Consolidated Quarterly Report

at 31 March 2023

Summary

Iren is the energy, environmental and infrastructure operator active in a multi-regional area with more than 10,000 employees, a portfolio of over 2 million customers in the energy sector, approximately 2.7 million residents served in the integrated water cycle and 3.8 million residents in the environmental cycle.

Introduction

at 31 March 2023

CORPORATE OFFICERS

Board of Directors [(1)]	
Chairperson	Luca Dal Fabbro [(2)]
Deputy Chairperson	Moris Ferretti [(3)]
Chief Executive Officer and General Manager	Gianni Vittorio Armani [(4)]
Directors	Francesca Culasso [(5)]
	Enrica Maria Ghia [(6)]
	Pietro Paolo Giampellegrini [(7)]
	Francesca Grasselli [(8)]
	Cristiano Lavaggi [(9)]
	Giacomo Malmesi [(10)]
	Giuliana Mattiazzo [(11)]
	Tiziana Merlino [(12)]
	Gianluca Micconi [(13)]
	Patrizia Paglia [(14)]
	Cristina Repetto [(15)]
	Licia Soncini [(16)]
Board of Statutory Auditors [(17)]	
Chairperson	Michele Rutigliano
Standing auditors	Cristina Chiantia
	Simone Caprari
	Ugo Ballerini
	Sonia Ferrero
Alternate Auditors	Lucia Tacchino
	Fabrizio Riccardo Di Giusto

Independent Auditors
KPMG S.p.A. [(18)]

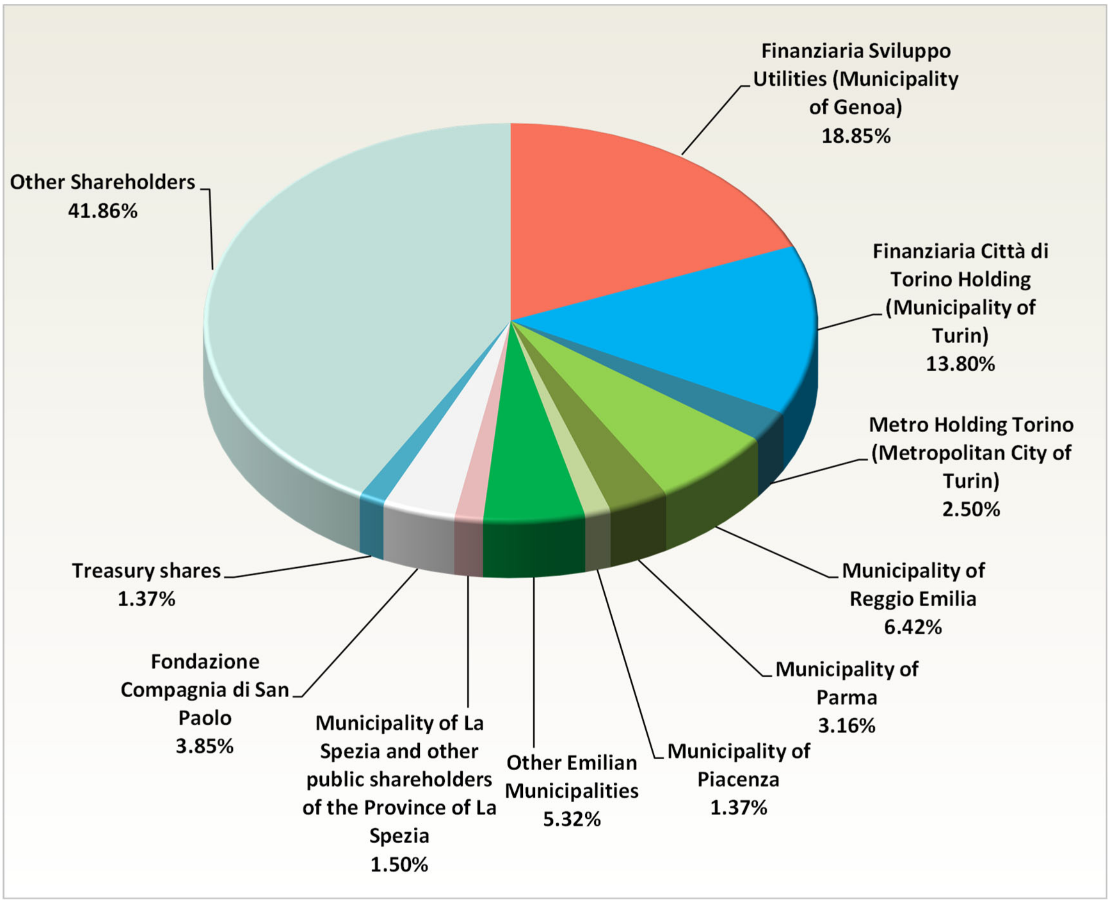
Manager in charge of financial reporting
Anna Tanganelli

(1) Appointed by the Shareholders' Meeting of 21 June 2022 for the 2022-2023-2024 three-year period.
(2) Appointed Chair by the Shareholders' Meeting of 21 June 2022.
(3) Deputy Chairperson in the three-year period 2019-2021. He was confirmed in office for the three-year period 2022-2024 at the meeting of the Board of Directors on 21 June 2022.
(4) Chief Executive Officer and General Manager from 29 May 2021. He was confirmed in the offices for the three-year period 2022-2024 at the meeting of the Board of Directors on 21 June 2022.
(5) Chair of the Control, Risk and Sustainability Committee.
(6) Member of the Control, Risk and Sustainability Committee.
(7) Chair of the Remuneration and Appointments Committee.
(8) Member of the Related Party Transactions Committee.
(9) Member of the Remuneration and Appointments Committee.
(10) Member of the Control, Risk and Sustainability Committee.
(11) Member of the Related Party Transactions Committee.
(12) Member of the Control, Risk and Sustainability Committee.
(13) Member of the Remuneration and Appointments Committee.
(14) Member of the Remuneration and Appointments Committee.
(15) Member of the Related Party Transactions Committee.
(16) Chair of the Related Party Transactions Committee.
(17) Appointed by the Shareholders' Meeting of 06 May 2021 for the 2021-2022-2023 three-year period.
(18) Appointed by the Shareholders' Meeting of 22 May 2019 for the 2021-2029 nine-year period.

OWNERSHIP STRUCTURE

The Company's share capital amounts to 1,300,931,377 euro, fully paid up, and is made up of ordinary shares with a nominal value of 1 euro each.

At 31 March 2023, based on available information, the Iren shareholding structure was as follows:



A century of history

A company for over 110 years focused on the development of its territories and the needs of its customers.

1905
Parma's municipal electric lighting company is born

1907
The Turin municipal company AEM is born

1922
Genoa's municipal gas company is created

1936
AMGA is born from municipal gas company of Genoa

2000
AEM Turin listed on the Stock Exchange and ASM Piacenza become TESA

2005
AMPS, TESA and AGAC establish ENIA

2006
AEM Turin and AMGA Genoa form IRIDE

2007
ENIA listed on the Stock Exchange

2010
IRIDE and ENIA constitute IREN

Mission

To offer our customers and areas the best integrated management of energy, water and environmental resources, with innovative and sustainable solutions in order to create value over time.

For everyone, every day.

1962
The Reggio Emilia municipal company AMG is born

1965
The Parma municipal company becomes AMPS

1972
The Piacenza municipal company ASM is born

1994
AGAC was set up from the Reggio Emilia municipal company

1996
AMGA Genoa listed on the Stock Exchange

2015
AMIAT joins the Iren Group

2016
Ireti is born, TRM and ATENA Vercelli enter the Group

2018
ACAM La Spezia joins the Group

2020
The Group acquires Unieco Waste Management Division

2022
Iren Green Generation for renewables development is born

Vision

Improving people's quality of life, making businesses more competitive. To look at territorial growth with a focus on change. Merging development and sustainability into one unique value. We are the muti-utility company that wants to build this future through innovative choices.

For everyone, every day.

KEY FIGURES OF IREN GROUP: HIGHLIGHTS FIRST QUARTER 2023

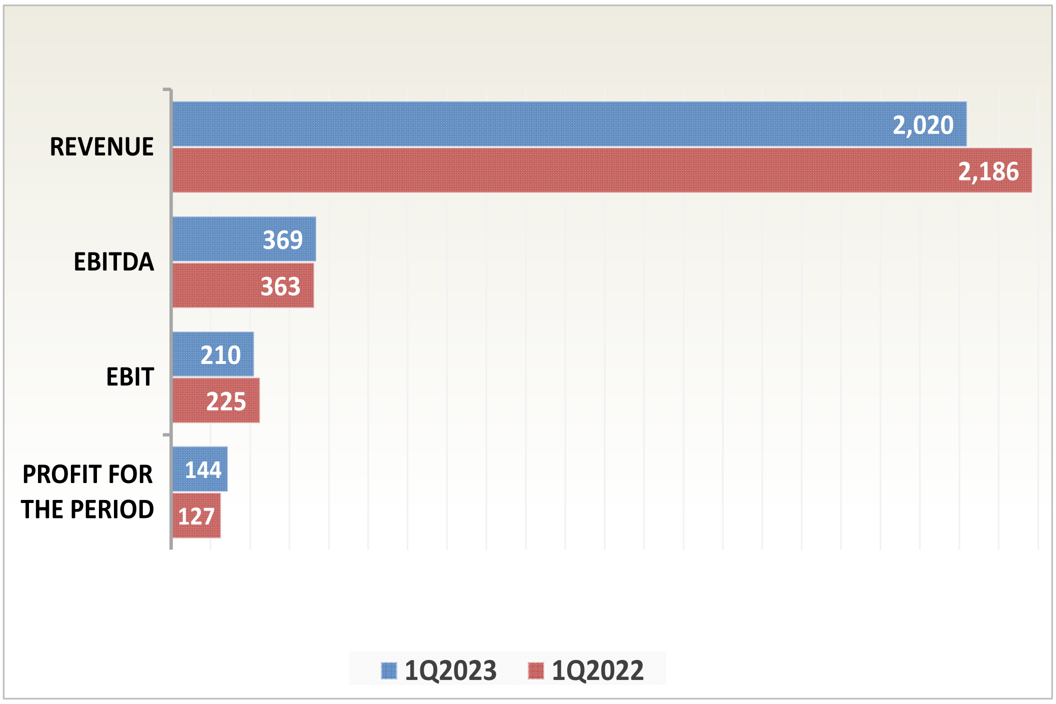
Results

millions of euro

	First 3 months 2023	First 3 months 2022 (restated)	Change %
Revenue	2,019.7	2,185.7	(7.6)
Gross operating profit (EBITDA)	368.5	362.8	1.6
Operating profit (EBIT)	210.3	225.0	(6.5)
Profit for the period	143.8	126.6	13.6
Gross operating profit (EBITDA) Margin (EBITDA/Revenue)	18.2%	16.6%	

The comparative data for Q1 2022 have been restated to take into account, at the acquisition date, as required by IFRS 3, the effects deriving from the completion of the allocation of the acquisition price at the definitive fair value of the assets and liabilities acquired (Purchase Price Allocation) of SidIren and Iren Green Generation, which took place in 2022.

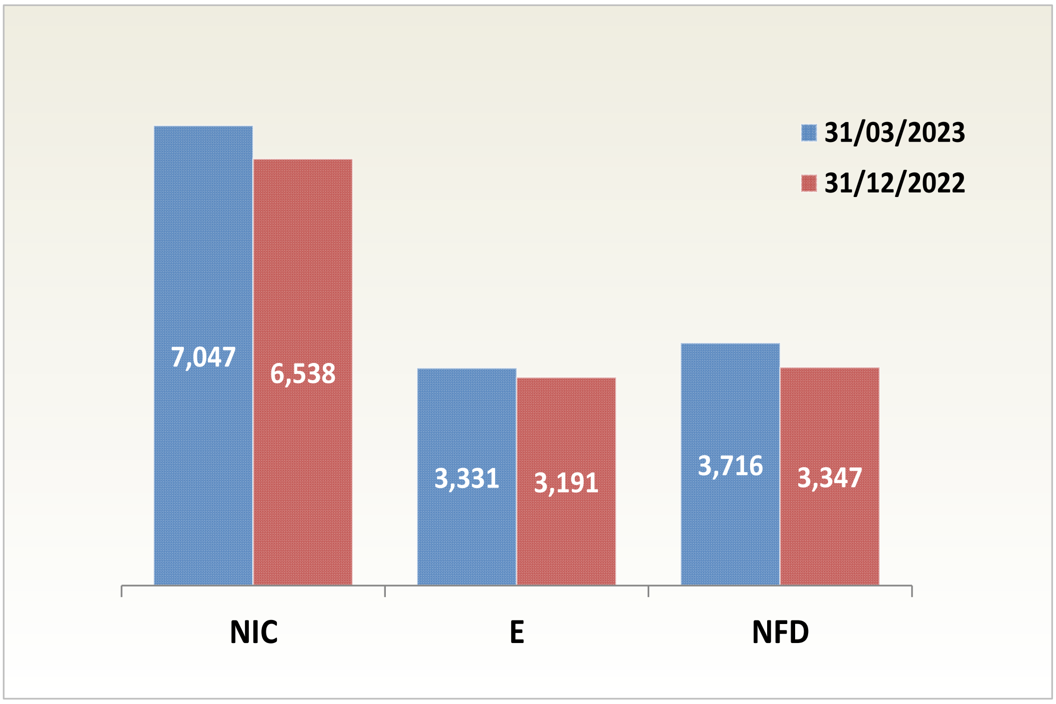
For definitions of Alternative Performance Measures, see the relevant section in this Report.



Financial position

millions of euro

	31.03.2023	31.12.2022	Change %
Net Invested Capital (NIC)	7,046.8	6,537.9	7.8
Equity (E)	3,330.5	3,191.1	4.4
Net Financial Debt (NFD)	3,716.3	3,346.8	11.0
Debt/Equity (Net Financial Debt/Equity)	1.12	1.05	

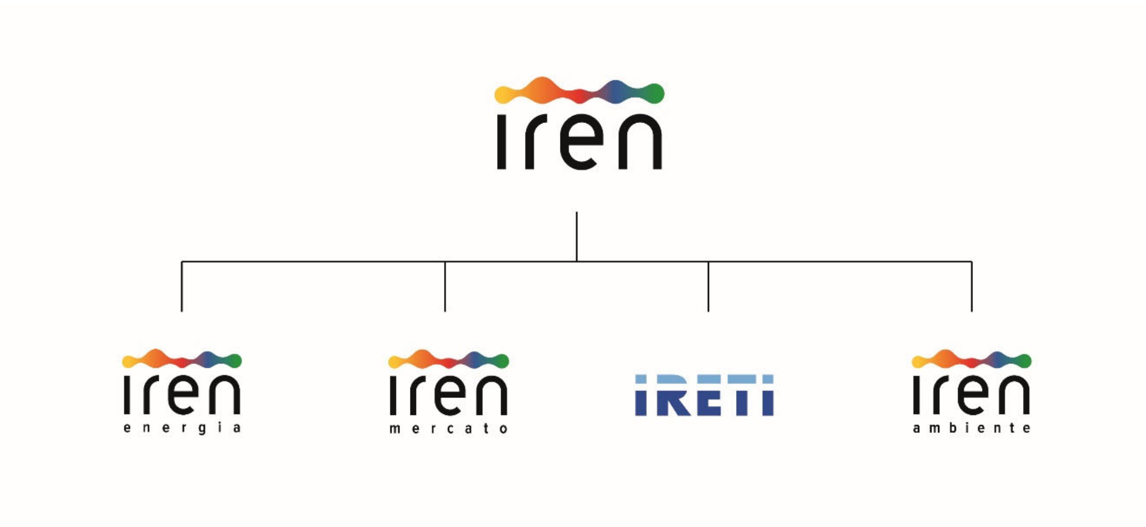


Technical and commercial figures

	First 3 months 2023	First 3 months 2022	Change %
Electricity produced (GWh)	2,232.3	3,084.0	(27.6)
Thermal energy produced (GWht)	1,274.5	1,522.5	(16.3)
Electricity distributed (GWh)	900.2	934.7	(3.7)
Gas distributed (mln m^3)	441.6	533.4	(17.2)
Water sold (mln m^3)	42.6	42.3	0.7
Electricity sold (GWh)	3,028.0	4,223.7	(28.3)
Gas sold (mln m^3) (*)	880.9	1,069.9	(17.7)
District heating volume (mln m^3)	101.5	98.9	2.6
Waste treated (tonnes)	923,122	791,450	16.6

* of which 417.3 mln m3 for internal use in the first 3 months of 2023 (594.3 mln m3 in the first 3 months of 2022, -29.8%)

THE CORPORATE STRUCTURE OF IREN GROUP



The Group is structured according to a model that envisages an industrial holding company (Iren S.p.A., with registered office in Reggio Emilia) and four companies responsible for the individual business lines, located in the main operating sites of Genoa, Parma, Piacenza, Reggio Emilia, Turin, Vercelli and La Spezia.

Iren S.p.A. is responsible for strategic, development, coordination and control activities, while the four Business Units (BUs) have been entrusted with the coordination and direction of the companies operating in their respective sectors:

- Networks, which works in the areas of integrated water cycle, gas distribution and electricity distribution;
- Waste Management, which carries out waste collection, urban hygiene, treatment and disposal activities;
- Energy, operating in the sectors of electric and thermal energy production, district heating, energy efficiency and technological services, public lighting and traffic light networks;
- Market, active in the sale of electricity, gas, heat for district heating and products and services in the field of home automation, energy saving and electric mobility for customers.

NETWORKS BU

Integrated water services

IRETI, head of the Business Unit, directly and through its operating subsidiaries Iren Acqua, Iren Acqua Tigullio, ASM Vercelli and ACAM Acque operates in the water supply, sewerage and waste-water treatment sectors in the provinces of Genoa, Savona, Piacenza, Parma, Reggio Emilia, Vercelli, La Spezia and in some other municipalities located in Piedmont and Lombardy. Overall, in the Ambiti Territoriali Ottimali (ATO, Optimal Territorial Areas) managed, the service is provided in 239 municipalities through a distribution network of 20,358 kilometres, serving over 2.9 million residents. As regards wastewater, the Networks BU manages a sewerage network spanning a total of 11,279 kilometres.

On 1 January 2023, SAP Società dell'Acqua Potabile S.r.l., whose 100% shareholding was acquired from Siram S.p.A., a company of the French group Veolia in July 2022, was merged by incorporation into IRETI spa. SAP managed water service in the Ligurian municipalities of Sestri Levante, Casarza Ligure, and Ne, with expirations of the relevant agreements between 2023 and 2027, in addition to Carasco and Moneglia, whose agreements are currently being extended. With reference to these areas, the company serves a total of about 34 thousand inhabitants for the waterworks service and about 11 thousand inhabitants for sewerage and wastewater treatment services. The company also holds 49% of Egua S.r.l., which manages the water service in the municipality of Cogorno, whose concession expires in 2029.

Gas distribution

IRETI distributes natural gas in 70 municipalities of the Provinces of Reggio Emilia, Parma and Piacenza (including the capitals), in the Municipality of Genoa and in 20 other municipalities nearby. In addition, through ASM Vercelli it distributes gas in the city of Vercelli, in 10 municipalities of the same province and in 3 other municipalities in Piedmont and Lombardy. The distribution network, made up of 8,160 kilometres of high, medium and low-pressure pipes, serves a catchment area of approximately 738 thousand redelivery points.

Electricity distribution

IRETI provides the electricity distribution service in the cities of Turin, Parma and, through ASM Vercelli, in the city of Vercelli with 7,872 kilometres of network in medium and low voltage, and a total of more than 729 thousand connected users.

WASTE MANAGEMENT BU

Iren Ambiente, the head of this Business Unit, operates in the sectors of waste collection, treatment and disposal in the historic Emilia catchment area, as well as managing a number of treatment and disposal plants in the provinces of Turin and Savona.

In addition, the Waste Management BU operates along the waste chain through companies located across other regions: AMIAT, ASM Vercelli (controlled by IRETI), TRM and Territorio e Risorse in Piedmont and ACAM Ambiente, ReCos and Rigenera Materiali in Liguria; San Germano instead carries out its main activity as waste collector in several regions, including Sardinia, Lombardy, Piedmont and Emilia-Romagna.

Again with reference to the territories in which the Group operates, the recently acquired companies of the so-called "Divisione Ambiente Unieco" (Unieco Waste Management Division), located in a number of Italian regions (Emilia Romagna, Piedmont, Tuscany, the Marches and Apulia), are active in all stages of the supply chain: from intermediation to treatment and recovery, to the disposal of both municipal and special waste and, through SEI Toscana, which Iren Ambiente has controlled since July 2022, also in the collection of municipal waste.

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

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

The Waste Management BU serves a total of 418 municipalities with more than 3.8 million residents in its operational areas. The integrated waste cycle is mainly made up of 3 waste-to-energy plants (TRM, owned by the company of the same name, in Turin, Polo Ambientale Integrato (PAI) (Integrated Environmental Hub), in Parma, and Tecnoborgo, in Piacenza, the latter owned by Iren Ambiente, which heads up the BU), 4 active landfills, 408 equipped technological stations and 53 treatment, selection, storage, recovery, biodigestion and composting plants.

ENERGY BU

Production of electricity and heat

The Energy BU has an installed electric power capacity of about 3,233 MW in electric power mode and 3,060 MW in cogeneration mode, and a thermal power capacity of about 2,350 MWt. Specifically, it has 43 electricity production plants directly available to it: 35 hydroelectric (including 3 mini-hydro) plants, 7 thermoelectric cogeneration plants, and 1 conventional thermoelectric plant. The Business Unit has 105 photovoltaic production plants with an installed capacity that reached 140 MW in 2022.

In fact, completed at the beginning of 2022 was the acquisition of 100% of the capital of Puglia Holding (now Iren Green Generation), which through special purpose vehicles holds the authorisations for the construction and management of the photovoltaic parks in San Vincenzo and Montevergine (Province of Foggia) and the Palo del Colle complex (Province of Bari). With an installed capacity of 121.5 MW, the photovoltaic park in Apulia is the largest to date in Italy.

With respect to thermal production, at Group level, more than 34% of the total thermal power serving district heating comes from the cogeneration plants owned by Iren Energia, the company that heads up this BU and produces 74% of the heat for district heating. The share of thermal power related to conventional heat generators is 57%, with district heating production at 13%. The remainder of 12% is produced by group plants not belonging to the Business Unit (waste-to-energy plants).

Electricity produced by plants fuelled by environmentally friendly sources (renewable or high-efficiency cogeneration) is more than 72% of all output. In particular, the hydroelectric production system plays an important role in environmental protection, as it uses a renewable and clean resource, without the emission of pollutants, and reduces the need to make use of other forms of production that have a greater environmental impact.
In the second half of 2022, the new gas-fuelled, combined-cycle power generation plant at the Turbigo thermoelectric power plant came into operation, increasing the site's total installed capacity from the current 850 MW to approximately 1,280 MW.

Iren Energia also oversees the scheduling and dispatching of the Group's electricity production, as well as operations on the electricity exchange.

District heating
Iren Energia has the most extensive district heating network in Italy (1,109 kilometres of double pipe network), with 743 kilometres in the Turin area, 10 in the Municipality of Genoa, 221 in the Municipality of Reggio Emilia, 104 in the Municipality of Parma and 31 in the Municipality of Piacenza; the total volume heated amounts to 101.5 million cubic metres.

Energy efficiency services
Through its subsidiary Iren Smart Solutions, the Energy BU operates in the energy efficiency sector, designing, implementing and managing measures to reduce energy consumption; it provides energy services and global services for residential buildings, private and public facilities as well as industrial and commercial complexes, guaranteeing the maintenance and management of heating, air-conditioning, plumbing, sanitary, refrigeration, electrical and solar panel systems, as well as their design and installation. Iren Smart Solutions also handles the development and management of public lighting and traffic lights and similar services.

MARKET BU

Sale of electricity
Iren Mercato operates, in the context of the free market, all over the country, with a higher concentration of customers in Central and Northern Italy and handles the sale of the energy provided by the Group's various sources on the market of final customers and wholesalers. The main Group energy sources available for its activities are the thermoelectric and hydroelectric plants of Iren Energia. The company also operates as the operator of the "greater protection" service for retail customers on the electricity market in the city of Turin, the territory of Parma and the catchment area of the municipality of Sanremo (IM).
The retail and small business electricity customers managed are over one million, distributed mainly in the traditionally served basin of Turin and Parma and in the other areas commercially covered by Iren Mercato and ATENA Trading.

Sale of Natural Gas
Retail gas customers managed by the Market Business Unit were mainly based throughout the traditional Genoa, Turin and Emilia Romagna catchment area and surrounding development areas, Vercelli, the Campania region (through ATENA Trading and Salerno Energia Vendite, respectively), and La Spezia. In particular, Salerno Energia Vendite is present in almost all the provinces in Campania as well as in a number of municipalities of the Basilicata, Calabria, Tuscany and Lazio regions.
From July 2021, with the acquisition of 100% of the quota capital of SidIren S.r.l. operating in the sale of natural gas, Iren Mercato has extended its gas customer portfolio to 78 municipalities in the province of Avellino. The company was merged into Iren Mercato effective 1 January 2022.

With the completion during Q2 2022 of the purchase of 80% of the investment in the Alessandria-based company Alegas s.r.l., Iren Mercato increased its customer portfolio by strengthening its presence in Piedmont, with the

aim of implementing new commercial campaigns that will favour the sale of products and services related to the reduction of consumption in buildings and electric mobility.
Alegas operates in the sale of gas and electricity and has a portfolio of 43 thousand customers, mostly retail, of which about 36 thousand gas and 7 thousand electricity customers, almost entirely distributed in the Province of Alessandria.

Sale of heat through the district heating network
Iren Mercato sells heat, purchased from Iren Energia, to district heating customers in the municipalities of Turin, Nichelino, Beinasco (Turin area), Genoa, Reggio Emilia, Piacenza and Parma and in the areas of new district heating installations.

The commercial offers that complement the sale of commodities include the "New downstream" business line, for the marketing to retail customers of innovative products in the area of home automation, energy savings and the maintenance of domestic systems, and "IrenGO zero emissions", the innovative offer for electric mobility aimed at private customers, companies and public bodies with the objective of reducing the environmental impact of travel. In this respect, the Group has also experimented with the potential and benefits of e-mobility by launching a series of internal initiatives such as the installation of charging infrastructures and the gradual introduction of electric vehicles. All the IrenGO internal and external electric mobility initiatives benefit from 100% green energy supply deriving from the Group's hydroelectric plants.

INFORMATION ON THE IREN STOCK IN THE FIRST QUARTER 2023

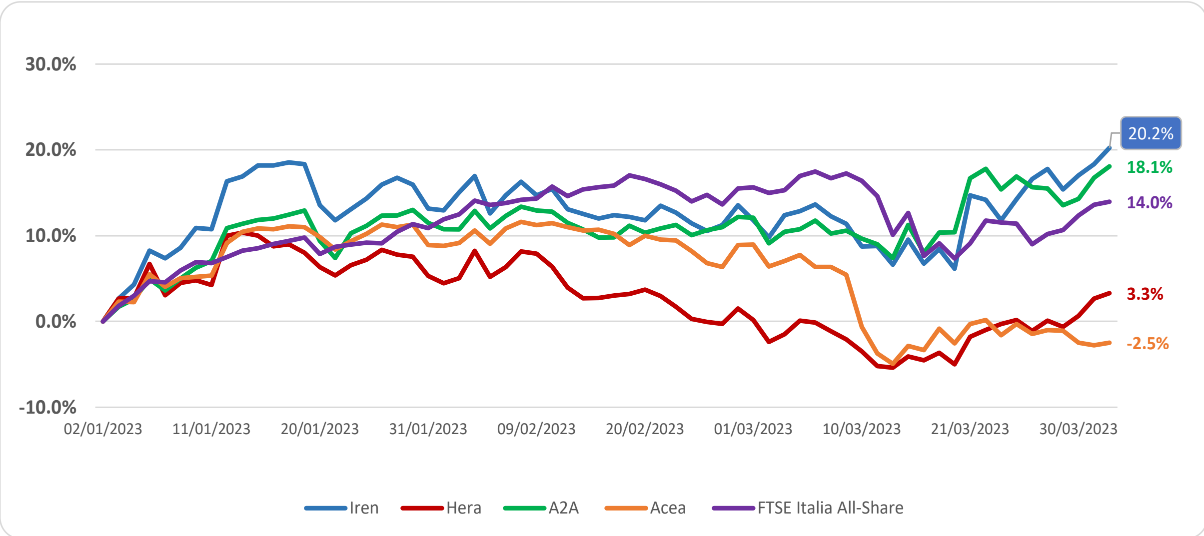
IREN stock performance on the stock exchange

During the first quarter of 2023, the main stock market indices reported a positive trend, mainly linked to the easing of recession expectations and lower risks related to the energy scenario, particularly regarding security of supply.

Against this backdrop, the FTSE Italia All-Share (the main index of the Italian stock exchange) increased by 14.0% in the first quarter of 2023, while the four Italian multi-utilities recorded different period performances.

Among them, the best performance (+20.2%) was recorded by the Iren share, which was positively appreciated by the market for the update of the strategic plan to 2030 and the 2022 results.

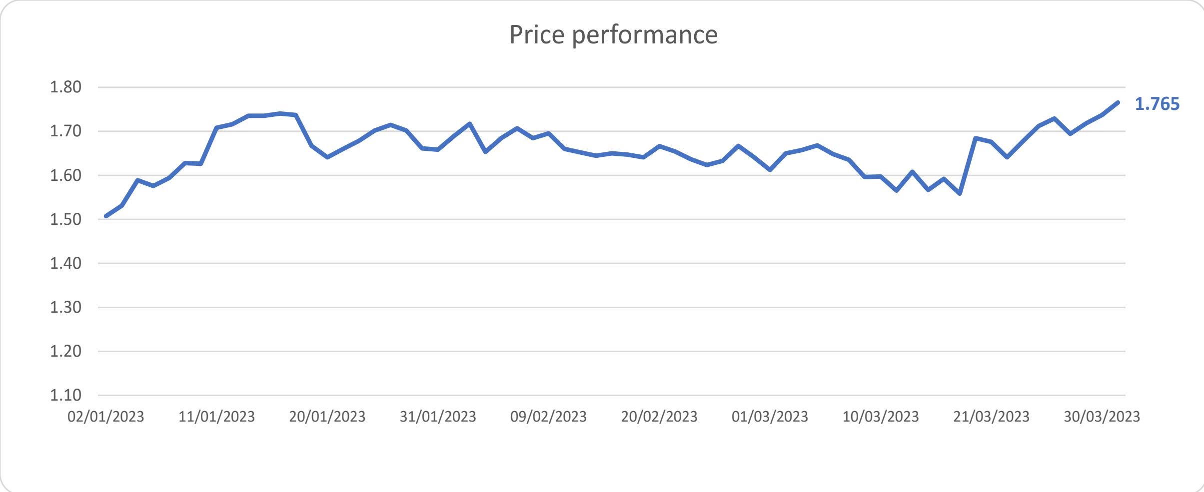
Performance of Iren stock compared to competitors

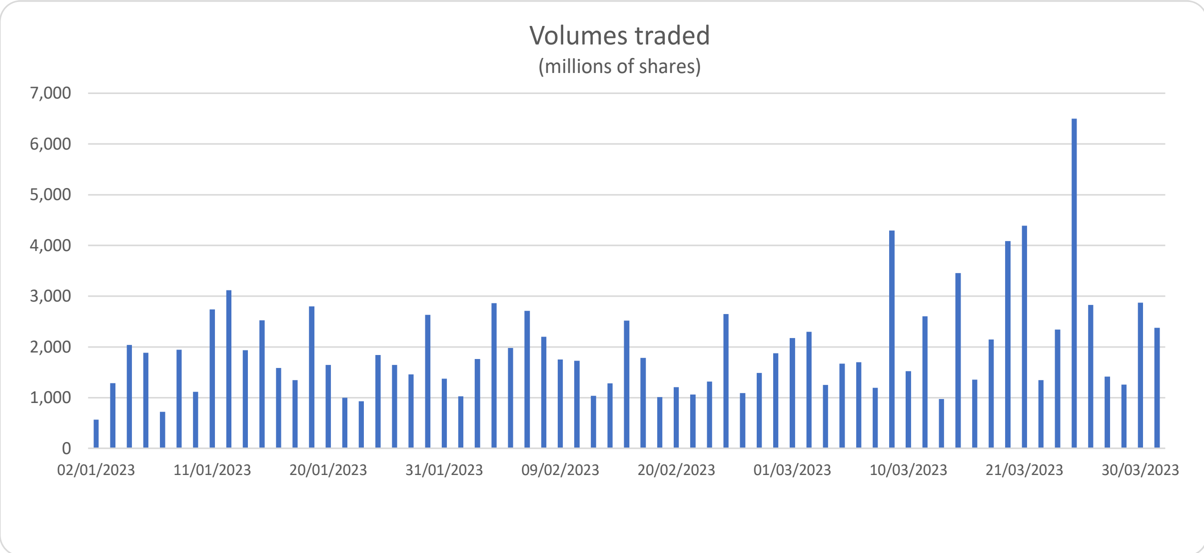


At 31 March 2023, the last trading day in the period, the price of IREN share stood at 1.765 euro/share, as indicated up by 20.2% compared to the price at the beginning of the year, with average trading volumes during the period amounting to nearly 2 million units. The average price for the period was 1.657 euro per share.

The high for the period was recorded precisely on 31 March (1.765 euro/share), while the low for the period, at 1.507 euro/share, was recorded on 2 January.

The two charts below show the price performance and volumes traded in Iren stock in the period.





Share coverage
During the year, IREN Group was followed by seven brokers: Banca Akros, Equita, Exane BNP Paribas (sponsored research), Intermonte, Intesa Sanpaolo, Kepler Cheuvreux and Mediobanca.

Directors' Report

at 31 March 2023

SIGNIFICANT EVENTS OF THE PERIOD

Rationalisation of gas distribution concessions between Ascopiave and Iren

On 31 January 2023, Ascopiave and Iren, shareholders of Romeo Gas with shares of 80.3% and 19.7%, respectively, following the exit of ACEA from the concessions of their own interest, finalised the rationalisation of certain assets in the natural gas distribution sector, with the exit of Iren Group from Romeo Gas itself. Specifically, the operation envisaged:

- the transfer by Ascopiave to Iren Group of the entire capital of a newly incorporated company, Romeo 2 S.r.l., to which the business branches relating to the management of the concessions of the Savona 1 and Vercelli ATEM owned by the Ascopiave Group were previously transferred, for a perimeter of 19,000 Redelivery Points;
- the sale by Iren in favour of Ascopiave of its shareholding in Romeo Gas, holder of concessions in Northern Italy for a total of 126,000 PDR;
- the waiver by Iren to acquire the Piacenza 1 and Pavia 4 business units from Romeo Gas;
- the sale by Romeo Gas to Iren Group of the business units related to the concessions of the Parma and Piacenza 2 ATEM, with about 3,000 PDR;
- the waiver of the right to acquire from the A2A Group the business unit related to the management of the gas network located in the province of Pavia: this acquisition will be completed by Ascopiave.

Overall, the asset rationalisation transaction resulted in the payment to Ascopiave of a monetary adjustment of 3.6 million euro.

PNRR funds for projects on circular economy and network efficiency

At the beginning of March 2023, the Group published the first tender using funds allocated by the National Recovery and Resilience Plan (PNRR). The call for tenders relates to engineering activities for the realisation of several interventions on the City of Turin’s electricity network: a project worth a total of 44.3 million euro, of which 33.1 million euro will be covered by PNRR funds, which aims to make the city’s electricity system more resilient to climatic events, ensuring greater reliability and stability of power supplies. The time horizon of the transaction is set in the first half of 2026.

This financing is part of a total of 124 million euro obtained by the Group within the framework of the PNRR, for investments consistent with the objectives and planning envisaged in the Business Plan to 2030. Of this total amount, 76 million (61% of the total funds) are earmarked for circular economy projects concerning:

- the OFMSW treatment plant in Saliceti, in the province of La Spezia (40 million euro);
- waste treatment plants in the provinces of Grosseto, Turin and Udine (17 million euro);
- sludge treatment, through localised interventions in the provinces of Genoa, Reggio Emilia and Parma (19 million euro).

In this context, the Group will also launch specific funded projects on water loss reduction in Parma, district heating in Piacenza and Dogliani (Cuneo), and in innovation through extended partnerships.

Business Plan to 2030

On 23 March 2023, the Board of Directors approved the update of the Business Plan to 2030, confirming the strategic vision and envisaging a further increase in investments.

Iren’s growth strategy is based on three pillars:

- **ecological transition**, with progressive decarbonisation of all activities and strengthening leadership in the circular economy and sustainable use of resources;
- **territoriality**, with an extension of the perimeter in the territories of reference, the creation of energy communities and the ability to work as a system with the territory, making its expertise available to the country;
- **quality**, through the improvement of performance and the maximisation of customer/citizen satisfaction levels.

On this subject, the Group is aiming for:

- an EBITDA of 1.87 billion euro by 2030, the growth of which concerns all business sectors, particularly regulated and semi-regulated sectors;
- total investments for 10.5 billion euro. Of these, 58%, equal to 6.1 billion, refer to development investments for internal lines, intended to foster the Group's growth in size, mainly relating to the development of the renewable energy sector, material recovery plants, the extension of district heating networks and energy community projects, while a further 30% (3.2 billion) concern 'maintenance' investments, aimed at increasing the efficiency and quality of service and concerning in particular the resilience of distribution networks. Lastly, investments for external lines, amounting to 12% (1.2 billion) are earmarked for the consolidation of investee companies, participation in gas, water service or waste collection tenders in strategic areas of the country;
- a Net financial position/EBITDA ratio by 2030 of 2.7x. Despite the significant investments planned and the expected increase in borrowing costs, the ratio is expected to remain below 3.4x over the plan horizon, confirming the commitment to a balanced capital structure aimed at maintaining the investment grade rating. The cost of debt is expected to be less than 2% until 2024, while for the remaining years the forecast is 2.4%. Finally, as of 2024, 90% of financial debt will be composed of sustainable finance instruments;
- Group net profit of 460 million euro in 2030;
- expected dividend growth of 10% per annum until 2025. In the second part of the plan horizon, the dividend per share will be 50-60% of the Group's net profit.

Finally, in addition to the aforementioned investments, there is a portfolio of additional strategic options, not reflected in the Plan's rationales, worth 1.5 billion euro, relating to the water service and the waste cycle in southern Italy. These additional investments will be realised through financial partnerships.

Acquisition of control of Amter

On 28 March 2023, IRETI finalised the acquisition of 51% of Amter S.p.A., held by the municipalities of Campo Ligure, Cogoleto, Masone, Mele and Rossiglione (Province of Genoa). The remaining 49% of the company is already owned by the subsidiary Iren Acqua. The price of the acquisition was 2.3 million euro.
Amter manages the water cycle in the western area of the province of Genoa with a 300 km drinking water network and a 140 km sewerage network, as well as the district wastewater treatment plant in Rossiglione.
With this operation, IRETI anticipates its entry into the management of the water service in the municipalities of Campo Ligure, Cogoleto, Masone, Mele, and Rossiglione with respect to the deadlines set by the Agreement safeguarded between Amter and them, thus accelerating synergies and sustainability performance in these territories.

EIB Sustainability Linked financing

On 30 March 2023, Iren signed an 18-year 150 million euro Sustainability Linked Loan with the European Investment Bank (EIB), aimed at financing improvements to the water distribution network, wastewater collection and treatment plants in the provinces of Genoa and La Spezia, for a served catchment area of more than one million people.
The EIB loan provides for a margin adjustment (spread) based on the achievement of certain indicators (KPIs) related to water loss reduction and represents one of the first Green Loans granted by the Bank to the water sector globally.

ALTERNATIVE PERFORMANCE MEASURES

Iren Group uses alternative performance measures (APMs) in order to convey more effectively the information on the profitability of its business lines, and on its financial position and financial performance. These measures differ from the financial measures explicitly required by the International Financial Reporting Standards (IFRS) adopted by the Group.
Regarding these measures, CONSOB issued Communication no. 92543/15 which makes applicable the Guidelines issued by the European Securities and Markets Authority (ESMA) on their presentation in the regulated information distributed or in prospectuses published. These Guidelines are aimed at promoting the usefulness and transparency of the alternative performance measures included in regulated information or prospectuses that fall within the scope of application of Directive 2003/71/EC, to improve their comparability, reliability and comprehensibility.
In line with the aforementioned communications, the criteria used to construct these measures presented in the present financial report are provided below.

Net invested capital (NIC): determined by the algebraic sum of non-current assets, other non-current assets (liabilities), net working capital, deferred tax assets (liabilities), provisions for risks, and employee benefits and assets (liabilities) held for sale.
This APM is used by the Group in the context of internal and external documents and is a useful measure for the purpose of measuring total net assets, both current and non-current, also through comparison between the reporting period and previous periods or financial years. This indicator also makes it possible to carry out the analyses of operating trends and to measure performance in terms of operating efficiency over time.

Net financial debt: calculated as the sum of non-current financial liabilities at net of non-current financial assets and current financial liabilities at net of current financial assets and cash and cash equivalents.
This APM is used by the Group in the context of documents both internal to the Group and external and represents a useful tool to assess the Group's financial structure, including by comparing the reporting period with those related to the previous periods or fiscal years.

Net Working Capital (NWC): determined as the algebraic sum of current and non-current assets and liabilities from contracts with customer, current and non-current trade receivables, inventories, current tax assets and liabilities, sundry receivables and other current assets, trade payables and sundry payables and other current liabilities. This APM is used by the Group in the context of both internal and external documents and represents a useful tool to assess the Group's operational efficiency, including by comparing the reporting period with those related to the previous periods or years.

Gross operating profit or loss (EBITDA): calculated as the sum of income before tax, income from equity-accounted investments, adjustments to the value of investments, financial income and expense, and amortisation, depreciation, provisions and write-downs. EBITDA is explicitly shown as a subtotal in the financial statements.
This APM is used by the Group in the context of documents both internal to the Group and external and is a useful tool for assessing the Group's operating performance (both as a whole and at the individual Business Units level), including by comparing the operating results for the reporting period with those for previous periods or fiscal years. This indicator also makes it possible to carry out the analyses of operating trends and to measure performance in terms of operating efficiency over time.

Operating profit or loss (EBIT): calculated as the sum of income before tax, income from equity-accounted investments, adjustments to the value of investments and finance income and costs. Operating Income is explicitly shown as a subtotal in the financial statements.

Free cash flow: determined as the sum of operating cash flow and cash flow from investing activities as indicated in the condensed cash flow statement.

Investments: represents the sum of investments in property, plant and equipment, intangible assets and financial assets (equity investments), presented gross of capital grants.
This APM is used by the Group in the context of internal documents of the Group and external documents, and measures the financial resources absorbed in purchases of consumer durable goods in the period.

Gross operating profit or loss (EBITDA) margin: calculated by comparing the adjusted EBITDA to the revenue from sales and services.
This APM is used by the Group in the context of both internal and external documents and is a useful instrument for assessing the Group's operating performance (both as a whole and for individual Business Units), also through comparison with previous periods or years.

Net financial indebtedness: determined as the ratio between net financial indebtedness and net equity including non-controlling interests.
This APM is used by the Group in the context of both internal and external documents and is a useful instrument for assessing the financial structure in terms of the impact of the different sources of financing (third-party funds and own funds).

Investors should note that:

- these indicators are not recognised as performance criteria under IFRS;
- they shall not be adopted as alternatives to operating profit, profit for the year, operating and investing cash flow, net financial position or other measures consistent with IFRS, Italian GAAP or any other generally accepted accounting principle; and
- they are used by management to monitor the performance of the business and its management, but are not indicative of historical operating results, nor are they intended to be predictive of future results.

FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CASH FLOWS OF IREN GROUP

Income statement

IREN GROUP INCOME STATEMENT

thousands of euro

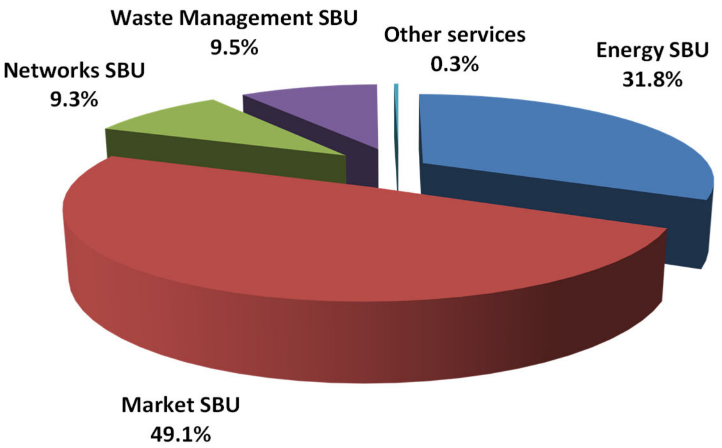
	First 3 months 2023	First 3 months 2022 Restated	Change %
Revenue			
Revenue from goods and services	1,962,487	2,154,737	(8.9)
Other income	57,266	30,979	84.9
Total revenue	**2,019,753**	**2,185,716**	**(7.6)**
Operating expenses			
Raw materials, consumables, supplies and goods	(1,155,666)	(1,302,842)	(11.3)
Services and use of third-party assets	(339,000)	(383,621)	(11.6)
Other operating expenses	(24,735)	(21,276)	16.3
Capitalised costs for internal works	12,798	11,689	9.5
Personnel expense	(144,686)	(126,915)	14.0
Total operating expenses	**(1,651,289)**	**(1,822,965)**	**(9.4)**
GROSS OPERATING PROFIT (EBITDA)	**368,464**	**362,751**	**1.6**
Depreciation, amortisation, provisions and impairment losses			
Depreciation and amortisation	(140,269)	(121,930)	15.0
Impairment losses on loans and receivables	(15,542)	(14,258)	9.0
Other provisions and impairment losses	(2,309)	(1,567)	47.4
Total depreciation, amortisation, provisions and impairment losses	**(158,120)**	**(137,755)**	**14.8**
OPERATING PROFIT (EBIT)	**210,344**	**224,996**	**(6.5)**
Financial management			
Financial income	6,984	2,880	(*)
Financial expense	(27,084)	(17,947)	50.9
Net financial expense	**(20,100)**	**(15,067)**	**33.4**
Gains on equity-accounted investments	1,340	(33)	(*)
Share of profit of equity-accounted investees, net of tax effects	974	2,862	(66.0)
Pre-tax profit	**192,558**	**212,758**	**(9.5)**
Income taxes	(48,784)	(86,143)	(43.4)
Profit from continuing operations	**143,774**	**126,615**	**13.6**
Profit (loss) from discontinued operations	-	-	-
Profit for the period	**143,774**	**126,615**	**13.6**
attributable to:			
- owners of the parent	135,035	117,860	14.6
- non-controlling interests	8,739	8,755	(0.2)

(*) Change of more than 100%

The comparative data for Q1 2022 have been restated to take into account, at the acquisition date, as required by IFRS 3, the effects deriving from the completion of the allocation of the acquisition price at the definitive fair value of the assets and liabilities acquired (Purchase Price Allocation) of SidIren and Iren Green Generation, which took place in 2022.

Revenue

At 31 March 2023, the Group reported revenue of 2,019.8 million euro, down -7.6% compared to 2,185.7 million euro in the first quarter of 2022. The main factors contributing to the drop in sales were lower energy revenues, which were influenced by lower sales volumes (around 570 million euro), partly related to milder weather, partially offset by higher commodity prices (around +320 million). Also contributing positively to the change in turnover are energy efficiency activities such as energy upgrading and the renovation of buildings, favoured by tax breaks (+46 million approximately). Finally, changes in the scope of consolidation affect revenues by approximately 70 million euro and refer to the consolidation of Alegas (+22 million euro, from April 2022) and SEI Toscana (+48 million euro, from July 2022).



Gross Operating Profit (EBITDA)

The Gross operating profit (EBITDA) amounted to 368.5 million euro, up +1.6% compared to 362.8 million euro in the first quarter of 2022.

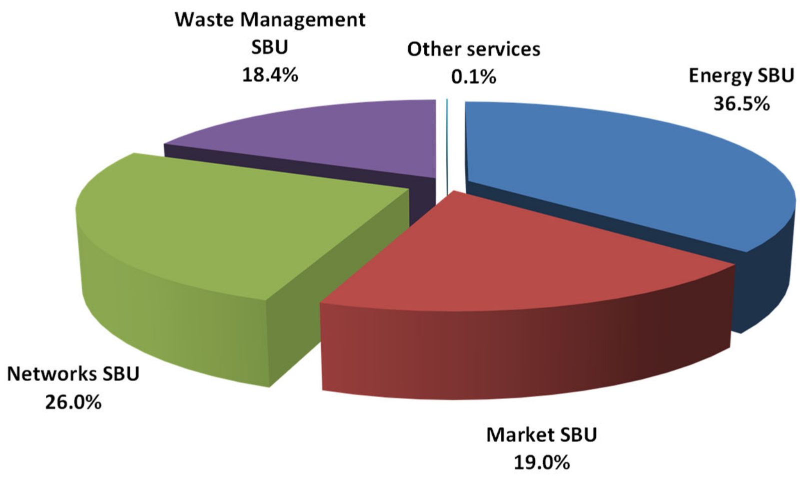
The margin for the period was positively impacted by the consolidation of SEI Toscana (+7 million euro), which operates in waste collection, organic growth related to increases in tariff revenues as a result of the development of investments in network services (energy and water), and the commissioning of the Reggio Emilia organic waste fraction (OFMSW) treatment plant. Also contributing positively is the development of activities related to the energy upgrading of buildings.

Marketing activities for both electricity and gas benefited from a significant recovery in unit margins following the reversal of the trend in the energy scenario.

On the other hand, the first quarter of 2023 is characterised by a strong reduction in energy volumes with a negative impact on the margin of about -34 million euro. In particular, mild weather and a reduction in consumption due to “high bills” led to an important reduction in gas and district heating sales. There was also a reduction in electricity production resulting from the Turbigo plant not being fully operational due to a fault on the plant’s turbine.

The margin for the period was also affected by higher costs arising from the revision of hydroelectric fees, an increase in costs due to inflationary effects that will be recovered in future tariff periods, and the elimination of the accounting effect of contingent assets related to energy efficiency certificates for the Turin North plant that are no longer repeatable.

Overall, the increase in margin with reference to the individual business units is broken down as follows: Waste Management (+4.2%), Energy (-18.4%), Networks (+1.6%) while the Market business unit improved significantly (+83.4%), the latter trend to be considered together with the decrease in marginality of the Energy BU in the logic of integrated management of the energy supply chain (production and marketing of electricity) with a result substantially in line with Q1 2022.



Operating profit (EBIT)
Operating profit (EBIT) amounted to 210.3 million euro, down -6.5% compared to 225 million euro in the first quarter of 2022. Amortisation and depreciation for the period rose by 18 million euro, due to the start-up of new investments and expansion of the consolidation scope and allocations to the provision for impairment of receivables substantially in line (about +1 million euro).

Financial management
The financial management result shows a balance of net financial expense of 20.1 million euro, while in the comparative period, the figure stood at 15.1 million euro (+33.4%).
Financial income increased by 4.1 million euro compared to the first quarter of 2022, to which higher interest income due to higher rates and discount income contributed.
On the financial expenses side, there was an increase of 9.2 million euro (27.1 million euro in Q1 2023 vs. 17.9 million euro in Q1 2022), due to the combined effect of the higher cost of debt, the costs of transferring tax credits from Superbonus and fair value charges on derivative contracts.

Gains on equity-accounted investments
The amount of 1.3 million euro refers to the remeasurement at fair value, at the date of acquisition of control, of the prior interest in Amter. The minimal amount in the comparative period related to the write-down of an investee in the Market sector.

Share of profit of equity-accounted investees, net of tax effects
This item, which amounts to +1.0 million euro (+2.9 million in the first quarter of 2022), includes the share of the pro-rata results of the Group’s associates, the most significant of which regard Sienambiente and Asti Servizi Pubblici. The result for the first quarter of 2022 included, among others, the result of Valle Dora Energia, now fully consolidated.

Pre-tax result
As a result of the above trends, consolidated profit before tax amounted to 192.6 million euro (212.8 million euro in the first quarter of 2022).

Income taxes

Income taxes for the first quarter of 2023 amounted to 48.8 million euro, down from 62.0 million euro in the comparative period.

The effective tax rate of 25.3% benefits from the positive effect of the non-taxability of tax credits recognised to counteract the energy costs of companies. In the absence of this effect, the adjusted tax rate would be 28.9%, virtually unchanged from Q1 2022.

In the comparative period, the item also included the best estimate of the effects of the measure pursuant to article 37 of Decree Law 21/2022, which provided for a levy as an “extraordinary contribution against high bills” on the “extra-profits” of companies operating in the energy sector. For the Group, the total contribution was estimated at 24.1 million euro.

Profit for the period

As a result of the above, there was a net profit for the period of 143.8 million euro, an increase of 13.6% compared to the result of the same period in 2022.

The figure is due to the profit attributable to the owners of the parent of 135.1 million euro, while profit attributable to non-controlling interests was 8.7 million euro.

Statement of Financial Position

RECLASSIFIED STATEMENT OF FINANCIAL POSITION OF IREN GROUP

thousands of euro

	31.03.2023	31.12.2022	Change %
Non-current assets	7,742,211	7,654,903	1.1
Other non-current assets (liabilities)	(415,081)	(416,214)	(0.3)
Net Working Capital	250,828	(225,166)	(*)
Deferred tax assets (liabilities)	201,498	198,645	1.4
Provisions for risks and employee benefits	(733,795)	(691,062)	6.2
Assets held for sale	1,144	16,802	(93.2)
Net invested capital	**7,046,805**	**6,537,908**	**7.8**
Equity	3,330,457	3,191,154	4.4
Non-current financial assets	*(166,644)*	*(169,057)*	*(1.4)*
Non-current financial debt	*4,273,041*	*4,266,014*	*0.2*
Non-current net financial debt	4,106,397	4,096,957	0.2
Current financial assets	*(633,647)*	*(1,044,778)*	*(39.4)*
Current financial debt	*243,598*	*294,575*	*(17.3)*
Current net financial debt	(390,049)	(750,203)	(48.0)
Net financial debt	3,716,348	3,346,754	11.0
Own funds and net financial debt	**7,046,805**	**6,537,908**	**7.8**

(*) Change of more than 100%

The main changes in the statement of financial position are commented on below.

Non-current assets at 31 March 2023 amounted to 7,742.2 million euro, up compared to 31 December 2022, when they were 7,654.9 million euro. The increase (+87.3 million euro) was mainly due to the effect of the following:

- investments in property, plant and equipment and intangible assets (+190.8 million euro) and depreciation and amortisation (-140.3 million euro) in the period;
- new assets, including goodwill, deriving from the M&A transactions of the period for a total of 32.3 million euro related to the Networks BU, referring to gas concessions acquired through Romeo 2 and the acquisition of control of AMTER, manager of the Integrated Water Service in five municipalities of the Province of Genoa;
- the recognition of rights of use in application of IFRS 16 - Leases for 3.1 million, largely relating to lease and rental contracts for buildings, plant and vehicles used for operating activities.

For more information on the segment details of investments in the period, reference should be made to the section “Segment Reporting” below.

Net Working Capital amounted to 250.8 million euro, while at 31 December 2022, it amounted to -225.2 million. The change is essentially related to components of a commercial nature.

The “Provisions for Risks and Employee Benefits” amounted to 733.8 million euro and are up compared to the figure at the end of 2022, when they amounted to 691.1 million, mainly because of the provision of the obligation relating to of CO_2 emissions net of uses made.

Equity amounted to 3,330.5 million euro, compared with 3,191.1 million at 31 December 2022 (+139.4 million). The change is mainly due to the net result (+143.8 million), the performance of the cash flow hedge reserve linked to interest rate and commodity hedging derivatives (-2.6 million) and the purchase of minorities in subsidiaries (-0.9 million).

Net financial debt stood at 3,716.3 million euro as at 31 March 2023, up (+11.0%) from the 31 December 2022 figure. For more details, please see the analysis of the statement of cash flows presented below.

STATEMENT OF CASH FLOWS IREN GROUP - Change in net financial debt

The statement below details the movements in the Group's net financial debt that occurred in the period.

thousands of euro

	First 3 months 2023	First 3 months 2022 Restated	Change %
Opening net financial debt	**(3,346,754)**	**(2,906,401)**	**15.2**
Profit (loss) for the period	143,774	126,615	13.6
Non-monetary adjustments	285,669	287,446	(0.6)
Payment of employee benefits	(2,627)	(2,949)	(10.9)
Utilisations of provisions for risks and other charges	(20,908)	(11,478)	82.2
Change in other non-current assets and liabilities	(2,405)	7,267	(*)
Taxes paid	-	-	-
Cash flows for transactions on commodities derivatives markets	(11,790)	(45,688)	(74.2)
Other changes in equity	206	54	(*)
Cash flows from changes in NWC	(533,946)	(161,899)	(*)
Operating cash flow	**(142,027)**	**199,368**	**(*)**
Investments in property, plant and equipment and intangible assets	(190,766)	(140,614)	35.7
Investments in financial assets	(166)	(32)	(*)
Proceeds from the sale of investments and changes in assets held for sale	16,429	394	(*)
Acquisition of subsidiaries	(22,602)	(184,899)	(87.8)
Dividends received	-	-	-
Total cash flows used in investing activities	**(197,105)**	**(325,151)**	**(39.4)**
Free cash flow	**(339,132)**	**(125,783)**	**(*)**
Cash flows from own capital	(113)	(86)	31.4
Other changes	(30,349)	74,806	(*)
Change in net financial position (debt)	**(369,594)**	**(51,063)**	**(*)**
Closing Net financial debt	**(3,716,348)**	**(2,957,464)**	**25.7**

(*) Change of more than 100%

The comparative data for Q1 2022 have been restated to take into account, at the acquisition date, as required by IFRS 3, the effects deriving from the completion of the allocation of the acquisition price at the definitive fair value of the assets and liabilities acquired (Purchase Price Allocation) of SidIren and Iren Green Generation, which took place in 2022.

The Change in net financial position (debt) compared to 31 December 2022 of +369.6 million euro is due to the following factors:

- *operating cash flow* of -142.0 million, in which operating profitability was absorbed by the change in Net Working Capital;
- *cash flow used in investing activities* of -197.1 million, which includes, in particular, technical investments for the period (190.8 million, 35.7% higher than Q1 2022) and purchases of equity investments (under the items "Investments in financial assets" and "Acquisition of subsidiaries") totalling 22.8 million. This amount relates to the consideration paid for the Romeo 2 transaction (19.8 million), Amter (1.8 million), the minority interests in Futura (1.0 million), and other minor interests (0.2 million). The figure for Q1 2022 of 184.9 million was related to the acquisition of Iren Green Generation.
  It should also be noted that the item "Proceeds from the sale of investments and changes in assets held for sale" includes the proceeds from the sale of Romeo Gas;
- the item *Other changes*, amounting to -30.3 million (+74.8 million in the comparative period), relating mainly to the decrease in the fair value of hedging instruments (positive in the comparative period), new lease contracts and interest paid.

We note finally that the statement of cash flows prepared according to the format of a change in cash and cash equivalents is presented at the start of the section "Consolidated Financial Statements as at 31 March 2023".

SEGMENT REPORTING

Iren Group identifies the following business segments:

- Networks (Electricity distribution networks, Gas distribution networks, Integrated Water Service)
- Waste Management (Waste collection, treatment and disposal)
- Energy (Hydroelectric production and other renewable sources, combined heat and power, district heating networks, thermoelectric production, energy efficiency services, public lighting, global services, heat management)
- Market (Sale of electricity, gas and other customer services)
- Other services (Laboratories, Telecommunications and other minor).

These operating segments are reported on pursuant to IFRS 8, which requires the disclosure about operating segments to be based on the elements which management uses in making operational and strategic decisions.
For a proper interpretation of the income statements relating to individual operating segments presented and commented on below, revenue and expense referring to general activities were fully allocated to the segments based on actual usage of the services provided or according to technical and economic drivers.
Given the fact that the Group mainly operates in one area, the following segment information does not include a breakdown by geographical segment.
As at 31 March 2023, non-regulated activities contributed 33% to EBITDA (22% at 31 March 2022), regulated activities accounted for 42% (substantially in line compared to 41% in the corresponding period of 2022), and semi-regulated activities contributed 25% (37% in Q1 2022).

Networks SBU

At 31 March 2023, the Networks business segment, which includes the Gas Distribution, Electricity and Integrated Water Service businesses, reported revenue of 293.6 million euro, up +14.3% compared to 256.8 million euro in the first quarter of 2022. The increase is attributable, in addition to positive changes in tariff revenue constraints, to higher revenues related to the construction of assets under concession falling within the scope of IFRIC 12, to operating grants related to the Aiuti Ter Decree, and to the recognition as revenues of higher costs, due to the increase in the price of electricity used in the industrial process, provided for by the regulatory method.

The gross operating margin amounted to 95.8 million euro, up by +1.6% compared to the 94.6 million euro of the corresponding period of 2022, while the operating result amounted to 45.2 million euro, down by -5.4% compared to 47.8 million euro in the first quarter of 2022, due to higher amortisation and depreciation of around 3 million euro and higher allocation to the provision for impairment of receivables of around 1 million euro.

			First 3 months 2023	**First 3 months 2022**	**Change %**
Revenue		€/mln	293.6	256.8	14.3
Gross Operating Profit (EBITDA)		€/mln	95.8	94.6	1.6
% of revenues			*32.6%*	*36.8%*	
	from Electricity Networks	*€/mln*	18.8	19.3	(1.6)
	from Gas Networks	*€/mln*	20.5	20.7	(0.6)
	from Integrated Water Service	*€/mln*	56.5	54.6	3.6
Operating profit (EBIT)		€/mln	45.2	47.8	(5.4)
Investments		€/mln	83.1	63.7	30.6
	in Electricity Networks	*€/mln*	18.5	12.2	52.2
	in Gas Networks	*€/mln*	8.9	8.2	8.8
	in Integrated Water Service	*€/mln*	53.2	41.8	27.2
	Other	*€/mln*	2.6	1.5	67.6
Electricity distributed		GWh	900.2	934.7	(3.7)
Gas distributed		Mm3	441.6	533.4	(17.2)
Water sold		Mm3	42.6	42.3	0.6

Networks SBU - Electricity
The Gross operating margin (EBITDA) amounted to 18.8 million euro, a slight decrease of -1.6% compared to 19.3 million euro in the first quarter of 2022. The increase in the revenue constraint generated mainly by the positive effect of higher capital expenditure was more than absorbed by the increase in operating costs for the period related to inflationary dynamics.

Investments amounted to 18.5 million euro, up +52.2% from 12.2 million euro in the corresponding period of 2022, and relate mainly to connections, LV/MV distribution network resilience activities, the construction of new primary and secondary stations in addition to the launch of the replacement plan for electronic meters with 2G technology.

Networks SBU - Gas Distribution
The gross operating margin was equal to 20.5 million euro, essentially breaking even (-0.6%) compared to the 20.7 million euro of the first quarter of 2022. The increase in the revenue constraint generated mainly by the positive effect of higher investments was absorbed by the increase in costs related to energy efficiency certificates (EEC).

Investments for the period amounted to 8.9 million euro, up +8.8% compared with 8.2 million euro in the corresponding period of 2022 and involved upgrading the network to cathodic protection and installing electronic meters.

Networks SBU - Water Cycle

The gross operating margin amounted to 56.5 million euro, up +3.6% compared to 54.6 million euro in the first quarter of 2022. The improvement in the margin is mainly attributable to the increase in the tariff revenue constraint (VRG) mainly due to the increase in invested capital (RAB), and the recognition of green certificates on electricity production and related to previous years. These increases made it possible to absorb higher inflation-related operating costs.

Investments amounted to 53.2 million euro, up +27.2% compared to 41.8 million euro in the first quarter of 2022. These activities relate to the construction, development and extraordinary maintenance of distribution networks and plants and of the sewerage network, as well as the installation of measuring units mainly with new technology involving remote reading, as well as the construction and modernisation of wastewater treatment plants.

There were also investments of 2.6 million euro, across the three businesses, mainly in information systems and for the development of electric mobility on operating vehicles.

Waste Management SBU

At 31 March 2023, the segment's revenue amounted to 302.4 million euro, up +23.7% from 244.4 million euro in the first quarter of 2022. The increase is mainly attributable to the change in the scope of consolidation related to the consolidation as of 1 July 2022 of SEI Toscana (+48 million euro), a company operating in the integrated cycle of municipal waste in the entire provinces of Arezzo, Grosseto, Siena, and 5 municipalities in the province of Livorno.

		First 3 months 2023	First 3 months 2022	Change %
Revenue	€/mln	302.4	244.4	23.7
Gross Operating Profit (EBITDA)	€/mln	67.7	65.0	4.2
% of revenues		*22.4%*	*26.6%*	
Operating profit (EBIT)	€/mln	29.1	36.6	(20.5)
Investments	€/mln	46.8	22.7	(*)
Electricity sold	GWh	105.7	111.9	(5.6)
Thermal energy produced	GWht	165.6	167.3	(1.0)
Waste managed	tonnes	923,122	791,450	16.6
Emilia area sorted waste collection	%	77.9	77.9	(0.0)
Piedmont area sorted waste collection	%	57.9	56.9	1.8
Liguria area sorted waste collection	%	74.4	74.4	(0.1)

(*) Change of more than 100%

The gross operating margin amounted to 67.7 million euro, an increase of +4.2% compared to 65 million euro in the first quarter of 2022. The increase in the margin is mainly attributable to the entry into the scope of consolidation of SEI Toscana (+7 million euro). Collection activities show a slightly declining margin due to higher operating costs, while disposal, while benefiting from higher revenues from the sale of electricity, shows a decline in revenues from heat and incentives related to green certificates. Brokerage and material recovery activities also declined, in particular due to the drop in sales prices of materials recovered through separate waste collection.

The operating result amounted to 29.1 million euro, down -20.5% compared to 36.6 million euro in the first quarter of 2022. During the period, higher depreciation and amortisation were recorded for around 8 million euro, mainly due to the entry into operation of some selection and recovery plants and the expansion of the perimeter, and higher provisions for risks of around 1 million euro.

Investments amounted to 46.8 million euro, up compared to 22.7 million euro in the first quarter of 2022. Investments relate to the purchase of collection vehicles and equipment and the construction of plants; in particular, among the latter, we highlight the organic fraction treatment plant (OFMSW) of Reggio Emilia and the plastic treatment plant of Borgaro (TO).

Energy SBU

At 31 March 2023, the revenues of the Energy SBU, which includes the production of electricity and heat, management of district heating, public lighting and energy efficiency, amounted to 1,009.2 million euro, a decrease of -22.1% compared to 1,295.2 million euro in the first quarter of 2022.
More than 300 million euro of the drop in revenue is attributable to the decrease in the quantity of electricity produced, which was only partially offset by higher revenue due to the increase in electricity selling prices (+28 million euro). Revenues from heat sales also decreased by about 77 million euro due to both lower sales prices and lower volumes sold. On the other hand, revenues from activities related to energy requalification and building renovation favoured by tax breaks and energy service management activities increased (+46 million euro).

		First 3 months 2023	First 3 months 2022	Change %
Revenue	€/mln	1,009.2	1,295.2	(22.1)
Gross Operating Profit (EBITDA)	€/mln	134.5	165.0	(18.4)
% of revenues		*13.3%*	*12.7%*	
Operating profit (EBIT)	€/mln	93.5	127.1	(26.5)
Investments	€/mln	24.0	17.3	38.9
Electricity produced	GWh	2,113.7	2,958.7	(28.6)
from hydroelectric sources	*GWh*	138.5	116.2	19.2
from photovoltaic	*GWh*	40.3	38.0	5.9
from cogeneration sources	*GWh*	1,624.4	2,093.9	(22.4)
from thermoelectric sources	*GWh*	310.5	710.5	(56.3)
Heat produced	GWht	1,108.9	1,355.2	(18.2)
from cogeneration sources	*GWht*	985.1	1,219.5	(19.2)
from non-cogeneration sources	*GWht*	123.7	135.7	(8.8)

At 31 March 2023, electricity generated totalled 2,113.7 GWh, down -28.6% from 2,958.7 GWh in the first quarter of 2022.

Electricity production from cogeneration sources amounted to 1,624.4 GWh, down (-22.4%) compared to 2,093.9 GWh in the first quarter of 2022 mainly due to the lower demand for thermal energy related to a particularly mild climate trend, while thermoelectric production amounted to 310.5 GWh, down by -56.3% compared to 710.5 GWh in 2022, mainly due to a failure at the Turbigo thermoelectric plant, which has only been fully operational since the beginning of May.
Production from renewable sources amounted to 178.8 GWh, up +15.9% from 154.2 GWh in the first quarter of 2022. The increase concerned both hydroelectric production, which amounted to 138.5 GWh compared to 116.2 GWh (+19.2%) in the corresponding period of 2022, and photovoltaic production of 40.3 GWh (+5.9%).

The heat produced amounted to 1,108.9 GWht, a decrease of -18.2% compared to 1,355.2 GWht in the corresponding period of 2022 due to milder temperatures and energy-saving behaviour in the use of domestic heating, as well as energy efficiency measures in buildings.

The gross operating profit amounted to 134.5 million euro, down -18.4% compared to 165 million euro in Q1 2022.

The trend in the energy scenario was characterised by a downward trend in commodity prices, mainly due to the contraction in demand for gas generated by a series of factors such as the climatic effect of a milder winter season, lower consumption related to the effect of "high utility bills", a contraction in demand from manufacturing activities, particularly industrial ones, and finally, the high level of gas stocks.

These effects had a particularly significant impact on Heat Cogeneration, where the lower quantities sold due to climate trends and the reduction in sales prices led to a sharp contraction in margins, and on Thermal Power Generation, where, in addition to the drop in unit margins, the breakdowns at the Turbigo plant, which is only now fully operational, had an impact.
On the other hand, the margins of Electricity Cogeneration and Renewable Energies improved, both Hydroelectric, despite higher costs resulting from the revision of hydroelectric fees, and Photovoltaic.

The activities related to Energy Efficiency contributed positively to the margin, recording an improvement of +7 million euro compared to the first quarter of 2022, thanks to the development of activities related to energy requalification works (Superbonus 110%).

The operating result amounted to 93.5 million euro, down -26.5% compared to 127.1 million euro in Q1 2022. In addition to the trend in EBITDA, higher depreciation and amortisation of about 3 million euro contributed to the decrease.

Investments amounted to 24 million euro, up +38.9% compared to 17.3 million euro in the first quarter of 2022. The main ones include the repowering of the Turbigo thermoelectric plant, the new 430 MW combined cycle, new heat accumulators and the development of district heating networks.

Market SBU

At 31 March 2023, the segment's revenue amounted to 1,557.1 million euro, down -9.9% from 1,728.6 million euro in the first quarter of 2022. The drop in turnover is attributable to lower quantities sold of both electricity and gas only partially offset by higher sales prices.

The gross operating margin amounted to 69.8 million euro, up +83.4% on the 38.1 million euro of the first quarter of 2022, which was characterised by extraordinarily negative margins. The improvement in margins is attributable to both commodities and, in any case, sees the return of electricity sales to a positive result of 5.7 million euro, compared to the -14.8 million euro in the first quarter of 2022.

The operating result amounted to 42.7 million euro; an improvement compared to 13.5 million euro in the first quarter of 2022. During the period, there was increased depreciation and amortisation of about 3 million euro.

		First 3 months 2023	First 3 months 2022	Change %
Revenue	€/mln	1,557.1	1,728.6	(9.9)
Gross Operating Profit (EBITDA)	€/mln	69.8	38.1	83.4
% of revenues		*4.5%*	*2.2%*	
from Electricity	*€/mln*	5.7	-14.8	(*)
from Gas	*€/mln*	62.4	48.5	28.7
from Heat and other services	*€/mln*	1.7	4.4	(62.0)
Operating profit (EBIT)	€/mln	42.7	13.5	(*)
Investments		18.3	22.6	(19.1)
Electricity Sold	GWh	1,566.8	2,656.3	(41.0)
Gas Purchased	Mm3	880.9	1,069.9	(17.7)
Gas sold by the Group	*Mm3*	463.6	475.6	(2.5)
Gas for internal use	*Mm3*	417.3	594.3	(29.8)

(*) Change of more than 100%

Sale of electricity
The volumes of electricity sold on the market amounted to 1,502.7 GWh, a decrease of -41.8% compared to 2,582.1 GWh in the first quarter of 2022.
The decrease in market sales affected all segments with the sole exception of the Retail and Small Business segment; in particular, the Wholesale segment recorded sales of 342.9 GWh (-72.6%) compared to 1,252 GWh in 2022 due to some opportunistic sales on the wholesale market carried out in the first quarter of 2022 and no longer replicable, the Business segment had sales of 348.2 GWh (-40.4%) compared to 584.2 GWh in 2022. The Retail and Small Business segment, on the other hand, increased (+8.8%) with sales of 811.7 GWh compared to 746 GWh in 2022.
Sales in the protected market amounted to 64.1 GWh, down by -13.6% compared to 74.2 GWh in 2022.

The gross operating margin from the sale of electricity was equal to 5.7 million euro, compared to -14.8 million euro in Q1 2022. The improvement is mainly attributable to a more favourable energy scenario with increasing margins, which also made it possible to absorb the higher operating costs of customer management and billing.

The table below shows the quantities sold by class of customer sector:

Market SBU – Sale of electricity

	First 3 months 2023	First 3 months 2022	Change %
Business	348.2	584.2	(40.4)
Retail and small business	811.7	746.0	8.8
Wholesalers	342.9	1,252.0	(72.6)
Market	**1,502.7**	**2,582.1**	**(41.8)**
Protected market	**64.1**	**74.2**	**(13.6)**
Total Electricity sold	**1,566.8**	**2,656.3**	**(41.0)**

Sale of Natural Gas
Purchased volumes amounted to 880.9 Mm3, down -17.7% compared with 1,069.9 Mm3 in Q1 2022.
Gas sold by the Group amounted to 463.6 Mm3, down by -2.5% compared to 475.6 Mm3 sold in 2022.
The gas used for internal consumption within the Group amounted to 417.3 Mm3, a decrease of -29.8% compared to 594.3 Mm3 in 2022.

The gross operating profit from the sale of gas amounted to 62.4 million euro, up +28.7% compared to 48.5 million euro in Q1 2022. The improvement is mainly attributable to a more favourable energy scenario with increasing margins, which also made it possible to absorb the higher operating costs of customer management and billing.

Other sales services
Other sales services show a gross operating margin of 1.7 million euro, down on the 4.4 million euro of the previous year. The decrease is attributable to a lower volume of business related to sales of Iren Plus products and services.

Investments of the Market SBU amounted to 18.3 million euro, down -19.1% from the 22.6 million euro in 2022.

Other services
As at 31 March 2023, revenue of the segment, which includes the activities of the analysis laboratories, telecommunications and other minor activities, was 6.9 million euro, up by +7.9% compared to the 6.4 million euro in Q1 2022.

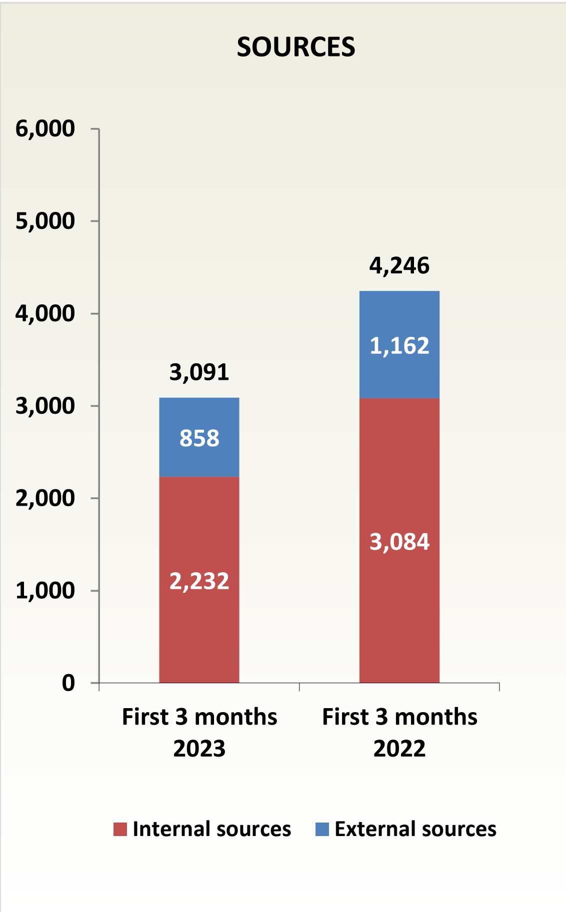
		First 3 months 2023	First 3 months 2022	Change %
Revenue	€/mln	6.9	6.4	7.9
Gross Operating Profit (EBITDA)	€/mln	0.5	0.4	19.1
% of revenues		*7.7%*	*7.0%*	
Operating profit (EBIT)	€/mln	-0.1	0.0	(*)
Investments	€/mln	18.5	14.3	29.3

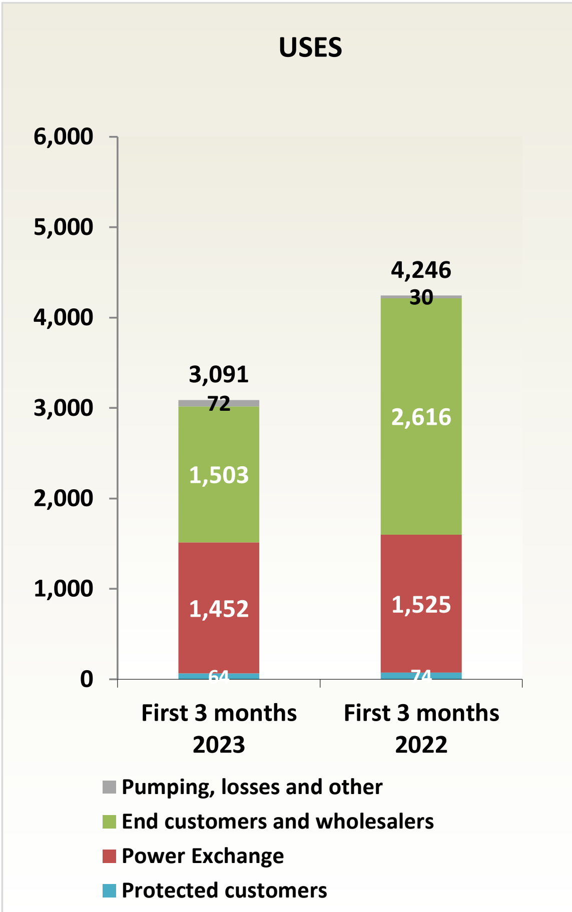
The Gross operating profit (EBITDA) amounted to 0.5 million euro compared to 0.4 million euro in the first quarter of 2022.
Investments in the period amounted to 18.5 million euro, up compared to 14.3 million euro in 2022 and mainly related to information systems, vehicles and buildings.

ENERGY BALANCES

Electricity balance

GWh	First 3 months 2023	First 3 months 2022	Change %
SOURCES			
Group's gross production	2,232.3	3,084.0	(27.6)
a) Hydroelectric	138.5	116.2	19.2
b) Photovoltaic	40.3	38.0	(*)
c) Cogeneration	1,624.4	2,093.9	(22.4)
d) Thermoelectric	310.5	710.5	(56.3)
e) Production from WTE and landfills	118.6	125.3	(5.4)
Purchases from the Single Buyer (Acquirente Unico)	70.7	81.8	(13.6)
Energy purchased on the Power exchange	570.0	1,014.5	(43.8)
Energy purchased from wholesalers and imports	217.7	65.3	(*)
Total Sources	**3,090.7**	**4,245.6**	**(27.2)**
USES			
Sales to protected customers	64.1	74.2	(13.6)
Sales to end customers and wholesalers	1,502.7	2,615.7	(42.6)
Sales on the Power exchange	1,451.7	1,525.4	(4.8)
Pumping, distribution losses and other	72.2	30.2	(*)
Total Uses	**3,090.7**	**4,245.6**	**(27.2)**

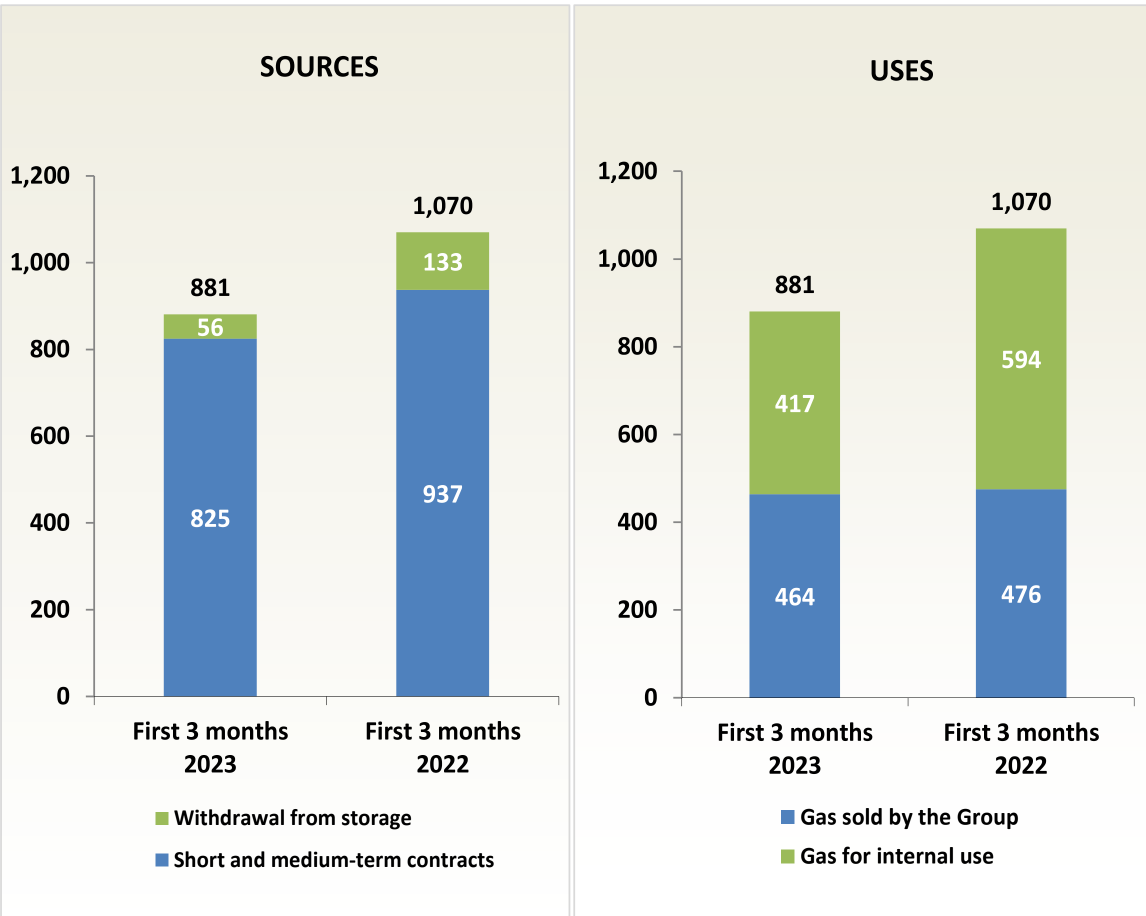




Gas balance

Millions of m³	First 3 months 2023	First 3 months 2022	Change %
SOURCES			
Short- and medium-term contracts	824.7	936.9	(12.0)
Withdrawals from storage	56.2	133.0	(57.8)
Total Sources	**880.9**	**1,069.9**	**(17.7)**
USES			
Gas sold by the Group	463.6	475.6	(2.5)
Gas for internal use (1)	417.3	594.3	(29.8)
Total Uses	**880.9**	**1,069.9**	**(17.7)**

(1) Internal use concerns thermoelectric plants and use for heat services and internal consumption



FINANCIAL MANAGEMENT

General framework

During the first quarter of 2023, the inversion of the interest rate curve became more pronounced. The levels of the short end of the curve are steadily rising, except for a brief repositioning in mid-March, and higher than those of the medium to long term, which, with ups and downs, remain close to the 2022 year-end levels.
The performance of rates incorporates the effect of inflationary pressures and the resulting restrictive monetary policy manoeuvres implemented and expected.
The European Central Bank further raised rates by 0.5% in both February and March 2023, bringing the official discount rate to 3.50%; further increases are expected in the coming months.
Looking at the six-month Euribor rate, the parameter continues its upward trend and is positioned at 3.6%, while fixed interest rates, reflected in the IRS values, are positioned at levels around 3%.

Activities performed

During the first quarter of 2023, work continued to consolidate Iren Group's financial structure. Changes in financial requirements are monitored through careful planning, which makes it possible to forecast the need for new resources, considering the repayments of outstanding loans, changes in debt, investments, the trend in working capital and the balance of short-term and long- term sources.
The organisational model adopted by Iren Group, with the goal of financial optimisation of the companies, entails centralising with the parent treasury management, non-current loans and financial risk monitoring and management. Iren has relationships with leading Italian and international banks, for the purpose of procuring the types of loans best suited to its needs and at the best market conditions.

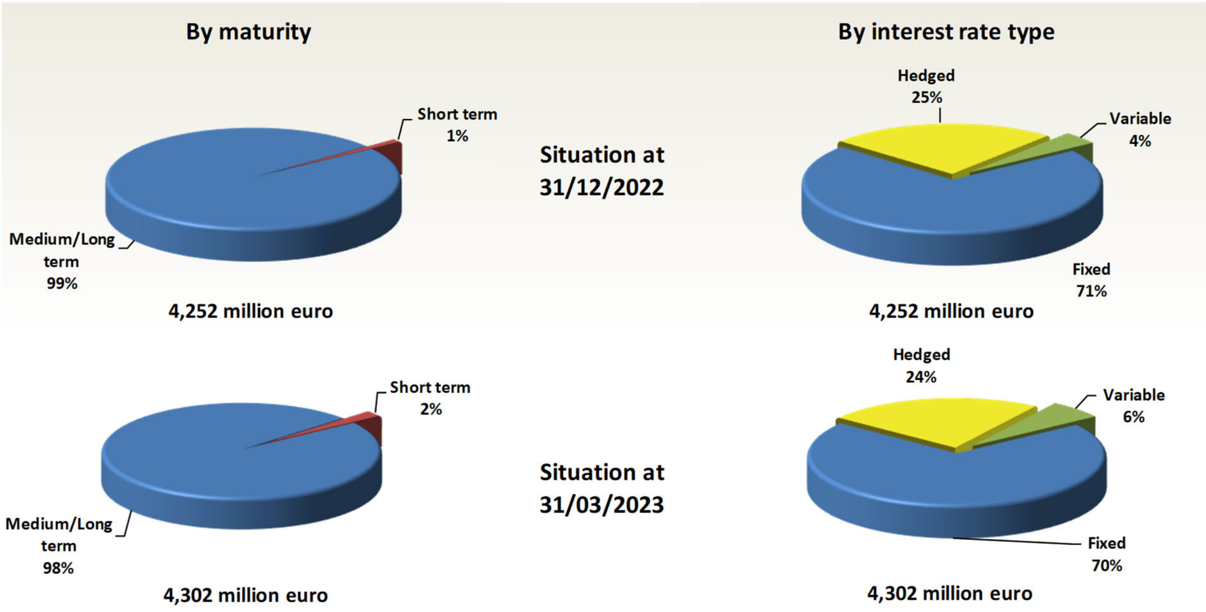
With reference to operations carried out in the first quarter of 2023, it should be noted that, as described in the "Significant events during the period", in March a contract was signed with the EIB for the provision of a new 150 million euro line (EIB Water Sector Green Loan) aimed at supporting the 2022-2026 investment programme in the integrated water service in Liguria; this line forms part of the broader framework of the Italian Utilities Programme Loan implemented by the EIB and is the first sustainability-linked loan granted by the EIB in favour of the water sector at global level.
In addition, also in March, a 5 million euro draught was finalised on the CEB line intended to finance projects for the development and efficiency of the district heating network in the Turin area.
In this regard, direct loans with EIB and CEB, with a duration of up to 16 years, not used and available, amount to a total of 440 million euro.

Financial debt from loans, which does not include lease liabilities recognised in accordance with IFRS 16, consisted of 30% loans and 70% bonds at the end of the period.

As regards financial risks, Iren Group is exposed to various types of risk, including liquidity risk, interest rate risk, and currency risk. As part of its Risk Management activities, the Group uses non-speculative hedging contracts to limit risks of fluctuations in the interest rate. In the first quarter of 2023, three new Interest Rate Swap contracts were finalised to hedge a total of 150 million of debt, effective December 2023 and with different maturities in 2026, 2028 and 2031.
At the end of the period, the portion of floating rate debt not hedged by derivatives was equal to 6% of financial debt from loans, in line with Iren Group's objective of maintaining adequate protection from significant increases in interest rates.

Overall, the activity carried out is aimed at refinancing debt with a view to improving the financial structure, structurally reducing the cost of capital and extending the average duration of financial debt.

The composition of financial debt from loans by maturity and rate type, compared with the situation at 31 December 2022, is shown in the chart below.



Rating

On 26 April 2023, the Standard & Poor's Global Ratings Agency (S&P) acknowledged the upward revision of Iren Group's long-term credit rating to "BBB" Outlook "Stable" from the previous "BBB-" "Positive" Outlook. The same rating is also given to senior unsecured debt. The improvement in the rating by S&P analysts reflects the resilience of the Group's business model demonstrated during 2022 and the update of the strategic plan to 2030, which envisages a significant positioning in regulated businesses to support the stability of future cash flows. The stable outlook also reflects the expectations of S&P analysts regarding the commitment of Iren's management to maintain the current rating level and its balanced financial policy. From a financial point of view, the assigned rating also expresses the good liquidity of the Group, with strong credibility on the capital market and excellent relations with banking counterparties, thanks also to an ever-greater use of sustainable finance instruments.
It is also recalled that on 21 November 2022, Fitch confirmed the "BBB" rating, with a "Stable" outlook for Iren Group and the same rating was also attributed to the senior unsecured debt. Also, according to Fitch, the quality of Iren's creditworthiness is based both on vertical integration and on the balanced business model which guarantee resilience and stability despite the context of high volatility that characterised the energy scenario during 2022.

Both ratings are mainly based on the analysis of the Business Plan to 2030, with reference to investments intended for organic growth and the energy transition. The maintenance of a business portfolio consisting mainly of regulated and semi-regulated activities, the creation of value and the stability guaranteed by the integration of the various businesses are elements considered positive, together with the Group's liquidity profile. Added to this is also the Group's ability to have secured a solid liquidity reserve to face uncertain market conditions.
At ESG level, for both agencies, sustainability issues have a neutral or scarcely relevant impact from a lending point of view, both due to the nature of the business and the way in which the issue of sustainability is managed in Group dynamics.

To support the liquidity profile of the Group and the rating, Iren has the aforementioned medium/long-term credit lines agreed and available but not used for 440 million euro, which are in addition to current liquid assets.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD AND OUTLOOK

Standard & Poor's rating upgraded to "BBB" level
On 27 April 2023, the Standard & Poor's Global Ratings Agency (S&P) communicated the upward revision of Iren Group's long-term credit rating to "BBB" Outlook "Stable" from the previous "BBB-" "Positive" Outlook. The same rating is also given to senior unsecured debt.
The improvement in the rating reflects the resilience of the Group's business model demonstrated during 2022 and the update of the strategic plan to 2030, which envisages a significant positioning in regulated businesses to support the stability of future cash flows.
The stable outlook also reflects analysts' expectations of management's commitment to maintaining a balanced financial structure. Finally, the assigned rating expresses the Group's good liquidity level and strong credibility on the capital market.

Shareholders' Meeting
On 04 May 2023, the Ordinary Shareholders' Meeting approved the Company's financial statements at 31 December 2022 and the Report on Operations, and resolved to distribute a dividend of 0.11 euro per ordinary share, confirming the proposal made by the Board of Directors.
The Shareholders also:
- approved the first section ("2023 Remuneration Policy") of the Report on the 2023 Remuneration Policy and on fees paid for 2022;
- issued a favourable vote on the second section ("Fees paid for 2022") of the same Report;
- approved the proposal for the adjustment of the fees to inflation for the statutory auditor engagement from the financial year 2022 to the end of the term of office.

The Ordinary Shareholders' Meeting also authorised the Board of Directors to purchase and dispose of Iren S.p.A. treasury shares, also on a fractional basis, pursuant to article 2357 et seq. of the Italian Civil Code.
The Board of Directors may purchase and dispose of treasury shares up to a maximum of a further no. 45,532,598 shares of the Company's share capital, not to exceed a further 3.5% of the share capital, in addition to the 17,855,645 shares equal to 1.37% of the share capital already purchased under previous programmes. The treasury share purchase programme is permitted for eighteen months starting from the date of the shareholders' meeting resolution.

BUSINESS OUTLOOK

The macroeconomic context continues to remain critical, particularly due to the inflationary effects of higher energy commodity prices, which are generating a significant increase in interest rates. In this context, the strategic approach defined in the 2021 Business Plan is confirmed and reinforced in all strategic drivers: ecological transition, territoriality and service quality. The Group expects to invest more than EUR 1 billion in 2023, mainly for asset development in the networks, environment and renewable generation sectors.

On the strength of this development capacity, financial results are expected to grow compared to 2022 due to a recovery of the full value of the customer portfolio, the stabilisation of energy prices and the disappearance of the negative extraordinary items reported in 2022.

In particular, analysing the individual business units, the Networks sector will continue to be characterised by an increase in operating costs due to inflation that can be fully recovered from 2024 and is only partially offset by higher tariff revenues due to the increase in the tariff invested capital (RAB). Investments in the integrated water system will encourage increased purification capacity, reuse of resources and reduction of water losses through increased efficiency. In the electricity and gas distribution network, the objective is to increase the power supported by the former and make the latter suitable for the distribution of hydrogen mixtures, while keeping in mind the continuous improvement of service quality.

As far as the Waste Management sector is concerned, investments will be aimed at the construction of waste material recovery plants as envisaged in the business plan and at increasing the quality of the service, extending door-to-door collection and punctual pricing. In particular, in 2023, we will have the full contribution of the organic waste treatment and biomethane production plant in Reggio Emilia and the start-up of the wood recovery and pallet production plants in Vercelli and the plastic selection plant in Turin.

In the Energy and Market segments, in 2023, the Group expects the full recovery of the value of the customer portfolio, which in 2022 was strongly affected by the volatile energy scenario and the contribution of the new combined cycle line of the Turbigo thermoelectric plant. Investments will focus on the development of new renewable capacity (photovoltaic and wind power) in combination with the growth of the retail customer portfolio.

Finally, Smart Solutions, sector focused on the energy efficiency of buildings, will act as the main interlocutor for public administrations to create complex urban regeneration projects and develop renewable energy communities.

On the strength of a robust investment plan, expected growth in economic results, and on the continuous attention to debt, the Group can confirm the development trend and financial sustainability envisaged in its Industrial Plan.

Consolidated financial statements

at 31 March 2023

BASIS OF PREPARATION

CONTENT AND STRUCTURE

These Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, as well as with the provisions set forth in implementation of art. 9 of Italian Legislative Decree no. 38/2005. “IFRS” also includes the revised International Accounting Standards (“IAS”) and all interpretations issued by the International Financial Reporting Interpretations Committee (“IFRC”), previously known as the Standing Interpretations Committee (“SIC”).
The accounting standards applied in the preparation of the consolidated financial statements are the same as those adopted for the preparation of the previous year’s financial statements, to which reference should be made for a discussion of them, with the exception of the standards and interpretations adopted for the first time as from 1 January 2023 and illustrated in the following section “Accounting standards, amendments and interpretations applied as from 1 January 2023”.

The Consolidated Financial Statements are drawn up on the basis of the historical cost principle, with the exception of certain financial instruments measured at fair value and potential fees deriving from a business combination (i.e. put options to minority shareholders), which are measured at fair value, as well as on the going concern assumption. The Group 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 Statements are stated in euro, the company’s functional currency. All amounts expressed in euro are rounded to the nearest thousand.

FINANCIAL STATEMENT FORMATS

The financial statement formats adopted by Iren Group in preparing these financial statements are the same as those applied in preparing the financial statements at 31 December 2022.
In line with what was previously published, in the statement of financial position, assets and liabilities are classified as “current/non-current”. Assets and liabilities classified as discontinued or held for sale are shown separately. Current assets, which include cash and cash equivalents, are those that will be realised, transferred or consumed during the Group’s ordinary operating cycle or during the twelve months following the end of the period. Current liabilities are those for which settlement is envisaged during the Group’s ordinary operating cycle or during the twelve months following the end of the period.
The Income Statement is classified on the basis of the nature of the costs. In addition to the Operating Profit (EBIT), the Income Statement also shows the total intermediate of Gross Operating Profit (EBITDA) obtained by deducting total operating expense 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.

It should also be remembered that these statements are not subject to independent auditing.

USE OF ESTIMATES AND ASSUMPTIONS BY MANAGEMENT

Preparation of these Consolidated Financial Statements entails making estimates, opinions and assumptions that influence the amounts of revenues, 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.
Management’s significant judgements in the application of the Group’s accounting standards and the main sources of estimation uncertainty are unchanged from those already explained in the last annual report.

It should also be noted that certain complex valuation processes, such as the determination of any impairment losses on non-current assets, are generally carried out in full only at the time of preparing the annual financial statements, when all the information that may be needed is available, except in cases when there is evidence of impairment that requires an immediate measurement of any losses.
In accordance with IAS 36, during the period, the Group verified the non-existence of specific impairment triggers with particular reference to goodwill. Furthermore, no indicators of impairment emerged in respect of participations and assets.
In the same way, the actuarial valuations necessary to determine provisions for employee benefit are normally carried out on the occasion of preparing the annual financial statements.

SEASONALITY

Iren Group does not operate in sectors characterised by seasonality with reference to the end markets of the goods and services provided. It should be noted, however, that the sectors of gas sales, hydroelectric production and heat production and sales are affected by the weather.
The sale of electricity and the waste cycle show more consistent results for the year, albeit with a trend linked to the temporary situation. On the other hand, linear results are typical of regulated network businesses (gas distribution, electricity distribution and Integrated Water Service).

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED FROM 1 JANUARY 2023

IFRS 17 - Insurance contracts
In May 2017, the IASB published IFRS 17 Insurance Contracts, which replaces IFRS 4, issued in 2004. The standard aims to improve investor understanding of insurers' risk exposure, profitability and financial position by requiring that all insurance contracts be accounted for consistently by overcoming the comparison problems created by IFRS 4.

Amendments to IAS 1 and to IAS 8
European Union Regulation 2022/357 of 2 March 2022 adopts the amendments to IAS 1 and IAS 8 published by the IASB on 12 February 2021. The amendments clarify the differences between accounting principles and accounting estimates in order to ensure the consistent application of accounting principles and the comparability of financial statements.

The introduction of IFRS 17 and the application of the amendments to the aforementioned IFRSs did not have any consequences or, in any case, significant effects on the Group's financial position and economic results.

BASIS OF CONSOLIDATION

The consolidation scope includes subsidiaries, joint ventures and associates.

Subsidiaries
Entities controlled by the Group are considered subsidiaries, as defined by IFRS 10 – *Consolidated Financial Statements.* Control exists when the Parent has all of the following:
• decision-making power over the investee, i.e. the power to direct the relevant activities of the investee, therefore the activities that bear a significant influence on the results of said investee;
• the right to variable (positive or negative) returns from its equity in the entity;
• the ability to use its decision-making power to determine the amount of the returns deriving from its equity in the entity.

The financial statements of subsidiaries are included in the consolidated financial statements beginning on the date when control is acquired until the time when control ceases.
Equity and the profit/loss attributable to non-controlling interests are identified separately in the consolidated statement of financial position and income statement.
Subsidiaries are consolidated on a line-by-line basis with the elimination of intra-group transactions and unrealised income and expenses.
Furthermore: a) all changes in the equity interest that do not constitute a loss of control are treated as equity transactions and, therefore, feature a corresponding asset item under net equity; b) when a parent company transfers control to one of its investees, but still continues to hold an interest in the company, it measures the equity investment retained in the financial statements at fair value and recognises any gains or losses deriving from loss of control in the income statement.

Joint ventures
These are companies over which the Group has joint control, in virtue of contractual agreements. Joint control, as defined by IFRS 11 – *Joint Arrangements, is the "contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control".*
With reference to entities jointly owned by mixed public and private companies, given the objective possibility for the public shareholder to influence the company not only by means of governance agreements, but also because of its nature as public entity, the existence of joint control is ascertained on the basis of contractual agreements, assessing the actual possibility for the private partner to jointly control strategic decisions regarding the joint venture.
Joint arrangements are divided into 2 types:
- a Joint Venture (JV) is an arrangement whereby the parties have rights to the net assets of the arrangement. Joint Ventures are measured using the equity method;
- a Joint Operation (JO) is an arrangement whereby the parties are not limited exclusively to participating in the company's profit or loss but have rights to its assets and obligations for its liabilities. In this case the assets/revenue on which the joint operator exercises such rights and the liabilities/costs of which the joint operator assumes the obligations are fully consolidated.

Associates (accounted for using the equity method)
An associate is a company over which the Group has significant influence, but not control or joint control over its financial and operating policies. The consolidated financial statements include the Group's share of the associates' profit or loss recognised using the equity method from the date that significant influence commences until the date that significant influence ceases.
Equity investments valued at equity are accounted for an amount equal to the corresponding fraction of equity resulting from the latest available financial statements, adjusted to take into account the differences between the price paid and equity at the date of purchase and for any intra-group transactions, if significant.
The investor's share of profit or loss arising from application of the equity method is recognised as a "Share of profit or loss of equity-accounted associates and joint ventures", while the share of other comprehensive income is recognised in the statement of comprehensive income.

The difference between the purchase cost and the value, pertaining to owners of the Parent, of the identifiable current and potential assets and liabilities of the associate or joint venture at the acquisition date, is recognised as goodwill, included in the carrying amount of the investment, and tested for impairment using the same procedures described in the section above.
The risk deriving from losses which exceed the investor's share of equity is provided for in provisions for risks to the extent that the company has a legal or constructive obligation with the investee or is committed to covering its losses.

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

Business combinations
The Group accounts for business combinations by applying the acquisition method when the set of assets and property acquired meets the definition of a business and the Group obtains control. In determining whether a particular set of activities and assets constitutes a business, the Group assesses whether that set includes, at a minimum, a substantial input and process and whether it has the capacity to create output.
The Group has the option to carry out a "concentration test", which enables it to ascertain through a simplified procedure that the acquired set of activities and assets is not a business. The optional concentration test is positive if almost all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of identifiable assets with similar characteristics.
The consideration transferred and the identifiable net assets acquired are usually recognised at fair value. The carrying amount of any goodwill that arises is tested annually for impairment. Any gain from a bargain purchase is recognised immediately in the Income Statement under Value Adjustment of Investments, while costs related to the combination, other than those related to the issuance of debt or equity instruments, are recognised as an expense in profit/(loss) for the year when incurred.

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

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

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

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

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

CONSOLIDATION SCOPE

The scope of consolidation includes companies that the Parent Company directly or indirectly controls, joint ventures and associated companies.

Parent:
Iren S.p.A.

Companies consolidated on a line-by-line basis
The four companies responsible for the single business lines and their direct and indirect subsidiaries are consolidated on a line-by-line basis.

1) Iren Ambiente and its subsidiaries:
   - ACAM Ambiente
   - AMIAT V and the subsidiary:
     - AMIAT
   - Bonifiche Servizi Ambientali
   - Bonifica Autocisterne
   - I.Blu
   - Iren Ambiente Parma
   - Iren Ambiente Piacenza
   - Iren Ambiente Toscana and its subsidiaries:
     - Futura
     - Scarlino Energia
     - SEI Toscana and its subsidiaries:
       - Ekovision
       - Valdisieve
     - Valdarno Ambiente and its subsidiaries:
       - CRCM
       - TB
   - Manduriambiente
   - ReCos
   - Rigenera Materiali
   - San Germano
   - Territorio e Risorse
   - TRM
   - Uniproject

2) Iren Energia and its subsidiaries:
   - Asti Energia e Calore
   - Dogliani Energia
   - Iren Smart Solutions and its subsidiary:
     - Alfa Solutions and the subsidiary
       - Lab 231
   - Maira and its subsidiary:
     - Formaira
   - Iren Green Generation and its subsidiaries:
     - Iren Green Generation Tech
     - Limes 1
     - Limes 2
     - Mara Solar
     - Omnia Power
   - Valle Dora Energia

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

4) IRETI and its subsidiaries:
    - ACAM Acque
    - Amter
    - ASM Vercelli
    - Consorzio GPO
    - Iren Laboratori
    - Iren Acqua and its subsidiary:
        - Iren Acqua Tigullio
    - IRETI Gas and its subsidiary:
        - Romeo 2
    - Minerva and its subsidiary
        - ATENA Trading
    - Nord Ovest Servizi

On 1 January 2023, certain corporate transactions became effective, which, while not involving changes in the scope of consolidation, resulted in a streamlining of the Group's ownership structure:

- the merger by incorporation of the companies Palo Energia, Piano Energia, Traversa Energia and Solleone Energia into Iren Green Generation Tech;
- the merger of Società dell'Acqua Potabile (SAP) into IRETI.

From the point of view of equity investments, it should also be noted that on 22 February 2023, Iren Ambiente acquired a further 20% stake in its subsidiary Futura, thus reaching the 40% held directly. The company is also owned by the subsidiaries Iren Ambiente Toscana (40%) and SEI Toscana (20%).

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

CHANGES IN CONSOLIDATION SCOPE

As reported in the section "Significant events during the period", as part of the rationalisation of certain natural gas distribution assets, linked to the sale of the subsidiary Romeo Gas to the Ascopiave group, the following parallel transactions became effective on 1 February 2023:

- the acquisition by IRETI Gas of 100% of Romeo 2 S.r.l. from the company Edigas - Esercizio Distribuzione Gas S.p.A. (Ascopiave Group).
  Romeo 2 holds the management of gas distribution concessions in the municipalities of Albano Vercellese, Carisio, Greggio, Olcenengo, Oldenico, San Germano Vercellese - Frazione Stella, Quinto Vercellese, Tronzano Vercellese and Villarboit (Province of Vercelli), Albenga and Ceriale (Province of Savona);
- the acquisition from Romeo Gas, again by IRETI Gas, of the business unit related to the management of gas distribution concessions in the municipalities of Pontenure and Grazzano Visconti, in the municipality of Vigolzone (Province of Piacenza) and in Solignano (Province of Parma).

Moreover, on 28 March 2023, IRETI finalised the acquisition of 51% of Amter S.p.A., held by the municipalities of Campo Ligure, Cogoleto, Masone, Mele and Rossiglione (Province of Genoa). The remaining 49% of the company is already owned by the subsidiary Iren Acqua.
Amter manages the water cycle in the western area of the province of Genoa with a 300 km drinking water network and a 140 km sewerage network, as well as the district wastewater treatment plant in Rossiglione. With this operation, IRETI anticipates its entry into the management of the water service in the municipalities of Campo Ligure, Cogoleto, Masone, Mele, and Rossiglione with respect to the deadlines set by the Agreement safeguarded between Amter and them, thus accelerating synergies and sustainability performance in these territories.

For these acquisitions, pending the definition of the Purchase Price Allocation (PPA) to be completed in accordance with IFRS 3, the positive difference between the price paid and the provisional fair value, at the date of obtaining control, of the identifiable assets acquired and the identifiable liabilities assumed was allocated to goodwill. Such provisional goodwill is not tax deductible.

The following table shows for each operation the provisional fair value of the consideration, identifiable assets acquired and liabilities assumed, and provisional goodwill.

thousands of euro

	Romeo 2 and Gas Branch	**Amter**
Consideration transferred		
Cash and cash equivalents	19,760	2,300
Equity instruments		
Fair value of interest held before acquisition of control		2,210
Fair value of the price at the acquisition date	**19,760**	**4,510**
Provisional fair value of identifiable net assets		
Property, plant and equipment	16,592	9,450
Intangible assets with a finite useful life	-	5
Non-current contract assets	-	333
Non-current trade receivables	-	107
Other non-current assets	-	264
Deferred tax assets	-	544
Inventories	76	-
Trade receivables	325	4,549
Current tax assets	-	164
Sundry assets and other current assets	-	417
Cash and cash equivalents	-	490
Employee benefits	(320)	(268)
Provisions for risks and charges	(10)	(604)
Sundry liabilities and other non-current liabilities	-	(1,536)
Trade payables	(673)	(11,723)
Sundry liabilities and other current liabilities	(276)	-
Current tax liabilities	-	(417)
Total fair value of net identifiable assets	**15,714**	**1,775**
Non-controlling interests in identifiable net assets	-	536
Goodwill/(Badwill)	**4,046**	**2,199**

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

thousands of euro

	31.03.2023	31.12.2022
ASSETS		
Property, plant and equipment	4,394,752	4,366,722
Investment property	2,001	2,015
Intangible assets with a finite useful life	2,877,760	2,826,692
Goodwill	244,211	237,966
Equity-accounted investments	213,137	211,320
Other equity investments	10,350	10,188
Non-current contract assets	157,394	146,286
Non-current trade receivables	31,650	30,888
Non-current financial assets	166,644	169,057
Other non-current assets	90,341	88,917
Deferred tax assets	345,727	340,866
Total non-current assets	**8,533,967**	**8,430,917**
Inventories	81,182	139,359
Current contract assets	199,114	198,590
Trade receivables	1,364,884	1,409,435
Current tax assets	36,849	38,263
Sundry assets and other current assets	522,412	438,915
Current financial assets	145,220	256,376
Cash and cash equivalents	488,427	788,402
Assets held for sale	1,144	16,802
Total current assets	**2,839,232**	**3,286,142**
TOTAL ASSETS	**11,373,199**	**11,717,059**

	31.03.2023	31.12.2022
		thousands of euro
EQUITY		
Equity attributable to the owners of the parent		
Share capital	1,300,931	1,300,931
Reserves and Retained Earnings (Losses)	1,440,140	1,218,137
Profit for the period	135,035	226,017
Total equity attributable to the owners of the parent	**2,876,106**	**2,745,085**
Equity attributable to non-controlling interests	454,351	446,069
TOTAL EQUITY	**3,330,457**	**3,191,154**
LIABILITIES		
Non-current financial liabilities	4,273,041	4,266,014
Employee benefits	89,699	90,948
Provisions for risks and charges	405,192	404,781
Deferred tax liabilities	144,229	142,221
Sundry liabilities and other non-current liabilities	505,422	505,131
Total non-current liabilities	**5,417,583**	**5,409,095**
Current financial liabilities	243,598	294,575
Trade payables	1,714,427	2,279,400
Current liabilities from contracts with customers	25,562	39,209
Sundry liabilities and other current liabilities	309,631	261,131
Current tax liabilities	82,896	34,969
Provisions for risks and charges - current portion	249,045	207,526
Liabilities associated with assets held for sale	-	-
Total current liabilities	**2,625,159**	**3,116,810**
TOTAL LIABILITIES	**8,042,742**	**8,525,905**
TOTAL EQUITY AND LIABILITIES	**11,373,199**	**11,717,059**

CONSOLIDATED INCOME STATEMENT

thousands of euro

	First 3 months 2023	First 3 months 2022 Restated
Revenue		
Revenue from goods and services	1,962,487	2,154,737
Other income	57,266	30,979
Total revenue	**2,019,753**	**2,185,716**
Operating expenses		
Raw materials, consumables, supplies and goods	(1,155,666)	(1,302,842)
Services and use of third-party assets	(339,000)	(383,621)
Other operating expenses	(24,735)	(21,276)
Capitalised costs for internal works	12,798	11,689
Personnel expense	(144,686)	(126,915)
Total operating expenses	**(1,651,289)**	**(1,822,965)**
GROSS OPERATING PROFIT	**368,464**	**362,751**
Depreciation, amortisation, provisions and impairment losses		
Depreciation and amortisation	(140,269)	(121,930)
Impairment losses on loans and receivables	(15,542)	(14,258)
Other provisions and impairment losses	(2,309)	(1,567)
Total depreciation, amortisation, provisions and impairment losses	**(158,120)**	**(137,755)**
OPERATING PROFIT	**210,344**	**224,996**
Financial management		
Financial income	6,984	2,880
Financial expense	(27,084)	(17,947)
Net financial expense	**(20,100)**	**(15,067)**
Gains on equity-accounted investments	1,340	(33)
Share of profit of equity-accounted investees, net of tax effects	974	2,862
Pre-tax profit	**192,558**	**212,758**
Income taxes	(48,784)	(86,143)
- of which non-recurring		*(24,064)*
Profit from continuing operations	**143,774**	**126,615**
Profit (loss) from discontinued operations	-	-
Profit for the period	**143,774**	**126,615**
attributable to:		
- the owners of the parent	135,035	117,860
- non-controlling interests	8,739	8,755

The comparative data for Q1 2022 have been restated to take into account, at the acquisition date, as required by IFRS 3, the effects deriving from the completion of the allocation of the acquisition price at the definitive fair value of the assets and liabilities acquired (Purchase Price Allocation) of SidIren and Iren Green Generation, which took place in 2022.

STATEMENT OF OTHER COMPREHENSIVE INCOME

thousands of euro

	First 3 months 2023	First 3 months 2022 Restated
Profit for the period - owners of the parent and non-controlling interests (A)	**143,774**	**126,615**
Other comprehensive income that will be subsequently reclassified to profit or loss		
- effective portion of fair value gains on cash flow hedges	(5,915)	21,482
- fair value gains/(losses) on financial assets	-	-
- share of other gains/(losses) of equity-accounted investees	1,962	-
- change in translation reserve	(253)	411
Tax effect	1,385	(5,079)
Total other comprehensive income to be subsequently reclassified to profit or loss net of tax effect (B1)	**(2,821)**	**16,814**
Other comprehensive income that will not be subsequently reclassified to profit or loss		
- actuarial gains (losses) on defined benefit plans (IAS 19)	-	-
- share of other gains/(losses) of equity-accounted investees related to defined benefit plans (IAS 19)	-	-
Tax effect	-	-
Total other comprehensive income not to be subsequently reclassified to profit or loss net of tax effect (B2)	**-**	**-**
Comprehensive income (A)+(B1)+(B2)	**140,953**	**143,429**
attributable to:		
- owners of the parent	132,399	133,492
- non-controlling interests	8,554	9,937

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

	Share capital	Share premium reserve	Legal reserve	Cash flow hedge reserve	Other reserves and Retained earnings (losses)
31/12/2021 Restated	**1,300,931**	**133,019**	**87,216**	**(14,465)**	**760,742**
Owner transactions					
Dividends					
Retained earnings			-		303,172
Repurchase of treasury shares					-
Changes in consolidation scope					-
Change in equity interests					-
Other changes					56
Total owner transactions	-	-	-	-	**303,228**
Comprehensive income for the period					
Profit for the period					
Other comprehensive income				15,221	411
Total comprehensive income for the period	-	-	-	**15,221**	**411**
31/03/2022 Restated	**1,300,931**	**133,019**	**87,216**	**756**	**1,064,381**

	Share capital	Share premium reserve	Legal reserve	Cash flow hedge reserve	Other reserves and Retained earnings (losses)
31/12/2022	**1,300,931**	**133,019**	**98,159**	**62,642**	**924,317**
Owner transactions					
Dividends					
Retained earnings			-		226,017
Repurchase of treasury shares					-
Changes in consolidation scope					
Change in equity interests					(1,269)
Other changes					(109)
Total owner transactions	-	-	-	-	**224,639**
Comprehensive income for the period					
Profit for the period					
Other comprehensive income				(2,383)	(253)
Total comprehensive income for the period	-	-	-	**(2,383)**	**(253)**
31/03/2023	**1,300,931**	**133,019**	**98,159**	**60,259**	**1,148,703**

thousands of euro

	Total reserves and Retained earnings (losses)	Profit (loss) for the period	Total equity attributable to the owners of the parent	Equity attributable to non-controlling interests	Total equity
31/12/2021 Restated	**966,512**	**303,172**	**2,570,615**	**379,976**	**2,950,591**
Owner transactions					
Dividends	-	-	-	(86)	(86)
Retained earnings	303,172	(303,172)	-		-
Repurchase of treasury shares	-		-		-
Changes in consolidation scope	-		-	-	-
Change in equity interests	-		-	-	-
Other changes	56		56	1,580	1,636
Total owner transactions	**303,228**	**(303,172)**	**56**	**1,494**	**1,550**
Comprehensive income for the period					
Profit for the period		117,860	117,860	8,755	126,615
Other comprehensive income	15,632		15,632	1,182	16,814
Total comprehensive income for the period	**15,632**	**117,860**	**133,492**	**9,937**	**143,429**
31/03/2022 Restated	**1,285,372**	**117,860**	**2,704,163**	**391,407**	**3,095,570**

thousands of euro

	Total reserves and Retained earnings (losses)	Profit (loss) for the period	Total equity attributable to the owners of the parent	Equity attributable to non-controlling interests	Total equity
31/12/2022	**1,218,137**	**226,017**	**2,745,085**	**446,069**	**3,191,154**
Owner transactions					
Dividends		-	-	(113)	(113)
Retained earnings	226,017	(226,017)	-		-
Repurchase of treasury shares	-		-		-
Changes in consolidation scope	-		-	(536)	(536)
Change in equity interests	(1,269)		(1,269)	402	(867)
Other changes	(109)		(109)	(25)	(134)
Total owner transactions	**224,639**	**(226,017)**	**(1,378)**	**(272)**	**(1,650)**
Comprehensive income for the period					
Profit for the period		135,035	135,035	8,739	143,774
Other comprehensive income	(2,636)		(2,636)	(185)	(2,821)
Total comprehensive income for the period	**(2,636)**	**135,035**	**132,399**	**8,554**	**140,953**
31/03/2023	**1,440,140**	**135,035**	**2,876,106**	**454,351**	**3,330,457**

STATEMENT OF CASH FLOWS

thousands of euro

	First 3 months 2023	First 3 months 2022 Restated
A. Opening cash and cash equivalents	**788,402**	**606,888**
Cash flows from operating activities		
Profit (loss) for the period	143,774	126,615
Adjustments:		
Income taxes for the period	48,784	86,143
Share of profit (loss) of associates and joint ventures	(974)	(2,862)
Net financial expense	20,100	14,707
Amortisation and depreciation	140,269	121,930
Net impairment losses (reversals of impairment losses) on assets	(1,340)	33
Impairment losses on loans and receivables	15,542	14,258
Net provisions for risks and other charges	63,052	53,268
Capital (gains) losses	236	(31)
Payment of employee benefits	(2,627)	(2,949)
Utilisations of provisions for risks and other charges	(20,908)	(11,478)
Change in other non-current assets	(1,160)	4,000
Change in sundry liabilities and other non-current liabilities	(1,245)	3,267
Taxes paid	-	-
Cash flows for transactions on commodities derivatives markets	(11,790)	(45,688)
Other changes in equity	206	54
Change in inventories	58,112	54,215
Change in contract assets	(11,299)	(45,773)
Change in trade receivables	47,347	(403,397)
Change in current tax assets and other current assets	(85,314)	(35,498)
Change in trade payables	(577,369)	237,828
Change in contract liabilities	(13,647)	(19,515)
Change in current tax liabilities and other current liabilities	48,224	50,241
B. Net cash and cash equivalents generated by operating activities	**(142,027)**	**199,368**
Cash flows from/(used in) investing activities		
Investments in property, plant and equipment and intangible assets	(190,766)	(140,614)
Investments in financial assets	(166)	(32)
Proceeds from sale of investments	16,429	394
Acquisition of subsidiaries net of cash acquired	(21,570)	(184,899)
C. Net cash and cash equivalents generated by investing activities	**(196,073)**	**(325,151)**
Cash flows from/(used in) financing activities		
Dividends paid	(1,908)	(3,935)
Purchase of interests in consolidated companies	(1,032)	-
New non-current loans	5,000	-
Repayment of non-current loans	(48)	-
Repayment of lease liabilities	(4,159)	(2,482)
Change in other financial payables	42,805	2,776
Change in loan assets	3,218	66,731
Interest paid	(7,848)	(3,431)
Interest received	2,097	727
D. Net cash and cash equivalents generated by financing activities	**38,125**	**60,386**
E. Cash flow for the period (B+C+D)	**(299,975)**	**(65,397)**
F. Closing cash and cash equivalents (A+E)	**488,427**	**541,491**

The comparative data for Q1 2022 have been restated to take into account, at the acquisition date, as required by IFRS 3, the effects deriving from the completion of the allocation of the acquisition price at the definitive fair value of the assets and liabilities acquired (Purchase Price Allocation) of SidIren and Iren Green Generation, which took place in 2022.

LIST OF CONSOLIDATED COMPANIES

Company	Registered office	Currency	Share capital	% interest	Investor
Iren Ambiente S.p.A.	Piacenza	Euro	63,622,002	100.00	Iren
Iren Energia S.p.A.	Turin	Euro	918,767,148	100.00	Iren
Iren Mercato S.p.A.	Genoa	Euro	61,356,220	100.00	Iren
Ireti S.p.A.	Genoa	Euro	196,832,103	100.00	Iren
Ireti Gas S.p.A.	Parma	Euro	120,000	100.00	Ireti
Acam Acque S.p.A.	La Spezia	Euro	24,260,050	100.00	Ireti
Acam Ambiente S.p.A.	La Spezia	Euro	1,000,000	100.00	Iren Ambiente
Alfa Solutions S.p.A.	Reggio Emilia	Euro	100,000	86.00	Iren Smart Solutions
Alegas S.r.l.	Alessandria	Euro	200,000	98.00	Iren Mercato
AMIAT S.p.A.	Turin	Euro	46,326,462	80.00	AMIAT V
AMIAT V S.p.A.	Turin	Euro	1,000,000	93.06	Iren Ambiente
Amter S.p.A.	Cogoleto (GE)	Euro	404,263	51.00	Ireti
				49.00	Iren Acqua
ASM Vercelli S.p.A.	Vercelli	Euro	120,812,720	59.97	Ireti
Asti Energia e Calore S.p.A.	Asti	Euro	120,000	62.00	Iren Energia
Atena Trading S.r.l.	Vercelli	Euro	556,000	100.00	Minerva S.r.l.
Minerva S.r.l.	Vercelli	Euro	10,000	59.97	Ireti
Bonifica Autocisterne S.r.l.	Piacenza	Euro	595,000	51.00	Iren Ambiente
Bonifiche Servizi Ambientali S.r.l.	Reggio Emilia	Euro	3,000,000	100.00	Iren Ambiente
Consorzio GPO	Reggio Emilia	Euro	20,197,260	62.35	Ireti
C.R.C.M. S.r.l.	Terranuova Bracciolini (AR)	Euro	3,062,000	76.06	Valdarno Ambiente
Dogliani Energia S.r.l.	Cuneo	Euro	10,000	100.00	Iren Energia
Ekovision S.r.l.	Prato	Euro	1,485,000	100.00	SEI Toscana
Formaira S.r.l.	San Damiano Macra (CN)	Euro	40,000	100.00	Maira
Futura S.p.A.	Grosseto	Euro	3,660,955	40.00	Iren Ambiente Toscana
				40.00	Iren Ambiente
				20.00	Sei Toscana
I. Blu S.r.l.	Pasian di Prato (UD)	Euro	9,001,000	80.00	Iren Ambiente
Iren Acqua S.p.A.	Genoa	Euro	19,203,420	60.00	Ireti
Iren Acqua Tigullio S.p.A.	Chiavari (GE)	Euro	979,000	66.55	Iren Acqua
Iren Ambiente Parma S.r.l.	Parma	Euro	4,000,000	100.00	Iren Ambiente
Iren Ambiente Piacenza S.r.l.	Piacenza	Euro	4,000,000	100.00	Iren Ambiente
Iren Ambiente Toscana S.p.A.	Florence	Euro	5,000,000	100.00	Iren Ambiente
Iren Laboratori S.p.A.	Genoa	Euro	2,000,000	90.89	Ireti
Iren Smart Solutions S.p.A.	Reggio Emilia	Euro	2,596,721	60.00	Iren Energia
				20.00	Iren Ambiente
				20.00	Iren Mercato
LAB 231 S.r.l.	Parma	Euro	10,000	100.00	Alfa Solutions
Limes 1 S.r.l.	Turin	Euro	20,408	51.00	Iren Green Generation
Limes 2 S.r.l.	Turin	Euro	20,408	51.00	Iren Green Generation
Maira S.p.A.	San Damiano Macra (CN)	Euro	596,442	82.00	Iren Energia
Manduriambiente S.p.A.	Manduria (TA)	Euro	4,111,820	95.28	Iren Ambiente
Mara Solar srl	Turin	Euro	10,000	100.00	Iren Green Generation
Nord Ovest Servizi S.p.A.	Turin	Euro	7,800,000	45.00	Ireti
				30.00	Amiat
Iren Green Generation S.r.l.	Turin	Euro	10,000	100.00	Iren Energia
Iren Green Generation Tech S.r.l.	Turin	Euro	80,200	100.00	Iren Green Generation
Omnia Power S.r.l.	Turin	Euro	10,000	100.00	Iren Green Generation
ReCos S.p.A.	La Spezia	Euro	1,000,000	99.51	Iren Ambiente
Rigenera Materiali S.r.l.	Genoa	Euro	3,000,000	100.00	Iren Ambiente

Company	Registered office	Currency	Share capital	% interest	Investor
Romeo 2 S.r.l.	Parma	Euro	10,000	100.00	Ireti Gas
Salerno Energia Vendite S.p.A.	Salerno	Euro	3,312,060	50.00	Iren Mercato
San Germano S.p.A.	Turin	Euro	1,425,000	100.00	Iren Ambiente
Scarlino Energia S.p.A.	Scarlino (GR)	Euro	1,000,000	100.00	Iren Ambiente Toscana
SEI Toscana S.r.l.	Siena	Euro	75,272,566	41.77	Iren Ambiente Toscana
				16.37	Valdarno Ambiente
				0.20	CRCM
TB S.p.A.	Florence	Euro	2,220,000	100.00	Valdarno Ambiente
Territorio e Risorse S.r.l.	Turin	Euro	2,510,000	65.00	Iren Ambiente
				35.00	ASM Vercelli
TRM S.p.A.	Turin	Euro	86,794,220	80.00	Iren Ambiente
Uniproject S.r.l.	Maltignano (AP)	Euro	91,800	100.00	Iren Ambiente
Valdarno Ambiente S.r.l.	Terranuova Bracciolini (AR)		22,953,770	56.016	Iren Ambiente Toscana
Valdisieve S.c.a.r.l.	Florence	Euro	1,400,000	70.96	Sei Toscana
				0.96	Iren Ambiente Toscana
Valle Dora Energia S.r.l.	Turin	Euro	537,582	74.50	Iren Energia

LIST OF JOINT VENTURES

Company	Registered office	Currency	Share capital	% interest	Investor
Acque Potabili S.p.A. in liquidazione (in liquidation)	Turin	Euro	7,633,096	47.546	Ireti

LIST OF ASSOCIATES

Company	Registered office	Currency	Share capital	% interest	Investor
A2A Alfa S.r.l. (1)	Milan	Euro	100,000	30.00	Iren Mercato
Acos S.p.A.	Novi Ligure	Euro	17,075,864	25.00	Ireti
Acos Energia S.p.A.	Novi Ligure	Euro	150,000	25.00	Iren Mercato
Acquaenna S.c.p.a.	Enna	Euro	3,000,000	48.50	Ireti
Aguas de San Pedro S.A. de C.V.	S.Pedro Sula (Honduras)	Lempiras	159,900	39.34	Ireti
Aiga S.p.A. (1)	Ventimiglia	Euro	104,000	49.00	Ireti
Amat S.p.A. (1)	Imperia	Euro	5,435,372	48.00	Ireti
Arienes S.c.a.r.l.	Reggio Emilia	Euro	50,000	42.00	Iren Smart Solutions
ASA S.p.A.	Livorno	Euro	28,613,406	40.00	Ireti
Asa S.c.p.a.	Castel Maggiore (BO)	Euro	1,820,000	49.00	Iren Ambiente
Astea S.p.A.	Recanati (MC)	Euro	76,115,676	21.32	Consorzio GPO
Asti Servizi Pubblici S.p.A.	Asti	Euro	7,540,270	45.00	Nord Ovest Servizi
Barricalla S.p.A.	Turin	Euro	2,066,000	35.00	Iren Ambiente
BI Energia S.r.l.	Reggio Emilia	Euro	100,000	47.50	Iren Energia
Centro Corsi S.r.l.	Reggio Emilia	Euro	12,000	33.00	Alfa Solutions S.p.A.
CSA S.p.A. (1)	Terranuova Bracciolini (AR)	Euro	1,369,502	47.97	Iren Ambiente Toscana
CSAI S.p.A.	Terranuova Bracciolini (AR)	Euro	1,610,511	40.32	Iren Ambiente Toscana
EGUA S.r.l.	Cogorno (GE)	Euro	119,000	49.00	Ireti
Fata Morgana S.p.A. (2)	Reggio Calabria	Euro	2,225,694	25.00	Ireti
Fin Gas S.r.l.	Milan	Euro	10,000	50.00	Iren Mercato
Fratello Sole Energie Solidali Impresa Sociale S.r.l.	Genoa	Euro	350,000	40.00	Iren Energia
G.A.I.A. S.p.A.	Asti	Euro	5,539,700	45.00	Iren Ambiente
Global Service Parma S.c.a.r.l. (1)	Parma	Euro	20,000	30.00	Ireti
Iniziative Ambientali S.r.l.	Novellara (RE)	Euro	100,000	40.00	Iren Ambiente
Mondo Acqua S.p.A.	Mondovì (CN)	Euro	1,100,000	38.50	Ireti
OMI Rinnovabili S.c.a.r.l.	Reggio Emilia	Euro	10,000	40.15	Alfa Solutions S.p.A.
Piana Ambiente S.p.A. (2)	Gioia Tauro	Euro	1,719,322	25.00	Ireti
Rimateria S.p.A. (3)	Piombino (LI)	Euro	4,589,273	30.00	Iren Ambiente
Seta S.p.A.	Turin	Euro	12,378,237	48.85	Iren Ambiente
Sienambiente S.p.A.	Siena	Euro	2,866,575	40.00	Iren Ambiente Toscana
Sinergie Italiane S.r.l. (1)	Milan	Euro	1,000,000	30.94	Iren Mercato
STU Reggiane S.p.A.	Reggio Emilia	Euro	13,020,080	30.00	Iren Smart Solutions
Tirana Acque S.c. a r.l. (1)	Genoa	Euro	95,000	50.00	Ireti

(1) Company in liquidation

(2) Company in liquidation classified under assets held for sale

(3) Company in bankruptcy

CERTIFICATION BY THE MANAGER IN CHARGE OF FINANCIAL REPORTING PURSUANT TO ARTICLE 154-BIS, PARAGRAPH 2 OF ITALIAN LEGISLATIVE DECREE NO. 58/1998 (“TESTO UNICO DELLA FINANZA” [CONSOLIDATED FINANCE ACT])

The undersigned Anna Tanganelli, Manager in charge of financial reporting of IREN S.p.A declares, pursuant to paragraph 2 of Article 154-bis of the “Testo Unico della Finanza” [Consolidated Finance Act] that the accounting information contained in this Consolidated Quarterly Report as at 31 March 2023 corresponds to the documentary records, books and accounting entries.

11/05/2023

The Financial Reporting Manager under Law 262/05

Anna Tanganelli

(signed on the original)

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