Separate Financial Statements

4

Statement of Financial Position

Amounts in euro

	Notes	31.12.2024	of which related parties	31.12.2023	of which related parties
ASSETS					
Property, plant and equipment	(1)	228,002,788		224,832,794	
Intangible assets with a finite useful life	(2)	113,603,661		109,583,807	
Investment property		-		-	
Investments in subsidiaries, associates and joint ventures	(3)	2,650,574,483		2,564,031,856	
Other equity investments	(4)	2,479,332		1,278,643	
Non-current financial assets	(5)	3,687,505,955	3,644,624,792	3,677,675,821	3,625,433,138
Other non-current assets	(6)	1,222,330	41,285	1,231,047	41,285
Deferred tax assets	(7)	8,777,164		4,021,354	
Total non-current assets		6,692,165,713	3,644,666,077	6,582,655,322	3,625,474,423
Inventories	(8)	5,643,477		6,019,534	
Trade receivables	(9)	119,018,916	118,827,492	102,021,716	102,028,732
Current tax assets	(10)	6,336,852		54,923	
Sundry assets and other current assets	(11)	72,527,314	39,800,978	182,700,359	121,625,053
Current financial assets	(12)	483,397,847	25,576,021	25,432,921	24,508,338
Cash and cash equivalents	(13)	225,452,251		281,684,935	
Assets held for sale	(14)	-		-	
Total current assets		912,376,657	184,204,490	597,914,388	248,162,123
TOTAL ASSETS		7,604,542,370	3,828,870,567	7,180,569,710	3,873,636,545

Amounts in euro

	Notes	31.12.2024	of which related parties	31.12.2023	of which related parties
EQUITY					
Share capital		1,300,931,377		1,300,931,377	
Reserves and Retained Earnings		773,269,004		763,756,996	
Profit for the year		212,507,129		172,284,624	
TOTAL EQUITY	(15)	2,286,707,510		2,236,972,997	
LIABILITIES					
Non-current financial liabilities	(16)	4,272,105,471		3,858,011,380	
Employee benefits	(17)	13,235,688		14,061,402	
Provisions for risks and charges	(18)	17,706,112		14,137,883	
Deferred tax liabilities	(19)	-		-	
Sundry liabilities and other non-current liabilities	(20)	1,305,215		1,197,981	
Total non-current liabilities		4,304,352,486		3,887,408,646	
Current financial liabilities	(21)	793,815,526	244,242,561	752,040,779	182,784,513
Trade payables	(22)	122,680,791	16,958,524	135,701,641	15,659,700
Sundry liabilities and other current liabilities	(23)	96,857,664	56,885,521	99,724,986	62,671,081
Current tax liabilities	(24)	-		68,615,226	
Provisions for risks and charges - current portion	(25)	128,393		105,435	
Liabilities associated with assets held for sale		-		-	
Total current liabilities		1,013,482,374	318,086,606	1,056,188,067	261,115,294
TOTAL LIABILITIES		5,317,834,860	318,086,606	4,943,596,713	261,115,294
TOTAL EQUITY AND LIABILITIES		7,604,542,370	318,086,606	7,180,569,710	261,115,294

Income statement

Amounts in euro

	Notes	FY 2024	of which related parties	FY 2023	of which related parties
Revenue					
Revenue from goods and services	(26)	319,498,836	318,361,329	292,295,077	292,226,694
Other income	(27)	11,797,579	9,023,695	12,819,515	9,038,602
Total revenue		331,296,415	327,385,024	305,114,592	301,265,295
Operating expenses					
Raw materials, consumables, supplies and goods	(28)	(8,930,037)	(23,462)	(8,761,370)	(33,461)
Services and use of third-party assets	(29)	(184,721,936)	(23,764,104)	(180,707,036)	(22,837,801)
Other operating expenses	(30)	(9,460,553)	(1,083,778)	(9,261,883)	(1,863,666)
Capitalised costs for internal work	(31)	8,063,901		6,926,996	
Personnel expense	(32)	(94,949,773)		(91,651,210)	
Total operating expenses		(289,998,398)	(24,871,344)	(283,454,503)	(24,734,928)
GROSS OPERATING PROFIT		41,298,017		21,660,089	
Depreciation, amortisation, provisions and impairment losses					
Amortisation and Depreciation	(33)	(57,876,450)		(49,495,181)	
Impairment losses on loans and receivables	(34)	-		-	
Other provisions and impairment losses	(34)	2,009,264		114,069	
Total depreciation, amortisation, provisions and impairment losses		(55,867,186)		(49,381,112)	
OPERATING LOSS		(14,569,169)		(27,721,023)	
Financial management	(35)				
Financial income		344,352,851	320,831,038	280,642,102	280,226,016
Financial expense		(115,386,390)	(5,258,538)	(83,169,826)	(2,632,765)
Net financial income		228,966,461	315,572,500	197,472,276	277,593,250
Gains (losses) on equity investments	(36)	-		-	
Pre-tax profit		214,397,292		169,751,253	
Income taxes	(37)	(1,890,163)		2,533,371	
Profit from continuing operations		212,507,129		172,284,624	
Profit (loss) from discontinued operations		-		-	
Profit for the year		212,507,129		172,284,624	

Statement of Comprehensive Income

Amounts in euro

	Notes	FY 2024	FY 2023
Profit/(loss) for the year (A)		212,507,129	172,284,624
Other comprehensive income that will be subsequently reclassified to profit or loss	(38)		
- effective portion of fair value losses on cash flow hedges		(13,557,710)	(53,558,790)
- fair value gains/(losses) on financial assets			
Tax effect of other comprehensive income		3,253,850	12,854,110
Other comprehensive expense that will be subsequently reclassified to profit or loss, net of tax effect (B1)		(10,303,860)	(40,704,680)
Other comprehensive income that will not be subsequently reclassified to profit or loss			
- actuarial gains/(losses) on employee defined benefit plans (IAS19)		(51,790)	(62,926)
Tax effect of other comprehensive income		12,430	15,102
Other comprehensive expense that will not be subsequently reclassified to profit or loss, net of tax effect (B2)		(39,360)	(47,824)
Comprehensive income (A)+(B1)+(B2)		202,163,909	131,532,120

Statement of changes in equity

	Share capital	Share premium reserve	Legal reserve
31.12.2022	1,300,931	133,019	98,159
Owner transactions			
Dividends to shareholders			
Retained earnings			12,934
Repurchase of treasury shares			
Other changes			
Total owner transactions	-	-	12,934
Comprehensive income for the year			
Profit for the year			
Other comprehensive expense			
Total comprehensive income for the year			
31.12.2023	1,300,931	133,019	111,093
31.12.2023	1,300,931	133,019	111,093
Owner transactions			
Dividends to shareholders			
Retained earnings			8,614
Repurchase of treasury shares			
Other changes			
Total owner transactions	-	-	8,614
Comprehensive income for the year			
Profit for the year			
Other comprehensive expense			
Total comprehensive income for the year			
31.12.2024	1,300,931	133,019	119,707

thousands of euro

Hedging reserve	Other reserves and retained earnings	Total reserves and Retained earnings	Profit for the year	Equity
46,915	408,867	686,960	258,688	2,246,580
		-	(141,138)	(141,138)
	104,616	117,550	(117,550)	-
		-		-
		-		-
-	104,616	117,550	(258,688)	(141,138)
				-
		-	172,285	172,285
(40,705)	(48)	(40,753)		(40,753)
(40,705)	(48)	(40,753)	172,285	131,532
6,210	513,435	763,757	172,285	2,236,973
6,210	513,435	763,757	172,285	2,236,973
		-	(152,430)	(152,430)
	11,241	19,855	(19,855)	-
		-		-
		-		
-	11,241	19,855	(172,285)	(152,430)
				-
		-	212,507	212,507
(10,303)	(40)	(10,343)		(10,343)
(10,303)	(40)	(10,343)	212,507	202,164
(4,093)	524,636	773,269	212,507	2,286,707

Statement of cash flows

thousands of euro

	FY 2024	FY 2023
A. Opening cash and cash equivalents	281,685	573,372
Cash flows from operating activities		
Profit for the year	212,507	172,285
Adjustments:		
Income taxes for the year	1,890	(2,533)
Net financial expense (income)	(228,966)	(197,472)
Amortisation and depreciation	57,876	49,495
Net impairment losses (reversals of impairment losses) on assets	-	-
Impairment losses on loans and receivables	-	-
Net provisions for risks and other charges	3,550	8,477
Capital (gains) losses	(8)	59
Payment of employee benefits	(1,306)	(1,438)
Utilisations of provisions for risks and other charges	(322)	(1,594)
Change in other non-current assets	9	90
Change in sundry liabilities and other non-current liabilities	107	(130)
Other changes in equity	-	-
Taxes paid	2,174	(2,123)
Change in inventories	431	(945)
Change in trade receivables	(16,805)	(3,929)
Change in current tax assets and other current assets	30,523	(34,419)
Change in trade payables	(13,021)	2,087
Change in current tax liabilities and other current liabilities	(3,669)	23,579
B. Net cash and cash equivalents generated by operating activities	44,971	11,490
Cash flows from/(used in) investing activities		
Investments in property, plant and equipment and intangible assets	(62,724)	(91,062)
Investments in financial assets	(87,742)	(810)
Investment realisation	221	55
Change in consolidation scope	-	-
Dividends collected	222,346	196,592
C. Net cash and cash equivalents generated by investing activities	72,101	104,775
Cash flows from/(used in) financing activities		
Capital increase	-	-
Repurchase of treasury shares	-	-
Dividends paid	(135,917)	(143,047)
New non-current loans	1,000,000	330,000
Repayment of non-current loans	(591,554)	(23,490)
Change in balance of cash pooling arrangement	18,361	(574,601)
Repayment of lease liabilities	(5,357)	(5,389)
Change in other financial liabilities	69,536	32,557
Change in loan assets	(499,124)	(31,369)
Interest paid	(154,768)	(70,115)
Interest received	125,518	77,503
D. Net cash and cash equivalents used in financing activities	(173,305)	(407,951)
E. Cash flow for the year (B+C+D)	(56,233)	(291,687)
F. Cash and cash equivalents (A+E)	225,452	281,685

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 ENÌA. 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 2024.

Iren S.p.A. is an industrial holding company, with registered office in Reggio Emilia, parent of the four companies responsible for the operational activity (Business Units) in the main operating offices of Genoa, La Spezia, Parma, Piacenza, Reggio Emilia, Turin and Vercelli.
The Holding is responsible for the strategic, development, coordination and control activities, while the four BUs have been entrusted with the coordination and guidance of the companies operating in their respective sectors:

- 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).

I. Basis of presentation

These financial statements represent the separate financial statements of the Parent Iren S.p.A. and were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, as well as with the measures issued in implementation of Article 9 of Legislative Decree no. 38/2005. The "IFRS" comprises also the revised International Accounting Standards ("IAS"/"IFRS") and all the interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC").

In drawing up these separate financial statements, the same accounting standards were applied as those adopted for the separate Financial Statements at 31 December 2023, with the exceptions highlighted in the section "Accounting standards, amendments and interpretations effective as of 1 January 2024".

The separate financial statements at 31 December 2024 consist of a statement of financial position, an income statement, a statement of other comprehensive income, a statement of changes in equity, a statement of cash flows and these notes. The schedules are the same as those applied in the preparation of the separate financial statements as at and for the year ended 31 December 2023.

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 company's ordinary operating cycle or during the twelve months following year end. Current liabilities are those for which settlement is envisaged during the 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 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.

The separate financial statements are drawn up on the basis of the historical cost principle, with the exception of certain financial instruments and the asset relating to the variable portion of the sale price of OLT Offshore LNG Toscana, measured at fair value, as well as on a going concern basis. The company did not detect any particular risks connected with the Company's business and/or any uncertainties that might cast doubt on its ability to continue as a going concern.
These separate financial statements are stated in euro, the company's functional currency. Data included in the notes, unless otherwise specified, are expressed in thousands of euro. 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 separate financial statements.

Lastly, in accordance with CONSOB Resolution No. 15519 of 27 July 2006 regarding the format of financial statements, specific additional columns have been added to the Income Statement and the Statement of Financial Position to highlight transactions with related parties.

Publication of the financial statements

The separate Financial Statements were authorised for publication by the Board of Directors of Iren S.p.A. at its meeting on 24 March 2025. The Board of Directors allowed the Chairperson and the Chief Executive Officer to make such amendments to the financial statements as may be necessary or appropriate for the completion of the document in the period up to the date of approval by the Shareholders' Meeting. The shareholders' meeting that will be called to approve the financial statements has the right to request amendments to the financial statements.

Use of estimates and assumptions by management

Estimates

Preparation of the separate 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:

- 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.
- Expected losses on financial assets: at the end of each reporting date, the company 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 credit losses. In making these assumptions and selecting the inputs to calculate the expected credit loss, management uses its professional judgement, based on past experience, current market conditions, as well as forward-looking estimates at the end of each reporting date.
- 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 Company 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.
- 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 Financial Risk Management of Iren S.p.A.. 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 company 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 company 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 company 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 Chapter VI Financial Risk Management of Iren S.p.A..
- The determination of the amount of provisions for future risks and charges. The company 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 company, 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 company 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 company 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 37 Income Taxes for further details regarding income taxes.

- Onerous Contracts. In order to identify an onerous contract, the company 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.

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 evaluations relates to the use of assumptions and judgements regarding issues that are, by their nature, uncertain. In addition, any changes in the conditions underlying the assumptions and judgements could have a significant impact on the results of subsequent years.

II. Accounting policies

The accounting policies adopted in drawing up these separate Financial Statements of Iren S.p.A. at 31 December 2024 are indicated below; the accounting policies described have not changed with respect to those adopted at 31 December 2023.

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 expenditure related to the construction or improvement of plants incurred until the reporting date. These investments are depreciated from the date they become operational or are available for use.
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.
The rates applied are set out below. The tables also show the residual term of the lease contracts on the basis of which the right-of-use assets recognised among property, plant and equipment are depreciated:

	Min. rate	Max. rate
Buildings	2.00%	28.60%
Light constructions	10.00%	10.00%
Vehicles	20.00%	25.00%
Sundry equipment	10.00%	10.00%
Furniture and office machines	12.00%	12.00%
Hardware	20.00%	20.00%
Plants	5.00%	28.60%

	Years	
Right-of-use assets as per IFRS 16 - Leases	from	to
Land	12	12
Buildings	3	57
Other assets (motor vehicles)	2	6

The rates for plants, as minimum and maximum rates respectively, refer mainly to electrical and mechanical components auxiliary to the company's office buildings as well as TLC infrastructure.

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 and intangible assets.

- 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.

On the lessee's part, 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 has a value at new of less than five thousand euros.
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 to be 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 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 contract consideration is allocated to each lease component based on its stand-alone price.
At the inception of the lease, the company, in its role as lessor, classifies each of its leases as either a finance lease or an operating lease.
For this purpose, it 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 company considers, among other indicators, whether the lease term covers most of the economic life of the underlying asset.
With respect to sub-leases, the company, 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 it 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 contract consideration is allocated by applying IFRS 15.
The Company applies the derecognition and impairment provisions of IFRS 9 to the net investment in the lease and periodically reviews the estimates of non-guaranteed residual values used in calculating the gross investment in the lease.
Payments received for operating leases are recognised as income on a straight-line basis over the lease term in "other income".

Intangible assets

Intangible assets are recognised in the statement of financial position when it is probable that the expected future economic benefits attributable to the asset will flow to the company and 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 even one of these requirements is not met, the cost is fully recognised in the period in which it is 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	20	20
Software	3	6
Other intangible assets with a finite useful life	5	5

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 expires on the later of either the date on which the asset is classified as held for sale (or included in a disposal group classified as held for sale), pursuant to IFRS 5, or the date on which the asset is derecognised.

Assets under development relate to internal and external costs referring to intangible assets for which the company has not yet acquired the right to and has not started to use in production. These investments are amortised from the date they begin to be used in production.
Under IAS 36, assets under development are tested for impairment annually, or whenever there is any indication of impairment, so as to check that the carrying amount matches the recoverable amount.

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 the initial classification of the asset (or disposal group) as held for sale, the carrying amounts of the asset are measured in accordance with the Group's 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 company that has been discontinued or classified as held for sale, and:
a. represents an important business unit or geographical segment;
b. forms 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.

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, 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 amount expected from its disposal at the end of its useful life.
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 company 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 all 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 receivable 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 financial asset, 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 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.

- *Equity investments in subsidiaries and associates*

Investments in subsidiaries and associates are measured at cost. In the event of impairment, the carrying amount of the investment is written down. The impairment loss is recognised in the income statement.

- *Other equity investments*

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

- *Hedging instruments*

The Company holds hedging instruments, acquired for non-speculative purposes, solely to hedge its exposure to interest rate and currency 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 company'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 by employing adequate measurement models for 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 underlying.
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, 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 company has substantially transferred all the risks and rewards associated with the asset, transferring its rights to receive the cash flows of the asset or assuming a contractual obligation to shift these cash flows to one or more beneficiaries under a contract that meets the requirements under IFRS 9 (pass through test);
- the company 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.

Inventories

Inventories are carried 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.

Equity

Share capital, including the various categories of shares, is stated at its nominal value less share capital proceeds to be received.
The purchase cost of treasury shares is recognised as a reduction in equity.
Costs directly attributable to share capital transactions, for new subscriptions, are accounted for reducing equity.
Dividends are recognised as liabilities when they are approved by the Shareholders.

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 company this category includes post-employment benefits accrued since 1 January 2007, payable to the INPS (the Italian Social Security Institution) fund and the share paid to the additional pension funds.
The liability relating to defined benefit plans, net of any plan assets, is calculated according to actuarial assumptions. For the company, included in this category are post-employment benefits accrued until 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 salaries (Art. 47, national labour agreement for the sector), 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) measuring (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.
As regards disclosures, information is given on the characteristics of the plans and related amounts entered 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 company 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 company 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.

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 in a contract an entity gives the customer an option to purchase future goods and services, this option constitutes a separate performance obligation only if it gives the customer a benefit that the customer would not have been able to obtain in another way, for example a discount higher than those 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 company 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.

With reference to the specific activity of Iren S.p.A., i.e. the provision of corporate and technical-administrative services to its investees, the related revenue is recognised upon provision of the services. For each contract, the fees for the individual services rendered are identified and recorded separately.

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 taken as income to profit or loss over the useful life of the asset to which they refer. The deferred revenue related to the grants is recognised in the statement of financial position, under Other liabilities, with suitably separated current and non-current amounts.
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.

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 price received or due and is recognised when:
- the amount of revenue can be estimated reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company.

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 directly attributable to the acquisition, construction or production of a plant are capitalised when:
- it is likely that it will result in future economic benefits for the company;
- it can be reliably measured.

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

Income taxes

Income taxes comprise all the taxes calculated on the company'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 financial statements and the amounts used for taxation purposes.
Deferred tax assets are recognised only when their recovery is probable. The amendments to IAS 12 approved by the European Commission with Regulation (EU) 2017/1989 of 6 November 2017 provide some clarifications on the criteria to be adopted to determine whether there are sufficient future taxable incomes against which to use the deductible temporary differences.
Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply for the year in which the differences will be paid.

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 Company recognises and measures its current or deferred tax assets and liabilities by applying the provisions of IAS 12.
Conversely, if the Company believes that it is not likely that the Tax Authority will accept the tax treatment for income tax purposes, it reflects the effect of such uncertainty by using the method that best provides for the resolution of the uncertain tax treatment. The Company 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 Company 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 Company 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 Company reports uncertain tax assets/liabilities as current taxes or deferred taxes.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED AS OF 1 JANUARY 2024

As of 1 January 2024, the following accounting standards and amendments to accounting standards, issued by the IASB and endorsed by the European Union, are obligatorily applicable:

Amendments to IFRS 16 - Leases Lease Liability in a Sale and Leaseback
Issued on 22 September 2022, its purpose is to clarify the impact that a sale or leaseback transaction could have on a financial liability with variable payments that are not index- or rate-related.

Amendments to IAS 1 - Classification of liabilities as current or non-current and Non-current liabilities with covenants
Issued on 23 January 2020 and 31 October 2022, they provide clarifications on the classification of liabilities as current or non-current.

Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements
Issued on 25 May 2023, it provides clarification on the correct representation of the effects of reverse factoring.

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 EARLY BY THE COMPANY

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.

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

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.

IFRS 19 Subsidiaries without Public Accountability: Disclosure
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.

III. Financial Risk Management of Iren S.p.A.

A summary of the risk management methods is shown hereunder for the risk management and control with respect to the financial instruments (liquidity risk, interest rate risk, credit risk).
As part of its Risk Management activities, the Company uses non-speculative hedging contracts to limit interest rate risk.

LIQUIDITY RISK
Liquidity risk is the risk that financial resources available to the company will be insufficient to cover financial and trade commitments in accordance with the agreed terms and deadlines.
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 company were nil.
In addition, having assessed the convenience and advisability from time to time in the context of optimising available financial resources, the Company carries out non-recourse factoring of tax assets, benefiting from the liquidity advance arising therefrom.

In this context, to support the company's liquidity profile and rating level, in addition to current cash and cash equivalents, Iren has a total of 415 million euro, including medium/long-term financing lines agreed and available but not used (215 million euro) and the new committed Sustainability-Linked revolving credit facilities (RCF), agreed in December with Unicredit and BPER (200 million euro).

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

thousands of euro

Data as at 31/12/2024	Carrying amount	Contractual cash flows	Within 12 months	1-5 years	Over 5 years
Loan and bond liabilities (*)	4,767,023	(5,371,948)	(627,359)	(2,245,480)	(2,499,110)
Hedging of interest rate risk (**)	(8,449)	8,449	5,469	(3,113)	(134)
Lease liabilities	17,001	(18,148)	(5,851)	(11,671)	(626)

(*) 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 fair value of hedging contracts (both positive and negative).

Cash flows required to settle remaining financial liabilities, other than those shown in the above tables, do not differ significantly from the recognised carrying amount.
Financial debt from loans at year-end consisted of 27% in loans and 73% in bonds; it is noted that 90% of the total debt was financed by sustainable funds and that 73% of the residual debt for loans was at fixed rate and 27% at floating rate
For details of the liquidity risk management policies, reference is made to the Notes to the Consolidated Financial Statements included in this report.

INTEREST RATE RISK
Iren is exposed to interest rate fluctuations especially with regard to the measurement of borrowing costs. The 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 counterparties of high credit standing, for the sole purpose of hedging. At the end of the year, all the contracts entered into meet the requisite of limiting the exposure to the risk of fluctuations in interest rates and they also meet the formal requirements for the application of hedge accounting.

The total fair value of the aforementioned interest rate hedges was a positive 8,449 thousand euro as at 31 December 2024. The hedging contracts entered into, together with fixed-rate loans, hedge approximately 95% of loans against interest rate risk, in line with the goal of maintaining adequate protection against significant increases in the interest rate.

For a more complete understanding of the interest rate risks to which the Company is exposed, stress testing was performed on the sensitivity of net financial expense and evaluation portions in derivative contracts to changes in interest rates. As regards financial expense, this analysis was performed on the basis of 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 2024.

thousands of euro

	Financial expense		Hedging Reserve	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
Cash flow sensitivity (net)				
Net financial debt				
(including hedging contracts)	(4,174)	3,365	-	-
Change in fair value				
Hedging contracts				
(evaluation portions only)	11	8	41,237	(43552)
Total impact from sensitivity analysis	(4,163)	3,373	41,237	(43,552)

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. Specifically, in the case of interest rate risk hedges 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 is recognised in the income statement and is classified based on the type of underlying instrument; in the case of interest rate risk hedges, in financial income and expense.

As regards the measurement of the derivative in the statement of financial position items, the fair value of the derivative is recognised in non-current financial assets and liabilities if the related underlying item is non-current. Conversely, the derivative is recognised in current financial assets and liabilities if the underlying item is settled within the reporting period.

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 assocated 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

All Iren S.p.A. hedging financial instruments have a fair value which can be classified as level 2. This level is 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 prices of the financial instruments, or in any case that do not require a significant adjustment based on data which cannot be observed on the market.

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.

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

thousands of euro	Carrying amount				
31.12.2024	Fair value of hedging instruments	Fair Value Through Profit or Loss	Financial assets measured at amortised cost	Other financial liabilities	TOTAL
Financial assets measured at fair value					
Interest rate derivative hedging contracts	21,185				21,185
Assets for variable portion of transfer price OLT Offshore LNG Toscana		21,744			21,744
Other equity investments		2,479			2,479
Total Financial assets measured at fair value	21,185	24,223	-	-	45,408
Financial assets not measured at fair value					
Non-current financial assets with related parties			3,632,576		3,632,576
Trade receivables			119,019		119,019
Loan assets			495,398		495,398
Sundry assets and other assets (*)			62,780		62,780
Cash and cash equivalents			225,452		225,452
Total Financial assets not measured at fair value	-	-	4,535,225	-	4,535,225
Financial liabilities measured at fair value					
Derivative hedging contracts (rate and commodities)	(12,736)				(12,736)
Total Financial liabilities measured at fair value	(12,736)	-	-	-	(12,736)
Financial liabilities not measured at fair value					
Bonds				(3,468,195)	(3,468,195)
Loans				(1,298,828)	(1,298,828)
Other financial liabilities (**)				(269,161)	(269,161)
Trade payables				(122,681)	(122,681)
Sundry liabilities and other liabilities (*)				(98,107)	(98,107)
Total Financial liabilities not measured at fair value	-	-	-	(5,256,972)	(5,256,972)
TOTAL	8,449	24,223	4,535,225	(5,256,972)	(689,074)

thousands of euro	Fair value			
31.12.2024	Level 1	Level 2	Level 3	TOTAL
Financial assets measured at fair value				
Interest rate derivative hedging contracts		21,185		21,185
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	-	21,185	21,744	42,929
Financial assets not measured at fair value				
Non-current financial assets with related parties		3,487,059		3,487,059
Trade receivables				-
Loan assets				-
Sundry assets and other assets (*)				-
Cash and cash equivalents				-
Total Financial assets not measured at fair value	-	3,487,059	-	3,487,059
Financial liabilities measured at fair value				
Derivative hedging contracts (rate and commodities)		-		-
Total Financial liabilities measured at fair value	-	-	-	-
Financial liabilities not measured at fair value				
Bonds	(3,352,358)			(3,352,358)
Loans		(1,302,001)		(1,302,001)
Other financial liabilities (**)				-
Trade payables				-
Sundry liabilities and other liabilities (*)				-
Total Financial liabilities not measured at fair value	(3,352,358)	(1,302,001)	-	(4,654,359)
TOTAL	(3,352,358)	2,206,243	21,744	(1,124,371)

(*) 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 21,744 thousand euro as at 31 December 2024, 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 average profitability of the company relating to its historical financial statements and the discount rates 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)	972	(972)
Discount rate	(695)	728

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	Carrying amount				
31.12.2023	Fair value of hedging instruments	Fair Value Through Profit or Loss	Financial assets measured at amortised cost	Other financial liabilities	TOTAL
Financial assets measured at fair value					
Interest rate derivative hedging contracts	30,611				30,611
Assets for variable portion of transfer price OLT Offshore LNG Toscana		21,599			21,599
Other equity investments		1,279			1,279
Total Financial assets measured at fair value	30,611	22,878	-	-	53,489
Financial assets not measured at fair value					
Non-current financial assets with related parties			3,613,425		3,613,425
Trade receivables			102,022		102,022
Loan assets			37,474		37,474
Sundry assets and other assets (*)			157,393		157,393
Cash and cash equivalents			281,685		281,685
Total Financial assets not measured at fair value	-	-	4,191,999	-	4,191,999
Financial liabilities measured at fair value					
Derivative hedging contracts (rate and commodities)	(22,441)				(22,441)
Total Financial liabilities measured at fair value	(22,441)	-	-	-	(22,441)
Financial liabilities not measured at fair value					
Bonds				(3,021,690)	(3,021,690)
Loans				(1,339,875)	(1,339,875)
Other financial liabilities (**)				(206,243)	(206,243)
Trade payables				(135,702)	(135,702)
Sundry liabilities and other liabilities (*)				(100,822)	(100,822)
Total Financial liabilities not measured at fair value	-	-	-	(4,804,332)	(4,804,332)
TOTAL	8,170	22,878	4,191,999	(4,804,332)	(581,285)

(*) Prepaid expenses and deferred income are excluded
(**) Lease liabilities recognised in accordance with IFRS 16 are excluded

thousands of euro	Fair value			
31.12.2023	Level 1	Level 2	Level 3	TOTAL
Financial assets measured at fair value				
Interest rate derivative hedging contracts		30,611		30,611
Assets for variable portion of transfer price OLT Offshore LNG Toscana			21,599	21,599
Other equity investments				-
Total Financial assets measured at fair value	-	30,611	21,599	52,210
Financial assets not measured at fair value				
Non-current financial assets with related parties		3,372,846		3,372,846
Trade receivables				-
Loan assets				-
Sundry assets and other assets (*)				-
Cash and cash equivalents				-
Total Financial assets not measured at fair value	-	3,372,846	-	3,372,846
Financial liabilities measured at fair value				
Derivative hedging contracts (rate and commodities)		-		-
Total Financial liabilities measured at fair value	-	-	-	-
Financial liabilities not measured at fair value				
Bonds	(2,769,706)			(2,769,706)
Loans		(1,345,346)		(1,345,346)
Other financial liabilities (**)				-
Trade payables				-
Sundry liabilities and other liabilities (*)				-
Total Financial liabilities not measured at fair value	(2,769,706)	(1,345,346)	-	(4,115,052)
TOTAL	(2,769,706)	2,058,111	21,599	(689,996)

CREDIT RISK

From a business point of view, Iren S.p.A. is not particularly exposed to credit risk as it mainly provides professional services to the subsidiaries, according to their needs, based on service agreements signed by the parties.

Financial assets with subsidiaries arise from the centralised procurement of financial resources in order to optimize 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.

For details of the credit risk management policies, reference is made to the Notes to the Consolidated Financial Statements included in this report.

IV. Information on transactions with related parties

As indicated in the Directors' Report, contained in this document, the information on main transactions with related parties, carried out for Iren S.p.A. is provided below.

Transactions with subsidiaries

Intra-group Services
In order to make the most of the organisational synergies that can be achieved, Iren's configuration is based on the model of an industrial holding company, with staff structures that are adequate to support the Group's strategic, development, financial, IT, administrative, and control activities. Therefore, Iren is able to provide professional services of a technical-administrative nature in favour of its subsidiaries, which operate in the relevant business field. All these activities are governed by special supply contracts at arm's length.

Financial management
Organisational solutions were adopted with the aim of centralising financial management for the entire Group under the direct responsibility of Iren S.p.A., in order to optimise the structure and conditions of access to third party financing. For this purpose, loans have been contracted by Iren with financial institutions, whereby the funds are subsequently transferred to the Group's companies to support the investments made by these companies based on intra-group facility agreements.
The conditions of intra-group loan agreements have been defined according to the conditions at which the Parent procures on the financial market.

Tax consolidation
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 tax consolidation 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 2024, 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 S.p.A., 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., San Germano S.p.A., Rigenera Materiali S.r.l., Bonifiche Servizi Ambientali S.r.l., Uniproject S.r.l. Manduriambiente 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. and I Blu S.r.l., Sei Toscana S.r.l., Semia Green S.r.l. Remat S.r.l., Limes 20 Srl, Limes 2 S.r.l., Am.ter. S.p.A (merged into Ireti), C.r.c.m. S.r.l.

VAT Group

In September 2019, Iren exercised the option for establishment of Group VAT to which the Revenue Agency attributed a new VAT number with effect from 1 January 2020.
The companies that take part in the VAT Group for 2024, 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., 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. , Remat S.r.l., Bonifiche Servizi Ambientali s.r.l., Uniproject S.r.l., Manduriambiente S.p.A, 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 S.p.A., Sei Toscana S.p.A., Valdarno Ambiente S.r.l, Iren Green Generation Tech S.p.A., Valle Dora S.r.l., Dogliani Energia S.r.l., Alegas S.r.l., 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), Iren Acqua Piacenza S.r.l., Semia Green S.r.l. , Agrovoltaica S.r.l., Crcm S.r.l.

Transactions with owners

Iren S.p.A.'s main transactions with owners concern not only property taxes, but also costs for sponsorships, including of a technical nature, within the scope of which the Group's activities were promoted.

Transactions with joint ventures and associates

Among the main transactions carried out by Iren S.p.A. with joint ventures and associates, we can note:
- the reversible fees paid to Iren S.p.A. for the participation of its employees in the Boards of Directors of the related companies;
- the supply of administrative services.

Quantitative information on transactions with related parties is provided in the chapter “X. Annexes to the Separate Financial Statements”, considered an integral part of this Note.

Finally, as regards the Directors and Statutory Auditors of Iren S.p.A. with the exception of payment of the fees envisaged for the performance of duties in the management and control bodies, we can report that there were no transactions.
Transactions that consist of assigning remunerations and economic benefits, in any form, to members of the management and control bodies of Iren S.p.A. and Executives with Strategic Responsibilities of IREN Group are also subject to the provisions of the RPT Procedure.

V. Significant events after the reporting date

Full consolidation of EGEA Holding
On 12 November 2024, the Board of Directors of Iren S.p.A. resolved to exercise, as from 1 January 2025, the right to subscribe and pay up the capital increase in EGEA Holding reserved for the same, up to a maximum of 20 million euro (5.882 euro of share capital plus share premium of 19,994,118 euro), to be exercised also in several tranches, for the purpose of financing the development of the PNRR project relating to district heating in Alessandria, to be implemented through Telenergia, a subsidiary of EGEA Holding itself.

Following the acquisition of the Antitrust and Golden Power clearances, on 10 January 2025, Iren S.p.A. subscribed and paid in the capital increase in the amount of 10 million euro (2,941 euro of share capital plus 9,997,059 euro of share premium), coming to hold a total of 52.77%. On the same date, EGEA Holding's Shareholders' Meeting was held, which resolved to appoint a new board member upon nomination by Iren, which now appoints four members of the B.o.D. out of the total seven, thus achieving control and consequent full consolidation of EGEA Holding and its subsidiaries.

Finally, regarding the transaction, on 24 March the Board of Directors of Iren S.p.A. resolved to exercise the call option on 31 March 2025 for the acquisition of the entire remaining investment in EGEA Holding (47.23%), held by MidCo 2024, with the aim of holding all the shares. The consideration offered by Iren for the exercise of the option, determined based on the provisions of the contractual agreements in place, is equal to 74.8 million euros and is subject to the determination and verification mechanisms provided for in the same agreements between the parties.

Hybrid Bond issue
On 16 January 2025, Iren S.p.A. placed its first 'Hybrid Bond' issue, with a nominal value of 500 million euro, issued in a single tranche for the full amount: the settlement date is 23 January 2025. As set forth in the relevant terms and conditions, it is a non-convertible, subordinated, perpetual financial instrument payable only in the event of dissolution or liquidation of the Company.
The fixed annual coupon, payable annually in arrears in April starting in April 2025, is 4.5% and will be paid until the first reset date of 23 April 2030. From that date, unless fully redeemed, the security will accrue interest equal to the five-year Euro Mid Swap rate, increased by 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.
The securities, which are intended for qualified investors, are listed on the regulated market of the Irish Stock Exchange (Euronext Dublin) and have been assigned a BB+ rating by the agencies Standard & Poor's Global Ratings and Fitch Ratings as well as an equity content of 50%.

The transaction, which received almost eight times more requests for subscription than the amount offered, totalling orders for 4 billion euro, is aimed at further strengthening the capital structure and sustaining the Group's financial flexibility, and is consistent with the Iren growth strategy aimed at the integration of EGEA, new potential development opportunities for external lines and the realisation of the investments envisaged in the Business Plan, confirming the commitment of Iren to maintaining its current investment grade rating.

VI. Other information

CONSOB COMMUNICATION NO. DEM/6064293 of 28 July 2006

Significant non-recurring events and transactions
During the financial year 2024, the Company 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
In 2024, the Company was not involved in atypical and/or unusual transactions, as defined in the Communication, i.e. transactions that may, due to their significance/relevance, nature of the counterparties, subject of the transaction, methods for determining the transfer price and timing of the event (near year end), give rise to concerns about the correctness/completeness of the financial statements disclosures, conflict of interest, safeguard of the company's assets or protection of non-controlling interests.

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 that the National Register of State Aid includes aid, in favour of the company, which must be disclosed. For the related details please see the aforementioned Register, under the terms of article 35, paragraph 125-quinquies.

VII. 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, is shown in the table below:

thousands of euro

	Cost as at 31/12/2024	Accumulated depreciation as at 31/12/2024	Carrying amount as at 31/12/2024	Cost as at 31/12/2023	Accumulated depreciation as at 31/12/2023	Carrying amount as at 31/12/2023
Land	15,077	(1,130)	13,947	15,077	(1,120)	13,957
Buildings	150,755	(34,142)	116,613	149,504	(29,356)	120,148
Plant and machinery	20,268	(7,920)	12,348	15,746	(5,478)	10,268
Industrial and commercial equipment	1,794	(838)	956	1,714	(734)	980
Other assets	87,151	(53,914)	33,237	77,770	(43,323)	34,447
Assets under construction and payments on account	50,901	-	50,901	45,034	-	45,034
Total	325,946	(97,944)	228,002	304,845	(80,011)	224,834

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

thousands of euro

	31/12/2023	Increases	Decreases	Other changes	Reclassifica-tions	31/12/2024
Land	15,077	-	-	-	-	15,077
Buildings	149,504	689	(453)	-	1,015	150,755
Plant and machinery	15,746	2,432	-	-	2,090	20,268
Industrial and commercial equipment	1,714	107	(27)	-	-	1,794
Other assets	77,770	10,490	(1,104)	(5)	-	87,151
Assets under construction and payments on account	45,034	8,972	-	-	(3,105)	50,901
Total	304,845	22,690	(1,584)	(5)	-	325,946

Changes in accumulated depreciation are shown below:

thousands of euro

	31/12/2023	Depreciation for the year	Decreases	Other changes	Reclassifica-tions	31/12/2024
Land	(1,120)	(10)	-	-	-	(1,130)
Buildings	(29,356)	(5,235)	447	-	2	(34,142)
Plant and machinery	(5,478)	(2,440)	-	-	(2)	(7,920)
Industrial and commercial equipment	(734)	(107)	3	-	-	(838)
Other assets	(43,323)	(11,700)	1,104	5	-	(53,914)
Total	(80,011)	(19,492)	1,554	5	-	(97,944)

The main categories refer to:
- Land and buildings: this item mainly includes buildings relating to management offices or in support of operating activities;
- Plant and machinery: this item includes the auxiliary systems of buildings, air conditioning systems, telecommunications equipment and some prototypes for development activities;
- Other assets: include motor vehicles and cars, furniture, office machines and IT equipment;
- Assets under construction and payments on account: this item includes all expenses incurred for investments in progress and not yet in operation.

Finally, no assets are pledged against liabilities.

Increases

The increases in the year, of 22,690 thousand euro, refer mainly to:
- extraordinary maintenance, also during realisation, of buildings and auxiliary plants at the various Company Offices;
- upgrading of hardware infrastructure and telecommunications equipment;
- investments in motor vehicles, including those leased and recorded in accordance with IFRS 16;
- investments for the purchase of equipment and furnishings;
- costs incurred for the building renovation of the Piazza Raggi (Genoa) office, which is currently underway.

Depreciation

Ordinary depreciation for 2024, amounting to 19,492 thousand euro, was calculated on the basis of the rates indicated in the section “Accounting policies” and deemed representative of the residual useful life of the assets.

Reclassifications

It should be noted that reclassifications between financial statements items relate to the normal entry into operation of investments made in the previous year.

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 S.p.A. acts as lessee refer 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 provided

thousands of euro

	Cost as at 31/12/2024	Accumulated depreciation as at 31/12/2024	Carrying amount as at 31/12/2024	Cost as at 31/12/2023	Accumulated depreciation as at 31/12/2023	Carrying amount as at 31/12/2023
Land	121	(47)	74	121	(37)	84
Buildings	23,101	(11,232)	11,869	23,127	(8,863)	14,264
Other assets	10,483	(5,209)	5,274	9,301	(3,516)	5,785
Total	33,705	(16,488)	17,217	32,549	(12,416)	20,133

in the table below:

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

thousands of euro

	31/12/2023	Increases	Decreases	31/12/2024
Land	121	-	-	121
Buildings	23,127	414	(440)	23,101
Other assets	9,301	2,140	(958)	10,483
Total	32,549	2,554	(1,398)	33,705

Finally, changes in the accumulated depreciation of right-of-use assets are shown below:

thousands of euro

	31/12/2023	Depreciation for the year	Decreases	31/12/2024
Land	(37)	(10)	-	(47)
Buildings	(8,863)	(2,809)	440	(11,232)
Other assets	(3,516)	(2,652)	959	(5,209)
Total	(12,416)	(5,471)	1,399	(16,488)

NOTE 2_ INTANGIBLE ASSETS WITH A FINITE USEFUL LIFE

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

thousands of euro

	Cost as at 31/12/2024	Accumulated amortisation as at 31/12/2024	Carrying amount as at 31/12/2024	Cost as at 31/12/2023	Accumulated amortisation as at 31/12/2023	Carrying amount as at 31/12/2023
Development costs	47	(47)	-	47	(47)	-
Industrial patents and intellectual property rights	286,048	(179,102)	106,946	238,829	(140,748)	98,081
Concessions, licences, trademarks and similar rights	34	(4)	30	34	(4)	30
Other intangible assets	9,601	(9,600)	1	9,601	(9,591)	10
Assets under development and payments on account	6,627	-	6,627	11,463	-	11,463
Total	302,357	(188,753)	113,604	259,974	(150,390)	109,584

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

thousands of euro

	31/12/2023	Increases	Decreases	Other changes	Reclassifica-tions	31/12/2024
Development costs	47	-	-		-	47
Industrial patents and intellectual property rights	238,829	39,510	(28)		7,737	286,048
Concessions, licences, trademarks and similar rights	34	-	-		-	34
Other intangible assets	9,601	-	-		-	9,601
Assets under development and payments on account	11,463	3,078	-	(177)	(7,737)	6,627
Total	259,974	42,588	(28)	(177)	-	302,357

Changes in the accumulated amortisation are shown below:

thousands of euro

	31/12/2023	Amortisation for the year	Decreases	Other changes	Reclassifica-tions	31/12/2024
Development costs	(47)	-	-	-	-	(47)
Industrial patents and intellectual property rights	(140,748)	(38,375)	21			(179,102)
Concessions, licences, trademarks and similar rights	(4)	-	-	-	-	(4)
Other intangible assets	(9,591)	(9)	-			(9,600)
Total	(150,390)	(38,384)	21	-	-	(188,753)

The main categories refer to:

- Industrial patents and intellectual property rights: the item consists of software use licenses and costs incurred for the internal production of software created in order to adapt and update the licensed applications; these assets are amortised over a five-year period;
- Assets under development: this item consists mainly of costs incurred for new implementations and studies relating to IT projects, concerning applications supporting operating and administrative activities.

Increases

Increases in the year, amounting to 42,588 thousand euro, primarily refer to the purchase, internal development (including ongoing development), implementation and adaptation of software for administrative, commercial and customer management within the Group.

Decreases

Decreases for the year of 28 thousand euro relate to the revision of certain estimates recorded in previous years.

NOTE 3_INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Investments in subsidiaries and joint ventures

Data on investments in direct subsidiaries, i.e., the lead companies of the Group's business chains, as at 31 December 2024 can be found in the appropriate section of the Annexes.

The carrying amounts of the investments shown below have changed from the previous year because on 1 August 2024, Iren S.p.A. completed the acquisition of 50% of the share capital of EGEA Holding S.p.A.

The company is a NewCo, into which the operating units of EGEA S.p.A., EGEA Commerciale S.r.l. and EGEA Produzioni e Teleriscaldamento S.r.l. were previously transferred. ("EGEA PT"), as part of the negotiated crisis settlement procedure pursuant to Legislative Decree 14/2019 ("Crisis Code") of the same companies.

thousands of euro

	Cost of equity investment	Equity at 31/12/2024	Delta SE - Cost of equity investment
Subsidiaries			
Iren Ambiente	243,437	288,277	44,840
IRETI	1,039,100	1,136,587	97,487
Iren Energia	1,139,112	1,246,700	107,588
Iren Mercato	142,383	206,148	63,765
Total subsidiaries	2,564,032	2,877,712	313,680
Joint ventures			
Egea Holding (*)	86,543	85,000	1,543
Total Joint Ventures	86,543	85,000	1,543
Overall total	2,650,575	2,962,712	315,223

(*) The carrying amount of Equity refers to the pro-rata share for Iren S.p.A. and does not consider the profit for the year ended 31 December 2024.

The impairment per BU presented in the Note "Goodwill" of the consolidated financial statements is also used for the valuation of equity investments in subsidiaries held by Iren S.p.A. and allows to conclude that, with reference to these investments, there are no indications of impairment.

NOTE 4_OTHER EQUITY INVESTMENTS

This item relates to investments in companies over which Iren S.p.A. has neither 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 recognised at cost.
As of the date of these separate financial statements, the item refers to the investments held in the consortium company Competence Industry Manufactoring 4.0 in the amount of 200 thousand euro (175 thousand euro at 31 December 2023), in the company Tech4planet in the amount of 2,010 thousand euro (1,104 thousand euro at 31 December 2023) and in the limited partnership MITO Tech Ventures SLP RAIF-SICAV, organised as a reserved alternative investment fund, in the amount of 269 thousand euro (not present at 31 December 2023).

NOTE 5_NON-CURRENT FINANCIAL ASSETS

The total of the item amounted to 3,687,506 thousand euro (3,677,676 thousand euro as at 31 December 2023).

thousands of euro

	31/12/2024	31/12/2023
Cash pooling arrangement - subsidiaries	3,585,848	3,543,161
Loan assets with subsidiaries	58,729	82,265
Fair value of derivatives – non-current portion	21,185	30,611
Sundry assets	-	40
Other financial assets	21,744	21,599
Total	3,687,506	3,677,676

For details on the item "Cash pooling arrangement", see the table showing "Transactions with related parties" in the Annexes to this document.
The fair value of derivative contracts, for the non-current portion, amounted to 21,185 thousand euro (30,611 thousand euro as at 31 December 2023). For comments please see the chapter "Financial risk management of Iren S.p.A.".
The item "Other financial assets" consists of the variable portion of the sale price of the investment in OLT Offshore LNG Toscana and the related loan, measured at fair value with changes recognised in profit or loss.

As at 31 December 2023, there were also financial assets related to a participation in a film production under tax credit in the amount of 40 thousand euro.

NOTE 6_OTHER NON-CURRENT ASSETS

They amounted to 1,222 thousand euro (1,231 thousand euro as at 31 December 2023) and mainly consisted of grants accrued for innovation projects in the amount of 1,165 thousand euro (1,173 thousand euro as at 31 December 2023) and amounts due from owners in the amount of 41 thousand euro related to administrative services (unchanged from 31 December 2023).

NOTE 7_DEFERRED TAX ASSETS

This item refers to taxes related to temporary differences between the carrying amount and tax base of assets and liabilities in the statement of financial position. These taxes were calculated by applying the rates envisaged when the temporary differences reverse.
In accordance with IAS 12, the item includes the net effect of deferred tax assets and deferred tax liabilities for IRES.
As at 31 December 2024, the item amounted to 8,777 thousand euro (4,021 thousand at 31 December 2023).
For further information, reference is made to the note to the income statement "Income taxes" and to the Annexes concerning the details on temporary differences related to deferred taxation.

CURRENT ASSETS

NOTE 8_INVENTORIES

The item amounted to 5,643 thousand euro (6,020 thousand euro as at 31 December 2023). Inventories include stocks of items used by all Group companies (technical clothing, hardware, stationery and signs).
The inventory write-down provision, which was established in FY 2020 with the aim of taking into account the technical obsolescence and slow movement of certain materials, amounted to 287 thousand euro (342 thousand euro at 31 December 2023).

NOTE 9_TRADE RECEIVABLES

thousands of euro

	31/12/2024	31/12/2023
From customers	982	978
From subsidiaries	117,178	101,763
From joint ventures and associates	1,650	266
From other related parties	2	-
Loss allowance	(793)	(985)
Total	119,019	102,022

Trade receivables from customers
These relate to receivables for services rendered to third-party customers.

Trade receivables from subsidiaries
These relate to normal trade transactions performed at arm's length, and refer mainly to corporate services, of a technical/administrative nature provided to the Group companies. The details of these receivables by counterparty are annexed in the "Transactions with related parties" section of the Annexes to the Financial Statements.

Trade receivables from joint ventures and associates
This item refers to fees that may be charged back for offices held by Iren employees in the associates, as well as to the charge-back of insurance costs borne by the Parent. The increase in this item in 2024 is mainly due to the corporate Energy Management services provided to the company Egea Holding.
The details by counterparty are annexed in the section "Transactions with related parties".

Loss allowance

The item amounted to 793 thousand euro (985 thousand euro as at 31 December 2023). No accrual was made during the year, but a release was made in order to adjust the allowance to the amount of expected credit losses on the basis of the simplified approach envisaged by IFRS 9, where “loss” means the present value of all future cash shortfalls, considering forward-looking information, taking into due consideration historical data.

thousands of euro

	31/12/2023	Accruals	Releases	31/12/2024
Loss allowance	(985)	-	192	(793)

NOTE 10_CURRENT TAX ASSETS

This item amounted to 6,337 thousand euro (55 thousand euro at 31 December 2023) and refers to IRES advances for 3,972 thousand euro (not present at 31 December 2023), to IRES assets for 2,310 thousand euro (not present at 31 December 2023) and to IRAP advances for 55 thousand euro (unchanged compared to 31 December 2023).

NOTE 11_SUNDRY ASSETS AND OTHER CURRENT ASSETS

These are as follows:

thousands of euro

	31/12/2024	31/12/2023
From subsidiaries for VAT group	25,193	27,605
From subsidiaries for tax consolidation scheme	14,565	93,087
VAT assets	15,765	28,887
Other tax assets	3,105	1,591
Current tax assets	58,628	151,170
Advances to suppliers	991	2,879
From others	1,857	2,113
Other current assets	2,848	4,992
Prepaid expenses	11,051	26,538
Total	72,527	182,700

As noted in the chapter “Transactions with related parties”, in September 2019 Iren exercised the option for establishment of the VAT Group to which the Revenue Agency attributed a new VAT number with effect from 1 January 2020.

The option for the Group tax consolidation scheme was exercised by the Group. This requires that the consolidated companies transfer their IRES assets/liabilities to the Parent Iren S.p.A.
The other tax assets shown in the table consist mainly of amounts due from the tax authorities for tax assets, while prepaid expenses relate largely to the portion pertaining to future IT services.

NOTE 12_CURRENT FINANCIAL ASSETS

The item amounted to a total of 483,398 thousand euro (25,433 thousand euro as at 31 December 2023). All financial 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.

Current financial assets relate to:

thousands of euro

	31/12/2024	31/12/2023
Loan assets with subsidiaries	25,576	24,508
Loan assets with others	457,822	925
Total	483,398	25,433

Loan assets with subsidiaries
These refer to interest accrued on financing, particularly on the cash pooling arrangement.

Loan assets with others
These amount to 457,822 thousand euro (925 thousand euro at 31 December 2023) and primarily relate to loan assets with banks. Specifically, financial deposits amounted to 450,000 thousand euro (not present at 31 December 2023) and consisted of funds used in the technical form of "time deposits" with maturity dates up to July 2025, constituted on the funds deriving from the Bond issue of September 2024. The remaining balance refers to assets for interest on time deposits in the amount of 4,027 thousand euro (not present as at 31 December 2023) and amounts due from banks in the amount of 3,146 thousand euro (59 thousand euro at 31 December 2023). Financial prepayments of 497 thousand euro (866 thousand euro at 31 December 2023) were also recognised.

NOTE 13_CASH AND CASH EQUIVALENTS

Cash and cash equivalents may be analysed as follows:

thousands of euro

	31/12/2024	31/12/2023
Bank and postal deposits	225,452	281,685
Cash and similar on hand	-	-
Total	225,452	281,685

Cash and cash equivalents consist of available bank and postal deposits.
Iren S.p.A. 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.

NOTE 14_ASSETS HELD FOR SALE

This item had a nil balance at 31 December 2024, as at 31 December 2023.

LIABILITIES

NOTE 15_EQUITY

Equity may be analysed as follows:

thousands of euro

	31/12/2024	31/12/2023
Share Capital	1,300,931	1,300,931
Reserves and Retained Earnings	773,269	763,757
Profit for the year	212,507	172,285
Total	2,286,707	2,236,973

Share capital
Share capital amounts to 1,300,931,377 euro (unchanged compared to 31 December 2023), 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 Company repurchased treasury shares for a total of 17,855,645 for a 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

	31/12/2024	31/12/2023
Treasury shares	(38,690)	(38,690)
Share premium reserve	133,019	133,020
Legal reserve	119,707	111,093
Hedging reserve	(4,093)	6,209
Other reserves and Retained earnings	563,326	552,125
Total	773,269	763,757

Treasury shares
In November 2021, the share buyback transaction authorised by the Board of Directors in the year 2020 was concluded.
The Ordinary Shareholders' Meeting held 04 May 2023 once again authorised the Board of Directors to repurchase and dispose of treasury shares, also on a fractional basis, pursuant to article 2357 et seq. of the Italian Civil Code.
The Board of Directors could have carried out transactions for there purchase and disposal of treasury shares for a maximum of 45,532,598 shares, such as not to exceed a further 3.5% of the share capital, in addition to the 17,855,645 shares already present in the portfolio equal to 1.37% of the share capital. The share buy-back programme, valid for eighteen months from the date of the shareholders' resolution, ended in November 2024.
During the 2024 financial year, however, no transaction was carried out in this regard and as at 31 December 2024, there were 17,855,645 shares for a total consideration of 38,690 thousand euro (unchanged compared to 31 December 2023), exposed to a reduction in equity in the item "Reserves and retained earnings".

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 concluded to hedge exposure to the risk of interest rate fluctuations on floating rate loans.

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

The increase in 2024 is mainly due to the carrying forward of profits for the previous financial year not distributed (11,241 thousand euro).

Dividends

On 27 June 2024, the Ordinary Shareholders' Meeting of Iren S.p.A. approved the Company's separate financial statements at 31 December 2023 and the Directors' Report, and resolved to distribute a dividend of 0.1188 euro per ordinary share, confirming the proposal made by the Board of Directors. At the ex-dividend date, the number of outstanding shares was 1,283,075,732 and, consequently, the total amount of dividends distributed was 152,429,396.96 euro.

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 and the level of dividends for distribution to shareholders, and aims to maintain a balance between achieving extra yield by recourse to indebtedness and the benefits and security offered by a solid financial position.

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

NON-CURRENT LIABILITIES

NOTE 16_NON-CURRENT FINANCIAL LIABILITIES

Non-current financial liabilities amounted to 4,272,105 thousand euro (3,858,011 thousand euro as at 31 December 2023) and consist of:

Bonds

These amounted to 2,992,914 thousand euro due after 12 months (2,522,470 thousand euro as at 31 December 2023). The item consisted of positions referred to Public and Private Bond issues, accounted for at amortised cost, against a total nominal value outstanding at 31 December 2024 of 3,024,000 thousand euro (2,550,000 thousand at 31 December 2023). 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 496,993 thousand euro);
- Green Bonds maturing October 2029, coupon 0.875%, amount 500 million euro, all outstanding (amount at amortised cost 497,337 thousand euro);
- Bonds maturing July 2030, coupon 1%, outstanding amount 484 million euro (500 million euro at 31 December 2023; amount at amortised cost 478,037 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 490,510 thousand euro)
- Green Private Placement maturing August 2028, coupon 2.875%, outstanding amount 40 million euro (50 million euro at 31 December 2023; amount at amortised cost 39,758 thousand euro);
- Green Bonds issued in January 2024, maturing July 2032, coupon 3.875%, amount 500 million euro, all outstanding (amount at amortised cost 495,887 thousand euro);
- Green Bonds issued in September 2024, maturing September 2033, coupon 3.625%, amount 500 million euro, all outstanding (amount at amortised cost 494,391 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 2023 is due to:

- two new Green Bond issues in January and September 2024, totalling 1,000 million euro;
- the repurchase, in July 2024, of outstanding Bond units totalling 50 million euro;
- the reclassification within 12 months of the Green Bonds maturing in September 2025, coupon 1.95%, outstanding amount 476 million euro (500 million euro as at 31 December 2023; amount at amortised cost 475,282 thousand euro);
- the allocation of accrued financial expense, calculated on the basis of the amortised cost method.

Non-current bank loans

Non-current bank loans relate exclusively to the non-current portion of loans/credit lines due after 12 months granted by banks, and amounted to 1,254,865 thousand euro (1,298,321 thousand euro as at 31 December 2023).

Non-current bank loans, all at floating rate, can be analysed by maturity (referring to the portion due after 12 months), as follows:

thousands of euro

	TOTAL
min/max rate	2.962% - 4.302%
maturity	2026-2039
2026	49,563
2027	309,499
2028	466,583
2029	66,583
subsequent	362,637
Total after 12 months as at 31/12/2024	1,254,865
Total after 12 months as at 31/12/2023	1,298,321

All loans are denominated in euro.

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

thousands of euro

	31/12/2023 Total after 12 months	Increases	Decreases	Adjustment of amortised cost	31/12/2024 Total after 12 months
TOTAL	1,298,321	-	(43,962)	506	1,254,865

Total non-current loans at 31 December 2024 decreased compared to 31 December 2023, as a combined result of:

- reduction of 43,962 thousand euro, owing to the reclassification of the portions of loans maturing within the next 12 months as current;
- increase of 506 thousand euro due to recognition of the loans at amortised cost.

Non-current lease liabilities

This item relates to the portion of the Company's lease, rental and hire liabilities due after 12 months, recognised in accordance with IFRS 16, and amounted to 11,590 thousand euro (14,779 thousand euro as at 31 December 2023). This figure will be gradually reduced on the basis of repayment of the lease principal.

Other financial liabilities

The item amounted to 12,736 thousand euro (22,441 thousand euro at 31 December 2023) and refers to the fair value of derivative contracts entered into by Iren to hedge its exposure to the interest rate risk of floating-rate loans.

NOTE 17_EMPLOYEE BENEFITS

Changes in this item in 2024 were as follows:

thousands of euro

	31/12/2023	Obligations accrued during the year	Financial expense	Disbursements for the year	Intra-group transfers	Actuarial (gains)/losses	31/12/2024
Post-employment benefits	10,671	-	314	(941)	22	(33)	10,033
Additional salary payments	789	25	24	(54)	-	49	833
Loyalty bonus	407	17	12	(61)	-	(28)	347
Tariff discounts	1,720	-	51	(146)	-	(32)	1,593
Premungas	474	-	14	(125)	-	67	430
Total	14,061	42	415	(1,327)	22	23	13,236

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.

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

Annual discount rate	2.69% -3.38%
Annual inflation rate	2.00%
Annual rate of increase of Post-employment benefits	3.00%

In accordance with the provisions of IAS 19, the following additional information is supplied:
- 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 2025	Duration of the plan	Disbursements 2025
	+0.25%	-0.25%			
Post-employment benefits	(142)	145	-	6.50	1,235
Additional salary payments (seniority bonus)	(15)	15	25	9.70	9
Loyalty bonus	(4)	4	15	9.12	45
Tariff discounts	(29)	30	-	7.65	135
Premungas	(4)	5	-	4.70	76

NOTE 18_PROVISIONS FOR RISKS AND CHARGES

Details and changes are shown in the table below:

thousands of euro

	31/12/2023	Increases	Decreases	31/12/2024	Non-current portion
Provision for early retirement	7,730	392	(259)	7,863	7,734
Other provisions for risks and charges	6,513	5,544	(2,085)	9,972	9,972
Total	14,243	5,936	(2,344)	17,835	17,706

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 provisions represent 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.

Other provisions for risks and charges

Among other provisions, the increases mainly refer to the adjustment of the provision for long-term incentive plans and for Inps contributions referring to previous years (former Inpdap management); the decreases mainly refer to releases due to the termination of labour disputes and litigation with suppliers for which there is no longer a need to maintain the relative provisions and to utilisations for the year.

NOTE 19_DEFERRED TAX LIABILITIES

Deferred tax liabilities are due to temporary differences between the carrying amount and tax base of assets and liabilities recognised in the financial statements and have been calculated by applying the rates expected when the temporary differences will reverse.
In accordance with IAS 12, the item includes the net effect of deferred tax assets and deferred tax liabilities for IRES.
As at 31 December 2024, the items fully offset each other, similar to as at 31 December 2023.
For further information, reference is made to the note to the income statement "Income taxes" and to the Annexes concerning the details on temporary differences related to deferred taxation.

NOTE 20_SUNDRY LIABILITIES AND OTHER NON-CURRENT LIABILITIES

This item amounts to 1,305 thousand euro (1,198 thousand euro as at 31 December 2023) and mainly refers to portions of grants received on innovation projects, relating to future years for an amount of 1,280 thousand euro (1,128 thousand euro as at 31 December 2023).

CURRENT LIABILITIES

NOTE 21_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

	31/12/2024	31/12/2023
Bank loans	544,112	563,929
Financial liabilities with subsidiaries	244,235	182,777
Current lease liabilities	5,411	5,025
Other financial liabilities	58	310
Total	793,816	752,041

Bank loans

The related amounts are as follows:

thousands of euro

	31/12/2024	31/12/2023
Loans - current portion	43,962	41,554
Other current loans	475,282	499,220
Other current borrowings from banks	500	9,404
Accrued expenses and deferred income	24,368	13,751
Total	544,112	563,929

Other current loans
This is the Green Bonds with maturity September 2025, coupon 1.95%, outstanding amount 476 million euro (500 million euro as at 31 December 2023). The carrying amount is shown at amortised cost in the amount of 475,282 thousand euro. As at 31 December 2023, this item amounted to 499,220 thousand euro and related to the Eurobond maturing in September 2024.

Financial liabilities with subsidiaries
Current financial liabilities with subsidiaries, amounting to 244,235 thousand euro as at 31 December 2024 (182,777 thousand euro as at 31 December 2023) refer to the cash pooling arrangement with Group companies that have a credit position with Iren S.p.A. The amount includes an estimate of the related accrued interest expense still to be paid.

Current lease liabilities
These refer to the portion of the Company's lease, rental and hire liabilities due within 12 months; they amounted to 5,411 thousand euro (5,025 thousand euro as at 31 December 2023).

Other financial liabilities
They amounted to 58 thousand euro (310 thousand euro as at 31 December 2023) and mainly refer to commissions on committed credit lines, settled in January 2025.

Accrued expenses and deferred income
The increase compared to 31 December 2023 is attributable to the two new Green Bond issues in 2024, the accruals of which as at 31 December 2024 amounted to 13,500 thousand euros.

NOTE 22_TRADE PAYABLES

thousands of euro

	31/12/2024	31/12/2023
To suppliers	105,921	119,990
To subsidiaries	16,243	15,586
To associates	22	13
To owners	464	73
To other related parties	31	40
Total	122,681	135,702

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.

NOTE 23_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

	31/12/2024	31/12/2023
Amounts due to subsidiaries for VAT group	33,470	40,056
Amounts due to subsidiaries for tax consolidation scheme	23,390	22,588
IRPEF liability	345	154
Other tax liabilities	4,136	4,033
Current tax assets	61,341	66,831
Amounts due to employees	12,438	11,047
Amounts due to social security institutions	5,745	5,571
Sundry liabilities	17,300	16,242
Other current liabilities	35,483	32,860
Deferred income	34	34
Total	96,858	99,725

Amounts due to social security institutions consist mainly of withholdings and contributions to be paid to INPS and INPDAP.
Deferred income, amounting to 34 thousand euro (unchanged compared to 31 December 2023), refers to reimbursements for surety expenses.
The sundry liabilities refer mostly to adjustments of premiums related to insurance policies entered into in favour of the Group.

NOTE 24_CURRENT TAX LIABILITIES

This item was not measured as at 31 December 2024. At 31 December 2023 it amounted to 68,615 thousand euro and referred to Ires liabilities.

NOTE 25_PROVISIONS FOR RISKS AND CHARGES - CURRENT PORTION

The current portion of the provisions for risks and charges amounted to 128 thousand euro (105 thousand euro as at 31 December 2023) and refers to the provision for early retirement.

For more details on the breakdown see Note “Provisions for risks and charges”.

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

	31/12/2024	31/12/2023
Non-current financial assets	(3,687,506)	(3,677,676)
Non-current financial debt	4,272,105	3,858,011
Non-current net financial debt	**584,599**	**180,335**
Current financial assets	(708,850)	(307,118)
Current financial debt	793,816	752,041
Current net financial debt	**84,966**	**444,923**
Net financial debt	**669,565**	**625,258**

Net Financial position with related parties

Non-current financial assets relate to the cash pooling arrangement and loans to subsidiaries and associates for 3,632,577 thousand euro.
Current financial assets relate to invoices issued (1,110 thousand euro) and to be issued (24,466 thousand euro) to subsidiaries for interest on the cash pooling arrangement and loans.
Current financial liabilities for 244,235 thousand euro refer to amounts due to subsidiaries for cash pooling arrangements and loans and related interest.

For additional information, see the annexed tables on transactions with related parties.

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

	31/12/2024	31/12/2023
A. Cash	(225,452)	(281,685)
B. Cash equivalents	-	-
C. Other current financial assets	(450,000)	-
D. Liquidity (A) + (B) + (C)	**(675,452)**	**(281,685)**
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	744,443	705,462
F. Current portion of the non-current financial debt	49,373	46,579
G. Current financial debt (E + F)	**793,816**	**752,041**
H. Net current financial debt (G - D)	**118,364**	**470,356**
I. Non-current financial debt (excluding current portion and debt instruments)	1,279,191	1,335,541
J. Debt instruments	2,992,914	2,522,470
K. Commercial and other non-current debt	-	-
L. Non-current financial debt (I + J + K)	**4,272,105**	**3,858,011**
M. Total financial debt (H + L)	**4,390,469**	**4,328,367**

The table below reports on the changes during the year in current and non-current financial liabilities.

	thousands of euro
Current and non-current financial liabilities 31.12.2023	4,610,052
Monetary changes as reported in the statement of cash flows	
New non-current loans	1,000,000
Repayment of non-current loans	(591,553)
Repayment of finance leases	(5,357)
Change in other financial liabilities	69,537
Interest paid	(140,923)
Dividends paid	(135,918)
Non-monetary changes	
New finance leases	2,555
Fair value change in derivatives	(9,705)
Interest and other financial expense	114,803
Dividends resolved	152,430
Current and non-current financial liabilities 31.12.2024	5,065,921

VIII. Notes To the Income Statement

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

REVENUE

NOTE 26_REVENUE FROM GOODS AND SERVICES

Revenue from services provided can be broken down as follows:

thousands of euro

	FY 2024	FY 2023
Services to subsidiaries	318,120	292,181
Services to joint ventures and associates	1,176	46
Services to others	203	68
Total	319,499	292,295

Revenue from services refers to corporate, administrative and technical services provided to Group companies and associates.
On 1 August 2024, Iren S.p.A. finalised the acquisition of 50% of EGEA Holding S.p.A..
The company is a NewCo, into which the operating units of EGEA S.p.A., EGEA Commerciale S.r.l. and EGEA Produzioni e Teleriscaldamento S.r.l. were previously transferred. ("EGEA PT"), as part of the negotiated crisis settlement procedure pursuant to Legislative Decree 14/2019 ("Crisis Code") of the same companies.
The increase in the item "services to joint ventures and associates" is due to new corporate services provided to this company.
For additional information, see the annexed tables on transactions with related parties.

NOTE 27_OTHER INCOME

Other income includes:

thousands of euro

	FY 2024	FY 2023
Revenue for personnel at other companies	7,151	7,527
Sale of materials	2,604	2,433
Lease income	557	551
Grants related to income	943	519
Insurance settlements	54	57
Capital gains on sale of assets	43	11
Penalties to suppliers	72	116
Revenue from previous years	189	977
Other revenue and income	185	629
Total	11,798	12,820

Revenue for personnel at other companies refer to rechargeable fees for director position held by Iren employees at Group companies and to the charge-back of costs relating to personnel seconded to subsidiaries.
The sale of materials mainly relates to sales to subsidiaries, as a result of the procurement and centralised management of materials for common use by the Group's businesses.
Revenue from previous years mainly regards the settlement of prior items with reference to estimates made in previous years and adjustments also to prior years' invoices.
Grants related to income mainly refer to grants of a fiscal nature related to investments made by the company and to grants accrued in respect of innovation projects.

COSTS

NOTE 28_RAW MATERIALS, CONSUMABLES, SUPPLIES AND GOODS

Costs for raw materials, consumables, supplies and goods are as follows:

thousands of euro

	FY 2024	FY 2023
Raw materials and inventory materials	4,264	4,852
Purchase of fuels	4,313	4,788
Change in inventories	408	(946)
Accrual/(use) of inventory write-down provision	(55)	67
Total	8,930	8,761

These costs refer mainly to the purchase of materials for common use by subsidiaries (technical clothing, hardware, stationery and signs) and fuel for Group vehicles.
The inventory write-down provision amounting to 287 thousand euro (342 thousand euro in 2023) was set up in order to take into account the technical obsolescence and slow movement of certain materials.

NOTE 29_SERVICES AND USE OF THIRD-PARTY ASSETS

Costs for services are broken down as follows:

thousands of euro

	FY 2024	FY 2023
Technical and administrative services from subsidiaries and Group companies	16,196	14,884
Third-party works, maintenance and industrial services	24,986	21,651
Snow ploughing	1,539	1,378
Expenses related to personnel (canteen, training, business travel)	14,332	12,505
Technical, administrative and commercial consulting and advertising expenses	23,681	24,637
Legal and notary fees	3,429	3,326
Insurance	23,709	20,630
Bank and postal expenses	353	586
Telephone expenses	4,178	4,520
Internal utilities (electricity, water, gas, cleaning, etc.)	12,960	11,693
IT expenses	57,612	58,877
Board of Statutory Auditors' fees	181	171
Other costs of services	640	4,905
Total	183,796	179,763

Use of third-party assets amounted to 926 thousand euro (944 thousand euro in the 2023 financial year) and relate mainly to short-term rentals of technical equipment as well as the rental of exhibition space for promotional events.
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 30_OTHER OPERATING EXPENSES

Other operating expenses are as follows:

thousands of euro

	FY 2024	FY 2023
Membership fees	2,804	2,554
General expenses	1,720	2,451
Taxes and duties	2,198	2,209
Capital losses on sale of assets	2	-
Charitable donations	2,441	1,654
Other sundry operating expenses	295	394
Total	9,460	9,262

The item "taxes and duties" mainly refers to the charges for IMU property tax on the Company's plants and buildings, as well as vehicle circulation taxes.

NOTE 31_CAPITALISED EXPENSES FOR INTERNAL WORK

Capitalised expenses for internal work amounted to 8,064 thousand euro (6,927 thousand euro in financial year 2023) and refer to labour costs mainly for the study, creation and implementation of software and IT projects.

NOTE 32_PERSONNEL EXPENSE

Personnel expense is broken down as follows:

thousands of euro

	FY 2024	FY 2023
Gross remuneration	63,777	59,479
Social security contributions	19,054	17,741
Other long-term employee benefits	42	43
Other personnel expense	11,521	13,670
Directors' fees	556	718
Total	94,950	91,651

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 as follows:

	31/12/2024	31/12/2023	Yearly average
Senior managers	50	52	51
Junior managers	144	137	141
White collar workers	894	880	893
Blue collar workers	62	73	67
Total	1,150	1,142	1,152

NOTE 33_AMORTISATION AND DEPRECIATION

Amortisation and depreciation for the year amounted to 57,876 thousand euro (49,495 thousand euro in 2023).

thousands of euro

	FY 2024	FY 2023
Depreciation	19,492	18,371
Amortisation	38,384	31,124
Total	57,876	49,495

Depreciation of property, plant and equipment includes the depreciation for the year of right-of-use assets recognised in accordance with IFRS 16.
For further details on amortisation and depreciation, refer to the tables of changes in property, plant and equipment and intangible assets.

NOTE 34_PROVISIONS AND IMPAIRMENT LOSSES

thousands of euro

	FY 2024	FY 2023
Impairment losses on loans and receivables	(192)	(89)
Provisions for risks	-	-
Release of provisions	(1,817)	(25)
Total	(2,009)	(114)

No impairment losses on loans and receivables were recognised during 2024, similarly to 2023. However, a release was made to the loss allowance in order to adjust it to the amount of expected credit losses on the basis of the simplified approach envisaged by IFRS 9, where “loss” means the present value of all cash shortfalls considering forward-looking information.

Details of changes in provisions are provided in the note to the Statement of financial position item “Provisions for risks and charges”.

NOTE 35_FINANCIAL INCOME AND EXPENSE

Financial income

The breakdown of financial income is shown in the following table:

thousands of euro

	FY 2024	FY 2023
Dividends	222,346	196,592
Bank interest income	23,338	382
Interest income from subsidiaries	98,485	83,634
Other financial income	184	34
Total	344,353	280,642

Interest income on receivables/loans from subsidiaries increased due to the higher interest rate and credit stock for intra-group loans; the increase in bank interest income is due to the income from invested liquidity.

Financial expense

The breakdown of financial expense is shown in the following table:

thousands of euro

	FY 2024	FY 2023
Interest expense on loans	62,900	46,279
Interest expense on bonds	59,704	39,966
Hedging effect of derivatives	(16,770)	(16,339)
Interest expense on bank current accounts	1,082	9,461
Interest expense on committed lines	666	14
Expense incurred on derivatives	1,197	222
Interest expense with subsidiaries	5,250	2,628
Interest cost – Employee benefits	415	521
Financial expense on lease liabilities	595	338
Financial expense from discounting	158	-
Other financial expense	189	80
Total	115,386	83,170

Interest expense on loans and bonds includes the expense relating to the measurement at amortised cost.
Interest expense on loans, net of the effect of derivative contracts, increased as a result of higher interest rates.
Interest expense on bonds increased due to the increase in the stock for new bond issues in January and September 2024.
Interest expense on bank current accounts decreased as a result of the lower stock compared to the previous year.
Interest expense with subsidiaries increased as a result of higher stock and interest rates.

NOTE 36_GAINS (LOSSES) ON EQUITY INVESTMENTS

This caption had a nil balance in both 2024 and 2024.

NOTE 37_INCOME TAXES

Income taxes amounted to 1,890 thousand euro (2,533 thousand euro in financial year 2023) and can be broken down as follows:

- IRES of 2,669 thousand euro (benefit of 2,406 thousand euro in 2023);
- deferred tax expense, given by the reversal of taxable temporary differences, of 1,490 thousand euro (869 thousand in 2023);
- no deferred tax income was recognised in 2024 or 2023;
- taxes related to previous years for 711 thousand euro (742 thousand euro in financial year 2023).

Under the terms of Art. 96 of the Consolidated Law on Income Tax, the interest expense rules provide for their deductibility up to a maximum of 30% of the Gross Operating Profit ("fiscal" GOP) with the option to carry forward any surpluses of non-deductible interest expense to subsequent years and, if Group taxation is implemented, with the right to offset such surpluses with any "fiscal" GOP surpluses accrued from other group companies.
For Iren S.p.A., in 2024, application of the rules pursuant to Art. 96 of the Consolidated Law on Income Tax entailed forming surpluses of net non-deductible interest expense.

The table below shows the reconciliation between standard and effective IRES tax rates. The reconciliation between standard and effective IRAP rate was not significant.
Only current taxes and not deferred taxes are included in the table. Therefore, the changes made to the theoretical tax relate to both temporary and final changes.

The table below also shows the breakdown of the tax rate for 2024 and 2023.

	Ires rate reconciliation	FY 2024	FY 2023
A)	Pre-tax profit	214,397	169,751
B)	Theoretical tax charge (24% rate)	51,455	40,740
C)	Temporary differences taxable in future years		
	Alloc. loss allowance – tax assets	-	-
D)	Temporary differences deductible in future years	13,706	10,504
	Fees to independent auditors and directors	-	-
	Plus minus amortisation	*694*	*600*
	Alloc. Provisions and interest expense	*5,544*	*9,904*
	MBO and Remuneration Policies	*6,976*	-
	Other	*492*	-
E)	Reversal of previous year temporary differences	(6,835)	(3,463)
	MBO and Remuneration Policies	(3,950)	-
	Use of provisions and interest expense	(2,207)	(3,463)
	Plus minus amortisation	(418)	-
	Other	(260)	-
F)	Differences which will not carry forward	(208,323)	(185,105)
	Non-taxable share of dividends (95%) received as at 31/12	(211,229)	(186,763)
	Other	*2,906*	*1,657*
G)	Taxable income (A)+C)+D)+E)+F))	12,944	(8,313)
H)	Current taxes for the year	2,669	(2,407)
	Income/expenses from consolidation	*3,107*	(1,995)
	Art Bonus	(437)	(411)
M)	Rate	1%	(1%)

The table below shows the composition of deferred tax assets and liabilities for the two years, broken down by type of temporary difference, and the resulting effects.

thousands of euro

	FY 2024	FY 2023
Deferred tax assets		
Non-taxable provisions	5,431	4,721
Differences in non-current assets	423	357
Derivatives	783	783
Other	3,030	2,304
Total	9,667	8,165
Deferred tax liabilities		
Differences in non-current assets	819	819
Derivatives	(383)	2,870
Loss allowance	11	11
Other	444	444
Total	890	4,144
Net deferred tax assets	8,777	4,021

NOTE 38_OTHER COMPREHENSIVE INCOME

Other comprehensive expense came to 10,343 thousand euro (40,752 thousand euro in 2023).
Specifically, other comprehensive income that will be subsequently reclassified to profit or loss relates to:
- the effective portion of fair value losses on cash flow hedges, 13,558 thousand euro, which refers to derivatives hedging changes in interest rates;
- the tax effect of 3,254 thousand euro.

Other comprehensive income that will not be subsequently reclassified to profit or loss relates to:
- actuarial losses on defined benefit plans, of 52 thousand euro;
- the tax effect of 12 thousand euro.

IX. Guarantees and contingent liabilities

GUARANTEES PROVIDED

Personal guarantees amounted to 1,098,205 thousand euro (1,219,531 thousand euro as at 31 December 2023) broken down as follows:

- 41,879 thousand euro of bank and insurance sureties provided to various Entities. Among the above, it is worth noting sureties granted in favour of:
  - Revenue Agency for 11,277 thousand euro to guarantee VAT refund requests for 2023 and pending charges;
  - Municipality of Turin, for 27,476 thousand euro, as definitive guarantee in the AMIAT/TRM tender AMIAT/TRM;
  - FCT Holding for 2,000 thousand euro, as definitive guarantee in the Amiat/TRM tender procedure;
  - Atersir/Ato for 320 thousand euro to guarantee the management of the integrated water service;
- 1,055,026 thousand euro in guarantees granted on behalf of subsidiaries, primarily to guarantee credit facilities and their transactions (mainly commercial contracts/Parent Guarantees on behalf of Iren Mercato Spa);
- 1,300 thousand euro of guarantees given on behalf of Associates.

X. Annexes to the separate financial statements

List of investments in subsidiaries, joint ventures and associates

Company	Registered office	Currency	Share capital	% interest
SUBSIDIARIES				
Iren Ambiente S.p.A.	Piacenza	Euro	63,622,002	100.00
IReti S.p.A.	Reggio Emilia	Euro	196,832,103	100.00
Iren Energia S.p.A.	Turin	Euro	918,767,148	100.00
Iren Mercato S.p.A.	Genoa	Euro	61,356,220	100.00
JOINT VENTURES				
Egea Holding S.p.A.	Alba (CN)	Euro	50,000	50.00

Statement of Equity with additional information

Amounts in euro

Item/Description	31.12.2024	31.12.2023	31.12.2022
SHARE CAPITAL	1,300,931,377	1,300,931,377	1,300,931,377
EQUITY-RELATED RESERVES			
Share premium reserve (1)	133,019,647	133,019,647	133,019,647
Negative goodwill	56,792,947	56,792,947	56,792,947
Treasury shares negative reserve	(38,690,317)	(38,690,317)	(38,690,317)
INCOME-RELATED RESERVES			
Legal reserve	119,706,828	111,092,597	98,158,206
Other reserves:			
Extraordinary reserve	53,766,557	53,766,557	53,766,557
Hedging reserve	(4,094,593)	6,209,267	46,913,947
Actuarial reserve	(3,363,608)	(3,324,248)	(3,276,424)
Other untaxed reserves	1,402,976	1,402,976	1,402,976
Retained earnings	454,728,567	443,487,570	338,872,468
TOTAL	2,074,200,381	2,064,688,373	1,987,891,384
Non-distributable amount	1,514,967,535	1,506,353,304	1,493,418,913
Distributable residual amount	559,232,846	558,335,069	494,472,471

(1) Distributable to shareholders after the legal reserve has reached one fifth of the share capital

KEY:
A: share capital increase
B: payments to cover losses
C: shareholder distribution

Amounts in euro

Possible utilisation	Available portion	Summary of uses over the last three years	
		Payments to cover losses	Other reasons
B	1,300,931,377		
A, B	133,019,647		
A, B, C	56,792,947		
	(38,690,317)		
B	119,706,828		
A, B, C	53,766,557		
	(4,094,593)		
	(3,363,608)		
A, B, C	1,402,976		
A, B, C	454,728,567		
	2,074,200,381		
	1,514,967,535		
	559,232,846		

Deferred tax assets and liabilities - 2024

		differences		
	Opening balance	formation	reversal	remaining
Deferred tax assets				
Non-taxable provisions	19,672	5,874	2,917	22,629
Differences in non-current assets	1,487	694	418	1,763
Derivatives	3,264	-	-	3,264
Other	9,599	7,009	3,984	12,624
Total taxable amount/deferred tax assets	34,022	13,577	7,319	40,280
Deferred tax liabilitis				
Differences in non-current assets	3,411			3,411
Loss allowance	44			44
Derivatives	11,960		13,558	(1,598)
Other	1,852			1,852
Total taxable amount/deferred tax liabilities	17,266	-	13,558	3,708
Net deferred tax assets (liabilities)	16,756	13,577	(6,239)	36,572

thousands of euro

taxes to profit or loss	taxes to equity	IRES (Corporate income tax)	IRAP (Regional business tax)	total
697	12	5,431		5,431
66		423		423
-		783		783
726		3,030		3,030
1,490	12	9,667	-	9,667
		819		819
		11		11
	(3,254)	(383)		(383)
		444		444
-	(3,254)	890	-	890
1,490	3,266	8,777	-	8,777

Deferred tax assets and liabilities - 2023

	differences			
	initial	formation	payment	remaining
Deferred tax assets				
Non-taxable provisions	14,851	9,328	4,508	19,672
Differences in non-current assets	1,729	622	864	1,487
Derivatives	3,264	-	-	3,264
Other	9,106	1,963	1,470	9,599
Total taxable amount/deferred tax assets	28,950	11,913	6,842	34,022
Deferred tax liabilities				
Differences in non-current assets	3,411	-	-	3,411
Loss allowance	44	-	-	44
Derivatives	65,519	-	53,559	11,960
Other	464	1,388		1,852
Total taxable amount/deferred tax liabilities	69,437	1,388	53,559	17,266
Net deferred tax assets (liabilities)	(40,487)	10,525	(46,717)	16,756

thousands of euro

taxes to profit or loss	taxes to equity	IRES (Corporate income tax)	IRAP (Regional business tax)	total
1,128	29	4,721	-	4,721
(58)	-	357	-	357
-	-	783	-	783
(201)	319	2,304	-	2,304
869	348	8,165	-	8,165
-	-	819	-	819
-	-	11	-	11
-	(12,854)	2,870		2,870
-	333	444	-	444
-	(12,521)	4,144	-	4,144
869	12,869	4,021	-	4,021

Related party transactions

thousands of euro

	Trade Receivables	Loan assets, Cash and cash equivalents	Sundry assets	Trade Payables	Financial Liabilities
OWNERS					
Municipality of Genoa	-	-	-	579	-
Municipality of Parma	-	-	-	-	-
Municipality of Piacenza	-	-	-	52	-
Municipality of Reggio Emilia	2	-	-	33	-
Municipality of Turin	-	-	-	20	-
FCT Holding S.p.A.	-	-	-	-	-
FSU - Finanziaria Sviluppo Utilities S.r.l.	-	41	-	-	-
SUBSIDIARIES					
ACAM Acque S.p.A.	3,068	212,354	874	53	-
ACAM Ambiente S.p.A.	955	11,362	1,123	194	-
Acquaenna S.c.p.a.	-	58,386	-	-	-
Agrovoltaica S.r.l.	1	563	-	-	-
Alegas S.r.l.	30	14,736	31	-	-
Alfa Solutions S.p.A.	898	-	843	525	9,082
AMIAT S.p.A.	7,124	81,475	96	3,310	-
AMIAT V. S.p.A.	30	13,572	-	-	-
AMTER S.p.A.	119	12,602	9	44	-
ASM Vercelli S.p.A.	1,637	69,088	29	1,343	-
Asti Energia e Calore S.p.A.	7	2,685	-	4	-
ATENA Trading S.r.l.	113	2,594	1,080	28	-
Bonifica Autocisterne S.r.l.	35	-	1	-	480
Bonifiche Servizi Ambientali S.r.l.	264	-	450	23	16,497
Consorzio GPO	-	-	-	-	2,022
CRCM S.r.l.	11	-	-	-	537
Dogliani Energia S.r.l.	2	2,760	-	-	-
Ekovision S.r.l.	1	202	-	2	-
Formaira S.r.l.	1	82	2	-	-
Futura S.p.A.	4	22,704	4	119	-
I. Blu S.r.l.	449	31,722	-	24	-
Iren Acqua Piacenza S.r.l.	91	-	-	-	1
Iren Acqua Tigullio S.p.A.	537	29,813	1,042	-	-
Iren Acqua Reggio S.r.l.	8,188	102,255	-	-	-
IREN Ambiente S.p.A.	10,044	468,396	9	817	-
IREN Ambiente Parma S.r.l.	1,981	-	1,222	16	16,332
IREN Ambiente Piacenza S.r.l.	1,650	-	4	16	7,112
Iren Ambiente Toscana S.p.A.	56	68,945	-	100	-
IREN Energia S.p.A.	22,894	417,389	2	1,745	-
Iren Green Generation S.r.l.	64	43,044	-	-	-
Iren Green Generation Tech S.r.l.	206	125,500	1,373	-	7
IREN Mercato S.p.A.	21,763	42	15,989	2,913	139,466
Iren Smart Solutions S.p.A.	4,728	247,445	2,164	1,808	-
IRETI S.p.A.	15,282	1,030,947	4,907	1,880	-
Iren Laboratori S.p.A.	879	-	135	14	7,067

Related party transactions

thousands of euro

	Sundry liabilities	Revenue and income	Costs and other charges	Financial income	Financial expense
OWNERS					
Municipality of Genoa	-	-	752	-	-
Municipality of Parma	-	-	-	-	-
Municipality of Piacenza	-	-	91	-	-
Municipality of Reggio Emilia	-	2	187	-	-
Municipality of Turin	-	-	31	-	-
FCT Holding S.p.A.	-	-	-	-	-
FSU - Finanziaria Sviluppo Utilities S.r.l.	-	-	-	-	-
SUBSIDIARIES					
ACAM Acque S.p.A.	351	7,160	225	5,275	-
ACAM Ambiente S.p.A.	445	3,336	246	361	-
Acquaenna S.c.p.a.	633	-	-	1,610	-
Agrovoltaica S.r.l.	-	1	-	2	-
Alegas S.r.l.	820	235	-	399	-
Alfa Solutions S.p.A.	-	1,817	1,278	-	276
AMIAT S.p.A.	2,772	28,128	4,085	2,118	-
AMIAT V. S.p.A.	99	177	-	295	-
AMTER S.p.A.	270	153	44	249	-
ASM Vercelli S.p.A.	187	4,119	1,343	2,047	-
Asti Energia e Calore S.p.A.	9	11	-	88	-
ATENA Trading S.r.l.	-	557	28	116	-
Bonifica Autocisterne S.r.l.	-	65	-	-	17
Bonifiche Servizi Ambientali S.r.l.	549	452	23	-	430
Consorzio GPO	-	-	-	-	73
CRCM S.r.l.	-	11	-	-	10
Dogliani Energia S.r.l.	64	14	-	50	-
Ekovision S.r.l.	17	1	-	6	-
Formaira S.r.l.	12	7	-	-	1
Futura S.p.A.	56	81	119	613	-
I. Blu S.r.l.	2,022	673	292	1,103	-
Iren Acqua Piacenza S.r.l.	-	91	-	-	-
Iren Acqua Tigullio S.p.A.	1,272	1,729	-	705	-
Iren Acqua Reggio S.r.l.	1,496	8,685	180	1,949	1
IREN Ambiente S.p.A.	8,046	35,707	1,441	86,193	-
IREN Ambiente Parma S.r.l.	966	1,960	62	53	342
IREN Ambiente Piacenza S.r.l.	692	1,675	21	-	301
Iren Ambiente Toscana S.p.A.	548	121	100	1,692	-
IREN Energia S.p.A.	11,007	49,822	2,841	82,828	-
Iren Green Generation S.r.l.	235	93	-	802	-
Iren Green Generation Tech S.r.l.	818	925	-	3,224	-
IREN Mercato S.p.A.	2,047	70,958	5,146	30,140	2,063
Iren Smart Solutions S.p.A.	6,375	11,936	2,219	8,422	-
IRETI S.p.A.	-	66,580	2,560	74,078	-
Iren Laboratori S.p.A.	349	2,674	365	-	234

Related party transactions

thousands of euro

	Trade Receivables	Loan assets, Cash and cash equivalents	Sundry assets	Trade Payables	Financial Liabilities
SUBSIDIARIES					
Iren Acqua S.p.A.	4,665	185,647	5,500	329	-
IRETI Gas S.p.A.	6,320	73,694	1,423	-	-
Limes 1 S.r.l.	6	8,561	-	-	1,196
Limes 2 S.r.l.	12	12,326	143	-	1,414
Limes 20 S.r.l.	108	14,436	-	-	-
Maira S.p.A.	13	-	125	-	4,419
Manduriambiente S.p.A.	1	-	162	-	20,391
Nord Ovest Servizi S.p.A.	18	-	-	-	-
ReCos S.p.A.	296	27,575	-	-	-
RE MAT S.r.l	59	3,999	-	-	-
Rigenera Materiali (Ri. Ma.) S.r.l.	136	18,043	-	16	-
Salerno Energia Vendite S.p.A.	204	91,348	-	-	-
San Germano S.p.A.	1,534	37,188	-	1	-
Scarlino Energia S.p.A.	249	17,488	-	163	17,337
SEI Toscana S.r.l.	266	71,125	160	11	-
Semia Green S.r.l.	41	2,553	-	-	-
TB S.p.A.	16	-	63	-	882
Territorio e Risorse S.r.l.	39	20,833	-	-	-
TRM S.p.A.	32	-	-	746	-
Uniproject S.r.l.	6	-	79	-	-
Valdarno Ambiente S.r.l.	22	2,073	-	-	-
Valle Dora Energia S.r.l.	3	12,649	752	-	-
JOINT VENTURES					
Acque Potabili S.p.A.	135	-	-	-	-
EGEA Holding S.p.A.	1,304	-	-	-	-
ASSOCIATES					
Aguas de San Pedro S.A. de C.V.	1	-	-	-	-
ARCA S.r.l.	56	-	-	2	-
ASA S.c.p.a.	34	-	-	-	-
ASA Livorno S.p.A.	62	-	-	-	-
Asti Servizi Pubblici S.p.A.	-	-	-	-	-
CSAI - Centro Servizi Ambientali Impianti S.p.A.	-	-	-	20	-
EGUA S.r.l.	3	-	-	-	-
Mondo Acqua S.p.A.	2	-	-	-	-
Piana Ambiente S.p.A.	62	-	-	-	-
STU Reggiane S.p.A.	8	-	-	-	-
SUBSIDIARIES MUNICIPALITY OF GENOA	-	-	-	1	-
SUBSIDIARIES MUNICIPALITY OF PARMA	-	-	-	-	-
SUBSIDIARIES MUNICIPALITY OF PIACENZA	-	-	-	3	-
SUBSIDIARIES MUNICIPALITY OF REGGIO EMILIA	-	-	-	-	-
SUBSIDIARIES MUNICIPALITY OF TURIN	-	-	4	6	-
	118,827	3,670,242	39,801	16,959	244,243

Related party transactions

thousands of euro

	Sundry liabilities	Revenue and income	Costs and other charges	Financial income	Financial expense
SUBSIDIARIES					
Iren Acqua S.p.A.	2,328	9,655	335	5,129	-
IRETI Gas S.p.A.	-	12,896	1	2,463	-
Limes 1 S.r.l.	62	6	-	295	1
Limes 2 S.r.l.	80	13	-	473	1
Limes 20 S.r.l.	163	142	-	241	-
Maira S.p.A.	9	76	-	-	120
Manduriambiente S.p.A.	473	51	-	-	713
Nord Ovest Servizi S.p.A.	-	6	-	-	-
ReCos S.p.A.	699	623	-	750	-
RE MAT S.r.l	525	59	-	83	-
Rigenera Materiali (Ri. Ma.) S.r.l.	157	143	-	161	-
Salerno Energia Vendite S.p.A.	-	16	-	2,347	-
San Germano S.p.A.	3,084	2,134	224	1,063	-
Scarlino Energia S.p.A.	-	44	-	125	644
SEI Toscana S.r.l.	4,857	158	60	2,237	-
Semia Green S.r.l.	277	41	-	31	-
TB S.p.A.	32	45	-	4	27
Territorio e Risorse S.r.l.	838	238	-	540	-
TRM S.p.A.	708	487	206	-	-
Uniproject S.r.l.	-	6	-	-	-
Valdarno Ambiente S.r.l.	418	22	-	39	4
Valle Dora Energia S.r.l.	18	73	-	433	-
JOINT VENTURES					
Acque Potabili S.p.A.	-	49	-	-	-
EGEA Holding S.p.A.	-	164	-	-	-
ASSOCIATES					
Aguas de San Pedro S.A. de C.V.	-	-	-	-	-
ARCA S.r.l.	-	209	34	-	-
ASA S.c.p.a.	-	34	-	-	-
ASA Livorno S.p.A.	-	34	-	-	-
Asti Servizi Pubblici S.p.A.	-	(7)	-	-	-
CSAI - Centro Servizi Ambientali Impianti S.p.A.	-	-	44	-	-
EGUA S.r.l.	-	3	-	-	-
Mondo Acqua S.p.A.	-	2	-	-	-
Piana Ambiente S.p.A.	-	-	-	-	-
STU Reggiane S.p.A.	-	8	20	-	-
SUBSIDIARIES MUNICIPALITY OF GENOA	-	-	75	-	-
SUBSIDIARIES MUNICIPALITY OF PARMA	-	-	10	-	-
SUBSIDIARIES MUNICIPALITY OF PIACENZA	-	-	1	-	-
SUBSIDIARIES MUNICIPALITY OF REGGIO EMILIA	-	-	-	-	-
SUBSIDIARIES MUNICIPALITY OF TURIN	-	-	183	-	-
	56,886	327,385	24,871	320,831	5,259

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	228,003		
Intangible assets with a finite useful life	113,604		
Investment property	-		
Investments in subsidiaries, associates and joint ventures	2,650,574		
Other equity investments	2,479		
Total (A)	2,994,660	Non-current Assets (A)	2,994,660
Other non-current assets	1,222		
Other non-current liabilities	(1,304)		
Total (B)	(82)	Other non-current assets (Liabilities) (B)	(82)
Inventories	5,643		
Trade receivables	119,019		
Current tax assets	6,337		
Sundry assets and other current assets	72,527		
Trade payables	(122,681)		
Sundry liabilities and other current liabilities	(96,858)		
Current tax liabilities	-		
Total (C)	(16,013)	Net working capital (C)	(16,013)
Deferred tax assets	8,777		
Deferred tax liabilities	-		
Total (D)	8,777	Deferred tax assets (Liabilities) (D)	8,777
Employee benefits	(13,236)		
Provisions for risks and charges	(17,706)		
Provisions for risks and charges - current portion	(128)		
Total (E)	(31,070)	Provisions for risks and employee benefits (E)	(31,070)
		Net invested capital (G=A+B+C+D+E)	2,956,272
Equity (F)	2,286,708	Equity (F)	2,286,708
Non-current financial assets	(3,687,506)		
Non-current financial liabilities	4,272,105		
Total (G)	584,599	Non-current financial debt (G)	584,599
Current financial assets	(483,398)		
Cash and cash equivalents	(225,452)		
Current financial liabilities	793,816		
Total (H)	84,966	Current financial debt (H)	84,966
		Net financial debt (I=G+H)	669,565
		Own funds and net financial debt (F+I)	2,956,272

Reconciliation between total financial debt (ESMA communication of 4 March 2021) and net financial debt

thousands of euro

	31/12/2024	31/12/2023
A. Cash	(225,452)	(281,685)
B. Cash equivalents	-	-
C. Other current financial assets	(450,000)	-
D. Liquidity (A) + (B) + (C)	(675,452)	(281,685)
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	744,443	705,462
F. Current portion of the non-current financial debt	49,373	46,579
G. Current financial debt (E + F)	793,816	752,041
H. Net current financial debt (G - D)	118,364	470,356
I. Non-current financial debt (excluding current portion and debt instruments)	1,279,191	1,335,541
J. Debt instruments	2,992,914	2,522,470
K. Commercial and other non-current debt	-	-
L. Non-current financial debt (I + J + K)	4,272,105	3,858,011
M. Total financial debt (H + L)	4,390,469	4,328,367
(-) C. Other current financial assets	450,000	-
(+) Non-current financial assets (statement of financial position item)	(3,687,506)	(3,677,676)
(+) Current financial assets (statement of financial position item net of fair value of commodity derivatives)	(483,398)	(25,433)
Net financial debt	669,565	625,258

Independent auditors' fees

Pursuant to art. 149-duodecies of the Regulation implementing Legislative Decree 58/1998, the fees for the year due to KPMG S.p.A. can be summarised as follows:

thousands of euro

	Statutory audit	Non-audit services		Total
		Services for the purpose of issuing an attestation	Other services	
Iren S.p.A.	298	319	-	617

STATEMENT REGARDING THE SEPARATE 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, Manager in charge of financial reporting 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 company and
   - the effective application of the administrative and accounting procedures in preparing the separate financial statements during 2024.

2. It is also hereby certified that:

   2.1 the separate financial statements:

   a) 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;

   b) 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.

24 March 2025

The Chief Executive Officer	Manager in charge of financial reporting under Law 262/05
Gianluca Bufo	Giovanni Gazza

(signed on the original)

Report of the Independent Auditors on the Separate Financial Statements

KPMG

KPMG S.p.A.
Revisione e organizzazione contabile
Corso Vittorio Emanuele II, 48
10123 TORINO TO
Telefono +39 011 8395144
Email it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

(The accompanying translated separate financial statements of Iren S.p.A. 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 separate financial statements

Opinion

We have audited the separate financial statements of Iren S.p.A. (the "company"), which comprise the statement of financial position as at 31 December 2024, 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 separate financial statements give a true and fair view of the financial position of Iren S.p.A. as at 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards 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 the International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the separate financial statements*" section of our report. We are independent of the company 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 audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the separate financial statements of the current year. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Iren S.p.A.
Independent auditors' report
31 December 2024

Recoverability of the carrying amount of investments in subsidiaries

Notes to the separate financial statements: note II "Accounting policies" and note 3 "Investments in subsidiaries, joint ventures and associates"

Key audit matter	Audit procedures addressing the key audit matter
The separate financial statements at 31 December 2024 include investments in subsidiaries of €2,564 thousand, accounting for approximately 34% of total assets. Considering the current structure of the Iren Group, the assessment of the recoverability of the carrying amount of investments in subsidiaries recognised in the company's separate financial statements coincides with the assessment of the recoverability of the carrying amount of goodwill performed for the purposes of the consolidated financial statements, because the company's subsidiaries and related investees are organised in individual business unites that make up the cash-generating units (CGUs) or groups of CGUs identified for the purposes of testing goodwill for impairment. The directors have calculated the subsidiaries' 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 company's board of directors on 25 June 2024 (the "plan"), updated based on the 2025 budget forecasts and with an explicit horizon until 2027. The model is very complex and entails the use of estimates which, by their very nature, are uncertain and subjective, about: • 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. For the above reasons, we believe that the recoverability of the carrying amount of investments in subsidiaries is a key audit matter.	• Analysing the process adopted by the company to prepare the impairment test. • Analysing the criteria used to identify the CGUs and/or groups of CGUs and trace their carrying amounts to the separate 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 groups of CGUs' and/or CGUs' value in use. • Involving experts in the assessment of the reasonableness of the valuation models and related assumptions. • Assessing the appropriateness of the disclosures provided in the notes.

Responsibilities of the company's directors and board of statutory auditors ("Collegio Sindacale") for the separate financial statements

The directors are responsible for the preparation of separate financial statements that give a true and fair view in accordance with the IFRS Accounting Standards 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 company's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the separate 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 company 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 company's financial reporting process.

Auditors' responsibilities for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate 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 separate 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 separate 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 company'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 company'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 separate 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 company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

Other information required by article 10 of Regulation (EU) no. 537/14

On 13 June 2019, the company's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2021 to 31 December 2029.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the company in conducting the statutory audit.

We confirm that the opinion on the separate financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Report on other legal and regulatory requirements

Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The company's directors are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the separate financial statements at 31 December 2024 to be included in the annual financial report.

We have performed the procedures required by Standard on Auditing (SA Italia) 700B in order to express an opinion on the compliance of the separate financial statements with Commission Delegated Regulation (EU) 2019/815.

In our opinion, the separate financial statements at 31 December 2024 have been prepared in XHTML format in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.

Opinion and statement pursuant to article 14.2.e)/e-bis)/e-ter) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The company's directors are responsible for the preparation of a directors' report and a report on corporate governance and ownership structure at 31 December 2024 and for the consistency of such reports with the related separate financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to:

- express an opinion on the consistency of the directors' report and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 with the separate financial statements;

- express an opinion on the compliance of the directors' report, excluding the section that includes the consolidated sustainability statement, and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 with the applicable law;
- issue a statement of any material misstatements in the directors' report and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98.

In our opinion, the directors' report and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 are consistent with the company's separate financial statements at 31 December 2024.

Moreover, in our opinion, excluding the section which includes the consolidated sustainability statement, the directors' report and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e-ter) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Our opinion on compliance with the applicable law does not extend to the directors' report's section which includes the consolidated sustainability statement. Our conclusion on the compliance of this section with the legislation governing its preparation and with the disclosure requirements of article 8 of Regulation (EU) 2020/852 is included in the assurance report prepared in accordance with article 14-bis of Legislative decree no. 39/10.

Turin, 2 April 2025

KPMG S.p.A.

(signed on the original)

Fabio Monti
Director of Audit

Report of the Board of Statutory Auditors to the Shareholders' Meeting

"*Report of the Board of Statutory Auditors to the Annual Shareholders' Meeting pursuant to Art. 153 of Legislative Decree No. 58 of 24 February 1998 (TUF) and Art. 2429, paragraph 2, of the Italian Civil Code"*

To the Annual Shareholders' Meeting of Iren S.p.A.

Introduction: legislative, regulatory and professional ethics sources

The Board of Statutory Auditors was appointed by the Shareholders at the Shareholders' Meeting held on 27 June 2024, until such time as the Shareholders' Meeting is held to approve the financial statements for the year ending 31 December 2026, on the basis of two lists submitted, namely: (i) list 1, submitted by the Shareholders "Finanziaria Sviluppo Utilities" (FSU S.r.l.), "Finanziaria Città di Torino Holding S.p.A." (FCT Holding S.p.A.), Municipality of Reggio Emilia (as duly indicated in the published list), holders of a total of 1,016,654,954 voting rights equal to 49.67% of the total voting rights (2,046,851,963) voted by the majority; (ii) list 2, submitted, under the umbrella of Assogestioni, by several Italian and foreign asset management companies, on behalf of their mutual funds, holding a total of 39,561,503 voting rights equal to 4.70% of the total voting rights.

The Auditors elected from the majority list are: Ugo Ballerini, Donatella Busso and Simone Caprari (standing members) and Lucia Tacchino (alternate member); the auditors elected from the minority list are Sonia Ferrero and Fabrizio Riccardo Di Giusto (standing members) and Carlo Bellavite Pellegrini (alternate member).

The Shareholders' Meeting also appointed Sonia Ferrero as Chairman of the Board of Statutory Auditors for FYs 2024, 2025 and 2026.

Pursuant to the TUF and Italian Legislative Decree No. 39/2010, the engagement for the statutory audit was assigned to KPMG S.p.A. by the Shareholders' Meeting of 13 June 2019 for the period 2021-2029. The assignment also included the asseveration of the sustainability disclosure, pursuant to article 3, paragraph 10 of Legislative Decree no. 254/2016. Pursuant to articles 8 and 18, paragraph 1 of Legislative Decree no. 125 of 6 September 2024, KPMG S.p.A. was appointed to perform the limited assurance engagement of Iren Group's consolidated sustainability report for the year ended 31 December 2024, presented in the specific section of the Report on Operations.

During FY 2024, the Board of Statutory Auditors, also in its capacity as Internal Control and Audit Committee, carried out the supervisory activities required by law (and, in particular, by article 149 of the TUF), by the Rules of Conduct of the Boards of Statutory Auditors of listed companies issued by the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (Italian Professional Order of Tax Advisors), by CONSOB recommendations on corporate controls and the activities of the Board of Statutory Auditors (in particular, Communication no. DAC/RM 97001574 of 20 February 1997 and communication no. DEM 1025564 of 6

April 2001, subsequently supplemented by communication no. DEM/3021582 of 4 April 2003 and communication no. DEM/6031329 of 7 April 2006) and by the indications contained in the Corporate Governance Code (January 2020), to which the Company adhered by resolution of the Board of Directors on 18 December 2020.

Supervision of compliance with the law and the articles of association

During the financial year ended 31 December 2024, the Board of Statutory Auditors monitored compliance with the law and the Articles of Association in force, as well as compliance with the principles of proper management.

To this end, the Board of Statutory Auditors made use of the information flows put in place by the Company, which are deemed suitable to ensure that the Statutory Auditors can verify the compliance of the organisational structure, internal procedures, corporate acts and resolutions of the corporate bodies with the applicable laws, statutory provisions and regulations.

In order to carry out its audits, the Board of Statutory Auditors held a total of 19 meetings in 2024 (of which 7 in its previous composition and 12 in its current composition), in one case jointly with the Control, Risks and Sustainability Committee, and received information from the heads of the various corporate departments.

In addition, the Board of Statutory Auditors:

- attended the only Shareholders' Meeting;
- attended Board meetings (a total of 17 during 2024);
- attended all meetings of the Control, Risks and Sustainability Committee (a total of 18 in 2024);
- attended Appointments and Remuneration Committee meetings (a total of 15 in 2024);
- attended Related Party Transactions Committee meetings (a total of 8 in 2024).

Supervision of compliance with the principles of proper management

The Board of Statutory Auditors reports that, also through its attendance of Board of Directors' meetings, it obtained from the directors, in compliance with the periodicity required by law, the due information on the activities performed and on the most significant economic, equity and financial transactions carried out by the Company and the Group.

Based on the information thus obtained by the Board of Statutory Auditors, the resolutions passed and the transactions consequently implemented comply with the law and the Articles of Association and do not show any potential conflicts of interest with the Company, are not manifestly imprudent, risky, atypical or unusual, nor do they conflict with the decisions taken by the Shareholders' Meeting or such as to compromise the integrity of the Company's assets or conflict with the Company's interests.

The Board of Statutory Auditors believes that the principles of proper management have been respected and, on the basis of the information acquired, considers that the management choices are inspired by the principle of correct information and reasonableness.

The Board of Statutory Auditors would like to draw the Shareholders' Meeting's attention to a number of significant events that occurred during FY 2024.

With regard to Paolo Signorini (Chief Executive Officer and General Manager from 30 August 2023 to 7 May 2024 and Director until 27 June 2024), during its meeting of 25 June 2024, the Board of Directors resolved to dismiss Paolo Signorini from his role as Senior Manager of Iren S.p.A. for just cause, due to the objective incompatibility of his work performance with the contingent situation that had arisen. The precautionary detention measures taken against Mr. Signorini on 7 May 2024, in connection with the investigation by the Public Prosecutor's Office of Genoa and confirmed even after the requests made by his defence, resulted in fact, in the irreversible and therefore no longer merely temporary impossibility of exercising his functions of Senior Manager of Iren S.p.A. The Board of Directors therefore confirmed the organisational configuration approved at the extraordinary meeting called on 7 May (immediately after having learnt of the measures taken in respect of Mr Signorini, limiting his personal freedom), which saw the temporary reallocation of the powers previously held by the former Chief Executive Officer to the other two Delegated Bodies, with the aim of ensuring stability and continuity in corporate management.

On 27 June 2024, the Shareholders' Meeting of IREN, on the proposal of the shareholder FSU S.r.l., appointed Prof. Paola Girdinio as a member of the Board of Directors of the Company, to replace Director Paolo Signorini (co-opted pursuant to article 2386(1) of the Italian Civil Code by the Board of Directors on 30 August 2023 and therefore in office until the "next Shareholders' Meeting" coinciding, in terms of time, with that of 27 June 2024).

Iren has also carried out two specific audits, one by the internal function in charge as soon as the news of the precautionary detention order against Mr. Signorini was acquired, and one by an independent and qualified advisor, in order to thoroughly analyse the activities carried out by Mr. Signorini in Iren (from the date of his appointment until his arrest), and to assess the correctness of his work, taking into account the proxies and powers attributed to him. On the basis of the results of the aforementioned specific audits, no circumstances have arisen such as to have a material impact on the company's economic and financial situation or critical issues with regard to the maintenance of the internal control system.

The Board of Statutory Auditors concurred with the decision to carry out the described audits (both by the appointed corporate department and by the appointed external consultant) and, in consideration of the results of said audits, conducted specific in-depth examinations from which no circumstances emerged that needed to be reported to this Shareholders' Meeting. However, it was agreed with the Delegated Bodies to carry out an induction activity for the Board of Directors and the Board of Statutory Auditors on the subject of independence and interest in the boards of listed companies.

As regards the 'EGEA Transaction', the Board of Statutory Auditors, in recalling the more extensive information provided in the Directors' Report, points out that on 1 August 2024, Iren S.p.A. finalised the acquisition of 50% of the share capital of EGEA Holding S.p.A., a newly incorporated company into which the operating branches of EGEA S.p.A., EGEA Commerciale S.r.l. and EGEA Produzioni e Teleriscaldamento S.r.l. were previously transferred. ("EGEA PT"), as part of the negotiated crisis settlement procedure pursuant to Italian Legislative Decree No. 14/2019 (the "Crisis Code") of the same companies. The acquisition took place through a contribution of 85 million euro, consisting of a capital increase of 25,000 euro and a share premium of 84,975,000 euro. The other 50% of the company is held by MidCo 2024 S.r.l., which is wholly owned by EGEA S.p.A..

Under the terms of the investment agreement, Iren also has (*i*) a call option on the shareholding in MidCo 2024 S.r.l. with a duration of four years, exercisable as from 31 March 2025; (*ii*) the right, as from 1 January 2025, to subscribe a reserved capital increase of 42.5 million euro, already resolved by the EGEA Holding shareholders' meeting, which would bring Iren's stake up to 60% of EGEA Holding, in order to pursue further development investments, mainly in the district heating and integrated water service sectors. In this regard, on 12 November 2024, the Board of Directors of Iren S.p.A. resolved to exercise, starting 1 January 2025, the right to subscribe and pay up the above-mentioned capital increase up to a maximum of 20 million euro (5,882 euro of share capital plus 19,994,118 euro in premium), to be exercised also in several tranches, such as to bring Iren's shareholding in EGEA Holding up to 55.26%, for the purpose of financing the development of the PNRR project relating to district heating in Alessandria, to be implemented through Telenergia S.r.l., a subsidiary of EGEA Holding.

The transaction aims to re-launch EGEA industrial activities, mainly regulated, integrating them into the business portfolio while guaranteeing employment levels, and to expand and develop the presence of Iren in the lower Piedmont region in a manner compatible with the Group's financial sustainability targets.

For all other significant transactions, the Board of Statutory Auditors refers to the Directors' Report.

With regard to significant events occurring after 31 December 2024, the Statutory Auditors acknowledge the full consolidation of EGEA Holding, following the resolution of the Board of Directors on 12 November 2024 to exercise, as of 1 January 2025, the right to subscribe and pay up the capital increase in EGEA Holding reserved for the same, up to a maximum of 20 million euro (5,882 euro in share capital plus a share premium of 19,994,118 euro), to be exercised in several tranches. Following the acquisition of the Antitrust and Golden Power clearances, on 10 January 2025, Iren S.p.A. subscribed and paid in the capital increase in the amount of 10 million euro (2,941 euro of share capital plus 9,997,059 euro of share premium), coming to hold a total of 52.77%. On the same date, EGEA Holding's shareholders' meeting was held, which resolved to appoint a new board member upon nomination by Iren, which now appoints four members of EGEA Holding's board out of the total seven, resulting in the control and consequent full consolidation of EGEA Holding and its subsidiaries.

Finally, the Board of Statutory Auditors notes that on 16 January 2025, Iren S.p.A. placed its first "Hybrid Bond", with a nominal value of 500 million euro, issued in a single tranche for the entire amount: the settlement date is 23 January 2025. As set forth in the relevant terms and conditions, it is a non-convertible, subordinated, perpetual financial instrument payable only in the event of dissolution or liquidation of the Company. The fixed annual coupon, payable annually in arrears in April starting in April 2025, is 4.5% and will be paid until the first reset date of 23 April 2030. From that date, unless fully redeemed, the security will accrue interest equal to the five-year Euro Mid Swap rate, increased by 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. The securities, which are intended for qualified investors, are listed on the regulated market of the Irish Stock Exchange (Euronext Dublin) and have been assigned a BB+ rating by the agencies Standard & Poor's Global Ratings and Fitch Ratings as well as an equity content of 50%. The transaction, which received requests for subscriptions almost eight times greater than the amount offered, totalling orders for 4 billion euro, is aimed at further strengthening the Group's capital structure and supporting its financial flexibility, and is consistent with Iren's growth strategy aimed at the integration of EGEA, new potential development opportunities for external lines and the realisation of the investments envisaged in the Industrial Plan, confirming Iren's commitment to maintaining its current investment grade rating.

Supervision of the adequacy of the organisational set-up

In the course of its audits, the Board of Statutory Auditors monitored the adequacy of the organisational set-up - in terms of structure, procedures, competences and responsibilities - to the size of the Company and the nature and pursuit of its corporate purpose.

In this regard, the Board of Statutory Auditors believes that, to the extent of its competence, this organisational structure is, on the whole, adequate.

More specifically, the Statutory Auditors recall that on 10 September 2024, the Board of Directors of Iren S.p.A. co-opted, by resolution approved by the Board of Statutory Auditors (pursuant to art. 2386, paragraph 1, Italian Civil Code, in replacement of Tiziana Merlino, who resigned as Director as of 1 September 2024) Gianluca Bufo as new Board Member, also appointing him as Chief Executive Officer and General Manager of the Company, with the conferral of the relevant proxies and powers. The administrative body of the Company, with the appointment of Gianluca Bufo, made an "internal" choice, given the latter's position as a key manager within the Group in relation to his role as Director of the Market Business Unit and Director of Energy Management of Iren S.p.A., as well as CEO of Iren Mercato S.p.A.. On the same date, the Board of Directors defined the structure of proxies and powers among Iren S.p.A.'s executive directors, establishing it in line with the one prior to 7 May 2024. On the same date, the composition of the Control, Risks and Sustainability Committee was also reconstituted with the appointment of Director Prof. Paola Girdinio, to replace Tiziana Merlino, who resigned from her position as Director.

The Board of Statutory Auditors recalls that the Board of Directors is responsible for establishing the organisational structure of the company, defining the corporate structure of the group, and verifying the existence of the internal controls necessary to monitor the performance of the company and the group. The Report on Operations, to which reference is made, explains these aspects in detail.

The Board of Statutory Auditors reports that it has supervised the organisational and procedural activities implemented pursuant to Legislative Decree No. 231/2001, verifying the updating of the 231 Model and maintaining a periodic exchange of information with the Supervisory Board. The Board of Statutory Auditors also examined the half-yearly report and the annual report of the Supervisory Board for 2024, on which it has no observations to make.

<u>Supervision of the adequacy of the internal control system</u>

The Board of Statutory Auditors has verified that the Company has put in place an internal control and risk management system, also with reference to the Group, aimed at enabling the identification, measurement, management and monitoring of the main corporate risks.

In particular, the Board of Statutory Auditors notes that risks are detected and assessed in the Company's Enterprise Risk Management (ERM) process, in order to ensure the identification of appropriate controls of the organisation's main risks, which are also monitored by the Control, Risk and Sustainability Committee and periodically (at least once a year) submitted to the Board of Directors, which takes them into account when developing strategy.

In order to supervise the adequacy of the Company's internal control system, the Board of Statutory Auditors liaised and coordinated with the Risk and Sustainability Control Committee, the Directors with delegated powers, the head of the Internal Audit Department, the head of the Risk Management Department and the Supervisory Board.

The Board of Statutory Auditors attended the meetings of the Appointments and Remuneration Committee, acquiring useful information for the exercise of its supervisory activities.

The Board of Statutory Auditors also notes that the Control, Risks and Sustainability Committee operated in accordance with the provisions of the Corporate Governance Code. The cooperation with the Control, Risks and Sustainability Committee was fruitful and effective and, among other things, made it possible to coordinate the respective activities and ensured a joint assessment and effective coordination of the overall internal control and risk management system.

The Board of Statutory Auditors reviewed the half-yearly reports of the Internal Audit Department on its activities during 2024 and the audit reports.

The Statutory Auditors carried out their own checks on the process of preparing the half-yearly financial report and the annual financial statements and assessed, through periodic meetings with the auditors, the adequacy of the accounting statements and their consistency for the purposes of the half-yearly financial report and the annual financial statements.

The Board of Statutory Auditors also reports that, in compliance with Law 179/2017 on "Provisions for the protection of whistleblowers making reports of offences or irregularities of which they have become aware in the context of a public or private employment relationship" (referred to as the "Whistleblowing Law"), the Company has implemented an appropriate global and integrated group-wide whistleblowing system, with the aim of detecting and promptly handling any unlawful conduct and/or violations concerning suspicious conduct that does not comply with the Company's Code of Ethics.

The Board of Statutory Auditors met with the person responsible for activities related to the General Data Protection Regulation (EU) 2016/679 (GDPR) and reviewed the related periodic reports.

Furthermore, the Board of Statutory Auditors, in its capacity as the Internal Control and Audit Committee, not only established a continuous flow of information with the Risk and Sustainability Control Committee, but also held regular meetings with the independent auditors, taking note of the certification issued by the latter on the absence of significant deficiencies in the internal control system.

The Report on Corporate Governance and Ownership Structure for FY 2024 gives an account of the conclusions reached by the Directors regarding the confirmation of the adequacy and effectiveness of the organisational, administrative and accounting structure of the Company and its main subsidiaries.

The Directors prepared the Report on Remuneration Policy and Compensation Paid, which was approved by the Board of Directors on 1 April 2025. In this context, the Directors explained the principles adopted for determining the remuneration of the members of the management and control bodies and of key managers. Furthermore, the same report contains the table relating to the remuneration paid to the members of the board of directors and control bodies and to other key managers, as well as the table relating to the information on the shareholdings in the company's capital held by them.

The Board of Statutory Auditors, in consideration of the supervisory activities carried out, and taking into account the assessments of the adequacy, effectiveness and actual functioning of the internal control system formulated by the Risk and Sustainability Control Committee and the Board of Directors, considers, to the extent of its competence, that this system is, on the whole, adequate.

Supervision of the adequacy of the administrative accounting system and the statutory audit activities

The Board of Statutory Auditors monitored the Company's administrative and accounting system and its reliability in correctly representing management events, by obtaining information from the Financial Reporting Manager and the heads of the relevant departments, by examining the documentation prepared by the Company and by analysing the work carried out by the independent auditing firm.

In particular, the Board of Statutory Auditors notes that the Financial Reporting Manager has issued the certification that the financial statements provide a true and fair view of the financial position, results of operations and cash flows of the Company and the investees included in the scope of consolidation. On the basis of the information obtained, the declarations made by the Financial Reporting Manager are complete.

The Board of Statutory Auditors, in consideration of the supervisory activities carried out, and taking into account the assessments of the adequacy, effectiveness and actual functioning of the organisational, administrative and accounting structure formulated by the Board of Directors, considers, to the extent of its competence, that this system is, as a whole, adequate and reliable in representing management events.

During the financial year ended 31 December 2024, the Board of Statutory Auditors met regularly with the auditing company, KPMG S.p.A., for the purpose of exchanging relevant data and information pursuant to article 150, paragraph 3 of the TUF.

At these meetings, the independent auditing firm did not communicate any facts or anomalies of such significance that they should be reported in this report.

The supervision of the auditing activity referred to in article 19 of Legislative Decree no. 39 of 27 January 2010, was conducted by the Board of Statutory Auditors in the context of the aforementioned meetings with the appointed independent auditing firm, which illustrated the quarterly audits performed and their results, the auditing strategy, as well as the key issues encountered in the performance of the activity. These meetings did not reveal any critical issues that would affect the Company's individual financial statements or the consolidated financial statements.

The Board of Statutory Auditors also assessed the work plan prepared by KPMG S.p.A., finding it appropriate to the characteristics and size of the Group, and monitored the effectiveness of the statutory audit process, noting that it was carried out in accordance with the audit plan and according to the International Standards on Auditing applicable in Italy (ISA Italia).

The reports of the company KPMG S.p.A. on the annual and consolidated financial statements were issued, pursuant to article 14 of Legislative Decree no. 39 of 27 January 2010, and 10 of Regulation (EU) no. 537 of 16 April 2014, on 2 April 2025.

With regard to opinions and attestations, the independent auditing firm has:

- issued an opinion stating that the separate and consolidated financial statements of Iren S.p.A. give a true and fair view of the financial position of Iren and the Group as of 31 December 2024, of the results of operations and of cash flows for the year then ended in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and adopted by the European Union, as well as with the measures issued in implementation of article 9 of Legislative Decree no. 38/2005;

- issued an opinion on the consistency of the report on operations and the specific information contained in the Report on Corporate Governance and Ownership Structure indicated in article 123-*bis*, paragraph 4, of Legislative Decree No. 58/1998 with the consolidated financial statements of Iren Group as of 31 December 2024;

- Issued an opinion on the compliance of the Report on Operations, excluding the section on consolidated sustainability reporting, and the specific information contained in the Report on Corporate Governance and Ownership Structure indicated in article 123-*bis*, paragraph 4, of Legislative Decree No. 58/1998 with legal requirements. However, this opinion of compliance with the law does not extend to the section of the report on operations relating to the consolidated sustainability report, the conclusions of which are formulated in the certification report pursuant to article 14-*bis* of Legislative Decree No. 39/2010 by KPMG S.p.A.;

- reported nothing to be reported with reference to the statement referred to in article 14, paragraph 2, letter e-*ter*), of Legislative Decree no. 39/2010, issued on the basis of the knowledge and understanding of the company and its context acquired in the course of the audit activity.

The audit report also includes an indication of the key aspects of the audit, in relation to which, however, no separate opinion is expressed, as they were addressed in the audit and in forming the opinion on the financial statements as a whole.

The Board of Statutory Auditors notes that article 154-*ter*, paragraph 1.1, of the TUF (effective as of 1 February 2022), requires the directors to take care of the application of the provisions of Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (the "ESEF Regulation"). Paragraph 1.2 of the aforementioned article 154-*ter* (also effective as of 1 February 2022) also provided that the independent auditing firm, in its audit report pursuant to article 14 of Legislative Decree No. 39/2010, shall express an opinion on the compliance of the draft financial statements and the consolidated financial statements, included in the annual financial report, with the provisions of the ESEF Regulation.

The Board of Statutory Auditors monitored the application of the provisions of the ESEF Regulation by the Directors and confirms that the auditors have issued an opinion on the conformity of the draft annual financial statements and the consolidated financial statements, included in the annual financial report, with the provisions of the ESEF Regulation.

On 2 April 2025, the independent auditors also submitted to the Board of Statutory Auditors, in its capacity as Internal Control and Accounts Auditing Committee, the additional report required by article 11 of Regulation (EU) No. 537/2014, from which no significant shortcomings in the internal control system in relation to the financial reporting process were found to be worthy of being brought to the attention of those responsible for governance activities. The Board of Statutory Auditors shall inform the Company's Board of Directors of the results of the statutory audit, transmitting for this purpose the additional report, accompanied by any observations, pursuant to article 19 of Legislative Decree No. 39/2010. With regard to the previous year, the Board of Statutory Auditors informed the Board of Directors about the results of the statutory audit, as required by law.

As an annex to the additional report referred to in the previous paragraph, the auditing firm submitted to the Board of Statutory Auditors the declaration of independence, as required by article 6 of Regulation (EU) no. 537/2014, from which no situation emerged that could compromise its independence. Finally, the Board of Statutory Auditors took note of the transparency report prepared by the independent auditing firm and published on its website pursuant to article 18 of Legislative Decree no. 39/2010.

The Board of Statutory Auditors stresses that further tasks entrusted to the independent auditing firm are governed by a separate Guideline "Entrusting of assignment to the independent auditing firm" in compliance with the reference legislation. The amounts are shown in the Notes to the Separate Financial Statements and in the Notes to the Consolidated Financial Statements under the heading “Independent Auditors’ Fees”, where those relating to statutory audit services and those relating to services other than statutory audit services (services aimed at issuing a certification, which also include the certification of sustainability reporting pursuant to article 81-*ter*, paragraph 1, of Consob Regulation No. 11971 of 14 May 1999, as amended and supplemented) are indicated separately.

The Board of Statutory Auditors confirms that the latter do not exceed the limits laid down in the relevant regulations.

Following operations pursued during the year - that, in particular, increased the size of the Group with the entry of new companies - or other dynamics, resulting in the need to change (increasing or decreasing) the object and/or scope of the statutory or accounts auditing services, the Board of Directors - in accordance with the provisions of the Framework Agreement entered into with KPMG on 25 November 2019 and subsequently supplemented -, resolved on the signing, also on behalf of the affected consolidated subsidiaries as at 31 December 2024, of a supplementary agreement that, by way of acknowledgement, accounts for an increase in the fees in favour of the independent auditing firm to take into account, amongst other aspects, the above change in the scope and the audit scope. The individual subsidiaries engaged KPMG by means of special acts of engagement, following resolutions by the competent bodies.

Taking into account the declaration of independence issued by KPMG S.p.A., the fact that the value of the non-audit assignments does not exceed the limit provided for in article 4 of Regulation (EU) 537/14, and the fact that no assignments have been given to companies belonging to its network by the Company and the Group companies, we consider that there are no critical aspects regarding the independence of KPMG S.p.A. (also as sustainability auditor).

The statutory auditor also declared that no non-audit services were provided as are prohibited under article 5, paragraph 1, of Regulation (EU) 537/2014.

Supervision of consolidated sustainability reporting (CSRD)

In recent years, the European Union has undertaken a series of reforms with the aim of achieving a leading position in sustainable transition compared to the rest of the world. With its commitment to climate neutrality to be achieved by 2050, the arrival of the structural measures linked to the Industrial Green Deal and the presentation of the roadmap for Sustainable Finance by the EBA (European Banking Authority), Europe is working towards the creation of an increasingly sustainable economic-financial system, aimed at making companies aware of and responsible for their impact on the planet. In the context of the European Green Deal is the approval and publication on 16 December 2022 in the EU Official Journal of Directive No. 2022/2464 on the Corporate Sustainability Reporting Directive (CSRD). The CSRD amended Directive 2013/34/EU on the disclosure of non-financial information for large companies. Italy implemented the Directive with Legislative Decree No. 125 of 6 September 2024, which was published in the Official Journal on 10 September 2024 and entered into force on 25 September 2024. (hereinafter, “Legislative Decree No. 125/2024”).

The main objective of CSRD is to improve sustainability reporting, thus not only equating the relevance of ESG results with those reported in traditional statutory financial statements, but also recognising their natural connection.

The Sustainability Statement has been included in the Report on Operations of the consolidated financial statements, in order to ensure greater integration between financial and non-financial information.

In order to ensure greater comparability between disclosures, it was necessary to adopt the ESRS (European Sustainability Reporting Standard, the development of which is entrusted to the EFRAG - European Financial Reporting Advisory Group).

A sustainability matter is material for a company when it fulfils the criteria defined for either impact materiality or financial materiality or both: companies are obliged to provide sustainability information both on the impact of their activities on people and the environment (inside-out approach) and on how sustainability factors affect them and their results (outside-in approach), with an approach defined as 'double materiality'.

Legislative Decree No. 125/2024 amended Legislative Decree No. 58/1998, adding paragraph 5-*ter* to article 154-*bis*, which provides that the delegated administrative bodies and the Financial Reporting Manager shall certify, in a specific report, that the sustainability statement included in the Report on Operations has been prepared in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 and the legislative decree adopted in implementation of article 13 of Law no. 15 of 21 February 2024 and with the specifications adopted pursuant to article 8, paragraph 4 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020. The same attestation may be rendered by a manager other than the Financial Reporting Manager, with specific skills in sustainability reporting, appointed, subject to the mandatory opinion of the control body, in accordance with the procedures and in compliance with the professionalism requirements set out in the Articles of Association.

The Board of Statutory Auditors acknowledges that the Company, in its meeting of 18 December 2024, amended the Articles of Association, introducing article 33-bis (entitled 'Manager in charge of certifying the compliance of sustainability reporting'), to provide for and regulate the Company's right to appoint a manager other than the Financial Reporting Manager to certify the Sustainability Report. On the same date, the Board of Directors, with the favourable opinion of the Board of Statutory Auditors, then appointed the Group's Sustainability Manager, Selina Xerra, as the Manager in charge of certifying the compliance of sustainability reporting.

The Board of Statutory Auditors also notes that the responsibility for ensuring that the report is prepared and published in accordance with the law lies with the directors.

The supervisory body must monitor compliance with the provisions of Legislative Decree No. 125/2024.

As part of this activity, the Board of Statutory Auditors monitored the existence of an adequate organisational, administrative, reporting and control system set up by the Company to enable a correct and complete representation of the sustainability report. To this end, the Board met with the manager in charge of sustainability and part of the working party involved in the process of drafting the sustainability report , acquiring information on the materiality analysis carried out by the Company to define the areas of the sustainability report relevant to Iren Group, the involvement of subsidiaries, the procedures and operational tools adopted to collect data/information and their subsequent analysis, control and consolidation.

The Executive Deputy Chairman (as the delegated body in this regard) and the Executive in charge of certifying the Group's sustainability reporting attested that the sustainability reporting included in the Report on Operations was prepared in accordance with the reporting standards applied pursuant to directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013and the legislative decree adopted in implementation ofarticle 13 of Law No. 15 of 21 February 2024 and with the specifications adopted pursuant toarticle 8, paragraph 4 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

The sustainability report is subject to limited assurance.

Article 18, paragraph 1, of Legislative Decree No. 125/2024 provides that appointments conferred pursuant to article 3, paragraph 10 of Legislative Decree No. 254/2016 (attestation of the Non-Financial Statement - NFS) remain valid until the agreed expiry date, except for the possibility of early termination, with the assignment of a new appointment. The Board of Statutory Auditors informs the Shareholders that the Board of Directors has deemed it appropriate not to grant a new assignment, considering, in the best interest of the Company and Iren Group, the assignment already granted to KPMG S.p.A. to be valid (as reported to in the Introduction). In view of the additional procedures that the auditor was called upon to perform in connection with the new CSRD provisions, the originally agreed remuneration was supplemented by an amount of 101,423 euro for each remaining year of the mandate.

The definition of the integration of the remuneration took place following a negotiation between the competent corporate structures and KPMG S.p.A., based on the criteria defined when the original mandate was granted and adjusted with subsequent Addenda; therefore, it was not necessary to submit the decision on said integration to the Shareholders' Meeting, since the Board of Directors, as the competent body, had provided for it.

The Board of Statutory Auditors met with the representatives of the said auditing firm and reviewed the report pursuant to article 14-*bis* of Legislative Decree No. 39/2010 on the consolidated sustainability report, issued on 2 April 2025.

Since the work performed by KPMG S.p.A. in connection with the sustainability report is a limited audit, the opinion is expressed in terms of negative assurance.

The report states, in fact, that on the basis of the work carried out, KPMG S.p.A. did not receive any evidence to suggest that:

• Iren Group's consolidated sustainability reporting for the year ended 31 December 2024 was not prepared, in all material respects, in accordance with the reporting standards adopted by the European Commission pursuant to Directive 2013/34/EU(European Sustainability Reporting Standards, 'ESRS');

• the information contained in the "European Taxonomy" section of the consolidated sustainability report was not prepared, in all material respects, in accordance with article 8 of Regulation (EU) No. 852 of 18 June 2020 (hereinafter also referred to as the "Taxonomy Regulation").

The Board of Statutory Auditors will inform the Company's Board of Directors as to the outcome of the sustainability certification activity (as provided for by article 19, paragraph 1, letter a) of Legislative Decree No. 39/2010).

Supervision of the concrete implementation of corporate governance rules

The Company, as previously reported, has adhered to the Corporate Governance Code of listed companies of Borsa Italiana S.p.A., as set forth in the Report on Corporate Governance and Ownership Structure for FY 2024, approved by the Board of Directors on 1 April 2025 and made available on the Company's website by the legal deadline. This Report was prepared in accordance with the instructions of the Rules of the Markets organised and managed by Borsa Italiana S.p.A..

The Report in question details the governance system adopted by the Company. This system complies with and adheres to the rules of the governance model prescribed by the above-mentioned Corporate Governance Code, and the prescribed principles are effectively and correctly applied.

In particular, the Board of Statutory Auditors acknowledges that it has verified the evolution of governance also in light of the considerations contained in the Corporate Governance Report on the recommendations contained in the letter of the Chairman of the Corporate Governance Committee of 17 December 2024 and, in this context, that it has positively assessed the interest placed by the Company in the topics covered by said recommendations, such as the focus on pre-directory reporting. The Board of Statutory Auditors will ensure that the new recommendations for 2025, such as the transparency and effectiveness of the remuneration policy and the adequate justification of the choice of an executive role for the chairman, are given due consideration.

The Board of Statutory Auditors acknowledges having participated in all induction activities organised by the Company.

Supervision of transactions with subsidiaries and parent companies

In consideration of the model adopted by the Group with IREN S.p.A. as an industrial holding company equipped with adequate centralised staff structures, as well as the management and coordination activity carried out, the Company provides professional services of a technical-administrative nature in favour of the subsidiaries, operating in the reference businesses. These activities are governed by special supply contracts at arm's length.

The Board of Statutory Auditors monitored the adequacy of the instructions issued by the Company to its subsidiaries pursuant to article 114, paragraph 2 of the TUF, and the proper flow of information between them, and considers that the Company is able to fulfil its disclosure obligations under the law. The information flow to the central auditor, articulated on the various levels of the corporate control chain, active throughout the financial year and functional to the control of annual and infra-annual accounts, was deemed effective.

The Board of Statutory Auditors also acknowledges that it has exchanged information, pursuant to article 151, paragraphs 1 and 2, of the TUF, with the boards of statutory auditors of the main subsidiaries; as a result of these exchanges of information, no critical issues worthy of mention emerged.
It is noted that the Parent Company does not control companies established and regulated by the laws of non-EU countries. Furthermore, it is noted that Iren S.p.A. is not subject to management and coordination by another company.

Supervision of related party transactions

The Board of Statutory Auditors did not find the existence of any atypical and/or unusual transactions with Group companies or with related parties, finding confirmation of this in the indications provided by the Board of Directors, the independent auditors and the head of the Internal Audit Department.
The Directors' Report on Operations contains adequate information on intra-group and related party transactions, all of which are congruent, in the Company's interest and settled at market conditions. The economic impact of related party transactions is reported in Note IV to the Company's annual financial statements and Note VII to the consolidated financial statements; their impact on cash flows is reported directly in the statement of cash flows.
With regard to these transactions, the Board of Statutory Auditors considers the information provided by the Directors in their Report on Operations and in the Notes to the Financial Statements to be adequate.

Omissions and reprehensible facts noted

No complaints pursuant to article 2408 of the Italian Civil Code or complaints of any kind from third parties were received during FY 2024.
The results of the supervision did not identify any omissions or reprehensible facts.

Opinions rendered

During the financial year ended 31 December 2024 and up to the date of preparation of this Report, the Board of Statutory Auditors issued the following favourable opinions:
- on the process of assessing whether independent directors meet the independence requirements, as set forth in the Corporate Governance Code and the TUF;
- where applicable, on services of the independent auditing firm KPMG other than the statutory audit;
- approved, pursuant to article 2386, paragraph 1, of the Civil Code, on 10 September 2024, the co-option as director of Gianluca Bufo (who was subsequently assigned certain executive powers);
- on the allocation of remuneration to directors holding special offices, pursuant to article 2389, paragraph three of the Italian Civil Code;
- on the approval of the annual activity plan prepared by the head of the Internal Audit Department, pursuant to article 6, Recommendation No. 33, letter c) of the Corporate Governance Code;
- on the appointment of the manager in charge of certifying the compliance of sustainability reporting;

- on the assessment on the correct use of accounting standards and their uniformity for the purposes of preparing the consolidated financial statements, carried out by the Control and Risk Committee, pursuant to article 6, Recommendation No. 35, letter a) of the Corporate Governance Code, in agreement with the Financial Reporting Manager.

Self-assessment

The Board of Statutory Auditors carried out a self-assessment of the independence of its members, as a result of which it confirmed the existence of the requirements required by law and by the Corporate Governance Code; it is hereby acknowledged that no Statutory Auditor had any interest, on his own behalf or on behalf of third parties, in any transaction of the Company during FY 2024.

The Board of Statutory Auditors also started the self-assessment process, with reference to FY 2024, on the composition and functioning of the Board of Statutory Auditors, with the help of a consulting firm, the outcome of which will be reported to the Board of Directors.

The members of the Board of Statutory Auditors complied with the accumulation of offices provided for in article 144-*terdecies* of the Issuers' Regulation.

The Board of Statutory Auditors also verified the correct application of the assessment criteria and procedures adopted by the Board of Directors to evaluate the independence of its members in accordance with the criteria set forth by law and the Corporate Governance Code.

Proposals to the Shareholders' Meeting concerning the financial statements for the financial year ending 31 December 2024, their approval, the allocation of the period result and matters within the competence of the Board of Statutory Auditors

The Board of Statutory Auditors examined the draft financial statements as at 31 December 2024.

The Board of Statutory Auditors verified compliance with the legal provisions concerning the preparation of the Report on Operations and, also in this regard, there are no observations to report.

The financial statements for the year ended 31 December 2024, prepared by the Directors in accordance with the law and duly submitted by them to the Board of Statutory Auditors (together with the Report on Operations and the Notes to the Financial Statements), show a profit for the year of 212,507,129.19 euro.

The Board of Statutory Auditors, considering also the results of the activities performed by the independent auditors, for the profiles of its own competence, does not find any reasons to oppose the approval of the financial statements for the year ended 31 December 2024, as drafted and approved by the Board of Directors in the meeting of 24 March 2025, nor the proposal for the allocation of the period result as formulated by the same Board of Directors, as follows

- 10,625,356.46 euro, 5% of the period profit, to the legal reserve;
- a maximum of 166,909,495.67 euro a as dividend to Shareholders (corresponding to 0.1283 euro for each of the maximum of 1,300,931,377 ordinary shares constituting the Company’s share capital, noting that treasury shares, if any, will not benefit from the dividend);
- to a specific retained earnings reserve, the remaining amount of at least 34,972,277.06 euro.

The dividend will be paid starting from 25 June 2025, with coupon detachment 23 June 2025 and record date 24 June 2025.

Reggio Emilia, 02 April 2025

The Board of Statutory Auditors

Sonia Ferrero - Chairman

Ugo Ballerini - Standing Auditor

Donatella Busso - Standing Auditor

Simone Caprari - Standing Auditor

Fabrizio Riccardo Di Giusto - Standing Auditor

(signed on the original)

Summary of the resolutions of the Shareholders' Meeting

The Ordinary Shareholders' Meeting:

- having taken note of the Financial Statements for the year ended 31 December 2024 and the Integrated Directors' Report;
- having taken note of the Report of the Board of Statutory Auditors;
- having taken note of the Report of the Independent Auditors KPMG S.p.A..

approves

1) Iren S.p.A.'s Financial Statements for the year ended 31 December 2024.

and, by separate resolution,

2) the proposal for the allocation of the profit for the year amounting to Euro 212,507,129.19 as follows:
   - Euro 10,625,356.46, equal to 5% of the years' profit, to the legal reserve ;
   - Euro 166,909,495.67 as dividends to Shareholders, corresponding to Euro 0.1283 for each of the maximum 1,300,931,377 ordinary shares constituting the Company's share capital, specifying that the treasury shares will not benefit from the dividend; the dividend will be payable starting from 25 June 2025, with coupon detachment on 23 June 2025 and record date on 24 June 2025;
   - To a specific retained earnings reserve, the residual amount of at least Euro 34,972,277.06.

iren

Iren S.p.A.
Via Nubi di Magellano, 30
42123 Reggio Emilia - Italiy
www.gruppoiren.it