

Deal Credit Update

January 2024

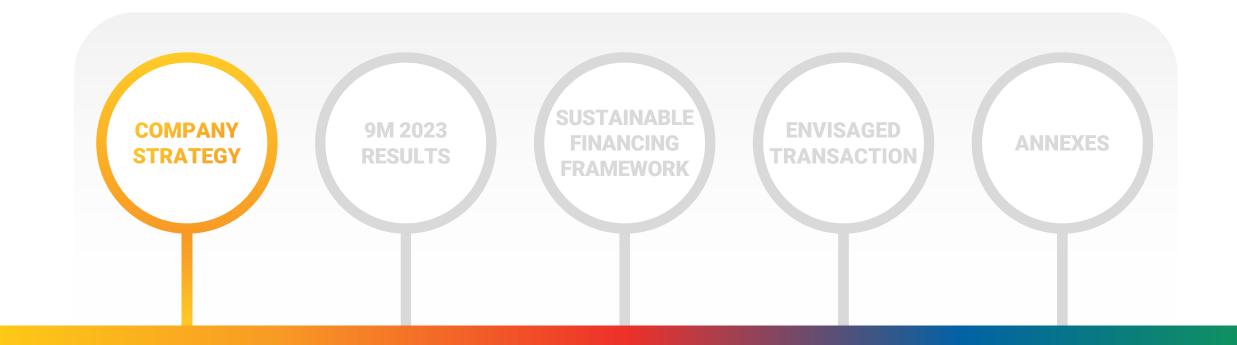
TODAY'S SPEAKER



Giulio Domma

Head of IR





IREN KEY CREDIT HIGHLIGHTS

INVESTOR ROADSHOW 2024

1

 Solid position in Italy as one of the largest multi-utilities concentrated in some of Italy's wealthiest regions in the northwest

> COMPANY STRATEGY

Strong business risk profile which benefits from the significant contribution of fully regulated water, gas, and power distribution activities and urban waste collection and treatment

9M 2023



Solution 2025 Largest district heating network in Italy, which will be fully regulated from 2025

JSTAINABLE NANCING RAMEWORK

Solid Investment Grade rating supported by healthy cash generation and conservative financial policy, with a steadily upward trend underpinned by S&P's recent rating upgrade as well as Fitch's positive outlook

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5 • Ample liquidity and overall capital structure to counterbalance potential headwinds

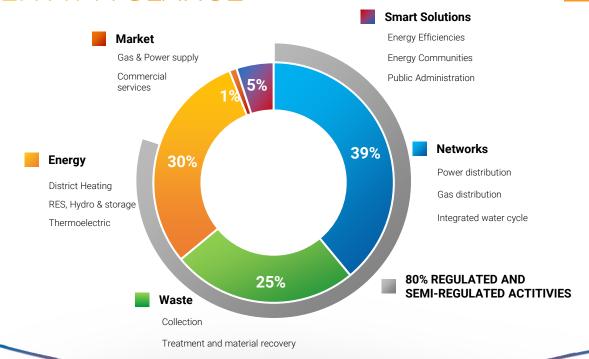
ANNEXES



> Stronger sustainable commitment as declared under the 2021-2030 business plan: the Company plans to reduce its carbon intensity substantially by increasing its share of renewables in the generation mix and decommissioning its thermal generation by 2026



IREN AT A GLANCE



INVESTOR ROADSHOW 2024

EBITDA FY 2022: 1.05B€

EBITDA made by:

- ~80% regulated and semi-regulated activities
- ~20% unregulated activities (mainly energy generation and supply)

COMPANY STRATEGY

> 9M 2023 RESULTS

SUSTAINABLE FINANCING FRAMEWORK

ENVISAGED TRANSACTION

- National player with 3.8 million inhabitants served in the waste collection
- National player in waste with 3.7 Mton managed
- National player in the energy sector with 2.2 million customers



- National player in DH volumes with 101 mcm
- National player in the water management with 2.9 million inhabitant served
 - National player in electricity generation with a capacity of 3 GW of which 0.8GW renewables



ALL STRATEGIC PILLARS CONFIRMED



Progressively decarbonize all activities Strengthen leadership in circular economy



Extend footprint in legacy regions, also inorganically

Evolve into preferred partner for local stakeholders

Service quality

Excel in networks performance and resilience

Boost customer satisfaction across businesses

INVESTOR ROADSHOW 2024

> **COMPANY STRATEGY**

80% of investments for a SUSTAINABLE GROWTH

95% of investments are IN OUR REFERENCE AREAS

50% of investments to improve our SERVICE QUALITY

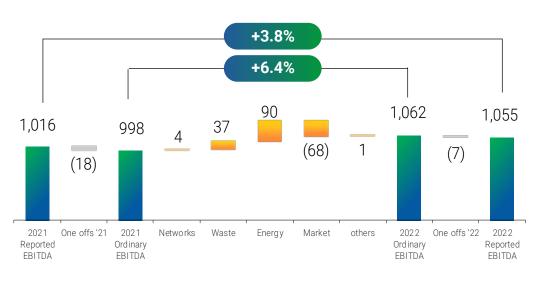


FY22 RESULTS: PROVEN RESILIENCE OF IREN BUSINESS MODEL



	FY '21	FY '22	Δ	Δ%
Revenues	4.956	7.863	2.907	58,7%
EBITDA	1016	1.055	39	3,8%
EBIT	454	464	10	2,2%
Group net profit	303	226	-77	-25,4%
Group net profit Adj.*	263	253	-10	-3,5%
Gross capex	955	1.485	530	55,5%
Net Financial Position	2.906	3.347	441	15,2%

EBITDA EVOLUTION



INVESTOR ROADSHOW 2024



9M 2023 RESULTS

> SUSTAINABLE FINANCING FRAMEWORK

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VIVIENE



Tailwinds

- Strong capacity market contribution
- Positive results from Renewables
- Organic growth driven by networks, energy efficiency projects and new waste plants



Headwinds

- Strong Hydro volumes reduction
- Lower Heat volumes
- Higher operational costs due to inflation



^{* 2021} Adjusted for €32M one-off tax income as a result of "DL Agosto" 2020 (i.e. realignment of tax and book values of assets) and for €8M of funds release; 2022 Adjusted for 27€M impact of "Contributo di solidarietà" decree (i.e. Windfall tax), of which €3M relating to 2023 Budget Law



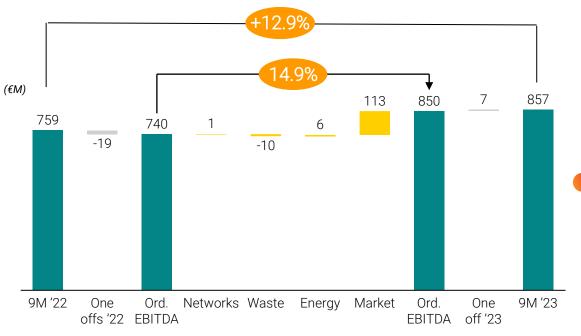


ENERGY SUPPLY RECOVERY DRIVEN EBITDA GROWTH



	9M '22	9M '23	Δ	Δ%
Revenues	5.644	4.626	-1.018	-18,0%
EBITDA	759	857	98	12,9%
EBIT	321	325	4	1,0%
EBIT Adj.**	321	366	45	14,0%
Group net profit	141	177	36	25,6%
Technical capex***	557	548	-9	-1,6%
Net Financial Position	3,347*	3.930	583	17,4%

EBITDA EVOLUTION



INVESTOR ROADSHOW 2024

OMPANY TRATEGY

9M 2023 RESULTS

SUSTAINABLE FINANCING FRAMEWORK

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ANNEXES



Tailwinds

- Market BU profitability recovery
- O Higher hydroelectric prices and volumes
- Integration of collection activities in Tuscany and newly consolidated water network in Sicily



Headwinds

- Strong MSD reduction
- Compare Lower Heat volumes
- Organic growth offset by inflation impact on opex

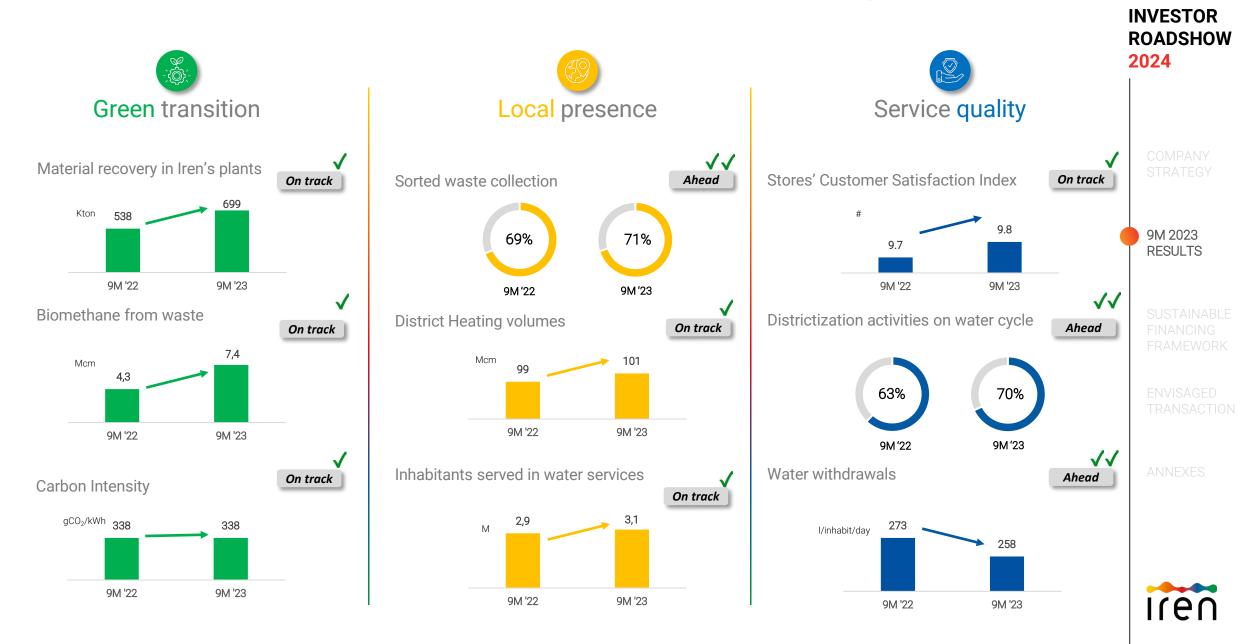


^{*} FY 2022 Data

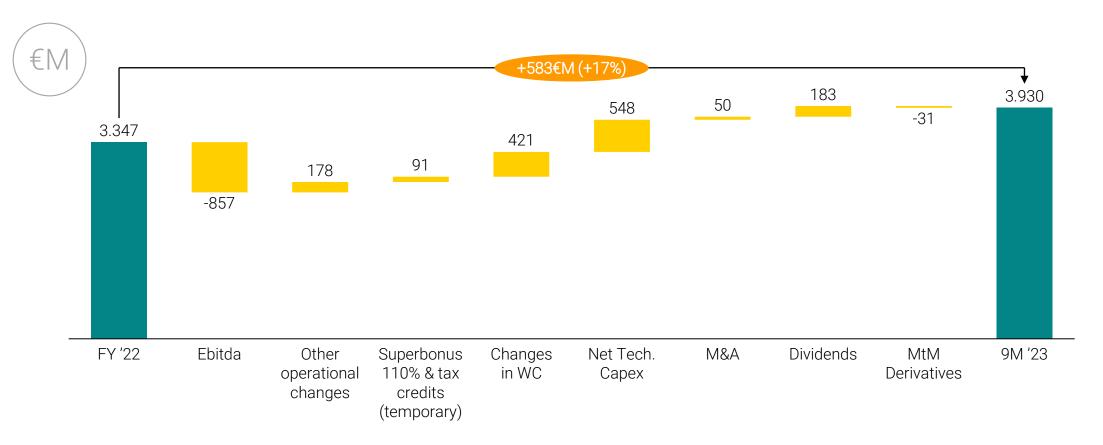
^{**} Adjusted for provisions related to Italian Government's clawback decree on renewable prices (41€M)

^{***} Total investments, including M&A and other, at 831€M (-23% vs 9M 2022)

SUSTAINABLE GROWTH CONTINUED THROUGHOUT THE QUARTER



NET FINANCIAL POSITION EVOLUTION (9M 2023 VS FY2022)



NWC reduction is expected by the end of the year thanks to:

- Continuous reduction of Superbonus 110% tax credits
- Confirmed normalization of gas payment terms with energy suppliers (restored conditions as before gas market tensions)
 starting from October

INVESTOR ROADSHOW

2024

COMPANY STRATEGY

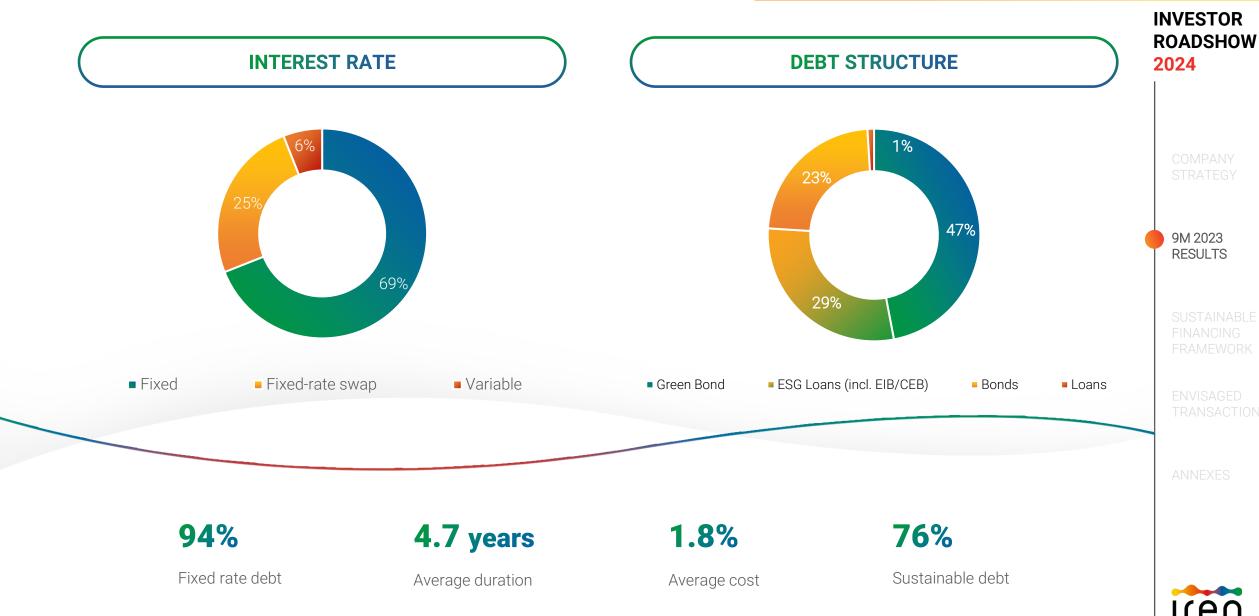
9M 2023 RESULTS

> SUSTAINABLE FINANCING FRAMEWORK

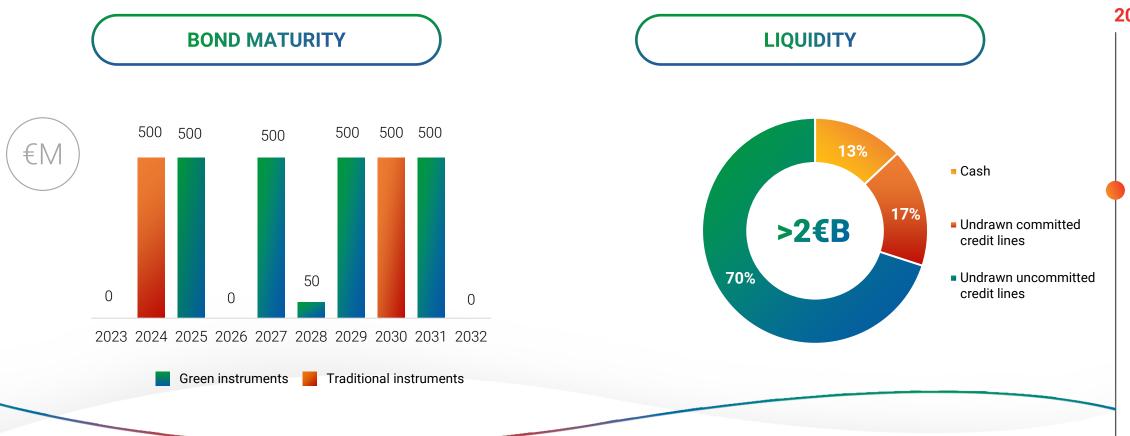
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A SOUND AND SUSTAINABLE DEBT STRUCTURE



AMPLE LIQUIDITY TO COPE WITH MATURITIES



- First maturity in November 2024 and balanced maturity distribution during years
- Strong availability of undrawn uncommitted credit lines

INVESTOR ROADSHOW 2024

> COMPANY STRATEGY

9M 2023 RESULTS

SUSTAINABLE FINANCING FRAMEWORK

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OVERVIEW OF IREN RATING POSITIONING

INVESTOR ROADSHOW 2024

27/04/2023 - UPGRADED

earnings mix.

11/05/2023 - OUTLOOK REVISED

Standard & Poor's (BBB / Stable Outlook)

Fitch (BBB / Positive Outlook)

S&P Global

We expect Iren will continue to benefit from predictable cash

flows through a high share of fully regulated network, waste, and

district heating activities, which will represent at least 60% of its

FitchRatings

Ratings

• The company's commitment towards financial leverage consistent with a 'BBB+' rating, alongside results at least in line with our expectations, would be key for an upgrade, as current projected funds from operations (FFO) net leverage until 2026 is broadly in line with the positive rating sensitivity (4.3x).

Iren's rating reflects its well-integrated and balanced business mix, predominantly exposed to regulated and quasi-regulated activities, which allows stable performance in the current volatile energy market.

The stable outlook reflects our expectation that Iren will maintain consolidated adjusted funds from operations (FFO) to debt comfortably above 18% over 2023-2025, and factors in management's commitment to the rating level and its wellbalanced financial policy.

Factors that could lead to a positive Rating Action/ Upgrade:

Factors that could lead to a positive Rating Action/ Upgrade:

- FFO net leverage declining below 4.3x
- Consolidated Adjusted FFO to debt increase above 23% sustainably
- FFO interest coverage sustained above 5.0x

Factors that could lead to a negative Rating Action/ Downgrade:

- Factors that could lead to a negative Rating Action/ Downgrade:
- Consolidated FFO to debt falls below 18% over a prolonged period
- FFO net leverage above 5.0x
- Italy's economy turns more negative or in case of further severe disruptions to energy markets
- FFO interest coverage below 4.0x over a sustained period

RESULTS

9M 2023





FRAMEWORK COMPONENTS

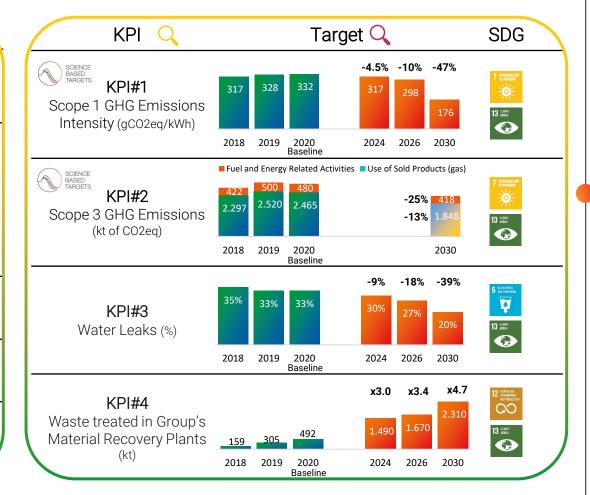
Green Financing Component



Sustainability-Linked Component

INVESTOR ROADSHOW 2024

Category Q	Eligible Projects/Activities	SDG
Renewable Energy	 Hydroelectric power electricity generation Solar PV electricity generation Wind power electricity generation 	7 CHARLEST 9 STREET WARRING TO STREET WARRING THE STREET WARRI
Energy Efficiency	 Energy network development Electricity storage Thermal storage capacity Cogeneration facilities District heating networks Gas network hydrogenation Buildings energy efficiency Waste to Energy facilities Waste-to-chemical facilities 	7 services 9 services (A) 11 services 13 services 13 services 14 services 15
Circular Economy	Waste urban collectionWaste urban recyclingWaste urban treatment	12 SCARCE 13 SCARCE 14 SCARCE 15 SCA
Sustainable Water and Wastewater Management	Wastewater treatment plant upgradesWater distribution network efficiency	12 south sou
Clean Transportation	Electric VehiclesE-mobility	11 MARCHANICAL 13 MARCHANICAL 14 MAR



COMPANY STRATEGY

9M 2023 RESULTS

SUSTAINABLE FINANCING FRAMEWORK

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EXAMPLE OF ELIGIBLE PROJECTS

External reviewer DNV released a pre-issue SPO on an extensive list of projects for more than €1.1B, grouped in Framework Categories, confirming that they are aligned with Green Bond Principles

ROADSHOW

INVESTOR

RENEWABLE ENERGY

€420M

FNFRGY EFFICIENCY

€90M

CIRCULAR ECONOMY SUSTAINABLE WATER AND WASTEWATER **MANAGEMENT**



2024

PUGLIA HOLDING ACOUISITION

Acquisition of the largest photovoltaic park in Italy (121.5 MW) based in Puglia **ELECTRICITY DISTRIBUTION UPGRADE TO SMART GRID**

Investments for the modernization, also through digitalization, and upgrade of the distribution grids serving the municipalities of Turin, Parma and Vercelli in Northern Italy



PUSH ON SORTED WASTE COLLECTION

€340M

Investments to increase sorted waste collection with roll-out of "pay as you throw" model and to increase efficiency through automation and digitalization. Extension of our best practices to new areas



WASTEWATER TREATMENT PLANT IMPROVEMENT

Improvement of our Reggio Emilia and Piacenza wastewater plants to increase the water quality release and to reuse it for agricultural and industrial purpose

ZERO EMISSIONS FLEET

CLEAN

TRANSPORTATION

€80M

Substitution of traditional vehicles with e-vehicles to reduce our scope 1 emissions SUSTAINABLE FINANCING **FRAMEWORK**









DNV

SECOND PARTY OPINION PROVIDED BY

INVESTOR ROADSHOW

2024

Green Financing Component

DNV is of the opinion that Iren's Framework is aligned with





SDGs Mapping















Framework Pillars DNV Opinion Use of Proceeds • Expected environmental benefits are clear, precise, relevant and measurable Project Evaluation and Selection • The process is appropriately described Management of Proceeds • The proceeds will be appropriately managed Reporting • The procedures are appropriately described

Sustainability-Linked Component

DNV is of the opinion that Iren's Framework is aligned with



Sustainability Linked Loan Principles



13 CUMMT

SDGs Mapping

6 definition
7 definition
12 growing language
12 growing language
13 growing language
14 growing language
15 growing language
16 definition
17 growing language
17 growing language
18 growing language
19 growing language
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Framework Pillars	DNV Opinion
Selection of KPIs	 KPIs are material, robust, reliable and clearly defined The process for selection is clearly defined
Calibration of SPTs	SPTs are: Leading compared to peers Beyond a "Business as Usual" trajectory Set on a predefined timeline and referred to science
Financial characteristics	In line with the requirements of the Principles
Reporting and Verification	In line with the requirements of the Principles

SUSTAINABLE FINANCING FRAMEWORK

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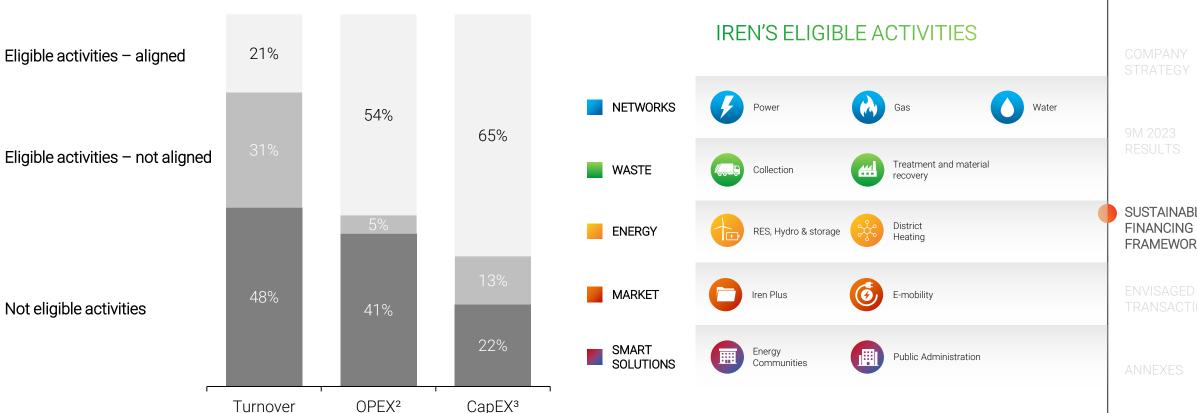


FOCUS ON EU TAXONOMY IN 2022

(revenues)1

Eligible, aligned and non-eligible activities related to the KPIs required by the EU Taxonomy





¹⁾ Revenues sterilized from the effects of IFRIC12. Only revenues from external sales considered in the numerator. Taxonomy does not consider as eligible activities such as the sale of electricity and gas (around 29% of total revenues), which could have a positive impact on climate change mitigation if geared towards the marketing of electricity from renewable sources or low-carbon gas. By sterilising this effect, the share of revenues related to eligible activities would be over 80%.



SUSTAINABLE **FRAMEWORK**

IREN ESG RATINGS AND INDEXES

INVESTOR ROADSHOW 2024









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Included in the index



2023, Iren first

participation in CSA assessment

S&P Global

Ratings

63/100

SUSTAINABLE FINANCING FRAMEWORK





64/100



Well-below 2°C







TRANSACTION DETAILS

	Iren SpA – Green Notes
	ileiropa – Greennotes
lssuer:	Iren S.p.A.
Issuer Ratings (S/F):	BBB (stb) / BBB (pos)
Exp. Issue Ratings (S/F):	BBB / BBB
Format:	Senior, Unsecured, RegS bearer, NGN (TEFRA D rules apply)
Tenor:	Long 8 years (Jul-32)
Amount:	500m WNG
Coupon:	Fixed (Annual, Act/Act)
Use of Proceeds	Finance and/or refinance, in whole or in part, existing and/or future Eligible Projects under Iren's Sustainable Financing Framework
Documentation	EMTN Programme dated 9 May 2023 / English Law / Euronext Dublin
Denomination	€100k x €1k
Call	3m Par Call / Clean-Up Call @80% / Make Whole Call
ESG Structuring Advisors	IMI-Intesa Sanpaolo, Mediobanca, Société Générale, UniCredit
Active Joint Bookrunners	BofA Securities, IMI-Intesa Sanpaolo, Mediobanca, Société Générale, UniCredit

INVESTOR ROADSHOW

2024

COMPANY STRATEGY

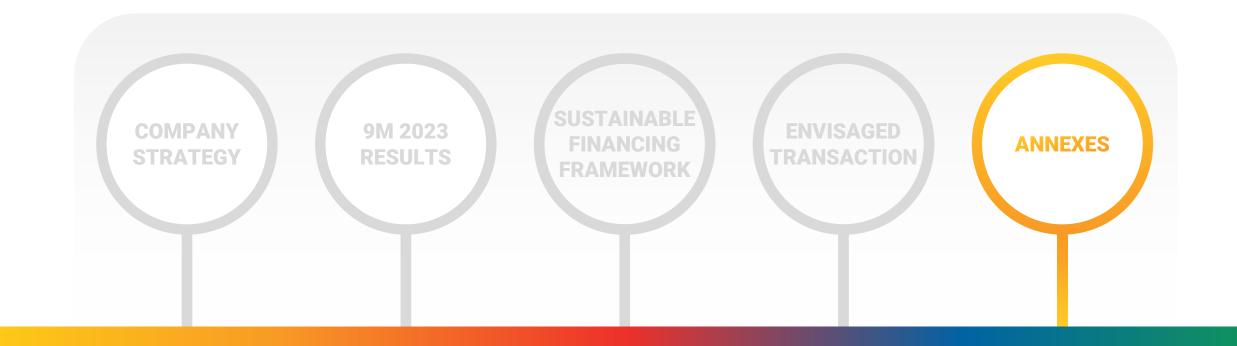
9M 2023 RESULTS

SUSTAINABLE FINANCING FRAMEWORK

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9M 2023 BUSINESS UNITS' RESULTS

Networks				
€M	9M '22	9M '23	Δ	Δ%
Revenues	832	827	-5	-1%
Ebitda	292	280	-12	-4%
Electricity	57	59	2	4%
Gas	60	60	0	0%
Water	175	161	-14	-8%
Ebit	142	121	-21	-15%
Gross Capex	222	225	3	1%

	W	aste		
€M	9M '22	9M '23	Δ	Δ%
Revenues	784	879	95	12%
Ebitda	197	187	-10	-5%
Collection	42	<i>55</i>	13	31%
Treatment & disposal	155	132	-23	-15%
Ebit	98	67	-31	-32%
Gross Capex	118	137	19	16%

	Er	nergy		
€M	9M '22	9M '23	Δ	Δ%
Revenues	3,394	2,263	-1,131	-33%
Ebitda	263	270	7	3%
Hydro & Renewables	78	113	35	45%
Thermo/Coge, DH	152	116	-36	-24%
Energy efficiency	33	41	8	24%
Ebit	156	102	-54	-35%
Gross Capex	105	72	-33	-31%

	M	arket		
€M	9M '22	9M '23	Δ	Δ%
Revenues	3,832	2,904	-928	-24%
Ebitda	7	120	113	(*)
Electricity	-74	45	119	(*)
Gas	66	<i>7</i> 1	5	8%
Iren Plus & others	15	4	-11	-73%
Ebit	-76	33	109	(*)
Gross Capex	61	60	-1	-2%

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COMPANY STRATEGY

9M 2023 RESULTS

SUSTAINABLE FINANCING FRAMEWORK

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IREN REGULATORY FRAMEWORK

	Gas distribution	Electricity distribution	Water service	Integrated waste collection service & regulated plants ¹
Regulatory period	6 years (2020 – 2025)	8 years (2024 – 2031)	6 years (2024 – 2029)	4 years (2022-2025)
WACC methodology update	6 years (2022 – 2027)	6 years (2022 – 2027)	4 years (2024 – 2027)	6 years (2022-2027)
WACC parameters update	Every three years for general parameters (2025)	Every three years for general parameters (2025); specific parameters ² in 2024	Every two years (2024)	General and specific parameters every three years (2025)
WACC	6.5%	6.0%	6.13%	5.6% - 6.0%

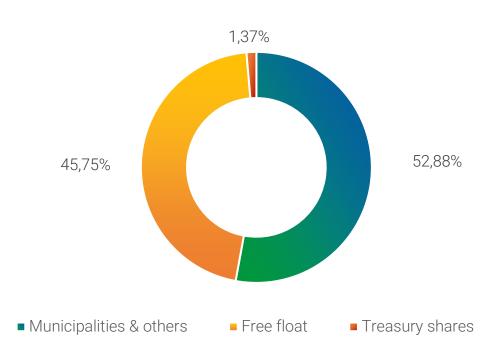
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⁽¹⁾ Regulated Plants: methodology applied from 2022(2) Specific Parameters: Beta and Gearing

IREN SHAREHOLDING STRUCTURE

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COMPANY STRATEGY

9M 2023 RESULTS

SUSTAINABLE FINANCING FRAMEWORK

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ANNEXES

Shareholder's Agreements

Four main shareholder pacts (patti parasociali) between municipalities guarantee that *no single municipality can act* unilaterally on the company's most important strategic decisions



SUSTAINABILITY-LINKED RATIONALE AND STRATEGY

KPI#1 KPI#4 KPI#2 KPI#3 Scope 1 GHG Emissions Waste treated in Material Scope 3 GHG Emissions Water Leaks (%) Intensity (gCO2eq/kWh) (kt of CO2eq) Recovery Plants (kt) The target is coherent with the overall IREN's The target is coherent with the overall The percentage of total water leaks in Italy O Circular Economy is embedded in the strategy to achieve net carbon neutrality in was 42% in 2018. The Istituto Nazionale di IREN's decarbonization strategy IREN's sustainability strategy Scope 3 emissions account for about 46% Statistica (ISTAT) reports that for every 100 IREN will contribute to the achievement of scope 1 emissions by 2040 Scope 1 emissions account for about 50% of of the total Group emissions as of 2020 the target of Waste Framework Directive² litres introduced into the distribution network the total Group emissions as of 2020 (baseline year) in 2018, over 42 do not reach the taps of the The largest potential to improve circularity The 2030 target is validated by the SBTiis in plastics, where recycling rates today (baseline year) houses and it estimates that recovering The 2030 target is validated by the Science Rationale Well-below 2°C scenario these leaks could guarantee the water needs are low3, and CO2 gains would be Based Target Initiative (SBTi) - Well-below 2°C of about 44 million people in one year, more substantial scenario than two thirds of Italians¹ The recovery of organic waste contributes to CO2 reduction. Plastic, organic and wood waste recovery is part of the PNRR4 Purchase of 100% renewable electricity Renovation of water supply networks IREN has acquired in 2020 I.Blu, which Development of new RES assets, focused mainly on photovoltaic and wind power (+2.2 O Grid compartmentation operates in the selection of plastic waste to O Biomethane from waste used for mobility Smart solutions for the early identification GW installed capacity) and to feed the gas networks be sent to recovery and recycling. The Renewal of hydro concessions, through Gas networks hydrogenation Company plans to increase the existing of leakages Push towards **electrification** compensating plant's capacity and build a new plant to treat revamping O Divestment of thermoelectric assets (not for gas consumption reduction heterogeneous plastics (plasmix) that Strategy to functional to district heating) planned in the currently have no outlet in the recycling **Achieve the** 2026-30 period market **Target** Increase in the use of low carbon gases for Furthermore, IREN plans to improve its capacity of recycling organic waste, with the energy production production of compost and biomethane, and wood, building new and increasing existing plants

- (1) https://www.istat.it/it/files//2021/03/GMA2021_ENG.pdf
- (2) Waste Framework Directive (as amended by 2018/851) defines that by 2030, the preparing for re-use and the recycling of municipal waste shall be increased to a minimum of 60% by weight
- (3) Recycled volumes are just 10% of plastics in the market
- (4) National Recovery and Resilience Plan

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COMPANY STRATEGY

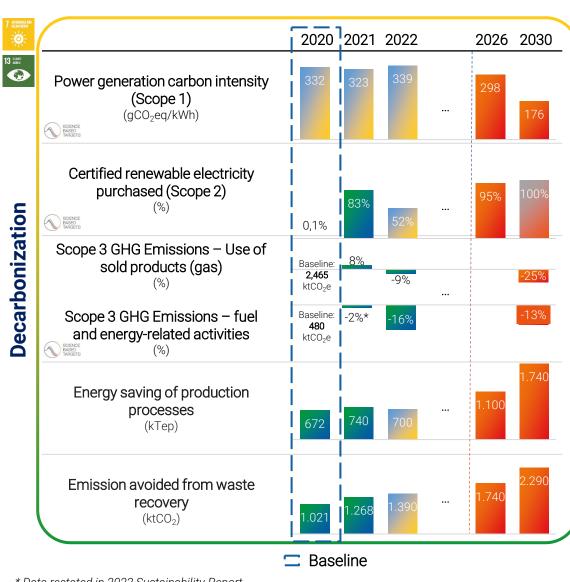
9M 2023 RESULTS

SUSTAINABLE FINANCING FRAMEWORK

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SUSTAINABILITY TARGETS - DECARBONIZATION



- Targets functional to SBTi ambition, in line with WB2D scenario
- Renewable capacity growth (+2.9GW new power capacity by 2030, also through energy communities)
- Emissions' reduction also through:
 - o divestment of thermo assets (not functional to DH),
 - o developing CO₂ capture systems on WTEs
 - increase of green energy purchase with a guarantee of origin
 - waste recovery, thanks to the development of several recovery plants, in order to avoid incineration
 - use hydrogen blending in CCGT plants

INVESTOR ROADSHOW 2024

> COMPANY STRATEGY

9M 2023 RESULTS

SUSTAINABLE SINANCING SRAMEWORK

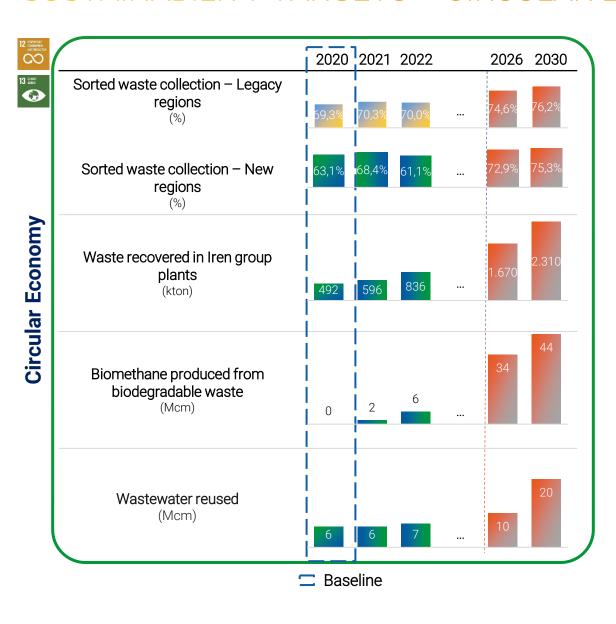
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Main projects

^{*} Data restated in 2022 Sustainability Report

SUSTAINABILITY TARGETS - CIRCULAR ECONOMY



Main projects

- Roll-out of "Pay as you throw" model (64% of inhabitants in 2030 vs 20% in '22)
- Increase in waste treatment capacity (+2.4 Mn tons by 2030 with 22 new plants)
- Strong focus on waste-to-material (+1.5 Mn tons by 2030)
- Increase in WtE capacity (+0.4 Mn tons by 2030), to close the gap on end of waste cycle
- New organic treatment plants with biomethane production
- Increase in wastewater reused for agricultural and industrial uses

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COMPANY STRATEGY

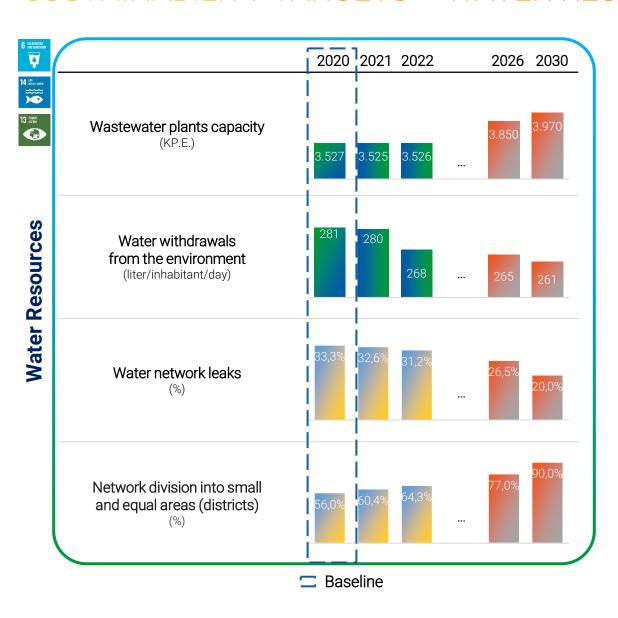
9M 2023 RESULTS

> USTAINABLE INANCING RAMFWORK

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SUSTAINABILITY TARGETS - WATER RESOURCES



Main projects

- Renovation of water supply networks to reduce network leaks by replacing old pipes
- Grid districtization to increase the management efficiency thanks to a modular-based system
- Grids digitalization program with the installation of smart meters and sensors, digital detections to guarantee constant monitoring and preventive maintenance approach
- New water sewage plants to a better quality of the water distributed

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COMPANY STRATEGY

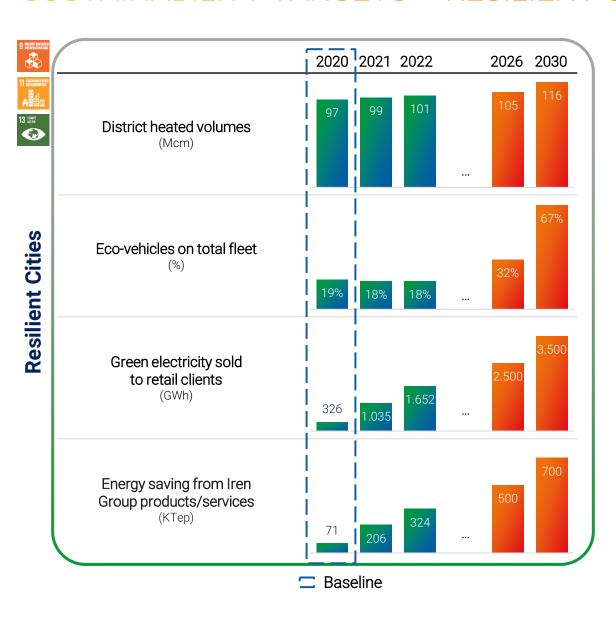
9M 2023 RESULTS

> USTAINABLE INANCING RAMFWORK

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SUSTAINABILITY TARGETS - RESILIENT CITIES



Main projects

- DH extention, through the saturation of our plants and the development in existing and new areas
- Growth in e-mobility through development of public/ semi-public charging infrastructure and electrification of local public transportation, leveraging Project Finance and public funds
- Development of an integrated service portfolio
- Expansion of service portfolio and management of urban renovation and infrastructural projects, becoming preferred partner for municipalities

INVESTOR ROADSHOW 2024

COMPANIX

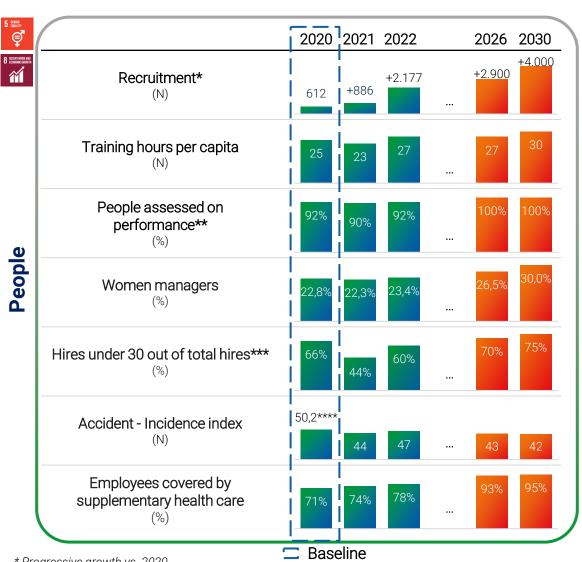
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SUSTAINABLE SINANCING SRAMEWORK

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SUSTAINABILITY TARGETS - PEOPLE



Main projects

- Employment, development and enhancement of internal skills: progressive growth of employment compared to 2020, training supports development and professional growth, performance assessment process with the assignment of objectives and periodical assessments
- Policies for diversity and inclusion: progressive average hires under 30 out of total hires and increase of the number of women in managerial positions
- Welfare and people care: progressive decrease of the incident index considering the average number of employees, and progressive growth of employees' membership of supplementary health care funds

INVESTOR ROADSHOW 2024



^{*} Progressive growth vs. 2020

^{**} On eligible population: executives, middle managers and white-collar workers in service for more than 6 months in the year;

^{***} Progressive percentage on cumulative hires from 2020 on permanent contracts and independent of contracting and internalization

^{**** 2020} figure is 40,4 influenced by Covid 19 emergency, so 2019 was used as a basis