of these assets approximates their fair value as the impact of discounting is negligible.

Loan assets with joint ventures

The item refers to loans to the company Acqui Reti Gas.

Loan assets with associates

The item mainly refers to loans to Agrinord Energia (633 thousand euro), Bio Metano Cella Dati (587 thousand euro), Valenza Rete Gas (127 thousand euro) and BI Energia (108 thousand euro). The remainder relates mainly to dividends to be collected. For further details, please see the schedule of related party transactions shown in the annex.

Loan assets with owners

These relate to amounts due from the Municipality of Turin and primarily concern the application of the financial asset model provided for by IFRIC 12 to the energy efficiency project ('Torino LED') associated with the Public Lighting service provided under concession.

For details of the overall position of Iren Group with the municipality of Turin please see Note 8 "Non-current financial assets".

Loan assets with others

This item includes 6,160 thousand euro relating to assets arising from the application of the financial asset model provided for by IFRIC 12 to the water purification service provided in the Marche region, and 2,683 thousand euro relating to deposits paid as security for transactions on commodities futures markets. The remaining balance consists of accrued income and deferred charges of a financial nature and finance lease assets.

As at 31 December 2024, it also referred to deposits on which interest accrued with maturity in April and July 2025 (450,000 thousand euro) and the restricted current accounts of the subsidiary TRM S.p.A. deriving from the financing contract that provided for the binding of the amounts to service the maturing instalment, the costs relating to environmental compensation and the extraordinary maintenance of the waste-to-energy plant (38,008 thousand euro). On 22 December 2025, the loan contract, which would otherwise have matured on 31 December 2029, was repaid early, likewise the obligation

Current portion of derivative financial instruments

These relate to the positive *fair value* of derivative contracts on commodities.

NOTE 18_CASH AND CASH EQUIVALENTS

The item Cash and cash equivalents is made up as follows:

	thousands of euro	
	31/12/2025	31/12/2024
Bank and postal deposits	205,653	326,280
Cash and similar on hand	112	288
Total	205,765	326,568

Cash and cash equivalents consist of available bank and postal deposits. The Group does not hold cash equivalents, intended as short-term and highly liquid investments readily convertible into known amounts of cash and subject to an insignificant risk of changes in value.

Please refer to the Statement of Cash Flows for details of the changes during the year.

NOTE 19_ASSETS HELD FOR SALE

Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. They amounted to 103,746 thousand euro (790 thousand euro as at 31 December 2024). This item relates to:

- 93,652 thousand euro for assets relating to the Integrated Water Service in 43 municipalities of the ATO 4 in the Cuneo area, currently operating under an extension regime, pending the planned transfer to the incoming operator, COGESI. Specifically, this item refers to property, plant and equipment and intangible assets amounting to 86,612 thousand euro, receivables amounting to 5,873 thousand euro, and inventories amounting to 1,167 thousand euro. Following the reclassification, group, no income and expenses included in the Income Statement were recorded during the year;
- 9,462 thousand euro refers to the value of a property located in the Municipality of Genoa, used until February 2025 as the Company's head office, the carrying amount of which will be recovered primarily through a sale transaction rather than through its continued use; As a result of the reclassification, an impairment reduction was recorded in the Income Statement for 6,266 thousand Euros;
- 632 thousand euro (unchanged from 31 December 2024) refers to the net assets related to the concessions of the integrated water service of four municipalities of the province of Alessandria for which the takeover of the new operator is being defined.

In addition, assets held for sale include the equity investments in Fata Morgana and Piana Ambiente, fully impaired.

Liabilities

NOTE 20_EQUITY

Equity may be analysed as follows:

	thousands of euro	
	31/12/2025	31/12/2024
Share capital	1,300,931	1,300,931
Reserves and Retained Earnings	1,857,573	1,306,622
Profit for the year	300,546	268,471
Total equity attributable to the owners of the parent	3,459,050	2,876,024
Capital and reserves attributable to non-controlling interests	235,803	432,562
Profit attributable to non-controlling interests	15,714	35,111
Total consolidated equity	3,710,567	3,343,697

Share capital

The share capital, unchanged compared to 31 December 2024 amounts to 1,300,931,377 euro, which is fully paid-up and comprises 1,300,931,377 ordinary shares with a nominal value of 1 euro each.

In 2020 and 2021, following the relative shareholders' resolutions, the parent repurchased treasury shares for a total of 17,855,645 shares for a total price of 38,690 thousand euro recognised as a reduction of equity in the item "Reserves and Retained Earnings".

Reserves and Retained Earnings

The breakdown of this item is as follows:

	thousands of euro	
	31/12/2025	31/12/2024
Treasury shares	(38,690)	(38,690)
Perpetual hybrid bonds	495,282	
Share premium reserve	133,019	133,019
Legal reserve	130,332	119,707
Hedging reserve	3,697	(32,301)
Other reserves and retained earnings	1,133,933	1,124,887
Total reserves	1,857,573	1,306,622

Perpetual hybrid bonds

This reserve includes the nominal value, net of transaction costs and the related tax effect, of non-convertible subordinated hybrid perpetual bonds.

On 16 January 2025, Iren SpA placed a "Hybrid Bond" with a nominal value of 500 million euro, issued in a single tranche for the entire amount with a settlement date of 23 January 2025. The fixed annual coupon, payable annually in arrears in April starting from April 2025 upon the occurrence of certain conditions, is equal to 4.5% and will be paid until the first reset date of 23 April 2030. From that date, unless fully redeemed, the bond will bear interest at the five-year Euro Mid Swap rate plus an initial margin of 221.2 basis points. The margin will increase by 25 basis points from 2035 and by a further 75 basis points from 2050, for a cumulative amount of 100 basis points.

The issue price was set at 99.448% and, therefore, the effective yield at the first reset date is 4.625% per annum.

During 2025, the Group paid coupons to holders of perpetual hybrid bonds in the amount of 5,550 thousand euro.

Hedging reserve

Changes in the fair value of effective hedging derivatives are recognised with a corresponding balancing item directly in equity under the hedging reserve. These contracts were entered into to hedge exposure to the risk of interest rate fluctuations on floating rate loans and to the risk of price changes in electricity and gas purchase contracts.

Other reserves and retained earnings

These comprise mainly the goodwill arising on the merger of AMGA into AEM Torino and the subsequent merger of Enia into Iride, retained earnings, and the actuarial reserve consisting of actuarial gains and losses on the measurement of post-employment benefits.

The increase in 2025 is mainly due to the carrying forward of the profits for 2024 not distributed (93,227 thousand euro).

Dividends

At their Ordinary Meeting on 24 April 2025, the Shareholders of Iren S.p.A. approved the Parent's separate financial statements at 31 December 2024 and the Directors' Report, and resolved to distribute a dividend of 0.1283 euro per ordinary share, confirming the proposal made by the Board of Directors. The dividend was paid starting from 25 June 2025, with an ex-dividend date of 23 June 2025 and a record date of 24 June 2025. At the ex-dividend date, the number of outstanding shares was 1,283,075,732 and, consequently, the total amount of dividends distributed was 164,618,616 euro.

For further details, reference should be made to the statement of changes in equity.

CAPITAL MANAGEMENT

The capital management policies of the Board of Directors involve maintaining a high level of capital to uphold relations of trust with investors, creditors and the market, and also allowing future business development.

The Board of Directors monitors the return on capital, the level of dividends to be distributed to equity holders and the cash flows to be distributed to hybrid instrument holders and aims to maintain a balance between obtaining higher returns through the use of debt and the benefits and security offered by a solid financial position.

NON-CURRENT LIABILITIES

NOTE 21_NON-CURRENT FINANCIAL LIABILITIES

The item amounted to a total of 4,490,987 thousand euro (4,460,916 thousand euro as at 31 December 2024).

Bonds

These amounted to 2,998,177 thousand euro due after 12 months (2,992,913 thousand euro as at 31 December 2024). The item consisted of positions of the parent referred to Public and Private Bond issues, accounted for at amortised cost, against a total nominal value outstanding at 31 December 2025 of 3,024,000 thousand euro (unchanged compared to 31 December 2024). The details of Bonds with maturity after 12 months are as follows:

- Green Bonds maturing October 2027, coupon 1.5%, amount 500 million euro, all outstanding (amount at amortised cost 498,046 thousand euro);
- Green Private Placement maturing August 2028, coupon 2.875%, outstanding amount 40 million euro (amount at amortised cost 39,822 thousand euro);
- Green Bonds maturing October 2029, coupon 0.875%, amount 500 million euro, all outstanding (amount at amortised cost 497,881 thousand euro);
- Bonds maturing July 2030, coupon 1%, outstanding amount 484 million euro (amount at amortised cost 479,088 thousand euro);
- Green Bonds maturing January 2031, coupon 0.25%, amount 500 million euro, including TAP issue of October 2021, all outstanding (amount at amortised cost 492,049 thousand euro);
- Green Bonds maturing July 2032, coupon 3.875%, amount 500 million euro, all outstanding (amount at amortised cost 496,356 thousand euro);
- Green Bonds issued maturing September 2033, coupon 3.625%, amount 500 million euro, all outstanding (amount at amortised cost 494,934 thousand euro);

The bonds were subscribed by Italian and foreign institutional investors, are listed on the Irish Stock Exchange and were assigned Fitch and S&P ratings.

The change in the total carrying amount compared to 31 December 2024 is due to the allocation of accrued financial expense, calculated on the basis of the amortised cost method.

Non-current bank loans

The item amounted to a total of 1,431,849 thousand euro (1,387,786 thousand euro as at 31 December 2024).

The following table shows the portions with maturity beyond 12 months relating to medium-long term loans/credit lines granted by banks, which amount to 1,242,284 thousand euro (1,387,786 thousand euro as at 31 December 2024). Non-current bank loans can be analysed by interest rate type (with respective indications of minimum and maximum rates applied) and by maturity date (related to the portion after 12 months), as shown in the table below.

thousands of euro

	fixed rate	floating rate	TOTAL
min/max rate	n.a.	2.478% - 3.572%	
maturity	2027-2036	2027-2043	
2027	382	63,640	64,022
2028	404	472,651	473,055
2029	428	73,135	73,563
2030	452	87,421	87,873
Subsequent	1,519	542,252	543,771
Total after 12 months as at 31/12/2025	3,185	1,239,099	1,242,284
Total after 12 months as at 31/12/2024	2,606	1,385,180	1,387,786

All loans are denominated in euro.

The changes in non-current loans during the year are summarised as follows:

thousands of euro

	31/12/2024					31/12/2025
	Total after 12 months	Increases	Changes in consolidation scope	Decreases	Change in amortised cost	Total after 12 months
- fixed rate	2,606	-	70,041	(69,473)	11	3,185
- floating rate	1,385,180	270,000	95,233	(512,874)	1,560	1,239,099
TOTAL	1,387,786	270,000	165,274	(582,347)	1,571	1,242,284

Total non-current loans at 31 December 2025 decreased compared to 31 December 2024, as a combined result of:

- increase of 270,000 thousand euro in medium/long-term loans for disbursements on CEB (Council of Europe Development Bank) and EIB (European Investment Bank) lines, held by Iren Spa;
- increase of 165,274 thousand euro in medium/long-term loans, mainly held by EGEA Holding Group companies that entered the consolidation scope at the beginning of 2025;
- reduction of 582,347 thousand euro, owing to the reclassification of the portions of loans maturing within the next 12 months as current and for the early repayment of existing positions. Among the latter, the main items are: 250,000 thousand euro relating to loans taken out by the Parent, 160,899 thousand euro relating to loans taken out by EGEA Holding Group companies, and 144,118 thousand euro relating to the project financing of the company TRM;
- increase of 1,571 thousand euro due to recognition of the loans at amortised cost.

Non-current financial liabilities due after 12 months also include the deferred portion of the amount relating to the acquisition by IRETI S.p.A. of the entire investment in Iren Acqua, as described in the "Significant events of the year", which as at 31 December 2025 amounted to 189,565 thousand euro.

Other financial liabilities

These amount to 60,961 thousand euro (80,217 thousand euro as at 31 December 2024) and refer to:

- for 6,464 thousand euro (21,479 thousand at 31 December 2024) to the fair value of derivative contracts entered into as hedges against the interest rate fluctuation risk on floating rate loans and the price of commodities (please see the paragraph "Group Financial Risk Management" for comments);
- for 43,237 thousand euro (53,393 thousand euro as at 31 December 2024) to lease liabilities;
- for 3,267 thousand euro (3,166 thousand euro as at 31 December 2024) to the liabilities related to the fair value measurement of the put options granted to non-controlling interests on their shares. This item refers to the option to sell the non-controlling interest in Nord Ovest Servizi S.p.A., equal to 25% of the share capital, held partly by SMAT and partly by GTT, in Cierre equal to the 20% of the share capital;

- for 7,993 thousand euro (2,171 thousand euro as of 31 December 2024) to loans from others, the most significant amounts of which refer to the debt for the portion of the price deferred to 2029 relating to the purchase of 47.23% of the subsidiary Egea Holding and to loans to some fully consolidated companies, but of which the Group does not hold 100% of the shares, granted by the non-controlling investor.

NOTE 22_EMPLOYEE BENEFITS

Changes in this item in 2025 were as follows:

	31/12/2024	Changes in consolidation scope	Disbursements during the year	Bonds accrued during the year	Actuarial (gains) losses	Financial expense	Reclassifications	31/12/2025
Post-employment benefits	72,194	4,830	(6,705)	1,110	(1,545)	2,341	(131)	72,094
Additional salary payments (seniority bonus)	3,051	-	(342)	92	(110)	96	-	2,787
Loyalty bonus	2,015	-	(140)	26	(59)	59	-	1,901
Tariff discounts	2,930	-	(228)	-	(121)	91	-	2,672
Premungas fund	1,305	-	(326)	-	(4)	38	-	1,013
Total	81,495	4,830	(7,741)	1,228	(1,839)	2,625	(131)	80,467

thousands of euro

The column "Changes in consolidation scope" refers to the balances acquired during 2025 of EGEA Holding Group companies, Cierre and CSAI.

The column "Reclassifications" refers to the balances relating to the Integrated Water Service business unit in 43 municipalities of the ATO 4 in the Cuneo area, currently operating under an extension regime, pending the planned transfer to the incoming operator, COGESI.

The tariff discounts include benefits related to the supply of natural gas for domestic use. Following the signing of specific agreements with the trade unions, the "Energy discount" awarded up to 30 September 2017 to employees in service was converted into other forms of employee benefits. The "Energy discount" awarded up to 30 September 2017 to retired employees was revoked unilaterally and replaced with lump sums included in provisions for former employee benefits.

Actuarial assumptions

The above-mentioned liabilities are measured by independent actuaries. The liability relating to the defined benefit plans is calculated in accordance with actuarial assumptions and is recognised on an accruals basis in line with the service necessary to obtain benefits.

For the purpose of defining the present value of the obligations, the future service is estimated based on assumptions related to changes in the total number of employees and employee remuneration. Future service represents the amount that would be paid out to each employee in the event of continuing working activity with another company, retirement, death, resignation or a request for an advance.

The following factors were considered in deciding which discount rate to adopt in the measurement approach provided by IAS 19:

- stock market of reference;
- measurement date;
- expected average term of the liabilities.

The average residual term of liabilities was obtained as the weighted average residual term of liabilities related to all benefits and all Group companies.

The economic and financial assumptions adopted in the calculations are the following:

Annual discount rate	3.37%
Annual inflation rate	2.00%
Annual increase rate of post-employment benefits	3.00%

In accordance with the provisions of IAS 19, the following additional information is provided:

- sensitivity analysis for each material actuarial assumption at year end, showing the effects that would have resulted from changes in the actuarial assumptions reasonably possible at that date, in absolute terms;
- contributions for the following year;
- indication of the average maturity of the obligation for defined benefit plans.

This information is shown in the following table.

	Change in liabilities according to changes in discount rate		Service cost 2026	Duration of the plan	Disbursements 2026
	+0.25%	-0.25%			
Post-employment benefits	(1,078)	1,112	820	7.65	12,117
Additional salary payments	(45)	45	81	7.90	96
Loyalty bonus	(30)	31	75	14.38	149
Tariff discounts	(52)	54	-	8.31	203
Premungas	(10)	10	-	4.52	186

The method used to estimate sensitivity was unchanged compared to the previous year.

NOTE 23_PROVISIONS FOR RISKS AND CHARGES

The item amounted to 338,120 thousand euro (276,258 thousand euro as at 31 December 2024). These are detailed in the following table, and refer both to the current and non-current portions, present in this item:

	thousands of euro					
	31/12/2024	Increases	Decreases	(Gains) losses	Changes in consolidation scope	31/12/2025
Provision for restoration of third-party assets	29,487	840	-	1,022	-	31,349
"Post-closure" provisions	79,048	7,161	(6,439)	250	35,065	115,085
Provisions for dismantling and reclaiming sites	49,935	1,910	(2,813)	(506)	169	48,695
Provision for early retirement	12,043	1,906	(2,353)	331	-	11,927
ETS cancellation obligation	194,187	234,325	(194,187)	-	-	234,325
Other provisions for risks and charges	192,947	41,371	(39,289)	-	32,205	227,234
TOTAL	557,647	287,513	(245,081)	1,097	67,439	668,615

If the effect of discounting the value of money is significant, the provisions are discounted using a pre-tax discount rate which, on the basis of the time period envisaged for the future cash flows, does not exceed 4.6%.

The column "Changes in consolidation scope" refers to the balances resulting from the consolidation in 2025 of EGEA Holding Group companies and CSAI.

Provision for restoration of third-party assets

This item is made up to include the charges related to the restoration of the group of assets and equipment pertaining to the management of the Integrated Water Service in the province of Parma owned by Parma Infrastrutture: this group of assets is used to provide the service against the payment of a fee. The relevant provision is estimated on the basis of the depreciation of the assets themselves and will be deducted from the consideration to be paid to the Group by any new incoming operator or in accordance with the terms and conditions of the concession award.

"Post-closure" provisions

These are mainly provisions for future expense for environmental remediation of controlled landfill plants which also include costs for post-operating management until the sites involved have been completely converted into green areas. These provisions are supported by specific appraisals periodically updated in order to adjust the existing provisions to the estimate of the future costs to be incurred. The decreases refer, in fact, to the utilisation of the provision to cover costs incurred in the post-operating phase until the mineralisation of waste and the conversion of landfills are completed.

Provision for dismantling and reclaiming sites

The "Provision for dismantling and reclaiming sites" represents the estimated costs associated with the future decommissioning of waste-to-energy plants and, to a lesser extent, the Group's photovoltaic parks.

Provision for early retirement

The provision refers to expenses associated with early retirement of some personnel that provide for retirement incentives for some employees, on a voluntary basis among the Group's personnel who are potentially involved. The transaction should be seen in the wider context of professional and demographic rebalancing of Iren Group's personnel, in view of a plan to recruit young individuals.

The incentive, completely chargeable to Iren Group (in application of Art. 4 of Law no. 92/2012), will enable the personnel who meet the legal requisites to retire ahead of the date of eligibility.

The provision represents the estimated payment to the employees involved in the Plan, through the social security institution, of a benefit of an amount equal to the pension that would be payable on the basis of the current rules ("early retirement") with payment to the social security institution of the contribution until the minimum requirements for retirement are reached (in accordance with the aforementioned Law 92/2012), and a sum, for each of the employees involved, as a one-off payment as an incentive.

ETS cancellation obligation

This item refers to obligations related to carbon dioxide emission rights under the Emission Trading Scheme. The increase concerns the estimated costs, observable on the basis of market quotations at the end of the year, related to the rights still to be acquired in order to fulfil the obligation of the year, according to the schedule. The decreases refer to the purchase of securities pertaining to the previous year's obligation.

Other provisions for risks and charges

The amount of the provisions mainly refers to the probable risks of higher charges pertaining to the Group's businesses, the allocation of the charge related to the two-way compensation mechanism for electricity prices as per Decree-Law Sostegni Ter, the estimated IMU property tax to be paid on the value of the systems of the power plants calculated as provided for by Decree-Law No. 44/2005, charges for environmental offsets, tax, employment and regulatory risks and probable charges related to various disputes.

The provisions set aside largely relate to probable charges and disputes in the energy efficiency and gas sales segments, while the releases mainly refer to the elimination of risks and charges associated with disputes with suppliers and the waste management segment.

The current portion referring to the provisions described above was presented under "provisions for risks and charges - current portion" (Note 31).

NOTE 24_DEFERRED TAX LIABILITIES

Deferred tax liabilities of 93,104 thousand euro (116,857 thousand euro as at 31 December 2024) are due to the temporary difference between the carrying amount and tax base of assets and liabilities recognised in the financial statements.

Deferred taxation is calculated with reference to the expected tax rates applicable when the temporary differences will reverse.

For further details please see the note to the income statement, "Income taxes" (Note 42) and the annexed table.

NOTE 25_SUNDRY LIABILITIES AND OTHER NON-CURRENT LIABILITIES

This item can be broken down as follows:

	thousands of euro	
	31/12/2025	31/12/2024
Due after 12 months	124,063	68,519
Deferred income for grants related to assets - non current	744,124	679,712
Non-current accrued liabilities and deferred income	4,023	3,328
Total	872,210	751,559

The increase in the item "Due after 12 months" refers for 58,578 thousand euro to the long-term portion of the tax liability relating to the settlement formulated with the Revenue Agency as part of the negotiated resolution of the crisis pursuant to the "Crisis Code" of the EGEEA group. This item also includes balances relating to advances paid by users to guarantee the supply of water and to payables to users entitled to reimbursement of the purification tariff of the Integrated Water Service following the Supreme Court ruling of 14 July 2023.

Deferred income for grants related to assets, non-current portion, includes the amounts relating to connection grants of 210,509 thousand euro and the Fo.N.I. component (Provision for New Investments), amounting to 82,742 thousand euro,

provided for by the tariff method for the Integrated Water Service, which will be reversed to profit or loss after 12 months from the reporting date. The portion that will be taken to profit or loss in the 12 months following the reporting date amounts to 10,533 thousand and 4,791 thousand euro, respectively, and is included in the item "Sundry liabilities and other current liabilities under deferred income" for grants related to assets.

CURRENT LIABILITIES

NOTE 26_CURRENT FINANCIAL LIABILITIES

All financial liabilities recognised in this item are due within 12 months. The carrying amount of these liabilities approximates their fair value as the impact of discounting is negligible.

Current financial liabilities can be analysed as follows:

	thousands of euro	
	31/12/2025	31/12/2024
Bonds	-	475,282
Bank loans	76,802	100,423
Financial liabilities with associates	235	986
Financial liabilities with owners	4,971	6,067
Financial liabilities with other related parties	-	7
Lease liabilities	15,379	16,150
Financial liabilities with others	21,550	15,243
Current liabilities for derivatives	7,445	42,372
Total	126,382	656,530

Bonds

The amount of 475,282 thousand euro as at 31 December 2024 referred to the carrying amount of the Green Bonds repaid on its natural maturity date of 19 September 2025, at the outstanding nominal value of 476 million euro.

Bank loans

Current bank loans may be broken down as follows:

	thousands of euro	
	31/12/2025	31/12/2024
Loans - current portion	53,969	75,362
Other current bank loans	1,180	500
Accrued financial expenses and deferred financial income	21,653	24,561
Total	76,802	100,423

Financial liabilities with associates

They refer to amounts due to Arienes in the amount of 235 thousand euro.

Financial liabilities with owners

This item relates to dividends of the company TRM still to be paid to the municipality of Turin.

Financial liabilities with others

They amounted to 21,550 thousand euro (15,243 thousand euro as of 31 December 2024) and related to the fair value measurement of the put option on the non-controlling interest in IBlu S.r.l. (4,026 thousand euro), equal to 20% of the quota capital, held by Idealservice; the item also includes amounts due to factors (14,650 thousand euro).

Current liabilities for derivatives

These relate to the *fair value* of derivative contracts entered into to hedge the exposure to the risk of fluctuations in commodity prices.

NOTE 27_TRADE PAYABLES

All trade payables are due within 12 months. The carrying amount of these payables approximates their fair value as the impact of discounting is negligible.

	thousands of euro	
	31/12/2025	31/12/2024
Trade payables to suppliers	1,590,359	1,697,548
Trade payables to joint ventures	149	(1)
Trade payables to associates	20,848	7,461
Trade payables to owners	3,734	7,257
Trade payables to other related parties	8,025	28,108
Advances due within 12 months	5,357	6,100
Guarantee deposits due within 12 months	6,030	5,599
Trade payables to customers for reimbursements within 12 months	20,944	35,126
Total	1,655,446	1,787,198

Trade payables to customers for reimbursements within 12 months refer to the liability recognised in respect of users entitled to reimbursement of the purification tariff of the Integrated Water Service following the Supreme Court ruling of 14 July 2023, which established that the tariff is not payable by users to whom secondary purification treatment is not provided.

NOTE 28_CURRENT CONTRACT LIABILITIES

The item amounts to 28,541 thousand euro (88,983 thousand euro as at 31 December 2024), and mainly refers to the sums paid by customers as an advance payment for the sale of electricity.

NOTE 29_SUNDRY LIABILITIES AND OTHER CURRENT LIABILITIES

All amounts recognised in this item are due within 12 months. The carrying amount of these liabilities approximates their fair value as the impact of discounting is negligible.

	thousands of euro	
	31/12/2025	31/12/2024
VAT liability	2,771	5,088
Government land tax/UTIF	1,116	124
IRPEF liability	3,215	1,772
Other tax liabilities	35,630	30,433
Current ax liabilities	42,732	37,418
Amounts due to employees	77,762	74,431
Amounts due to Cassa Servizi Energetici e Ambientali (CSEA)	40,817	49,365
Amounts due to social security institutions within 12 months	37,294	34,348
Other current liabilities	123,920	118,931
Current sundry liabilities	279,793	277,075
Accrued expenses and deferred income	42,245	39,200
Total	364,770	353,693

The change in liabilities for Government land tax is due to prepayments and settlement payments, which are influenced by the invoicing volumes of the relevant year and the previous year.

The change in amounts due to Cassa per i Servizi Energetici e Ambientali (the Energy and Environmental Services Fund) in the year is related to the estimates of negative equalisation of electricity and gas.

Other current liabilities mainly refer to the cost estimates for the obligations relating to energy efficiency certificates, liabilities for tariff components of electricity distribution to be paid to the GSE, liabilities for purification fees, liabilities for RAI fees collected in the bill.

NOTE 30_CURRENT TAX LIABILITIES

The item "Current tax liabilities" amounting to 18,025 thousand euro (12,743 thousand euro as at 31 December 2024) is made up of IRES and IRAP liabilities, comprising the estimate of taxes for the current year.

NOTE 31_PROVISIONS FOR RISKS AND CHARGES - CURRENT PORTION

This item amounted to 330,495 thousand euro (281,389 thousand euro as at 31 December 2024) and refers to the current portion of the provisions, divided as follows:

- post-closure provisions and the provision for dismantling and reclaiming sites totalling 6,400 thousand euro;
- provision for early retirement of 3,816 thousand euro;
- provisions for ETS cancellation obligation of 234,325 thousand euro;
- other provisions for risks of 85,954 thousand euro.

For further details on the breakdown of and changes in provisions for risks and charges see Note 23.

NOTE 32_LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE

Liabilities associated with assets held for sale, amounting to 18,349 thousand euro, relate to the entire business of managing the Integrated Water Service in 43 municipalities of the ATO 4 in the Cuneo area, pending the planned transfer to the incoming operator. In particular, they relate to deferred income components (deferred income for grants related to assets and connection grants) for 16,107 thousand euro, payables for security deposits for 1,107 thousand euro, provisions for risks and charges for 1,004 thousand euro, and post-employment benefits for 131 thousand euro.

FINANCIAL POSITION

Net financial debt, calculated as the difference between current and non-current financial debt and current and non-current financial assets, can be broken down as follows:

	thousands of euro	
	31/12/2025	31/12/2024
Non-current financial assets	(148,393)	(124,355)
Non-current financial debt	4,490,480	4,460,915
Non-current net financial debt	4,342,087	4,336,560
Current financial assets	(239,280)	(867,975)
Current financial debt	118,937	614,158
Current net financial position	(120,343)	(253,817)
Net financial debt	4,221,744	4,082,743

It is specified that, in the calculation of net financial debt, the fair value of commodity derivatives is excluded from short-, medium- and long-term borrowings and financial assets.

Net Financial position with related parties

Non-current financial assets include 29,672 thousand euro due from the municipality of Turin and 5,931 thousand euro due from associates.

Current financial assets include 4,082 thousand euro due from the Municipality of Turin and 5,209 thousand euro due from associates and joint ventures.

Current financial liabilities include 4,972 thousand euro due to the Municipality of Turin for dividends and 235 thousand euro due to associates.

The net financial position according to the structure proposed by ESMA in the document of 04 March 2021 *Guidelines on disclosure requirements under the Prospectus Regulation* and implemented by Consob with *Attention Reminder No. 5/21 of 29 April 2021* is shown below.

	thousands of euro	
	31/12/2025	31/12/2024
A. Cash	(205,765)	(326,568)
B. Cash equivalents	-	-
C. Other current financial assets	(2,683)	(465,034)
D. Liquidity (A) + (B) + (C)	(208,448)	(791,602)
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	49,589	47,364
F. Current portion of the non-current financial debt	69,348	566,794
G. Current financial debt (E + F)	118,937	614,158
H. Net current financial position (G - D)	(89,511)	(177,444)
I. Non-current financial debt (excluding current portion and debt instruments)	1,492,303	1,468,002
J. Debt instruments	2,998,177	2,992,913
K. Commercial and other non-current debt	-	-
L. Non-current financial debt (I + J + K)	4,490,480	4,460,915
M. Total financial debt (H + L)	4,400,969	4,283,471

The annexes to the consolidated financial statements include the reconciliation statement between “total financial debt”, calculated according to the structure proposed by ESMA, and “net financial debt”, calculated according to Iren Group’s policy and reported at the beginning of this section.

The table below shows the changes in the year in current and non-current financial liabilities.

	thousands of euro
Current and non-current financial liabilities 31.12.2024	5,075,073
Monetary changes as reported in the statement of cash flows	
New non-current loans	270,000
Repayment of non-current loans	(1,079,741)
Repayment of finance leases	(31,650)
Change in other financial liabilities	(6,578)
Interest paid	(131,814)
Dividends paid	178,215
Non-monetary changes	
Liabilities acquired following change in consolidation scope	197,066
Liabilities for purchase of investments in consolidated companies	188,420
New finance leases	7,872
Fair value change in derivatives	(15,522)
Interest and other financial expense	137,765
Dividends resolved	(179,689)
Current and non-current financial liabilities 31.12.2025	4,609,417

XI. Notes To The Income Statement

Unless otherwise stated, the following comments and tables show the figures in thousands of euro.

The consolidated income statement includes the income statement figures of the companies of the EGEA Holding Group as of 1 January 2025 and of the company Cierre as of 1 July 2025; the results of operations for 2025 are therefore affected by the inclusion of these amounts in the consolidation scope.

REVENUE

NOTE 33_REVENUE FROM GOODS AND SERVICES

This item amounted to 6,333,392 thousand euro (5,903,454 in 2024) and is detailed in the following table.

	thousands of euro	
	FY 2025	FY 2024
Electricity revenue	2,705,405	2,504,371
Heat revenue	278,048	232,133
Gas revenue	899,603	933,013
Integrated water service revenue	599,765	558,238
Waste management revenue	1,037,871	1,006,847
Revenue from asset construction services under concession	315,301	264,872
Revenue from other services	497,399	403,980
Total	6,333,392	5,903,454

The following table shows the reconciliation between the item Revenue from goods and services and the segment reporting in the chapter below "Segment reporting".

	thousands of euro						
	Networks	Waste management	Energy	Market	Other services	Elisions	Total
Revenue from goods and services	1,191,650	1,300,325	2,268,637	3,402,946	30,727	(1,860,893)	6,333,392
Other revenue	186,791	124,094	180,090	102,559	4,314	(357,183)	240,665
Total	1,378,441	1,424,419	2,448,727	3,505,505	35,041	(2,218,076)	6,574,057

The table below provides a breakdown of revenue from goods and services by business segment.

	thousands of euro						
	Networks	Waste management	Energy	Market	Other services	Elisions	Total
Electricity revenue	167,872	58,117	1,678,490	1,698,236	-	(897,310)	2,705,405
District heating revenue	-	14,391	292,463	-	-	(28,806)	278,048
Gas revenue	139,261	5,204	-	1,639,366	-	(884,228)	899,603
Integrated water service revenue	592,165	3,932	-	-	-	3,668	599,765
Waste management revenue	30	1,052,973	-	-	-	(15,132)	1,037,871
Revenue from asset construction services under concession - IFRIC 12	259,844	48,383	7,074	-	-	-	315,301
Revenue from other services	32,478	117,325	290,610	65,344	30,727	(39,085)	497,399
Total Revenue from goods and services	1,191,650	1,300,325	2,268,637	3,402,946	30,727	(1,860,893)	6,333,392

The nature and timing of the performance obligations contained in customer contracts are described below:

Sale and distribution of electricity and gas and sale of heat to end customers

Contracts for the sale of energy carriers to end customers include fees that relate to both the sale and distribution of the relevant commodities, identified as a single, indistinct performance obligation. This obligation is fulfilled upon delivery at the redelivery point or heat exchange substation.

These contracts relate to continuous supplies, which imply the fulfilment of the related obligations in an over-time manner, given that the end customer simultaneously receives and uses the benefits deriving from the service provided as the latter is rendered.

This revenue includes the estimated disbursements made but not yet invoiced. This estimate is based on the customer's historical consumption profile, adjusted to reflect weather conditions or other factors that may affect consumption.

In this context, revenue from the electricity and gas distribution service, supplied through the Group's networks to third-party sellers, is recognised on the basis of tariffs determined by the competent Authorities to reflect the remuneration recognised for investments made, taking into account the equalisation mechanisms provided for. They, too, refer to services aimed at fulfilling the relevant obligations on an ongoing basis, with a view to the continuity of the service provided characteristic of network businesses.

Integrated Water Service

Similarly to the other network businesses mentioned above, aqueduct (water collection, drinking water, lifting and distribution), sewerage and wastewater treatment services relate to obligations fulfilled over time. They, too, are entered on the basis of the tariffs determined by the competent authorities to reflect the remuneration paid for the investments made.

Waste management revenue

Revenue generated by the waste management supply chain mainly relates to:

- collection and urban sanitation, where performance obligations are fulfilled continuously over time on the basis of existing contracts;
- the treatment of municipal and special waste, including its disposal and reuse. In this regard, the Group assesses the relevant services as provided over time, particularly with regard to the continuous disposal of homogeneous waste units, also within the framework of existing agreements with the competent authorities.

It should also be noted that in this context there are, to a residual extent, services provided punctually and pertaining to obligations arising from events (e.g. snow clearing service).

Revenue from other services

The revenue included under this heading refers in particular:

- to services related to the management of energy services, including maintenance services, and to orders for the energy efficiency of plants and buildings. Both refer to obligations fulfilled over time. In particular, revenue relating to contracts for efficiency upgrading is recognised on the basis of the stage of completion of the contract work, deduced from the total estimated costs incurred, by means of the recognition of a contract asset until the obligation has been fully met.
- to products/services ancillary to the sale of commodities, which are distinctly identified, and which concern performance obligations that are fulfilled punctually upon the transfer of the product/service to the customer;
- miscellaneous and ongoing revenue relating to, inter alia, information systems, real estate services and laboratory analyses.

NOTE 34_OTHER INCOME

Other income totalled 240,665 thousand euro (139,671 thousand euro in 2024) and refers to grants, revenue for energy certificates and sundry income. The tables below show the details of the individual items.

Grants

	thousands of euro	
	FY 2025	FY 2024
Grants related to assets	22,760	16,696
Connection grants	12,184	12,023
Other grants	11,289	10,598
Total	46,233	39,317

The grants related to assets and connection grants represent the relevant portion of grants calculated in proportion to the depreciation rates of the plants to which they refer.

The connection grants include amounts received for connection to the Group's electricity, water, gas and heat distribution networks.

Revenue from energy certificates

	thousands of euro	
	FY 2025	FY 2024
Revenue from the sale of ETS certificates (Emission Trading Certificates)	53,054	-
Revenue from former Green Certificates incentives	26,892	20,283
Revenue from Energy Efficiency Certificates (White Certificates)	12,567	18,422
Total	92,513	38,705

Other income

	thousands of euro	
	FY 2025	FY 2024
Service contracts	9,489	7,084
Lease income	2,553	1,878
Capital gains on sale of assets	1,689	1,434
Insurance settlements	7,897	1,574
Sundry reimbursements	8,311	8,894
Other revenue and income	71,980	40,785
Total	101,919	61,649

The increase in "Other revenue and income" is mainly due to the recognition of premiums for the technical and commercial quality of the integrated water service (2022-2023 period) recognised by ARERA.

Costs

NOTE 35_RAW MATERIALS, CONSUMABLES, SUPPLIES AND GOODS

This item is broken down as follows:

	thousands of euro	
	FY 2025	FY 2024
Purchase of electricity	619,857	545,199
Purchase of gas	1,268,533	1,274,913
Purchase of heat	5,651	244
Purchase of other fuels	174	380
Purchase of water	9,775	7,768
Other raw materials and materials in stock	189,586	185,894
Emission trading	260,011	200,826
White Certificates	8,786	17,636
Change in inventories	17,952	(8,806)
Total	2,380,325	2,224,054

Costs for raw materials, consumables, supplies and goods increased by 156,271 thousand euro.

While the costs of purchasing gas remained broadly stable due to the combined effect of higher prices and lower quantities procured, the increase in the costs of purchasing electricity is the result of higher prices and greater volumes purchased on the power exchange during the current year.

The purchase of raw materials and materials in stock is in connection with the marketing to retail customers of products in the area of home automation, energy saving and maintenance of domestic installations and, to a lesser extent, fuels for operating vehicles.

The change in inventories was partly due to gas storages.

NOTE 36_SERVICES AND USE OF THIRD-PARTY ASSETS

Costs for services amounted to 2,071,761 thousand euro (1,822,444 thousand euro in 2024), as follows:

	thousands of euro	
	FY 2025	FY 2024
Electricity transport and electricity system expenses	680,832	589,667
Gas transmission	121,865	86,123
Third-party works, maintenance and industrial services	531,507	456,379
Collection and disposal, snow clearing, public parks	396,473	360,719
Expenses related to personnel (canteen, training, business travel)	18,808	17,305
Technical, administrative and commercial consulting and advertising expenses	107,160	93,459
Legal and notary fees	5,813	8,604
Insurance	29,596	29,864
Bank expenses	12,185	10,280
Telephone expenses	7,847	6,645
IT expenses	70,348	61,901
Reading and invoicing services	16,726	16,003
Board of Statutory Auditors' fees	1,846	1,576
Other costs of services	70,755	83,919
Total costs for services	2,071,761	1,822,444

Costs for third-party works mainly relate to operating and maintenance costs of plants and networks.

"Other costs for services" includes residual costs for internal consumption, back office, transport and other services: this item increased largely as a result of higher transport costs and the closure of estimates from previous years.

Use of third-party assets amounted to 43,904 thousand euro (38,439 thousand euro in 2024). The item included mainly fees paid to the single operator of the Genoa Area and the fees paid to the companies that own the assets of the integrated water service of the municipalities of Parma, Piacenza, and Reggio Emilia.

Secondarily, this item includes short-term leases or when the underlying asset is of low value, which the group has decided to exclude from the scope of application of IFRS 16.

NOTE 37_OTHER OPERATING EXPENSES

Other operating expenses amounted to 117,117 thousand euro (102,657 thousand euro in 2024), as follows:

	thousands of euro	
	FY 2025	FY 2024
General expenses	38,024	26,654
Instalments and higher instalments for water shunting	31,546	33,700
Taxes and duties	29,619	28,563
Capital losses on sale of assets	4,502	4,546
Other sundry operating expenses	13,426	9,194
Total	117,117	102,657

General expenses include among other things contributions to the running costs of various entities and penalties from service providers. The item "Taxes and duties" relates mainly to expenses for IMU property tax on the Group's plants and buildings and expenses for occupying and reclaiming public land.

The item "Other sundry operating expenses" includes adjustments of revenue pertaining to previous years.

NOTE 38_CAPITALISED EXPENSES FOR INTERNAL WORK

Capitalised expenses for internal work amounted to 60,537 euro (60,193 thousand euro in 2024), and regard increases in capital assets made with internal resources and production factors.

	thousands of euro	
	FY 2025	FY 2024
Capitalised personnel expense	(45,299)	(42,100)
Capitalised inventory materials	(15,238)	(18,093)
Total	(60,537)	(60,193)

NOTE 39_PERSONNEL EXPENSE

Personnel expense amounted to 668,532 thousand euro (641,605 thousand euro in 2024), as follows:

	thousands of euro	
	FY 2025	FY 2024
Gross remuneration	475,313	453,685
Social security contributions	146,306	139,276
Post-employment benefits	1,110	906
Other long-term employee benefits	118	111
Other personnel expenses	43,269	45,543
Directors' fees	2,416	2,084
Total	668,532	641,605

As specified in Note 38, 45,299 thousand euro of costs related to employees directly employed in the construction or acquisition of property, plant and machinery and in the development and implementation of software were capitalised.

Other personnel expense includes social security and recreational contributions, the contribution paid to the supplementary health care fund, insurance for accidents occurring outside working hours, the portion of post-employment benefits, and contributions to be paid by the employer to supplementary pension funds.

The composition of personnel is shown in the following table.

	31/12/2025	31/12/2024	Average for the year
Executives	118	109	122
Junior managers	392	401	397
White collar workers	4,934	4,703	4,916
Blue collar workers	6,464	6,098	6,441
Total	11,908	11,311	11,876

The changes in the workforce compared to 31 December 2024 were mainly ascribable to:

- changes in the consolidation scope, primarily due to the consolidation, from January 2025, of EGEA Holding group companies, totalling 600 resources, and, from July 2025, of the company Cierre, totalling 30 resources;
- characteristics of the annual workforce trend of the company San Germano due to the launch/conclusion of contracted services, including those of a seasonal nature;
- continuation of the generational turnover plan;
- substantial number of recruitments related to the Group's development and expansion needs, also aimed at acquiring new skills.

NOTE 40_AMORTISATION AND DEPRECIATION

Amortisation and depreciation for the year amounted to 716,266 thousand euro (655,475 thousand euro in 2024).

	thousands of euro	
	FY 2025	FY 2024
Property, plant and equipment and investment property	389,681	376,903
Intangible assets	326,585	278,572
Total	716,266	655,475

For further details on amortisation and depreciation, refer to the tables of changes in property, plant and equipment and intangible assets.

NOTE 41_PROVISIONS AND IMPAIRMENT LOSSES

These items amounted to a total of 106,717 thousand euro (98,944 thousand euro in 2024) as follows:

	thousands of euro	
	FY 2025	FY 2024
Impairment losses on loans and receivables	85,976	74,482
Impairment losses Other non-current assets	255	-
Impairment losses on loans and receivables	86,231	74,482
Provision for restoration of third-party assets	841	1,922
Post-closure provisions	1,962	2,726
Provision for dismantling and reclaiming sites	506	185
Provisions for risks and other	15,893	15,805
Release of provisions	(7,804)	(8,702)
Net impairment losses	9,088	12,526
Total net other provisions and impairment losses	20,486	24,462
Total	106,717	98,944

The accruals for the year were made to adjust the amount of the loss allowance to the amount of expected credit losses on the basis of the simplified model provided for in the standard IFRS 9, where "loss" means the present value of all cash shortfalls considering forward-looking information.

Provisions for risks are largely attributable to disputes in the energy efficiency sector, while releases refer to the elimination of risks and charges related to disputes with suppliers and the waste management sector. Details of changes in provisions are provided in the note to the Statement of financial position item "Provisions for risks and charges".

The item "Net impairment losses" mainly relates to the revaluation, carried out by an independent expert, of the former headquarters in Genoa (Via SS Giacomo e Filippo), which are no longer in use and are held for sale (6,266 thousand euro), and of certain waste treatment plants, including a composting and aerobic digestion plant and a polyurethane recovery plant, for a total of 2,775 thousand euro.

NOTE 42_FINANCIAL INCOME AND EXPENSE

Financial income

Financial income amounted to 38,336 thousand euro (45,701 thousand euro in 2024). The details are shown in the following table:

	thousands of euro	
	FY 2025	FY 2024
Dividends	34	80
Bank interest income	4,210	12,398
Interest income on loans and receivables	14,210	22,240
Interest income from customers	6,465	4,825
Fair value gains on derivatives	6	2
Capital gain on disposal of financial assets	-	1
Other financial income	13,411	6,155
Total	38,336	45,701

The decrease in bank interest income is due to the lower average balance of liquidity in current accounts in 2025 compared to the previous year.

Interest income on loans and receivables mainly refers to interest accrued on amounts restricted in the form of time deposits (10,264 thousand euro). This item also includes interest income on current accounts between the Group and the Municipality of Turin (378 thousand euro).

Other financial income mainly consists of income for the discounting of provisions and fair value gains on the put option on the non-controlling interest of ReMat.

Financial expense

The item amounted to 146,138 thousand euro (136,333 thousand euro in 2024). The breakdown of financial expense is shown in the following table:

	thousands of euro	
	FY 2025	FY 2024
Interest expense on loans	55,753	71,905
Interest expense on bonds	69,508	59,704
Hedging effect of derivatives	(9,982)	(19,860)
Interest expense on bank current accounts	2,233	1,082
Other interest expense	6,783	7,412
Capitalised borrowing costs	(1,730)	(317)
Fair value losses on derivatives	321	458
Capital losses on disposal of financial assets	-	9
Interest cost – Employee benefits	2,625	2,546
Financial expense on lease liabilities	2,058	1,733
Other financial expense	18,569	11,661
Total	146,138	136,333

Interest expense on loans and bonds includes the expense relating to the measurement at amortised cost.

Interest expense on loans includes costs relating to liability management transactions for 3,759 thousand euro.

Other interest expense includes charges related to factoring transactions performed during the year.

Other financial expenses mainly consisted of charges arising from the sale to financial intermediaries of credits related to deductions on works carried out to improve the energy efficiency of buildings (ecobonus), charges for discounting provisions, charges arising from payment extensions to suppliers.

NOTE 43_GAINS (LOSSES) ON EQUITY INVESTMENTS

These gains came to 2,359 thousand euro (losses of 1,260 thousand euro in 2024) and mainly refer to the remeasurement at fair value, at the date of acquisition of control, of the non-controlling interest relating to the business combinations of CSAI.

In 2024, it mainly referred to the impairment loss on the investments in Astea (1,365 thousand euro), EGEA (1,000 thousand euro), and Enerbrain (1,555 thousand euro), only partially offset by the restatement at fair value, at the date of acquisition of control, of the non-controlling interest relating to the business combination of Siena Ambiente (3,270 thousand euro).

NOTE 44_SHARE OF PROFIT OR LOSS OF EQUITY-ACCOUNTED INVESTEEES

The share of profit or loss of equity-accounted companies amounted to 13,895 thousand euro (7,471 thousand euro in 2024). For more details please see Note 5 "Equity-accounted investments".

NOTE 45_INCOME TAXES

Income taxes for 2025 amounted to 122,164 thousand euro (131,697 thousand euro in 2024) and included the estimated income taxes for 2025.

	thousands of euro	
	FY 2025	FY 2024
Current taxes (IRES)	109,553	102,833
Current taxes (IRAP)	34,158	27,470
Current taxes (IRES and IRAP) previous years	(3,682)	(2,942)
Change in deferred tax assets	(8,408)	15,185
Change in deferred tax liabilities	(9,457)	(10,849)
Total	122,164	131,697

The Group's effective tax rate in 2025 is 27.9%, while in 2024, it was 30.3%.

The table below shows the breakdown of the tax rate for 2025 and 2024.

	thousands of euro			
	FY 2025		FY 2024	
Pre-tax profit	438,424		435,279	
Theoretical taxes (IRES)	105,221	24.0%	104,467	24.0%
Permanent differences	(4,704)	-1.1%	2,923	0.7%
Tax relief effect	(3,663)	-0.8%	(5,271)	-1.2%
IRAP (Regional business tax)	34,158	7.8%	27,470	6.3%
Previous years' taxes and other differences	(8,848)	-2.0%	2,108	0.5%
Total income taxes	122,164	27.9%	131,697	30.3%

The Group also exercised the option for the tax consolidation scheme, pursuant to Art. 117 of the new Consolidated Law on Income Tax. This requires that the consolidated companies transfer their IRES debit/credit positions to the Parent IREN S.p.A. The latter then calculates IRES on the algebraic sum of taxable profits/losses of each company taking part in the tax consolidation scheme.

In return for the taxable income earned and transferred to the parent, the consolidated company commits to paying “tax settlements” to the parent equal to the amount of taxes owed on the income transferred, net of the transferred IRES assets. The companies in the domestic tax consolidation for 2025, not including the Parent Iren Spa, are as follows: Iren Energia S.p.A., Ireti S.p.A., Territorio e Risorse S.r.l., Iren Acqua (merged into Ireti), Iren Mercato S.p.A., Iren Ambiente S.p.A., Iren Smart Solution S.p.A., Acam Ambiente S.p.A., Acam Acque S.p.A., Maira S.p.A., Amiat S.p.A. Amiat V S.p.A., Formaira S.p.A., Alfa Solutions S.p.A., Recos S.p.A., Iren Laboratori S.p.A., Iren Ambiente Parma S.r.l., Iren Ambiente Piacenza S.r.l., ASM Vercelli S.p.A., Atena Trading S.r.l., Gia in liquidazione S.r.l. (company dissolved in 2025), San Germano S.p.A., Rigenera Materiali S.r.l., Bonifiche Servizi Ambientali S.r.l., Uniproject S.r.l., Manduriamambiente S.p.A., Scarlino Energia S.p.A., Iren Ambiente Toscana S.p.A. TB S.p.A. (merged into Valdarno), Futura S.p.A., Ireti Gas S.p.A., Valle Dora Energia S.r.l., Alegas S.r.l., Iren Green Generation S.r.l., Iren Green Generation Tech S.r.l., Valdarno Ambiente S.r.l., Dogliani Energia S.r.l., I Blu S.r.l., SEI Toscana S.r.l., Semia Green S.r.l., Re.mat S.r.l., Limes 20 S.r.l., L 2 Srl, Limes 1 S.r.l., Agrovoltaiica S.r.l., Am.ter S.p.A. (merged into Ireti), C.R.C.M. S.r.l., Iren Acqua Reggio S.r.l. and Iren Acqua Piacenza S.r.l.

The following table shows deferred tax assets and liabilities and their impact.

	thousands of euro	
	FY 2025	FY 2024
Deferred tax assets		
Non-taxable provisions	204,278	195,928
Differences in non-current assets	211,292	215,180
Connection grants	43,866	14,530
Derivatives	30,482	59,337
Tax loss carry-forwards + ACE	13,008	8,209
Other	5,782	10,152
Total	508,708	503,336
Deferred tax liabilities		
Differences in non-current assets	174,855	154,102
Loss allowance and other provisions	9,416	9,067
Derivatives	221	12,593
Other	30,968	54,898
Total	215,460	230,660
Net deferred tax assets	293,248	272,676
Total change	20,572	
of which:		
in Equity	(13,192)	
in profit or loss	17,865	
for changes in the consolidation scope	15,899	

NOTE 46_ PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS

Not present in 2025 and in 2024.

NOTE 47_ PROFIT FOR THE YEAR ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

Profit attributable to non-controlling interests, which amounted to 15,714 thousand euro (35,111 thousand euro in 2024), relates to the share of profit of non-controlling interests in companies fully consolidated but not wholly owned by the Group. The decrease compared to the previous year is primarily attributable to the acquisition of the non-controlling interest in the subsidiary Iren Acqua during 2025.

NOTE 48_ EARNINGS PER SHARE

For the purposes of calculating basic and diluted earnings per share, it is noted that the number of shares for 2025 represents the weighted average number of shares outstanding in the reporting period based on the provisions of IAS 33 § 20. The

parent has not issued any financial instruments that have the potential to dilute its common stock, therefore diluted earnings per share is equal to basic earnings per share.

	FY 2025	FY 2024
Profit for the year (thousands of euro)	300,546	268,471
Weighted average number of shares outstanding over the year (thousand)	1,283,076	1,283,076
Basic earnings/ per share (euro)	0.23	0.21

NOTE 49_OTHER COMPREHENSIVE INCOME

Other comprehensive income amounted to 32,183 thousand euro (other comprehensive expense of 45,083 thousand euro in 2024) and included other comprehensive income that will be subsequently reclassified to profit or loss and other comprehensive income that will not be subsequently reclassified to profit or loss.

Other comprehensive income that will be subsequently reclassified to profit or loss relates to:

- the effective portion of fair value gains on cash flow hedges, 48,450 thousand euro, which refers to derivatives hedging changes in interest rates and derivatives hedging changes in commodity prices (for the Group, this concerns electricity and gas).
- the share of other losses of equity-accounted investees, 192 thousand euro, which refers to fair value losses on cash flow hedges of associates;
- the change in the translation reserve, amounting to a negative 4,797 thousand euro, due to the change in the exchange rate used to translate the financial statement balances of associates that prepare their financial statements in currencies other than the euro
- the tax effect of other comprehensive income, for 13,001 thousand euro.

Other comprehensive income that will not be subsequently reclassified to profit or loss relates to:

- net actuarial losses on defined benefit plans, for 1,767 thousand euro;
- share of actuarial gains of equity-accounted investees related to employee defined benefit plans, for 147 thousand euro;
- the tax effect of other comprehensive income, 191 thousand euro.

XII. Guarantees and contingent liabilities

GUARANTEES

Guarantees provided concern sureties and other guarantees for own commitments of 805,805 thousand euro (823,625 thousand euro as at 31 December 2024); the most significant items refer to sureties issued in favour of:

- the Electricity Market Operator (GME) for 93,100 thousand euro to guarantee the energy market participation contract;
- ATERSIR for 59,639 thousand euro for agreements and tenders in progress relating to the Integrated Water Service and the Urban Waste Management Service;
- the Turin Provincial/Metropolitan City Governments, for 58,938 thousand euro for waste transfer and post-closure management of plants subject to Integrated Environmental Authorisation (I.E.A.);
- ARPAE for 56,567 thousand euro for waste conferment and operations and post-closure management of plants subject to I.E.A.;
- Shell Energy Europe for 50,000 thousand euro to guarantee the gas supply contract;
- Tuscany Region for 48,853 thousand euro to guarantee landfill and plant authorisations;
- ATO-R, for 44,335 thousand euro, as definitive guarantees in the Amiat/TRM acquisition;
- Municipality of Turin, for 31,861 thousand euro, definitive guarantee in the AMIAT/TRM acquisition;
- Ministry of the Environment, for 31,313 thousand euro for various authorisations;
- Province of La Spezia for 30,232 thousand euro for waste transfer and management of plants;
- SNAM Reti Gas for 26,536 thousand euro to guarantee contracts and network codes;
- Customs Authority, for 21,940 thousand euro to guarantee the regular payment of customs tax and additional local and provincial duties on electricity consumption and gas excise;
- Piedmont Region for 17,792 thousand euro as guarantee for project financing for the concession of large water derivation plants for hydroelectric purposes;
- Revenue Agency for 11,779 thousand euro for a VAT refund request;
- Apulia Region for 10,192 thousand euro to guarantee landfill and plant authorisations;
- Terna, for 9,912 thousand euro to guarantee injection and withdrawal dispatching contracts and to guarantee the electricity transport service contract;
- Assembla Territoriale Idrica Enna for 9,028 thousand euro as a work guarantee;
- Aisa Impianti for 7,800 thousand euro as guarantee for the contract of transfer at the plants;
- Consorzio di Bacino Basso Novarese for 6,989 thousand euro to guarantee the contract for the collection and disposal of urban waste;

COMMITMENTS

Commitments to suppliers

In the course of its operations, the Group entered into contracts for the purchase of a specific quantity of commodities at a certain future date, having the characteristics of own use and therefore falling within the so-called "own use exemption" under IFRS 9. These commitments are represented by:

- contracts for the purchase of natural gas at a fixed price, with a countervalue of 1,084 thousand euro;
- contracts for the purchase of methane gas at an indexed price, for a forecast quantity of the equivalent of 21.36 TWh;
- power purchase agreements, with a countervalue of 5,361 thousand euro.

CONTINGENT LIABILITIES

Iren Mercato S.p.A. / Azienda Sanitaria Locale Roma 1 - Iren Mercato S.p.A. / Local Health Authority Rome 4

Two proceedings are pending before the Court of Rome, initiated by certain local health authorities in Lazio and relating to the transactions between them and Iren Mercato, in its own right and as a member of the temporary joint venture entrusted under the Agreement of 4 August 2006 entered into with the Lazio Region for the "Technological multi-service and provision of energy carriers - Lot D"; in particular:

- claim form dated 10 April 2020 by ASL ROMA 1 (contract of 13 December 2007) with the aim of ascertaining the undue receipt of the fee for the supply of hot water and steam for the period from 01 July 2007 to 28 February 2017, contesting the incorrect application of the tariff, and the consequent repayment of the sum; the plaintiff has quantified this amount as 8 million euro; Following the appointment of the technical expert by the Court, the expert investigation operations were initiated.
 - claim form dated 12 April 2022 by ASL ROMA 4 (contract of 08 June 2007) with the aim of ascertaining the undue receipt of the fee for the supply of hot water and steam for the period from 01 April 2007 to 19 February 2017, contesting the incorrect application of the tariff, and the consequent repayment of the sum; the plaintiff has quantified this amount as 7.5 million euro; Following the appointment of the technical expert by the Court, the expert investigation operations were initiated.
- The risk of losing the case has been cautiously estimated as possible, given the uncertainty connected with expert appraisals involving highly technical services completed many years ago.

Iren Mercato S.p.A. / Local Health Authority Viterbo

On 27 March 2025, the Viterbo Local Health Authority filed a request for arbitration to determine whether Iren Mercato improperly collected the fee for the supply of domestic hot water and steam for the period from 1 April 2007 to 19 February 2017, contesting the incorrect application of the tariff, and the consequent recovery of the sum; the plaintiff quantified this amount at 8.9 million euro. The parties have appointed their own arbitrator, while the Chair of the Arbitration Board has not yet been appointed.

The risk of losing the case has been cautiously estimated as possible, given the uncertainty connected with arbitration operations involving highly technical services completed many years ago.

Claim for damages for occupational disease

It should be noted that during the 2025 financial year, Iren received a claim for damages from the heirs of AMGA's former employee, for a total amount of approximately 2 million euro, related to the death due to an occupational disease allegedly attributable to the period of employment at AMGA.

The case is currently pending before the Court of Reggio Emilia. At the first hearing on 10 October 2025, the Judge granted the plaintiff a deadline of 40 days to take a position on the preliminary objections raised by Iren and, subsequently, to the latter a deadline of 20 days for the filing of replies, holding the case in reserve.

To dissolve the reservation, the Judge, with an order – considering that the dispute can be settled in relation to the absorbing issue of Iren's passive legitimacy – set a hearing for discussion, to be held in paperwork mode, originally for 10 March 2026 and subsequently postponed to 17 May 2026 due to role requirements.

In the light of the foregoing and, specifically, of the aforementioned order, defeat risk is to be considered possible.

Contract A.Li.Sa – Azienda Ligure Sanitaria

The subsidiary Iren Smart Solutions, as the parent company of a Temporary Grouping of Companies with a 42% stake, operates in support of the Ligurian regional health system, hospitals and territorial structures, ensuring the operational and technical-administrative management of technological systems and building components.

During the execution of the contract, disputes emerged between the RTI and the customer with reference to full compliance with the obligations assumed between the parties. In February 2026, some ASLs, in particular ASLs 1, 2 and 3, in the meantime merged by incorporation into the Ligurian Health Authority (ATS) to which other health facilities belong, initiated a dispute procedure concerning penalties for about 9 million euros. Invoices and disputes that have already seen the punctual reply of the RTI, through, respectively, the rejection of any claim and the due counter-deductions. No provision has been set aside for this further dispute as the Company, in accordance with the opinion received from its external lawyers involved, considers the risk of defeat possible.

XIII. Segment reporting

Segment reporting, based on the Group's management and internal reporting structure, is given below in accordance with IFRS 8.

Given the nature of the activity performed by Group companies, a geographical segment analysis is not relevant.

The operating segments in which the Group operates are:

- Networks (Electricity distribution networks, Gas distribution networks, Integrated Water Service)
- Waste Management (Waste collection and disposal)
- Energy (Hydroelectric Production and production from other renewable sources, Combined Heat and Power, District Heating Networks, Thermoelectric Production, Public Street Lighting, Global services, Energy efficiency services)
- Market (Sale of electricity and gas)
- Other services (Laboratories, Telecommunications and other minor services).

These operating segments are disclosed pursuant to IFRS 8. Under this standard, the disclosure about operating segments should be based on the elements which management uses in making operational and strategic decisions.

For a proper interpretation of the results relating to individual businesses, revenue and expense referring to joint activities were fully allocated to the businesses based on actual usage of the services provided or according to technical and economic drivers.

Given the fact that the Group mainly operates in one area, the following segment reporting does not include a breakdown by geographical segment.

Net invested capital by business segment compared to the figures as at 31 December 2024 and income statements (up to the operating profit/(loss)) for the current year by business segment are presented below, compared against the 2024 figures.

It should be noted that there is no revenue from transactions with a single customer equal to or exceeding 10% of total revenue.

In the segment reporting tables below, the following quantities are presented:

Net invested capital (NIC): determined by the algebraic sum of non-current assets, other non-current assets (liabilities), net working capital, deferred tax assets (liabilities), provisions for risks, and employee benefits and assets held for sale (liabilities associated with assets held for sale).

Net financial debt: calculated as the sum of non-current financial liabilities at net of non-current financial assets and current financial liabilities net of current financial assets and cash and cash equivalents.

Net Working Capital (NWC): determined as the algebraic sum of current and non-current contract assets and liabilities, current and non-current trade receivables, inventories, current tax assets and liabilities, sundry assets and other current assets, trade payables and sundry liabilities and other current liabilities.

Non-current assets: determined by the sum of Property, Plant and Equipment, Investment Property, Intangible Assets with a finite useful life, Goodwill, equity-accounted Investments method, and Other equity Investments.

Gross operating profit or loss: calculated as the sum of pre-tax profit or loss, share of profit/(loss) of equity-accounted investees, impairments gains and losses on equity investments, financial income and expense, and amortisation, depreciation, provisions and impairment losses.

Operating profit or loss: calculated as the sum of pre-tax profit or loss, share of profit/(loss) of equity-accounted investees, impairments gains and losses on equity investments and financial income and expense.

Reclassified statement of financial position by operating segment at 31 December 2025

millions of euro

	Networks	Waste management	Energy	Market	Other services	Non-allocable	Total
Non-current assets	4,035	1,687	2,429	428	26	214	8,819
Net Working Capital	174	36	107	(79)	3	-	241
Other non-current assets and liabilities	(625)	(257)	(178)	(62)	(5)	-	(1,128)
Net invested capital (NIC)	3,584	1,466	2,357	287	24	214	7,932
Equity							3,710
Net financial debt							4,222
Own funds and net financial debt							7,932

Reclassified statement of financial position by operating segment at 31 December 2024

millions of euro

	Networks	Waste management	Energy	Market	Other services	Non-allocable	Total
Non-current assets	3,800	1,645	2,302	359	17	291	8,414
Net Working Capital	114	9	(11)	(128)	4	-	(12)
Other non-current assets and liabilities	(675)	(182)	(139)	19	1	-	(976)
Net invested capital (NIC)	3,239	1,472	2,152	250	22	291	7,426
Equity							3,343
Net financial debt							4,083
Own funds and net financial debt							7,426

Income Statement by operating segment for 2025

millions of euro

	Networks	Waste management	Energy	Market	Other services	Non-allocable	Total
Total revenue and income	1,378	1,424	2,449	3,506	35	(2,218)	6,574
Total operating expenses	(849)	(1,147)	(2,176)	(3,237)	(30)	2,218	(5,221)
Gross Operating Profit	529	277	273	269	5	-	1,353
Net amortisation, depreciation and impairment losses	(252)	(224)	(194)	(151)	(2)	-	(823)
Operating profit	277	53	79	118	3	-	530

Income Statement by operating segment for 2024

millions of euro

	Networks	Waste management	Energy	Market	Other services	Non-allocable	Total
Total revenue and income	1,269	1,291	2,141	3,444	35	(2,137)	6,043
Total operating expenses	(791)	(1,035)	(1,864)	(3,187)	(29)	2,137	(4,769)
Gross Operating Profit	478	256	277	257	6	-	1,274
Net amortisation, depreciation and impairment losses	(227)	(217)	(182)	(125)	(3)	-	(754)
Operating profit	251	39	95	132	3	-	520

XIV. Annexes to the Consolidated Financial Statements

LIST OF FULLY CONSOLIDATED COMPANIES

LIST OF JOINT VENTURES

LIST OF ASSOCIATES

LIST OF EQUITY INVESTMENTS IN OTHER COMPANIES

FINANCIAL FIGURES OF THE MAIN FULLY CONSOLIDATED COMPANIES, JOINT VENTURES AND ASSOCIATES

RECONCILIATION OF IFRS FINANCIAL STATEMENTS WITH RECLASSIFIED FINANCIAL STATEMENTS (Consob Communication no. 6064293 of 26 July 2006)

RECONCILIATION BETWEEN TOTAL FINANCIAL DEBT (ESMA COMMUNICATION OF 4 MARCH 2021) AND NET FINANCIAL DEBT

DEFERRED TAX ASSETS AND LIABILITIES

RELATED PARTY TRANSACTIONS

LIST OF GRANTS UNDER DECREE LAW 34/2019 ART. 35

INDEPENDENT AUDITORS' FEES

List of fully consolidated companies

Company	Registered office	Currency	Share/quota capital	% interest	Investor
Iren Ambiente S.p.A.	Piacenza	Euro	63,622,002	100	Iren
Iren Energia S.p.A.	Turin	Euro	918,767,148	100	Iren
Iren Mercato S.p.A.	Genoa	Euro	61,356,220	100	Iren
IRETI S.p.A.	Genoa	Euro	196,832,103	100	Iren
IRETI Gas S.p.A.	Parma	Euro	120,000	100	IRETI
ACAM Acque S.p.A.	La Spezia	Euro	24,260,050	100	IRETI
ACAM Ambiente S.p.A.	La Spezia	Euro	1,000,000	100	Iren Ambiente
Acquaenna S.c.p.a.	Enna	Euro	3,000,000	50.87	IRETI
Acqui Energia S.p.A.	Alba (CN)	Euro	1,800,000	100	TLRNet
Alessandria Calore S.r.l.	Alba (CN)	Euro	1,000,000	100	TLRNet
Agrovoltaica S.r.l.	Turin	Euro	1,000	100	Iren Green Generation
Alfa Solutions S.p.A.	Reggio Emilia	Euro	100,000	86	Iren Smart Solutions
Alegas S.r.l.	Alessandria	Euro	100,000	100	Iren Mercato
AMIAT S.p.A.	Turin	Euro	46,326,462	80	AMIAT V.
AMIAT V. S.p.A.	Turin	Euro	1,000,000	93.06	Iren Ambiente
Ardea S.r.l.	Cuneo	Euro	500,000	100	EGEA Holding
ASM Vercelli S.p.A.	Vercelli	Euro	120,812,720	59.97	IRETI
Asti Energia e Calore S.p.A.	Asti	Euro	120,000	62	Iren Energia
Atena Trading S.r.l.	Vercelli	Euro	556,000	59.97	Iren Mercato
Azienda Agricola Riofi S.r.l.	Terranuova Bracciolini (AR)	Euro	100,000	43.98	CSAI
Bonifica Autocisterne S.r.l.	Piacenza	Euro	595,000	51	Iren Ambiente
Bonifiche Servizi Ambientali S.r.l.	Reggio Emilia	Euro	3,000,000	100	Iren Ambiente
Bra Energia S.p.A.	Alba (CN)	Euro	200,000	80	TLRNet
Capo dell'Acqua S.r.l.	Bari	Euro	10,000	100	EGEA Holding
Carmagnola Energia S.r.l.	Alba (CN)	Euro	200,000	100	TLRNet
Cierre S.r.l.	Arezzo	Euro	75,000	80	Alfa Solutions
Consorzio GPO	Reggio Emilia	Euro	20,197,260	62.35	IRETI
CRCM S.r.l.	Terranuova Bracciolini (AR)	Euro	3,062,000	85.65 7.15	Valdarno Ambiente Siena Ambiente
CSAI S.p.A.	Terranuova Bracciolini (AR)	Euro	1,610,511	40.32	Iren Ambiente Toscana
Dogliani Energia S.r.l.	Cuneo	Euro	10,000	100	Iren Energia
Edis S.r.l.	Alba (CN)	Euro	277,514	100	EGEA Holding
EGEA Acque S.p.A.	Alba (CN)	Euro	1,033,000	100	EGEA Holding
EGEA Ambiente S.r.l.	Alba (CN)	Euro	500,000	100	EGEA Holding
EGEA Holding S.p.A.	Alba (CN)	Euro	52,941	100	Iren
EGEA New Energy S.p.A.	Alba (CN)	Euro	2,200,000	100	EGEA Holding
EGEA Energie S.r.l.	Alba (CN)	Euro	50,000	100	EGEA Holding
Ekovision S.r.l.	Prato	Euro	1,485,000	100	SEI Toscana
Formaira S.r.l.	San Damiano Macra (CN)	Euro	40,000	100	Maira

Company	Registered office	Currency	Share/quota capital	% interest	Investor
Futura S.p.A.	Grosseto	Euro	3,660,955	40	Iren Ambiente Toscana
				40	Iren Ambiente
				20	SEI Toscana
I. Blu S.r.l.	Tavagnacco (UD)	Euro	9,001,000	80	Iren Ambiente
Iren Acqua Tigullio S.p.A.	Chiavari (GE)	Euro	979,000	66.55	IRETI
Iren Acqua Reggio S.r.l.	Reggio Emilia	Euro	5,000,000	100	IRETI
Iren Acqua Piacenza S.r.l.	Piacenza	Euro	3,000,000	100	IRETI
Iren Ambiente Parma S.r.l.	Parma	Euro	4,000,000	100	Iren Ambiente
Iren Ambiente Piacenza S.r.l.	Piacenza	Euro	4,000,000	100	Iren Ambiente
Iren Ambiente Toscana S.p.A.	Florence	Euro	5,000,000	100	Iren Ambiente
Iren Laboratori S.p.A.	Genoa	Euro	2,000,000	90.89	IRETI
Iren Smart Solutions S.p.A.	Reggio Emilia	Euro	2,596,721	60	Iren Energia
				20	Iren Ambiente
				20	Iren Mercato
Limes 1 S.r.l.	Turin	Euro	20,408	51	Iren Green Generation
Limes 2 S.r.l.	Turin	Euro	20,408	51	Iren Green Generation
Limes 20 S.r.l.	Turin	Euro	10,000	100	Iren Green Generation
Maira S.p.A.	San Damiano Macra (CN)	Euro	596,442	82	Iren Energia
Manduriambiente S.p.A.	Manduria (TA)	Euro	4,111,820	95.289	Iren Ambiente
Monferrato Energia S.p.A.	Alba (CN)	Euro	400,000	90	TLRNet
Nord Ovest Servizi S.p.A.	Turin	Euro	7,800,000	45	IRETI
				30	AMIAT
Olmo Bruno S.r.l.	Alba (CN)	Euro	20,000	100	EGEA Ambiente
Iren Green Generation S.r.l.	Turin	Euro	10,000	100	Iren Energia
Iren Green Generation Tech S.r.l.	Turin	Euro	80,200	100	Iren Green Generation
ReCos S.p.A.	La Spezia	Euro	1,000,000	99.51	Iren Ambiente
Re Mat S.r.l.	Turin	Euro	200,000	100	Iren Ambiente
Reti Metano Territorio S.r.l.	Alba (CN)	Euro	20,200,000	100	EGEA Holding
Rigenera Materiali S.r.l.	Genoa	Euro	3,000,000	100	Iren Ambiente
Salerno Energia Vendite S.p.A.	Salerno	Euro	3,312,060	50	Iren Mercato
San Germano S.p.A.	Turin	Euro	1,425,000	100	Iren Ambiente
Scarlino Energia S.p.A.	Scarlino (GR)	Euro	1,000,000	100	Iren Ambiente Toscana
				41.78	Iren Ambiente Toscana
SEI Toscana S.r.l.	Siena	Euro	45,388,913	16.37	Valdarno Ambiente
				20.62	Siena Ambiente
				0.2	CRCM
Semia Green S.r.l.	Siena	Euro	3,300,000	50.909	Iren Ambiente Toscana
				49.091	Siena Ambiente

Company	Registered office	Currency	Share/quota capital	% interest	Investor
SEP S.p.A.	Alba (CN)	Euro	200,000	100	TLRNet
Siena Ambiente S.p.A.	Siena	Euro	2,866,575	40	Iren Ambiente Toscana
Sisea S.r.l.	Sommariva del bosco (CN)	Euro	750,000	51	EGEA Ambiente
Tecnoedil lavori S.r.l.	Alba (CN)	Euro	410,000	98.78 1.22	EGEA Acque EGEA Holding
Telenergia S.r.l.	Alessandria	Euro	3,700,000	97.08	TLRNet
Territorio e Risorse S.r.l.	Turin	Euro	2,510,000	65 35	Iren Ambiente ASM Vercelli
TLRNet S.r.l.	Alba (CN)	Euro	1,000,000	100	EGEA Holding
TRM S.p.A.	Turin	Euro	86,794,220	80	Iren Ambiente
Uniproject S.r.l.	Maltignano (AP)	Euro	91,800	100	Iren Ambiente
Valbormida Energia S.p.A.	Alba (CN)	Euro	800,000	60	TLRNet
Valdarno Ambiente S.r.l.	Terranuova Bracciolini (AR)		22,953,770	56.016 43,984	Iren Ambiente Toscana CSAI
Valle Dora Energia S.r.l.	Turin	Euro	537,582	74.5	Iren Energia

List of joint ventures

Company	Registered office	Currency	Share/quota capital	% interest	Investor
Acque Potabili S.p.A. in liquidazione (in liquidation)	Turin	Euro	7,633,096	47.546	Ireti
Acqui Rete Gas S.r.l.	Alba (CN)	Euro	10,000	50	Reti Metano Territorio
Enerbrain S.r.l.	Turin	Euro	50,000	49.69	Iren Smart Solutions
Vaserie Energia S.r.l.	Siena	Euro	10,000	69	Siena Ambiente

List of associates

Company	Registered office	Currency	Share/quota capital	% interest	Investor
A2A Alfa S.r.l. (1)	Milan	Euro	100,000	30	Iren Mercato
ACOS S.p.A.	Novi Ligure	Euro	17,075,864	25	IRETI
ACOS Energia S.p.A.	Novi Ligure	Euro	150,000	25	Iren Mercato
AETA S.c.a.r.l. in liquidazione	Bra (CN)	Euro	20,000	25	EGEA Holding
				25	EGEA Acque
Agriord Energia S.r.l.	Alba (CN)	Euro	50.000	40	EGEA New Energy
Aguas de San Pedro S.A. de C.V.	S.Pedro Sula (Honduras)	Lempiras	159,900	39.34	IRETI
AIGA S.p.A. (1)	Ventimiglia	Euro	104,000	49	IRETI
AMAT S.p.A. (1)	Imperia	Euro	5,435,372	48	IRETI
ARCA S.r.l.	Reggio Emilia	Euro	100,000	40	IRETI
Arienes S.c.a.r.l.	Reggio Emilia	Euro	50,000	42	Iren Smart Solutions
ASA S.p.A.	Livorno	Euro	28,613,406	40	IRETI
ASA S.c.p.a.	Castel Maggiore (BO)	Euro	1,820,000	49	Iren Ambiente
ASTEA S.p.A.	Recanati (MC)	Euro	76,115,676	21.32	Consorzio GPO
Asti Servizi Pubblici S.p.A.	Asti	Euro	7,540,270	45	Nord Ovest Servizi
Barricalla S.p.A.	Turin	Euro	2,066,000	35	Iren Ambiente
BI Energia S.r.l.	Reggio Emilia	Euro	100,000	47.5	Iren Energia
Biometano Cella Dati S.r.l.	Cella Dati (CR)	Euro	10,000	50	EGEA New Energy
Calore Verde S.r.l.	Ormea (CN)	Euro	30,000	20.81	EGEA Holding
Centro Corsi S.r.l.	Reggio Emilia	Euro	12,000	33	Alfa Solutions
CSA in liquidazione S.p.A. (1)	Terranuova Bracciolini (AR)	Euro	1,369,502	47.97	Iren Ambiente Toscana
EGUA S.r.l.	Cogorno (GE)	Euro	119,000	49	IRETI
Etambiente S.p.A.	Florence	Euro	2,300,000	33.91	EGEA Ambiente
Fata Morgana S.p.A. (2)	Reggio Calabria	Euro	2,225,694	25	IRETI
Fin Gas S.r.l.	Milan	Euro	10,000	50	Iren Mercato
Fratello Sole Energie Solidali Impresa Sociale S.r.l.	Genoa	Euro	350,000	40	Iren Energia
GAIA S.p.A.	Asti	Euro	5,539,700	45	Iren Ambiente
Iniziative Ambientali S.r.l.	Novellara (RE)	Euro	100,000	40	Iren Ambiente
OMI Rinnovabili S.c.a.r.l.	Reggio Emilia	Euro	10,000	40.15	Alfa Solutions
Piana Ambiente S.p.A. (2)	Gioia Tauro	Euro	1,719,322	25	IRETI
Rimateria S.p.A. (3)	Piombino (LI)	Euro	4,589,273	30	Iren Ambiente
SETA S.p.A.	Turin	Euro	12,378,237	48.85	Iren Ambiente
Sistema Ambiente S.p.A.	Lucca	Euro	2,487,657	36.56	Iren Ambiente
STU Reggiane S.p.A.	Reggio Emilia	Euro	16,770,080	30	Iren Smart Solutions
3A S.c.a.r.l.	Alba (CN)	Euro	10,000	40	Tecnoedil Lavori
Tanaro Servizi Acque S.r.l.	Alba (CN)	Euro	100,000	48.62	EGEA Acque
Tirana Acque S.c. a r.l. (1)	Genoa	Euro	95,000	50	IRETI
Valenza Rete Gas S.p.A.	Valenza (AL)	Euro	200,000	50	Reti Metano Territorio

(1) Company in liquidation

(2) Company in liquidation classified under assets held for sale

(3) Company in bankruptcy

List of equity investments in other companies

Company	Registered office	Currency	Share/quota capital	% interest	Investor
Acque Potabili Siciliane S.p.A. (1)	Palermo	Euro	5,000,000	9.83	Iren Acqua
Aeroporto di Reggio Emilia S.p.A.	Reggio Emilia	Euro	2,177,871	0.11	Alfa Solutions
AISA S.p.A. in liquidation (1)	Arezzo	Euro	3,867,640	3	Iren Ambiente Toscana
AISA Impianti S.p.A.	Arezzo	Euro	6,650,000	3	Iren Ambiente Toscana
Alpen 2.0 S.r.l.	Turin	Euro	100,000	10	Maira
ACQUEDUEO S.c.a.r.l.	Biella	Euro	40,000	20	ASM Vercelli
Aurora S.r.l.	S. Martino in Rio (RE)	Euro	514,176	0.1	Alfa Solutions
Autostrade Centro Padane S.p.A.	Cremona	Euro	30,000,000	1.46	IRETI
CRPA S.p.A.	Reggio Emilia	Euro	2,201,350	2.27	IRETI
CIDIU Servizi S.p.A.	Collegno (TO)	Euro	10,000,000	17.9	AMIAT
Consorzio CIM 4.0 s.c.a.r.l.	Turin	Euro	232,000	4.3	Iren
CCC-Consorzio cooperative costruzioni	Bologna	Euro	15,637,899	0.06	Bonifiche Servizi Ambientali
GAL Langhe Roero Scarl	Bossolasco (CN)	Euro	1,007,500	0.46	EGEA Acque
Consorzio Topix	Turin	Euro	1,600,000	0.3	Iren Energia
EGEA S.p.A.	Alba (CN)	Euro	58,167,200	0.47	SEI Toscana
Environment Park S.p.A.	Turin	Euro	11,406,780	3.39	Iren Energia
Restart	Ascoli Piceno	Euro	13,685,586	0.07	AMIAT
LEAP S.c. a r.l.	Piacenza	Euro	263,721	14.21	Uniproject
MiTo Tech Ventures SLP SICAV-RAIF	Luxembourg				Iren Ambiente
Parma Servizi Integrati S.c. a r.l.	Parma	Euro	20,000	11	Iren
Serchio Verde Ambiente S.p.a. in liquidation (2)	Castelnuovo di Garfagnana (LU)	Euro	1,128,950	5.93	Iren Smart Solutions
Società di Biotecnologie S.p.A.	Turin	Euro	50,000	2.93	Iren Ambiente Toscana
Tech4Planet	Rome	Euro	354,292	8.94	Iren Smart Solutions
TICASS S.c. a r.l.	Genoa	Euro	136,000	2.94	Iren
					IRETI

Financial figures of the main fully consolidated companies, joint ventures and associates

Fully consolidated companies

Company	Currency	Total Assets	Equity	Total Revenue	Profit/loss
Iren Ambiente S.p.A.	Euro	1,084,226,959	260,785,501	448,780,152	(14,005,792)
Iren Energia S.p.A.	Euro	2,242,718,675	1,286,776,128	2,028,190,417	49,849,947
Iren Mercato S.p.A.	Euro	1,078,630,001	179,893,159	3,303,659,303	75,344,109
Ireti S.p.A.	Euro	2,790,125,812	595,281,819	663,059,703	78,721,290
Acam Acque S.p.A.	Euro	371,567,040	55,919,756	106,451,624	7,625,614
Acam Ambiente S.p.A.	Euro	53,347,035	6,666,193	64,781,074	1,232,453
Acquaenna S.c.p.a.	Euro	155,389,605	8,241,309	31,387,307	(903,398)
Acqui Energia S.p.A.	Euro	15,153,490	7,377,139	7,792,415	443,592
Alessandria Calore S.r.l.	Euro	8,450,738	6,116,745	4,590,453	463,705
Agrovoltaica S.r.l.	Euro	19,902,524	121,438	468,824	(68,829)
Alegas S.r.l.	Euro	14,873,624	(343,574)	26,625,816	(526,279)
Alfa Solutions S.p.A.	Euro	27,486,752	12,151,986	30,050,820	3,228,313
AMIAT S.p.A.	Euro	244,222,563	82,771,941	234,714,078	1,052,968
AMIAT V. S.p.A.	Euro	50,613,669	35,762,691	-	2,076,903
Ardea S.r.l.	Euro	14,863,475	7,080,191	6,017,154	826,389
ASM Vercelli S.p.A.	Euro	239,438,074	128,775,622	61,443,983	3,025,254
Asti Energia e Calore S.p.A.	Euro	3,281,094	1,426,921	1,317,571	213,798
Atena Trading S.r.l.	Euro	10,339,046	4,325,819	33,577,988	908,115
Azienda Agricola Riofi S.r.l.	Euro	3,459,005	128,118	239,471	8,404
Bonifica Autocisterne S.r.l.	Euro	1,403,770	956,857	1,515,959	98,316
Bonifiche Servizi Ambientali S.r.l.	Euro	42,123,483	22,551,568	45,779,797	5,215,730
Bra Energia S.p.A.	Euro	17,793,233	2,793,097	6,217,992	267,995
Capo dell'Acqua S.r.l.	Euro	118,828	(34)	-	(9,805)
Carmagnola Energia S.r.l.	Euro	11,115,553	4,219,595	4,974,281	278,616
Cierre S.r.l.	Euro	1,556,938	721,618	2,072,752	40,440
Consorzio GPO	Euro	22,780,484	22,756,968	8	151,647
CRCM S.r.l.	Euro	4,517,651	3,402,345	2,728,993	653,068
CSAI S.p.A.	Euro	51,231,795	4,926,927	5,984,560	736,460
Dogliani Energia S.r.l.	Euro	6,806,126	(11,776)	124,508	(132,314)
Edis S.r.l.	Euro	8,752,371	4,624,590	2,209,663	230,159
EGEA Acque S.p.A.	Euro	110,053,913	4,582,063	28,861,330	3,722,821
EGEA Ambiente S.r.l.	Euro	22,886,833	6,021,017	24,819,655	3,468,798
EGEA Holding S.p.A.	Euro	205,533,112	171,366,118	29,654,299	(5,663,632)
EGEA New Energy S.p.A.	Euro	23,050,019	4,174,772	6,879,953	1,905,556
EGEA Energie S.r.l.	Euro	125,145,568	16,478,700	252,925,469	13,205,583
Ekovision S.r.l.	Euro	2,594,213	1,418,609	3,090,524	(221,274)
Formaira S.r.l.	Euro	146,772	53,153	80,684	693
Futura S.p.A.	Euro	30,330,303	3,244,012	7,408,347	(578,002)
I. Blu S.r.l.	Euro	71,807,809	8,446,931	75,312,792	(762,777)
Iren Acqua Piacenza S.r.l.	Euro	315,464,135	142,468,649	62,845,733	6,007,455
Iren Acqua Reggio S.r.l.	Euro	452,192,059	91,604,436	105,662,221	10,823,974
Iren Acqua Tigullio S.p.A.	Euro	112,787,113	22,072,891	34,518,005	1,971,629
Iren Ambiente Parma S.p.A.	Euro	44,300,253	14,945,355	87,488,366	604,883
Iren Ambiente Piacenza S.p.A.	Euro	21,831,542	5,661,925	49,341,559	(1,234,185)
Iren Ambiente Toscana S.p.A.	Euro	73,850,334	3,302,282	176,710	(1,531,555)
Iren Laboratori S.p.A.	Euro	15,256,534	8,410,587	17,940,915	2,491,024
Ireti Gas S.p.A.	Euro	731,784,492	548,431,839	154,122,388	48,737,246
Iren Green Generation S.r.l.	Euro	57,072,109	25,456,692	-	504,229
Iren Green Generation Tech S.r.l.	Euro	160,418,720	29,237,239	23,390,942	5,072,540

Company	Currency	Total Assets	Equity	Total Revenue	Profit/loss
Iren Smart Solutions S.p.A.	Euro	510,697,518	11,286,220	295,071,836	(17,690,103)
Limes 1 S.r.l.	Euro	15,154,994	7,132,383	2,018,891	548,032
Limes 2 S.r.l.	Euro	21,284,913	10,111,663	2,323,782	601,349
Limes 20 S.r.l.	Euro	31,349,933	58,729	830,161	(236,953)
Maira S.p.A.	Euro	10,995,102	8,934,316	2,054,740	565,532
Manduriambiente S.p.A.	Euro	54,253,060	22,994,894	20,659,868	5,129,082
Monferrato Energia S.p.A.	Euro	5,462,483	441,631	1,992,138	(118,870)
Nord Ovest Servizi S.p.A.	Euro	19,489,514	19,400,895	-	470,841
Olmo Bruno S.r.l.	Euro	1,929,162	(14,053)	10	(215,497)
ReCos S.p.A.	Euro	90,925,409	4,230,847	57,264,839	(611,709)
ReMat S.r.l.	Euro	4,478,139	(1,199,568)	2,516,815	(4,601,170)
Reti Metano Territorio S.r.l.	Euro	68,458,955	32,385,103	10,747,290	552,086
Rigenera Materiali S.r.l.	Euro	20,002,231	2,927,767	425,212	(72,233)
Salerno Energia Vendite S.p.A.	Euro	158,374,469	15,794,495	283,275,949	2,605,753
San Germano S.p.A.	Euro	78,537,766	6,125,278	100,757,736	79,854
Scarlino Energia S.p.A.	Euro	21,258,979	18,112,482	1,127,983	(258,514)
SEI Toscana S.r.l.	Euro	249,783,058	61,327,041	237,215,850	5,758,476
Semia Green S.r.l.	Euro	6,555,705	1,994,887	2,174,504	(102,676)
SEP S.p.A.	Euro	2,208,705	843,540	1,259,289	(167,421)
Siena Ambiente S.p.A.	Euro	105,762,815	40,178,465	41,889,081	5,671,000
Sisea S.r.l.	Euro	13,512,170	2,453,846	14,847,936	88,633
Tecnoedil Lavori S.r.l.	Euro	7,203,620	910,235	8,292,892	387,191
Telenergia S.r.l.	Euro	38,007,878	3,376,260	5,489,683	(1,307,073)
Territorio e Risorse S.r.l.	Euro	33,638,189	5,688,723	6,445,270	(6,697,843)
TLRNet S.r.l.	Euro	22,984,978	17,870,079	39,307	2,036,140
TRM S.p.A.	Euro	227,361,156	139,505,602	126,099,648	36,473,666
Uniproject S.r.l.	Euro	20,589,236	7,322,829	6,730,495	731,170
Valbormida Energia S.p.A.	Euro	4,048,802	3,153,304	1,796,986	52,679
Valdarno Ambiente S.r.l.	Euro	30,725,782	23,040,216	4,561,501	(408,196)
Valle Dora Energia S.r.l.	Euro	21,425,032	11,157,133	6,956,837	3,307,576

Joint ventures

Company	Currency	Total Assets	Equity	Total Revenue	Profit/loss
Acque Potabili S.p.A. in liquidazione (1)	Euro	44,863,000	17,511,000	362,000	399,000
Acqui Rete Gas S.r.l. (1)	Euro	6,799,708	457,697	1,615,456	(223,261)
Enerbrain S.r.l. (1)	Euro	4,588,251	(472,247)	3,834,210	(2,131,063)
Vaserie Energia S.r.l. (1)	Euro	1,630,719	1,553,017	417,247	145,587

Associates

Company	Currency	Total Assets	Equity	Total Revenue	Profit/loss
A2A Alfa S.r.l. (1)	Euro	930,928	726,914	18,076	745,338
ACOS Energia S.p.A. (1)	Euro	17,451,385	6,170,039	26,818,872	1,987,059
ACOS S.p.A. (1)	Euro	54,116,527	43,697,453	5,417,332	1,685,827
AETA S.c.a.r.l. in liquidazione (2)	Euro	12,534	11,416	66,862	(8,927)
Agrinord Energia S.r.l. (1)	Euro	2,283,159	362,842	2,246,164	(277,524)
Aguas de San Pedro (1)	Lempiras	1,974,602,927	1,583,179,866	1,459,355,924	190,411,242
AIGA S.p.A. (1)	Euro	2,457,943	(1,566,651)	6,584	(32,380)
AMAT S.p.A. (1)	Euro	8,012,423	(11,148,880)	493,723	(221,559)
ARCA S.r.l.	Euro	27,879,274	194,521	87,154,143	94,521
Arienes S.c.a.r.l. (1)	Euro	74,349,011	50,000	55,657,484	-
ASA S.c.p.a. (1)	Euro	21,878,721	2,442,485	6,343,016	-
ASA S.p.A. (1)	Euro	432,620,445	109,226,439	135,394,042	8,978,391
ASTEA S.p.A. (1)	Euro	165,859,968	116,181,172	45,008,496	2,804,211
Asti Servizi Pubblici S.p.A. (1)	Euro	74,256,657	21,557,933	45,524,375	3,390,510
Barricalla S.p.A. (1)	Euro	43,040,429	4,845,860	6,745,635	1,528,320
BI Energia S.r.l. (1)	Euro	6,973,325	300,368	987,865	84,995
Biometano Cella Dati S.r.l. (1)	Euro	11,422,323	(1,027,524)	3,059,477	(1,169,200)
Calore Verde S.r.l. (1)	Euro	2,604,999	1,516,427	774,918	(77,311)
Centro Corsi S.r.l. (1)	Euro	172,052	29,417	256,922	5,344
CSA S.p.A. in liquidazione (1)	Euro	793,420	739,280	22,715	-
EGUA S.r.l. (1)	Euro	5,146,154	1,692,200	1,285,930	300,494
Etambiente S.p.A. (1)	Euro	28,049,475	5,906,443	47,911,797	1,022,516
Fin Gas S.r.l.	Euro	11,663,112	11,448,920	-	(87,124)
Fratello Sole Energie Solidali Impresa Sociale S.r.l. (1)	Euro	10,002,849	217,821	4,387,268	18,177
GAIA S.p.A. (1)	Euro	73,407,788	19,252,862	32,651,756	22,884
Iniziative Ambientali S.r.l.(1)	Euro	3,304,842	1,077,401	25	(50,181)
OMI Rinnovabili S.c.a.r.l (1)	Euro	161,246	9,999	366,713	-
SETA S.p.A (1)	Euro	34,902,274	18,731,361	41,286,039	2,550,282
Sistema Ambiente S.p.A. (1)	Euro	29,267,588	8,585,033	26,582,764	577,099
STU Reggiane S.p.A. (1)	Euro	29,696,056	19,281,739	6,742,677	52,366
3A S.c.a.r.l. (1)	Euro	1,515,278	87,753	2,291,224	11,815
Tanaro Servizi Acque (1)	Euro	579,839	309,411	463,079	7,329
Valenza Rete Gas S.p.A. (1)	Euro	3,675,180	972,417	2,395,310	89,241

(1) figures at 31 December 2024

(2) liquidation financial statements at 31 December 2025

Reconciliation of IFRS financial statements with reclassified financial statements (Consob Communication no. 6064293 of 26 July 2006)

thousands of euro

IFRS STATEMENT OF FINANCIAL POSITION		RECLASSIFIED STATEMENT OF FINANCIAL POSITION	
Property, plant and equipment	4,613,575	Property, plant and equipment	4,613,575
Investment property	2,885	Investment property	2,885
Intangible assets	3,715,489	Intangible assets	3,715,489
Goodwill	272,464	Goodwill	272,464
Equity-accounted investments	204,951	Equity-accounted investments	204,951
Other equity investments	9,395	Other equity investments	9,395
Total (A)	8,818,759	Non-current Assets (A)	8,818,759
Other non-current assets	107,003	Other non-current assets	107,003
Sundry liabilities and other non-current liabilities	(872,210)	Sundry liabilities and other non-current liabilities	(872,210)
		+ Fair value liabilities commodity derivatives	(505)
Total (B)	(765,207)	Other non-current assets (Liabilities) (B)	(765,712)
Inventories	68,215	Inventories	68,215
Non-current contract assets	353,313	Non-current contract assets	353,313
Current contract assets	40,719	Current contract assets	40,719
Non-current trade receivables	34,430	Non-current trade receivables	34,430
Trade receivables	1,363,596	Trade receivables	1,363,596
Current tax assets	8,045	Current tax assets	8,045
Sundry assets and other current assets	429,612	Sundry assets and other current assets	429,612
Trade payables	(1,655,446)	Trade payables	(1,655,446)
Contract liabilities	(28,541)	Contract liabilities	(28,541)
Sundry liabilities and other current liabilities	(364,770)	Sundry liabilities and other current liabilities	(364,770)
Current tax liabilities	(18,025)	Current tax liabilities	(18,025)
		+ Fair value liabilities commodity derivatives	18,553
		+ Environmental compensation charges	(8,284)
Total (C)	231,148	Net working capital (C)	241,417
Deferred tax assets	386,352	Deferred tax assets	386,352
Deferred tax liabilities	(93,104)	Deferred tax liabilities	(93,104)
Total (D)	293,248	Deferred tax assets (Liabilities) (D)	293,248
Employee benefits	(80,467)	Employee benefits	(80,467)
Provisions for risks and charges	(338,120)	Provisions for risks and charges	(338,120)
Provisions for risks and charges - current portion	(330,495)	Provisions for risks and charges - current portion	(330,495)
		- Environmental compensation charges	8,284
Total (E)	(749,082)	Provisions and employee benefits (E)	(740,798)
Assets held for sale	103,746	Assets held for sale	103,746
Liabilities associated with assets held for sale	(18,349)	Liabilities associated with assets held for sale	(18,349)
Total (F)	85,397	Assets (Liabilities) held for sale (F)	85,397
		Net invested capital (G=A+B+C+D+E+F)	7,932,311
Equity (H)	3,710,567	Equity (H)	3,710,567
Non-current financial assets	(148,395)	Non-current financial assets	(148,395)
Non-current financial liabilities	4,490,987	Non-current financial liabilities	4,490,987
		- Fair value asset commodity derivatives	(505)
Total (I)	4,342,592	Non-current financial debt (I)	4,342,087
Current financial assets	(59,513)	Current financial assets	(59,513)
Cash and cash equivalents	(205,765)	Cash and cash equivalents	(205,765)
Current financial liabilities	126,382	Current financial liabilities	126,382
		- Fair value asset commodity derivatives	18,553
Total (L)	(138,896)	Current financial position (L)	(120,343)
		Net financial debt (M=I+L)	4,221,744
		Own funds and net financial debt (H+M)	7,932,311

Reconciliation between total financial debt (ESMA communication of 4 March 2021) and net financial debt

	thousands of euro	
	31/12/2025	31/12/2024
A. Cash	(205,765)	(326,568)
B. Cash equivalents	-	-
C. Other current financial assets	(2,683)	(465,034)
D. Liquidity (A) + (B) + (C)	(208,448)	(791,602)
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	49,589	47,364
F. Current portion of the non-current financial debt	69,348	566,794
G. Current financial debt (E + F)	118,937	614,158
H. Net current financial position (G - D)	(89,511)	(177,444)
I. Non-current financial debt (excluding current portion and debt instruments)	1,492,303	1,468,002
J. Debt instruments	2,998,177	2,992,913
K. Commercial and other non-current debt	-	-
L. Non-current financial debt (I + J + K)	4,490,480	4,460,915
M. Total financial debt (H + L)	4,400,969	4,283,471
(-) C. Other current financial assets	2,683	465,034
(+) Non-current financial assets (statement of financial position item)	(148,393)	(124,355)
(+) Current financial assets (statement of financial position item net of fair value of commodity derivatives)	(33,515)	(541,407)
Net financial debt	4,221,744	4,082,743

Deferred tax assets and liabilities

FY 2025

	Opening balance	formation	differences Change in consolid. scope	reversal	Closing balance
Deferred tax assets					
Non-taxable provisions	686,125	363,156	16,266	323,756	741,790
Differences in non-current assets	1,059,911	193,334	(21,087)	145,445	1,086,713
Connection grants	26,934	98,125	21,598	16,101	130,557
Derivatives	335,383	112,957	(4,268)	118,500	325,572
Tax loss carry-forwards + ACE	37,575	31,358	2,845	6,286	65,493
Other	73,518	52,964	68,566	122,326	72,722
Total taxable amount/deferred tax assets	2,219,446	851,894	83,920	732,414	2,422,847
Deferred tax liabilities					
Differences in non-current assets	500,106	88,675	23,767	85,512	527,036
Loss allowance and other provisions	78,079	22,512	282	2,627	98,246
Derivatives	86,354	13,857	-	2,539	97,672
Other	303,907	131,726	(184)	162,832	272,617
Total taxable amount/deferred tax liabilities	968,446	256,770	23,865	253,510	995,571
Net deferred tax assets (liabilities)	1,251,000	595,124	60,055	478,904	1,427,276

FY 2024

	Opening balance	formation	differences Change in consolid. scope	reversal	Closing balance
Deferred tax assets					
Non-taxable provisions	706,653	345,761	2,620	368,909	686,125
Differences in non-current assets	958,439	141,160	824	40,511	1,059,911
Connection grants	144,677	-	854	118,598	26,934
Derivatives	211,512	205,468	-	81,597	335,383
Tax loss carry-forwards + ACE	34,504	8,499	1	5,430	37,575
Other	105,594	26,317	105	58,498	73,518
Total taxable amount/deferred tax assets	2,161,379	727,205	4,404	673,543	2,219,446
Deferred tax liabilities					
Differences in non-current assets	573,418	16,289	40,338	129,940	500,106
Loss allowance and other provisions	49,878	29,700	18	1,517	78,079
Derivatives	53,804	57,667	1,180	26,297	86,354
Other	237,892	161,852	76	95,913	303,907
Total taxable amount/deferred tax liabilities	914,992	265,508	41,612	253,667	968,446
Net deferred tax assets (liabilities)	1,246,387	461,697	(37,208)	419,876	1,251,000

thousands of euro

Change in consolid. scope	taxes					total
	taxes to profit or loss	taxes to equity	IRES (Corporate income tax)	IRAP (Regional business tax)		
5,079	3,271	-	176,819	27,459	204,278	
(8,441)	4,553	-	199,700	11,592	211,292	
7,506	21,830	-	37,159	6,707	43,866	
(223)	(3,258)	(25,374)	25,941	4,541	30,482	
844	3,955	-	12,788	220	13,008	
17,531	(21,765)	(135)	5,530	252	5,782	
22,296	8,586	(25,509)	457,937	50,771	508,708	
6,412	14,341	-	149,179	25,676	174,855	
65	284	-	7,963	1,453	9,416	
-	-	(12,372)	136	84	221	
(80)	(23,904)	55	28,926	2,042	30,968	
6,397	(9,279)	(12,317)	186,204	29,255	215,460	
15,899	17,865	(13,192)	271,733	21,516	293,248	

thousands of euro

Change in consolid. scope	taxes					total
	taxes to profit or loss	taxes to equity	IRES (Corporate income tax)	IRAP (Regional business tax)		
638	(18,806)	-	174,461	21,467	195,928	
228	6,289	-	199,917	15,263	215,180	
240	(3,120)	-	12,428	2,102	14,530	
-	(1,276)	8,551	51,073	8,264	59,337	
-	(1,086)	-	8,209	-	8,209	
99	2,215	-	9,890	262	10,152	
1,205	(15,784)	8,551	455,978	47,358	503,336	
8,900	(11,875)	-	137,203	16,899	154,102	
(170)	1,820	202	7,758	1,308	9,067	
284	(70)	(6,759)	10,688	1,905	12,593	
46	(1,344)	(178)	44,889	10,009	54,898	
9,060	(11,469)	(6,735)	200,538	30,121	230,660	
(7,855)	(4,315)	15,286	255,440	17,237	272,676	

Related party transactions

	Trade Receivables	Loan assets	Sundry assets	Trade Payables	Financial liabilities
OWNERS					
Municipality of Genoa	319	-	-	282	-
Municipality of Parma	8,717	-	415	857	-
Municipality of Piacenza	2,302	-	-	1,233	-
Municipality of Reggio Emilia	1,655	-	540	137	-
Municipality of Turin	53,129	33,946	83	1,225	4,972
Finanziaria Sviluppo Utilities	-	-	41	-	-
JOINT VENTURES					
Acque Potabili	69	-	-	(2)	-
Acqui Rete Gas	30	2,121	-	8	-
Enerbrain	-	-	-	143	-
Vaserie Energia	3	-	-	-	-
ASSOCIATES					
3A	84	-	-	-	-
ACOS	14	4,691	-	-	-
ACOS Energia	3	238	-	-	-
Agrinord Energia	14	633	-	-	-
Aguas de San Pedro	1	155	-	-	-
AIGA	488	803	-	173	-
AMAT	1	-	-	-	-
ARCA	13,649	-	-	315	-
Arienes	26,846	-	-	14,266	235
ASA	1,336	-	-	192	-
ASA Livorno	546	-	3	20	-
ASTEA	8	149	-	4	-
Asti Servizi Pubblici	217	-	-	131	-
Barricalla	652	1,015	-	-	-
BI Energia	3	1,232	-	-	-
Biometano Cella Dati	770	587	-	-	-
Calore Verde	2	-	-	-	-
Centro Corsi	-	30	-	20	-
CSA in liquidation	2	-	-	-	-
EGUA	371	-	-	-	-
Etambiente	-	-	-	2,437	-
Fingas	-	175	-	-	-
Fratello Sole Energie Solidali	1,022	-	-	-	-
GAIA	6,915	-	17	3,045	-
Omi Rinnovabili	13	-	-	-	-
Piana Ambiente in liquidation	70	-	-	-	-
SETA	5,380	-	-	238	-
Sistema Ambiente	51	-	-	-	-
STU Reggiane	36	-	-	-	-
Valenza Rete Gas	44	127	-	7	-
OTHER RELATED PARTIES					
Subsidiaries of Municipality of Turin	678	-	17	1,449	-
Subsidiaries of Municipality of Genoa	2,114	-	1	2,670	-
Subsidiaries of Municipality of Parma	913	-	119	1,362	-
Subsidiaries of Municipality of Piacenza	185	-	-	671	-
Subsidiaries of Municipality of Reggio Emilia	1,852	-	-	1,874	-
Others	-	-	-	-	-
TOTAL	130,504	45,902	1,236	32,757	5,207

thousands of euro

	Sundry liabilities	Revenue and income	Costs and other charges	Financial income	Financial expense
OWNERS					
Municipality of Genoa	-	1,823	8,271	-	-
Municipality of Parma	-	2,761	1,910	-	-
Municipality of Piacenza	-	19,076	1,376	-	-
Municipality of Reggio Emilia	-	1,486	243	66	-
Municipality of Turin	-	242,260	5,243	378	-
Finanziaria Sviluppo Utilities	-	-	-	-	-
JOINT VENTURES					
Acque Potabili	-	40	1	-	-
Acqui Rete Gas	-	83	13	90	-
Enerbrain	-	-	52	-	-
Vaserie Energia	-	9	-	-	-
ASSOCIATES					
3A	-	15	-	-	-
ACOS	-	49	-	-	-
ACOS Energia	-	5	90	-	-
Agrinord Energia	-	63	-	33	-
Aguas de San Pedro	-	1	-	-	-
AIGA	-	-	-	-	-
AMAT	-	-	-	-	-
ARCA	244	89,322	2,345	302	1
Arienes	-	85	-	-	-
ASA	-	7,129	1,119	-	-
ASA Livorno	4	733	120	7	-
ASTEA	-	12	22	-	-
Asti Servizi Pubblici	-	2,158	358	-	-
Barricalla	-	1,292	-	-	-
BI Energia	-	3	-	-	-
Biometano Cella Dati	-	146	23	20	-
Calore Verde	-	2	-	-	-
Centro Corsi	-	6	141	-	-
CSA in liquidation	-	(1)	1	-	-
EGUA	-	287	84	-	-
Etambiente	-	89	13,568	-	-
Fingas	-	-	-	6	-
Fratello Sole Energie Solidali	-	48	-	-	-
GAIA	-	3,360	4,246	5	-
Omi Rinnovabili	-	-	192	-	-
Piana Ambiente in liquidation	-	-	-	-	-
SETA	-	12,905	924	-	-
Sistema Ambiente	-	102	-	-	-
STU Reggiane	-	102	-	23	-
Valenza Rete Gas	-	123	30	7	-
OTHER RELATED PARTIES					
Subsidiaries of Municipality of Turin	2	4,925	3,641	-	3
Subsidiaries of Municipality of Genoa	126	7,890	3,443	11	-
Subsidiaries of Municipality of Parma	-	2,509	3,281	-	-
Subsidiaries of Municipality of Piacenza	-	462	1,720	-	-
Subsidiaries of Municipality of Reggio Emilia	-	9,112	5,222	-	-
Others	-	2	-	-	-
TOTAL	376	410,474	57,679	948	4

List of Grants under decree law 34/2019 ART. 35

RECEIVING COMPANY / Lending Party	Type of grant	Amounts in €
ACAM ACQUE		
Municipality of Monterosso	Grants for plant facilities	124,059
Municipality of Vezzano Ligure	Grants for plant facilities	20,373
Liguria Region	Grants for plant facilities	321,494
ACAM AMBIENTE		
Province of La Spezia	Grants for plant facilities	341,210
Municipality of Lerici	Grants for plant facilities	56,227
Municipality of Bolano	Grants for plant facilities	67,763
Municipality of Brugnato	Grants for plant facilities	17,006
Municipality of Levanto	Grants for plant facilities	114,812
ACQUAENNA		
ATO 5 Enna	Grants for plant facilities	3,041,127
AMIAT		
Ministry of the Environment and Energy Security	Grants for plant facilities	1,931,523
DOGLIANI ENERGIA		
Ministry of the Environment and Energy Security	Grants for plant facilities	331,367
IREN ACQUA PIACENZA		
Ministry of Infrastructure and Transport	Grants for plant facilities	2,204,823
Emilia Romagna Region	Grants for plant facilities	140,000
Municipality of Calendasco	Grants for plant facilities	20,000
IREN ACQUA REGGIO		
Civil Protection Regional Agency	Grants for plant facilities	50,000
Municipality of Reggio Emilia	Grants for plant facilities	203,400
Emilia-Romagna Territorial Agency	Grants for plant facilities	3,366,531
IRETI		
Ministry of Infrastructure and Transport	Grants for plant facilities	38,476,629
Province of Parma	Grants for plant facilities	91,475
Municipality of Savona	Grants for plant facilities	280,327
Municipality of Parma	Grants for plant facilities	150,150
Municipality of Genoa	Grants for plant facilities	2,421,128
IRETI GAS		
CSEA	Grants for plant facilities	485,650
RECOs		
Province of La Spezia	Grants for plant facilities	17,009,213
SEMIA GREEN		
Tuscany Region	Grants for plant facilities	466,210

Independent auditors' fees

thousands of euro

	Statutory audit	Non-audit services		Total
		Services for the purpose of issuing an attestation	Other services	
Iren S.p.A.	310	306	-	616
Direct and indirect subsidiaries of Iren S.p.A.	2.212	235	37	2.484
Total Iren Group	2.522	541	37	3.100

Statement regarding the consolidated financial statements pursuant to art. 81-ter of CONSOB regulation No. 11971 of 14 May 1999, as subsequently amended and supplemented

1. The undersigned Gianluca Bufo, Chief Executive Officer, and Giovanni Gazza, Financial Reporting Manager of Iren S.p.A., taking into account the provisions of art. 154-bis, paragraphs 3 and 4, of Legislative Decree 58 of 24 February 1998, hereby certify:
 - the adequacy in relation to the characteristics of the group and
 - the effective application of the administrative and accounting procedures in preparing the 2025 consolidated financial statements.
2. It is also hereby certified that:
 - 2.1. the consolidated financial statements:
 - c) are prepared in compliance with the applicable International Financial Reporting Standards endorsed by the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and Council, of 19 July 2002;
 - c) correspond to the results of the books and accounting records;
 - c) provide a true and fair representation of the financial position and performance of the Issuer and the group companies included in the consolidation scope;
 - 2.2 the Directors' Report includes a reliable analysis of the operating performance and results, and of the situation of the issuer and of all companies included in the consolidation scope, together with a description of the major risks and uncertainties to which they are exposed.

23 March 2026

The Chief Executive Officer

Mr. Gianluca Bufo

(signed on the original)

and Financial Reporting
Manager under Law 262/05

Giovanni Gazza

(signed on the original)

Report of the Independent Auditors on the Consolidated Financial Statements



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(The accompanying translated consolidated financial statements of the Iren Group constitute a non-official version which is not compliant with the provisions of Commission Delegated Regulation (EU) 2019/815. This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

To the shareholders of
Iren S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the Iren Group (the "group"), which comprise the statement of financial position as at 31 December 2025, the income statement and the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include material information on the accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Iren Group as at 31 December 2025 and of its financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board and endorsed by the European Union, as well as the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of Iren S.p.A. (the "parent") in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG S.p.A.
è una società per azioni
di diritto italiano
e fa parte del network KPMG
di entità indipendenti affiliate a
KPMG International Limited,
società di diritto inglese.



Ancona Bari Bergamo
Bologna Bolzano Brescia
Catania Como Firenze Genova
Lecce Milano Napoli Novara
Padova Palermo Parma Perugia
Pescara Roma Torino Treviso
Trieste Varese Verona

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Iren Group
Independent auditors' report
31 December 2025

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Assessment of the recoverability of the carrying amount of property, plant and equipment, intangible assets with a finite useful life and goodwill

Notes to the consolidated financial statements: note V "Accounting policies", note 1 "Property, plant and equipment", note 3 "Intangible assets with a finite useful life" and note 4 "Goodwill"

Key audit matter	Audit procedures addressing the key audit matter
<p>The consolidated financial statements at 31 December 2025 include property, plant and equipment, intangible assets with a finite useful life and goodwill of €4,614 million, €3,715 million and €272 million, respectively, cumulatively accounting for approximately 71% of total assets. They are allocated to the relevant cash-generating units ("CGUs") or groups of CGUs.</p> <p>The directors tested the CGUs to which goodwill is allocated for impairment for the purposes of the consolidated financial statements. The directors have calculated the CGUs' estimated recoverable amount, based on their value in use, using the discounted cash flow model and the cash flows derived from the business plan approved by the parent's board of directors on 13 November 2025 (the "plan").</p> <p>The model is very complex and entails the use of estimates and assumptions which, by their very nature, are uncertain and subjective, particularly in relation to:</p> <ul style="list-style-type: none"> - the expected cash flows, calculated by taking into account the general economic performance and that of the subsidiaries' sector, the actual cash flows for recent years and the projected growth rates; - the financial parameters used to calculate the discount rate. <p>For the above reasons, we believe that the recoverability of the carrying amount of property, plant and equipment, intangible assets with a finite useful life and goodwill is a key audit matter.</p>	<p>Our audit procedures, carried out partly by involving experts of the KPMG network, included the following:</p> <ul style="list-style-type: none"> - analysing the process adopted by the parent to prepare the impairment tests; - analysing the criteria used to identify the CGUs and allocate the assets (particularly goodwill) thereto and tracing their carrying amounts to the consolidated financial statements; - assessing the consistency of the cash flows used for impairment testing with the cash flows forecast in the plan; - checking any discrepancies between the previous year business plans' figures and actual figures, in order to check the accuracy of the estimation process adopted by the directors; - analysing the expected cash flows and the reasonableness of the main assumptions used to calculate the CGUs' value in use; - involving experts in the assessment of the reasonableness of the valuation models and related assumptions, including those relating to the key components of the energy scenario; - checking the sensitivity analysis presented in the notes in relation to the key assumptions used for impairment testing; - assessing the appropriateness of the disclosures provided in the notes.



Iren Group
Independent auditors' report
31 December 2025

Recognition of revenue from the supply of electricity and gas not yet invoiced

Notes to the consolidated financial statements: note V "Accounting policies", note 14 "Trade receivables" and note 33 "Revenue from goods and services"

Key audit matter	Audit procedures addressing the key audit matter
<p>Revenue from the supply of electricity and gas to end users is recognised at the time the electricity or gas is delivered and includes, in addition to amounts invoiced on the basis of periodic meter readings or on the volumes notified by distributors and transporters, an estimate of the electricity and gas delivered during the year but not yet invoiced that is calculated also taking account of any network losses. Revenue accrued between the date of the last meter reading and the year end is based on complex assumptions which, by their very nature, entail the use of judgement by directors. These assumptions are derived from complex calculations that draw on multiple information systems and take account of customers' daily consumption, primarily based on their historical consumption data and adjusted to reflect the climatic factors or other matters that may affect the estimated consumption.</p> <p>Since the accruals are determined using complex methodologies and algorithms, we believe that the recognition of this revenue component and the related invoices to be issued is a key audit matter.</p>	<p>Our audit procedures, carried out partly by involving experts of the KPMG network, included the following:</p> <ul style="list-style-type: none"> • understanding the process for the recognition of revenue from the supply of electricity and gas not yet invoiced; • assessing the design, implementation and operating effectiveness of controls, including IT controls, deemed material for the purposes of our audit, including by involving our cyber and tech risk specialists; • checking the accuracy of the data used to estimate revenue accrued and not invoiced; • comparing the accruals for invoices to be issued for revenue from the supply of electricity and gas recognised in the prior year's consolidated financial statements with the subsequent actual figures; • assessing the appropriateness of the disclosures provided in the notes about the revenue from the supply of electricity and gas not yet invoiced.

Responsibilities of the parent's directors and board of statutory auditors ("Collegio Sindacale") for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board and endorsed by the European Union, as well as the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the parent or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the group's financial reporting process.



*Iren Group
Independent auditors' report
31 December 2025*

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or the safeguards applied.