



GOING NATIONAL
Strengthening our
local leadership

BUSINESS PLAN @ 2025

30 September 2020



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Abstract

**Strategic Pillars
effectiveness
confirmed after 5 years
of strong delivery**

**Growth confirmed as
first priority combined
with the new challenge
of Going National**

**Exploiting financial
flexibility while
maintaining the current
investment grade**



PAST
ACHIEVEMENTS

2014 – 2019: 5 years of growth



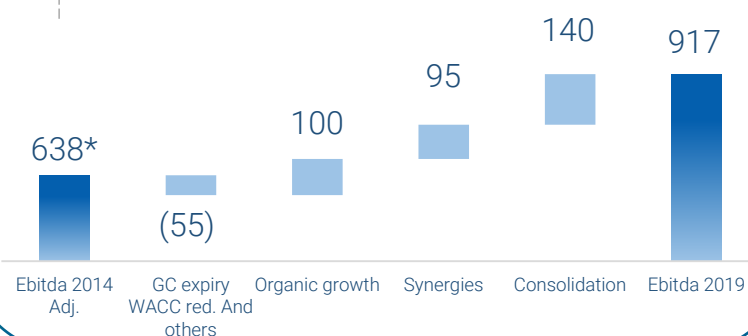
Continuous growth in all the business units, sustained by all the strategic pillars and M&A activities



We've exploited the financial flexibility (capex increase and M&A deals) to strengthen our strategic positioning mainly in regulated activities

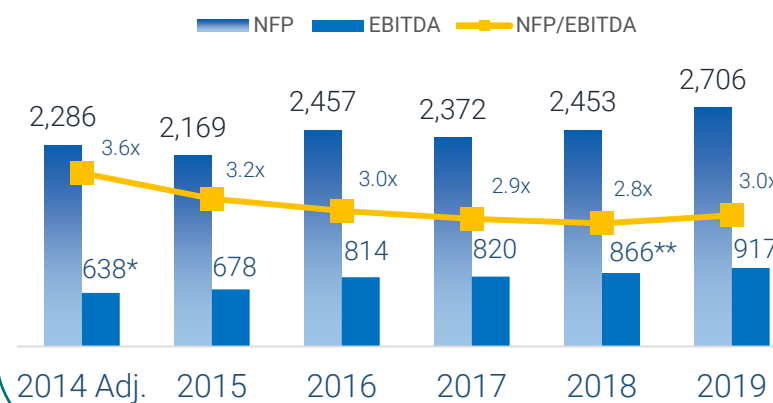
EBITDA BRIDGE (m€)

Cagr ~7.5%



*Adjustment: net of voluntary retirement plan and extraordinary capital gain

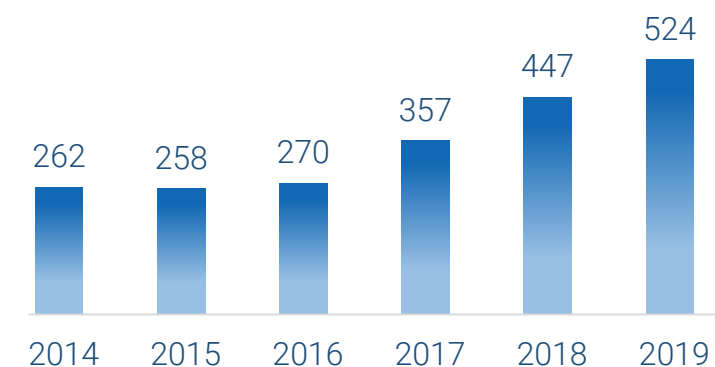
NFP/Ebitda (m€)



*Adjustment: net of voluntary retirement plan and extraordinary capital gain

**Ebitda recurrent, net of 101m€ of one off

CAPEX (m€)



2014 – 2019: economic indicators evolution



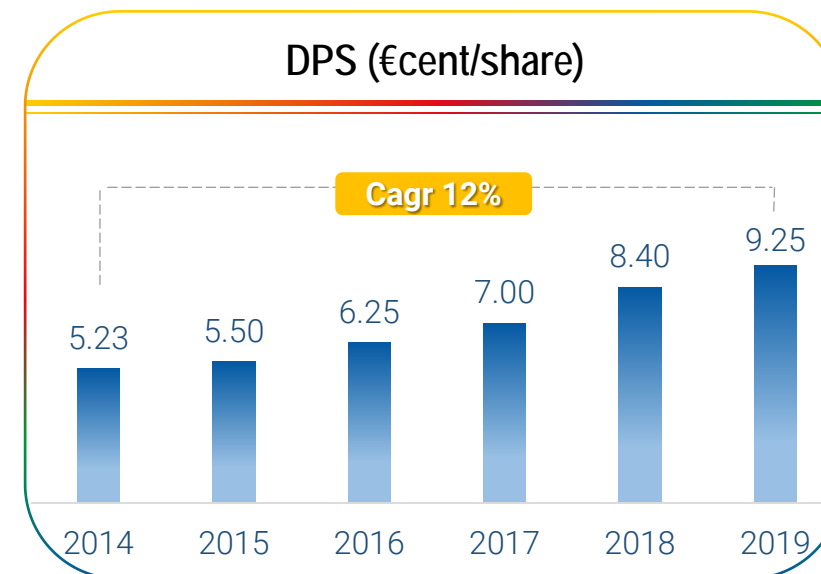
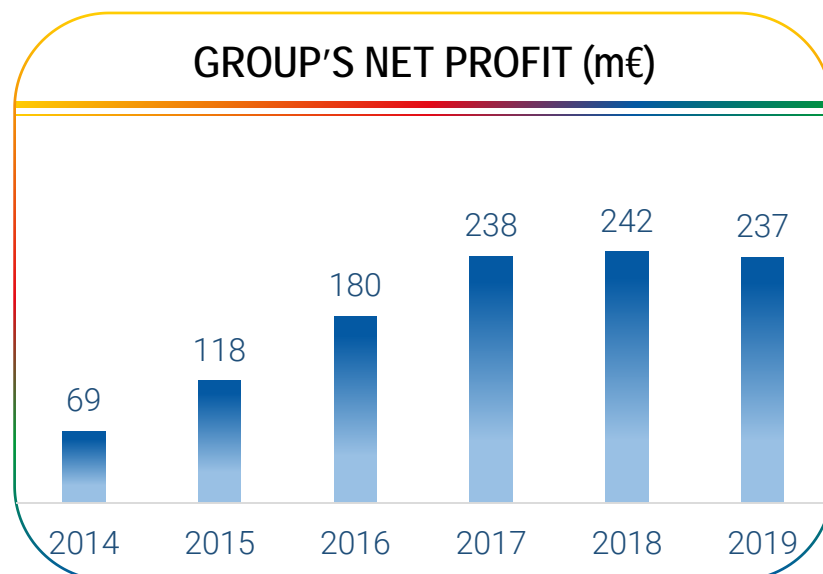
The strong results achieved allowed us to share the value created with our shareholders



Group's net profit increase was sustained by organic growth, synergies and consolidation activities



Constant dividend per share growth



STRATEGY

Strategic pillars

Strategic pillars confirmed in combination with new ambitions

MACRO SECTOR TRENDS

- Sustainable resources
- Energy transition
- Client's central role
- Technological revolution
- Consolidation

STRATEGIC PILLARS

- Growth
- Sustainability
- Client
- Digitalization
- People
- Technological evolution and efficiency

NEW AMBITIONS

- Going national
- Multicircle economy
- Strengthening resilience



**HIGHER INVESTMENTS +400M€
COMPARED TO PREVIOUS BP**

Strengthening our local leadership...



We continue to act in order to improve our leading position as multi-business operator in our reference areas

- Strong relationship with communities to meet territory needs
- Almost 900€ of investments per inhabitant served in reference regions in the next 6 years (+8% vs latest BP)
- Confirmation of water concessions, improving the efficiency and quality of service (water leaks at 29% @2025; now at 33.4%, -8bps vs national average)
- Confirmation of waste concessions and possible participation in other tenders, improving the collection activity and the percentage of sorted waste (73% @2025; now at 67%, +9bps vs national average)
- Saturation and expansion of district heating networks to improve air quality in our cities and reduce fossil fuel consumptions



3 reference regions with more than 7 million inhabitants served



Geographic expansion thanks to M&A transactions

... to go national



1st national player in Corepla plastics selection and in plasmix treatment



Top operator for the widest range of high value-added products and services sold to our clients



1st operator in district heating

The current national leadership in specific activities makes us confident in scaling up our size in some vertical business sectors

WASTE

- New geographies and businesses managed through M&A and tenders
- Relevant player in **waste collection** services
- Strengthen the leading position in **plastic selection** and **plasmix** treatment
- **Special waste** business development

CLIENTS

- National retail **clients acquisition**
- **Digital-based** commercial policy
- New opportunities from **digital payments**
- Wide range of **high value-added services** offered
- **E-mobility** diffusion

ENERGY EFFICIENCY

- Leading player in **district heating**
- National public/private **customers acquisition**
- Acceleration of **commercial development** by leveraging **superbonus** incentives

Multicircle economy

We overcome the traditional circular economy concept to emphasize our multi-business industrial approach, in which different activities share the value of efficient and conscious use of resources

COLLECTION

- Geographic expansion of collection in new areas
- Expansion of the **door to door** and **pay-as-you-throw** collection systems to further increase **sorted waste collection** percentage
- Full development of **Just Iren**
- R&D of new **technologic** systems to improve the **selection** of waste collected

TREATMENT & DISPOSAL

- New infrastructures to seize opportunities along the **entire value chain**
- Increase in **organic fraction** treatment capacity and **biomethane** production
- Reinforcement along the **plastic chain**, boosting selection and recycling
- Development of the **paper chain** through industrial partnerships

WATER CYCLE

- Water network **districtization** to reduce leakages
- Wastewater** reuse for agricultural and industrial purposes
- Wastewater treatment** capacity increase

DISTRICT HEATING

- Harness cogeneration resources to provide **efficient heating** in urban areas

Strengthening resilience

OUR MODEL

- 70% of Ebitda coming from **regulated and quasi regulated** activities
- **Strong integration** between business units leads to **economies of scale** and **cross-sector opportunities**
- Networks business, supported by the regulator, allows to **stabilize the cash flow**
- Positioning in **urban waste collection** and **disposal** business
- Over **50% of generation margin** coming from **district heating**. High plants **flexibility** with strong performance in the MSD market
- Market focus on **retail clients**

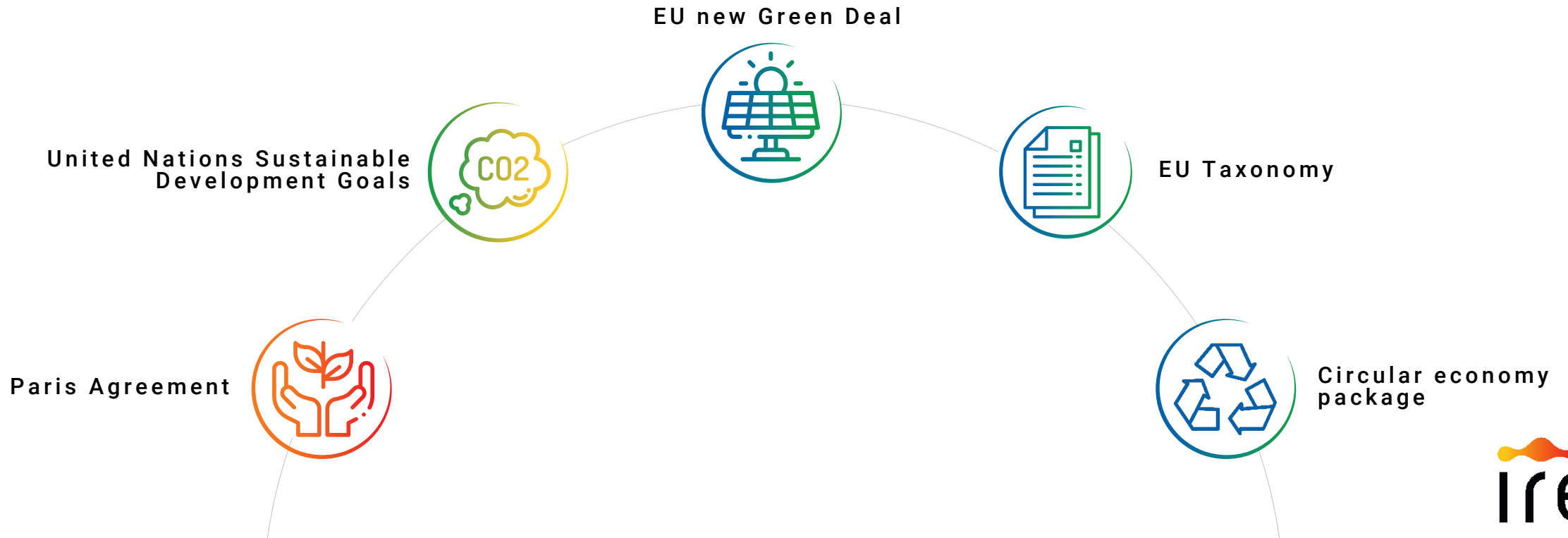
OUR AMBITIONS

- Further increase in **synergic activities** between business units
- Improving the distribution networks mainly in the **water sector**
- Higher focus on **urban waste treatment** in order to increase business vertical integration
- New **power capacity** sustained by the capacity market and the need for flexibility. Extension of **district heating** to saturate our production capacity
- Increase in **retail customer base**










A strategic sustainable growth

Our industrial strategy is strongly sustainable and based on 5 macro areas (water resources, circular economy, decarbonization, resilient cities and people), each one with specific actions and concrete targets.

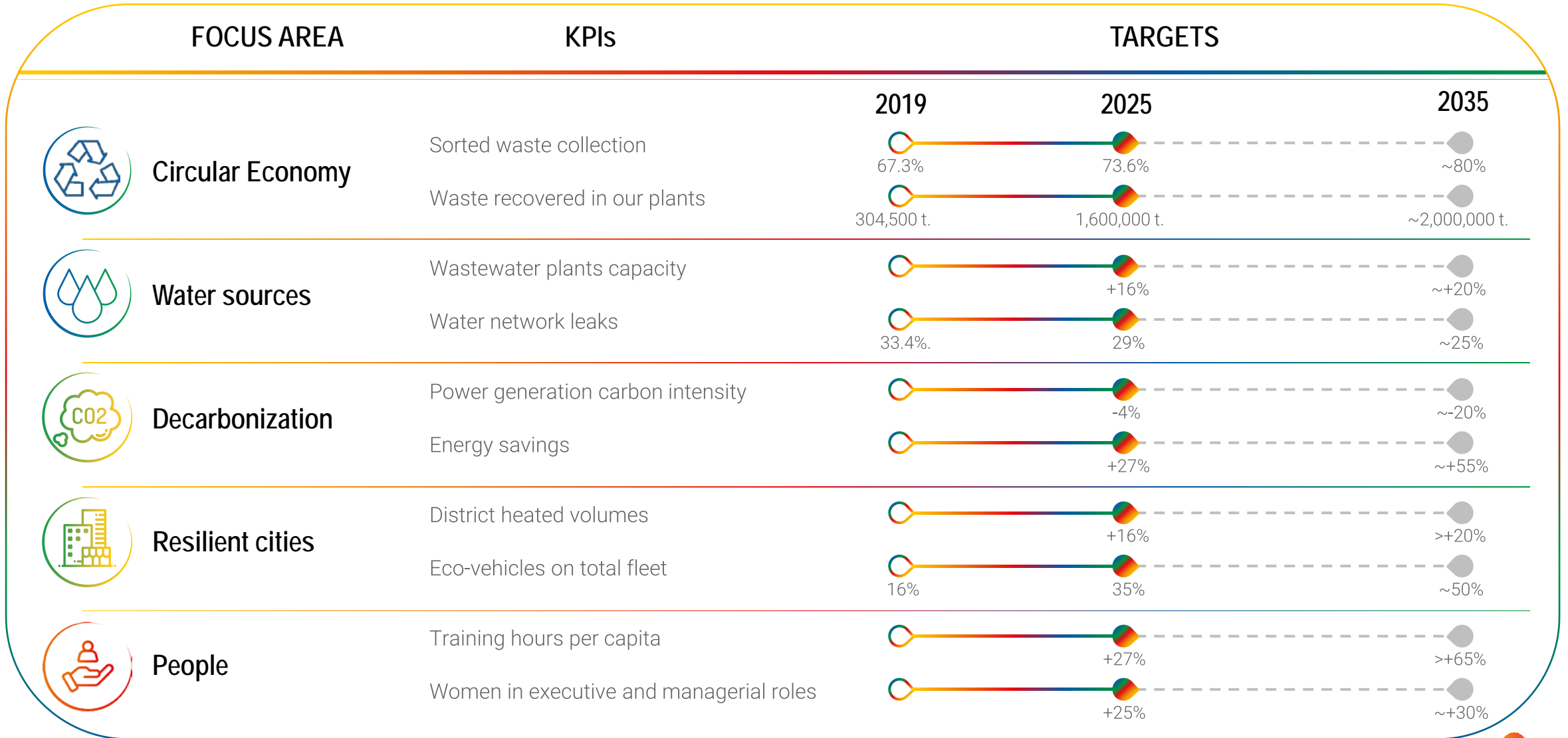
Sustainability strategic pillars are confirmed and combined with a **new long term view at 2035**, in line with:



Long term sustainability strategy @ 2035

SDGs	FOCUS AREA	DIRECTIONS	MAIN ACTIONS
	Circular Economy	<ul style="list-style-type: none"> ○ Increase in sorted waste collection in our areas ○ Growth of material recovery in Group plants ○ Production of biodegradable waste fuels ○ Wastewater reuse for industrial and agricultural purposes 	<ul style="list-style-type: none"> ○ Extension of D2D collection and user recognition ○ New recovery and treatment plants ○ Geographic expansion of waste management
 	Water sources	<ul style="list-style-type: none"> ○ Increase in purification capacity ○ Rational use of water through reduction of water withdrawal and network leaks 	<ul style="list-style-type: none"> ○ Revamping and development of new wastewater treatment plants ○ Districts management, maintenance and leak detection interventions ○ Widespread of smart metering
	Decarbonization	 <ul style="list-style-type: none"> ○ Reduction of carbon intensity of energy production ○ Energy saving production processes ○ Emissions reduction (scope 2) 	<ul style="list-style-type: none"> ○ Implementation of hydrogen/biofuel mixture in CCGT ○ CO₂ capture from WTE ○ Biogas production from purification ○ New waste recovery and treatment plants ○ Increase in sorted waste collection
 	Resilient cities	<ul style="list-style-type: none"> ○ Extension of district heating networks ○ Reduction of corporate vehicle fleet environmental impact ○ Energy saving from Iren products and services 	<ul style="list-style-type: none"> ○ Saturation and development of district heating ○ Electrification and green fuels for heavy vehicles ○ Extension of energy efficiency services
 	People	<ul style="list-style-type: none"> ○ Competence enhancement and reskilling ○ New working modes supported by digitalization ○ Diversity enhancement ○ People care 	<ul style="list-style-type: none"> ○ Continuous learning and reskilling plans ○ Re-engineering and streamlining processes ○ Increase the presence of women ○ Company welfare strengthening

Sustainability targets



ACTION PLAN

Covid impacts & opportunities acceleration

IMPACTS ON IREN RESULTS

1H 2020 results showed the **resilience of our business model** and the value of the **strategic integration** between each business. Management has made **opportunistic choices** to mitigate the emergency impacts and maintain a high level of profitability

Under the assumption that lockdown measures won't be replicated in 2H 2020, we expect the following effects:

SHORT TERM NEGATIVES

The severe **downturn** in energy scenario occurred in 1H 2020 caused by the Covid emergency is expected to **bottom up** since the end of the lockdown measure and is expected to gradually soften over the next months

IMPACTS ON IREN RESULTS

With the EU support, local utilities are expected to play a leading role accelerating investments in:

- 🔄 **Circular economy**
- 🔄 New **network infrastructures** with higher focus in **water** business
- 🔄 **Energy transition**
- 🔄 **Digital** investments leading to **smart-cities** evolution and process innovation inside the Companies (**smart-working**)

Business sector trends

NETWORKS

- Need for new infrastructures
- Quality improvement award supported by regulation
- Digitalization & analytics

WASTE

- Need for treatment and disposal plants in line with the circular economy approach
- Competitive advantage for integrated operators covering all the value chain
- Sector consolidation

ENERGY

- Increasing need for supporting system adequacy led by energy transition
- Higher commitment in CO₂ emissions reduction supported by district heating development
- Energy efficiency development

MARKET

- New opportunities coming from market evolution
- New services supported by digital technologies
- Adoption of a marketing oriented approach

Networks Business unit action plan

ONGOING PROJECTS

- Investments in order to improve the **efficiency** and **quality** of service leading to RAB growth
- 5 water treatment plants** to close the integrated water cycle in line with the circular economy approach
- 2G electric smart meters, water and gas **smart meters installation**
- Performance improvement** projects to increase synergies



CUMULATED CAPEX
1,310m€

WHAT'S NEW

- 2 new water treatment plants** and **revamping** of existing ones
- New primary electrical substations**
- Digitalization projects** to increase service quality
- Gas tenders exclusion**



ADDITIONAL EBITDA
vs 2019
+71m€

2025 ESG TARGET

- +16%** purification capacity
- 29%** network leaks
- >80%** network division into small and equal areas (districts)
- 15 mcm** of wastewater reuse for industrial and agricultural purpose



RAB@2025
2.93b€

Waste business unit action plan

ONGOING PROJECTS

- Vertical integration along value chain
- Widening of **door-to-door** and **pay-as-you-throw** collection systems
- Increase in volumes (+900ktons) of waste treated in our facilities thanks to **9 new plants**



CUMULATED CAPEX
720m€

WHAT'S NEW

- New activities thanks to Unieco and I.Blu acquisitions
- 1 upgrade of **durable goods treatment** plant (DGT)
- 1 **landfill capacity expansion**



ADDITIONAL EBITDA
vs 2019
+69m€

2025 ESG TARGET

- 1.6 m tons** of material recovered in Group plants
- Over 70%** sorted collection in our areas
- 35 mcm** biomethane produced



WASTE MANAGED
3.7m ton

Energy business unit action plan

ONGOING PROJECTS

- **District heating** development to saturate cogeneration capacity
- Increase in **thermal storage** capacity
- Growth in the **energy efficiency** segment
- Reinforcement of **hydro plants** (development of 4 mini-hydro and repowering projects)



CUMULATED CAPEX
1,070m€

WHAT'S NEW

- **325MW** of new thermoelectric capacity through **Turbigo plant repowering**
- **New electrical storage** project
- **+5mcm** further expansion of **district heating** networks
- Exploiting the potential of the "Decreto Rilancio" for **building regeneration**



ADDITIONAL EBITDA
vs 2019
+54 m€

2025 ESG TARGET

- **-4%** carbon intensity of energy production (scope 1)
- **Over -35%** emissions reduction (scope 2)
- **Over 30,000 ton** of CO₂ avoided by heat accumulators



DISTRICT HEATING
VOLUMES
110 mcm

Market business unit action plan

ONGOING PROJECTS

- Customer base loyalty and development
- Full deployment of **IrenGo** and **IrenPlus** (ex NewDownstream)
- Strong focus on **digital operations** (**IrenYou**)
- Development of **PSD2 digital payments** (**IrenPay**)



CUMULATED CAPEX
305m€

WHAT'S NEW

- National commercial policy:
 - Reinforcement of **digital/web channels**
 - **Digital marketing** development
- New business lines products related to IrenPlus



ADDITIONAL EBITDA
vs 2019
+47m€

2025 ESG TARGET

- **Over 25%** of green electricity sold to end clients and wholesalers
- **About 175,000 Toe** saved and over 400,000 tons of CO₂ avoided by green electricity and Iren Plus products



CLIENTS @ 2025
2.4m

Digital & People action plan

ONGOING PROJECTS

- Transformation into a **lean organization** with an **agile management** model
- Implementation of a new **employee journey, generational turnover, talents acquisition and reskilling**
- Digitalization at scale**, deployment of a **new IT model and advanced platform** (i.e. Analytics, RPA)



DIGITAL CAPEX
300m€

WHAT'S NEW

- Acceleration of **management generational turnover**
- New **leadership model**
- Diversity** enhancement
- New **staff management model** for internal **process transformation**
- Strong acceleration of across-the-board **digital transformation**
- Reorganization by lean and agile projects**



SMART & AGILE WORKING
80% of on-field and office employees

2025 ESG TARGET

- +25%** of women among middle managers and executives
- 95%** of staff involved in training activities
- +27%** hours of training per capita



% OF CLIENTS' FULL DIGITAL OPERATIONS
Over 50% (+3x)



ECONOMIC &
FINANCIAL KPIS

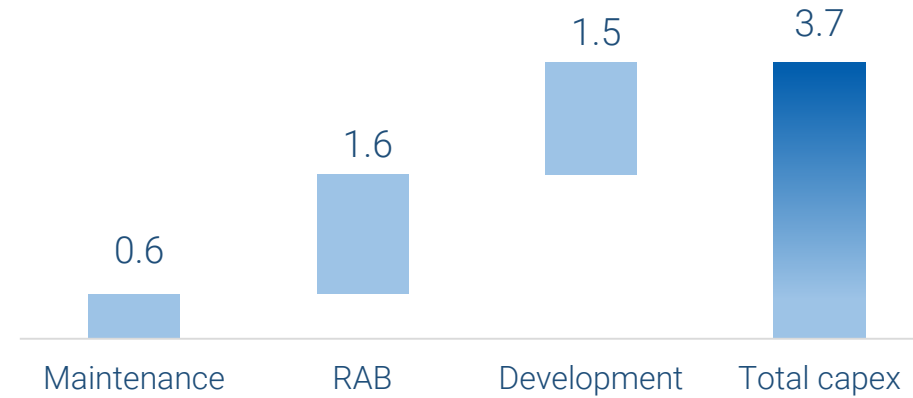
Capex plan



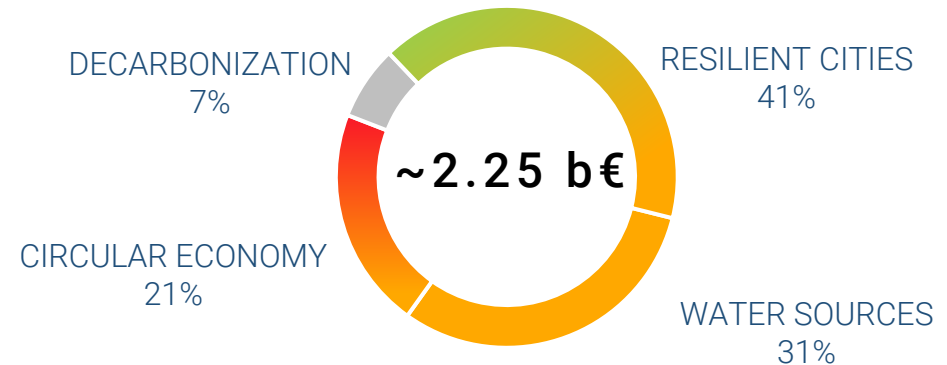
Capex at **3.7b€**, **+12%**
compared to the last BP

- Over 800m€ in the water cycle
- Almost 800m€ in the extension of district heating and thermoelectric new capacity
- Over 700m€ in the waste sector mainly to increase the treatment capacity in our plants
- Strong commitment in Market business to expand our customer base at national level
- 2.25b€ of sustainable investments equal to 61% of total capex. The overall value of the multicircle economy capex (resilient cities, water sources and circular economy) is 2.1b€

CUMULATED CAPEX (b€)



SUSTAINABLE INVESTMENTS

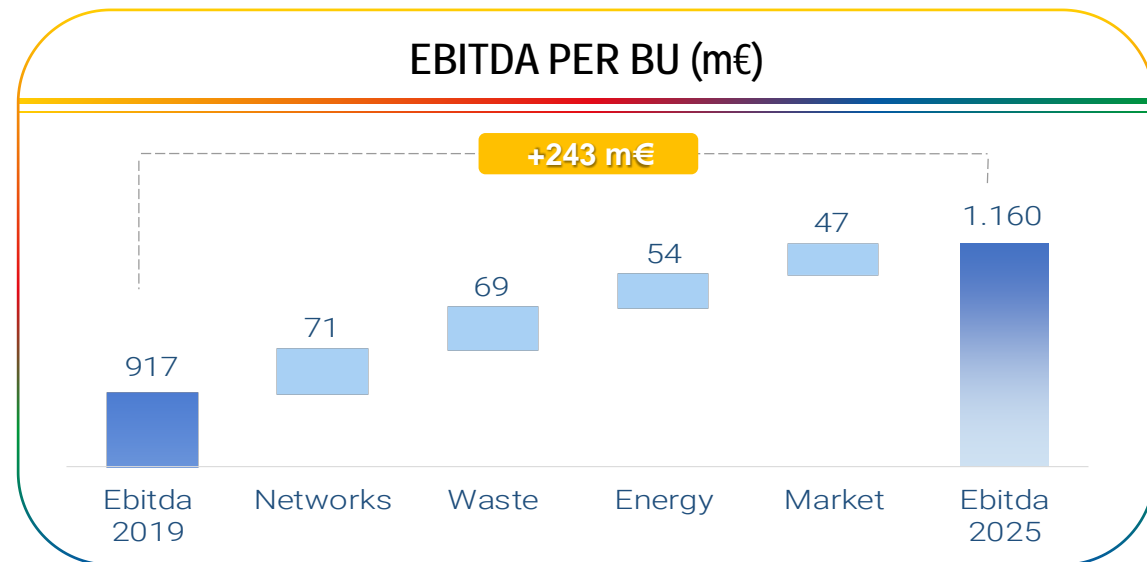
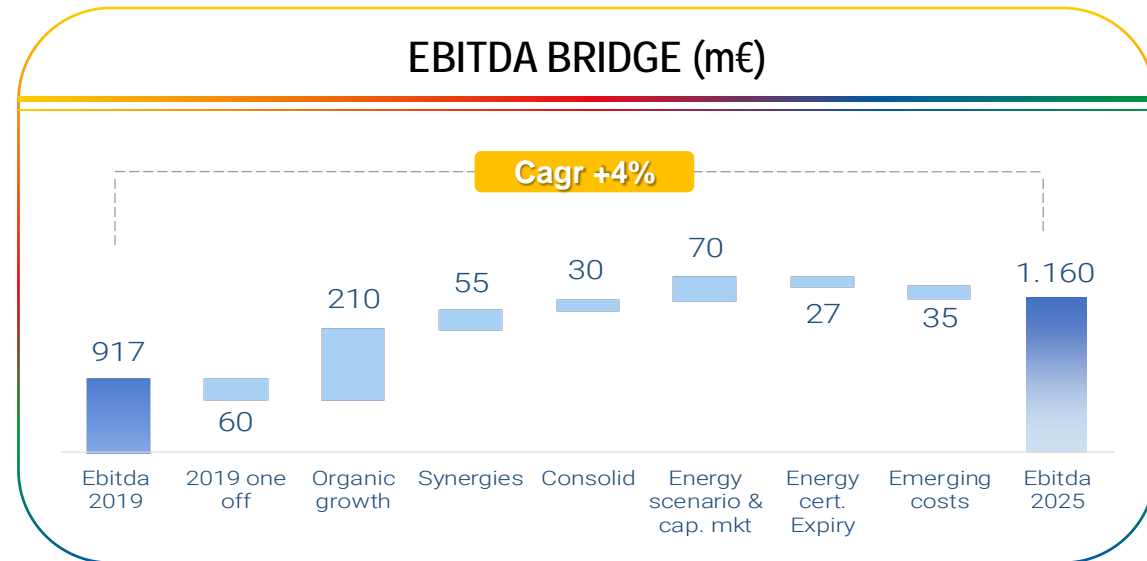




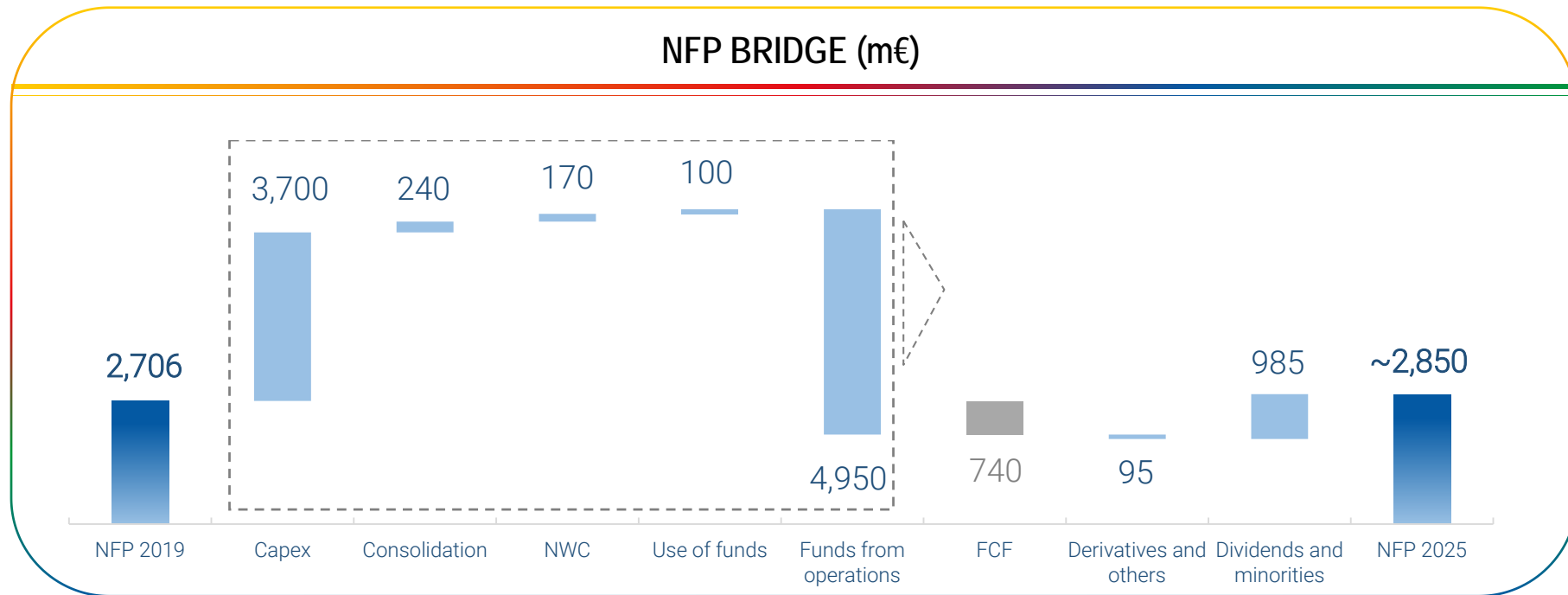
Ebitda growth equal to 240m€

- Organic growth increase mainly driven by water business, new waste treatment capacity, district heating expansion and customer base development
- The consolidation of Unieco and I.Blu allows for further development and business expansion
- Positive energy scenario and capacity market contribution partially offset by energy certificates expiry
- Synergies from performance improvement projects are counterbalanced by emerging costs related to digital projects

Growth



2019 - 2025 NFP bridge



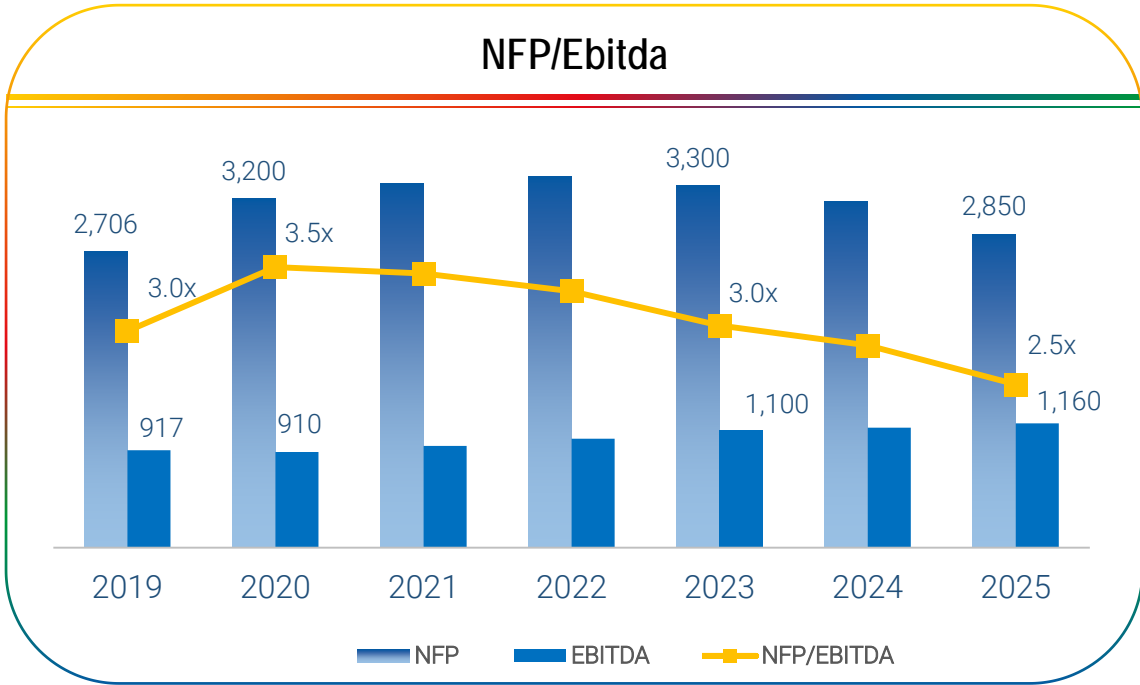
- Debt will increase by only 145m€ despite the strong capex acceleration (+400m€) and consolidation activities
- Net working capital growth mainly due to credits related to energy efficiency projects
- Unieco, I.Blu, Sidigas and SEI consolidation impact 2020 financial position for more than 200m€
- Use of funds related to post mortem landfills and retirement plan
- Stable cash flow generation thanks to regulated and quasi regulated activities

NFP/Ebitda

BBB
Outlook:
Stable
FitchRatings

**Confirming our priority in
keeping the sound
investment-grade rating**

NFP/Ebitda

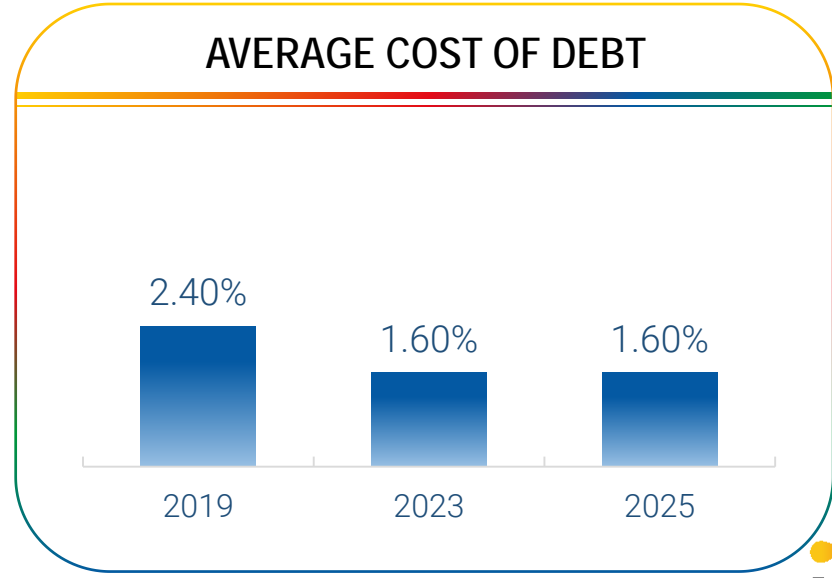
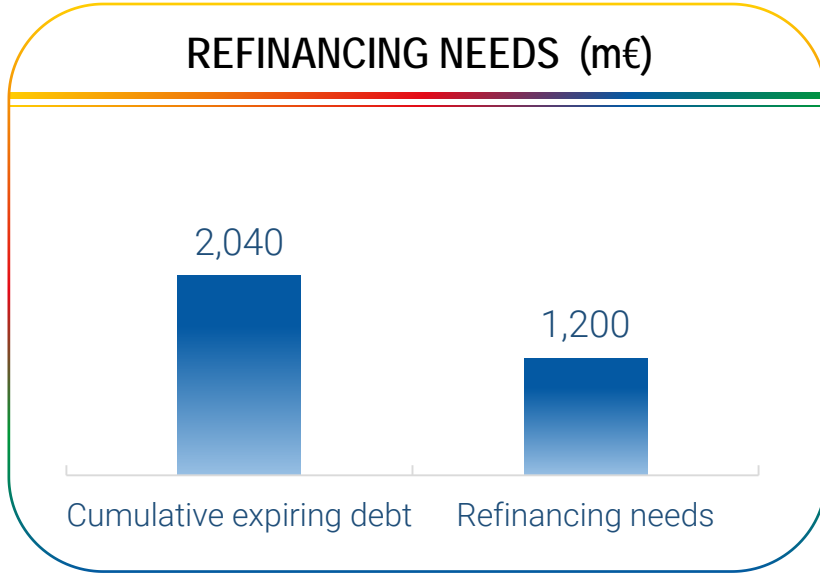
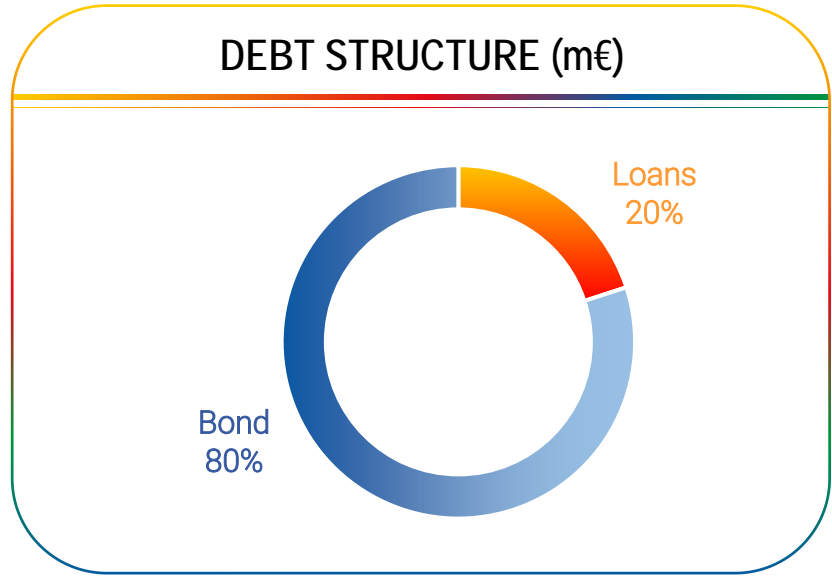
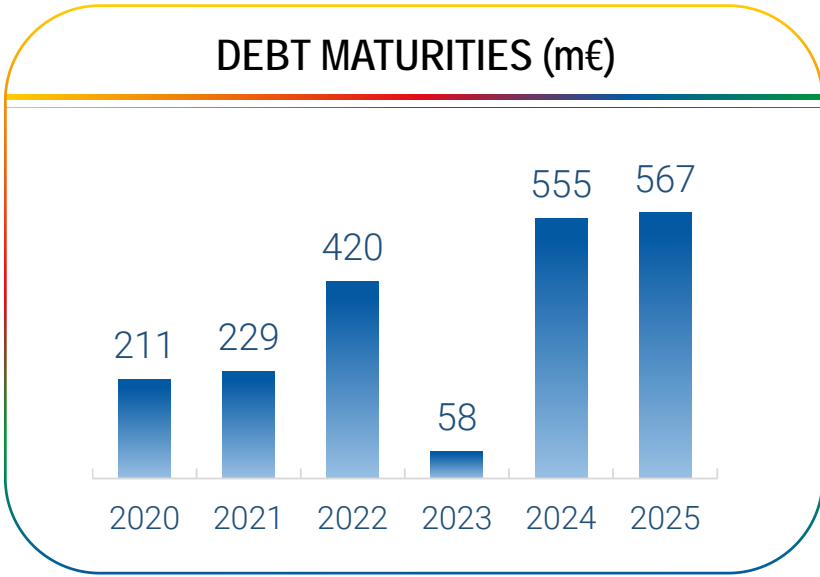


- We have the strength to revise our leverage for the following reasons:
- Financial ratios improvements after the OLT participation disposal
 - Financial discipline: effectiveness in funding combined with liabilities operations
 - Supportive financial market expected to last over the next years
 - Strong cash flow generation thanks to regulated and quasi regulated activities
 - COVID19 impacts on Ebitda are one-off factors and will be reabsorbed in NFP during 2021

The mid-long term NFP/Ebitda threshold is confirmed at 3.0x while we can stay, in the short-mid term, in the 3.0-3.5x area to get strategic value creation options. The adaptability of the investments plan will enable to shift capex from one year to another in order to stay in our range

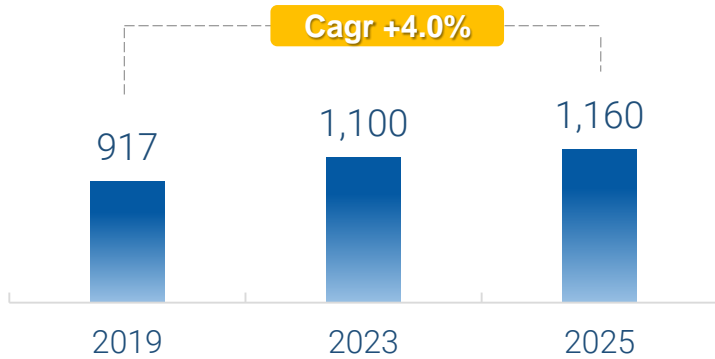
Funding needs

- Iren's long term debt average maturity will be 5.8 years at year end
- The average cost of debt is positively affected by the liability management and pre-hedge activities carried out, as well as lower costs for new debt positions
- 60% of expiring debt is going to be refinanced
- 200m€ of credit lines already contracted with EIB/CEB

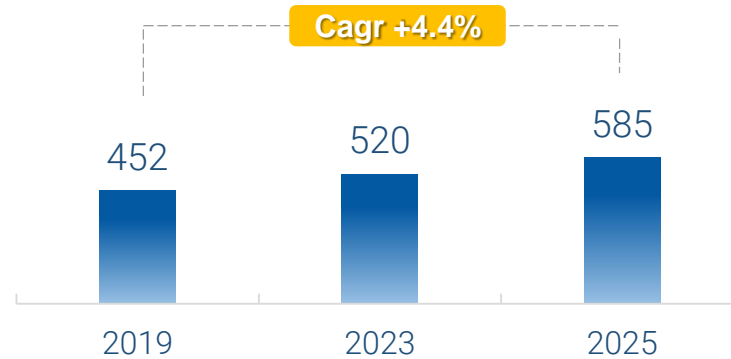


Economic indicators

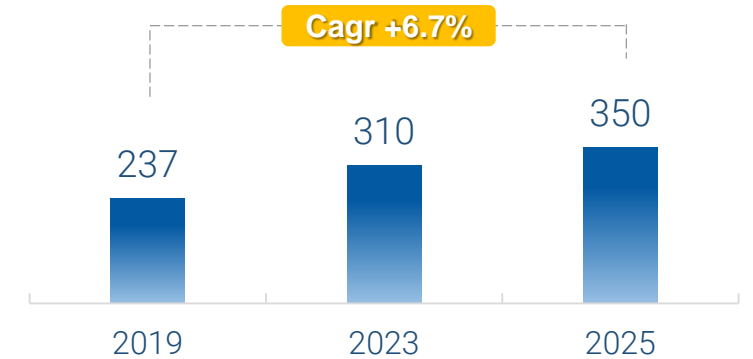
EBITDA (m€)



EBIT (m€)





GROUP'S NET PROFIT (m€)



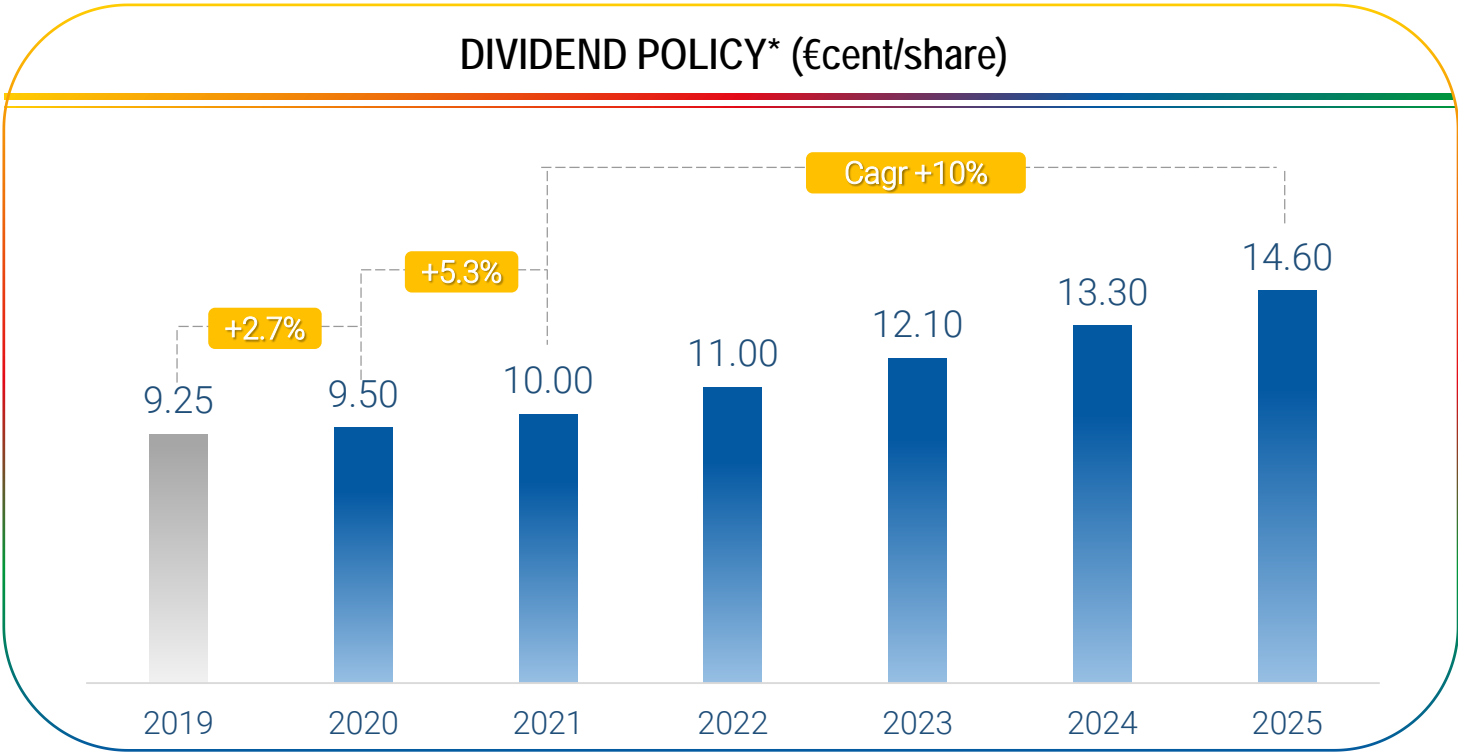
- The Ebitda growth allows to offset the higher depreciation despite the capital intensive investments and the expansion of the perimeter
- The Group's net profit shows higher cagr with respect to previous economic indicators thanks to a positive financial policy management that allows to reduce the cost of debt

Dividend policy

Short-term dividend policy revised taking into account the following main elements:

-  Covid impact on 2020 results
-  Capex acceleration in 2020 and 2021
-  Strategic M&A transactions

We are committed to deliver value to our shareholders through a combination of growth and a dividend policy of roughly 8% DPS cagr over the business plan time frame



*Referred to the result of the corresponding year and paid the following year

Other investments options not included in business plan figures

Other strategic investments already identified and further small & medium M&A opportunities

ORGANIC GROWTH



NETWORKS

- Gas distribution expansion in new areas or where incumbent



WASTE

- New treatment and disposal plants
- Extension of collection activities



ENERGY

- Renewal and repowering of hydroelectric plants strictly connected with concessions renewal
- District heating development in new areas
- Electrical storage flexibility

M&A



SMALL COMPANIES

- By a more selective choice favoring the consolidation of minority stakes, mainly in companies coherent with the circular economy approach



LARGE COMPANIES

- If compatible with investment grade rating maintenance

Technological evolution & other project options leveraging EU funds

Iren has the opportunity to lead cutting-edge technological projects in strategic areas that can benefit the whole international community, solving systemic problems, or with a strong impact on territories

DISTRICT COOLING
& DISTRICT HEATING

CIRCULAR
ECONOMY

WATER SYSTEMS
MANAGEMENT



WASTE-TO-CHEMICAL
& BIOFUELS

EMISSIONS
OPTIMIZATION

Iren will leverage its know-how to lead initiatives in its expertise areas, which would be activated only in case of Europe's funding, without burdening the Group's financial and economic resources

Closing remarks

We are going to leverage our excellences to boost the business model resilience

We are ready to exploit our capabilities, going national in a more competitive environment with our multicircle approach

Further M&A transactions and other strategic options, although not included in business plan numbers, could speed up our growth rate. The imperative of keeping the Investment Grade is confirmed

ANNEXES

Iren at a glance



>7million

INHABITANTS IN IREN'S 3 REFERENCE REGIONS

CUSTOMERS:

- ~1.815M in the energy sector
- ~2.8M inhabitants served in the water service
- ~3.1M inhabitants served in the waste sector
- ~0.9M inhabitants served in district heating

REGULATED ACTIVITIES
(46% OF EBITDA)

QUASI REGULATED ACTIVITIES
(24% OF EBITDA)

UNREGULATED ACTIVITIES
(30% OF EBITDA)



Energy Infrastructure

- RAB Electricity distribution: 447m€
- RAB Gas distribution: 696m€
- **4.2% electricity network leaks (vs. national avg. 6.4%)**



Water Service

- RAB water cycle management: 1,057m€
- **33.4% water network leaks (vs. national avg. 41.4%)**



Urban Waste Collection

- 1.7m tons of municipal waste collected
- **67.3% of sorted waste collection (vs. national avg. 58.1%)**

Hydroelectric Green Certificates

- 330 GWh GCs produced through hydro
- **638K tons CO₂ emission avoided from hydro**

District Heating

- 95 mcm of district heated volumes
- **915K tons CO₂ emission avoided from cogeneration**

Urban Waste Disposal

- 3 Waste To Energy plants (total capacity ~800Kton/y)
- **100% energy or material recovery from total waste managed**

Generation

- 2,700 MW of generation capacity
- **76% of electricity produced by environmentally friendly sources**

Energy Market

- ~6.7 TWh electricity sold to end clients
- ~2.8 bcm gas sold
- **90% customer satisfaction**

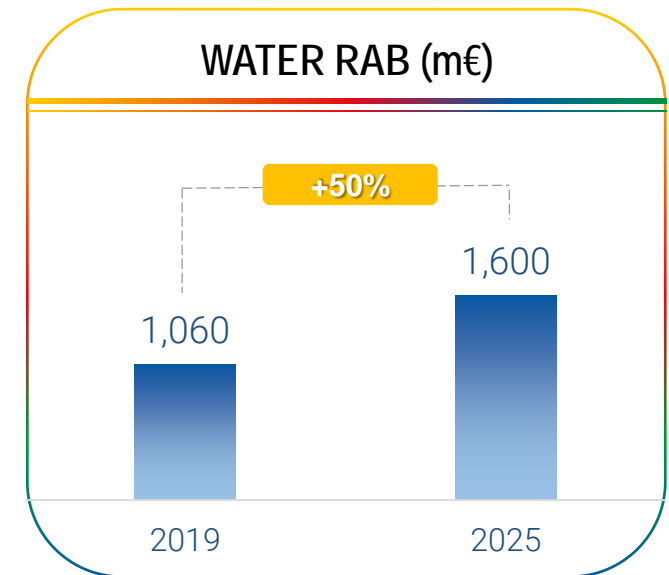
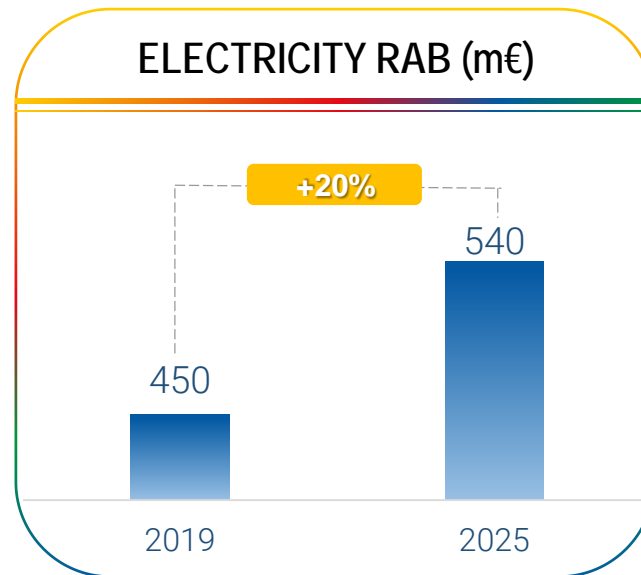
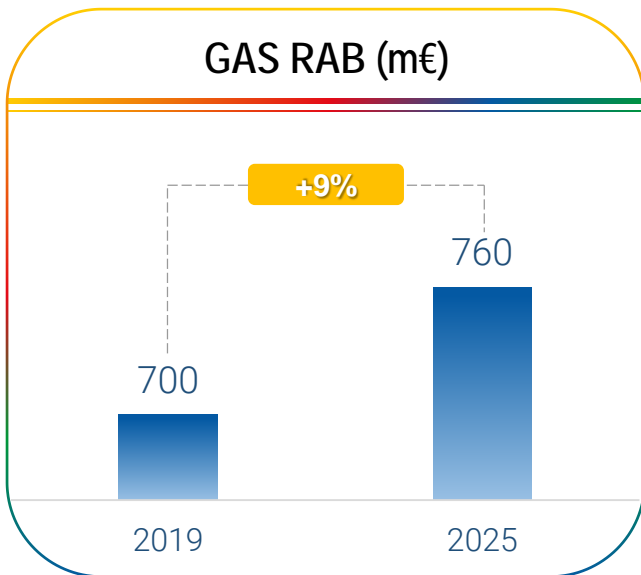
Special Waste

- ~775K tons of special waste managed
- **193K tons special waste to energy recovery**

Networks

- 1.3b€ of cumulated capex to significantly increase RAB by 700m€, reaching 2.93b€ by the end of 2025
- 223m€ of capex are devoted to develop water purification plants, in order to complete our circular vision also in the integrated water cycle
- 15m€ of further synergies will be exploited from continuous improvement in asset/workforce management system
- Participation in tenders within reference areas in which IREN is incumbent (not included in BP figures)

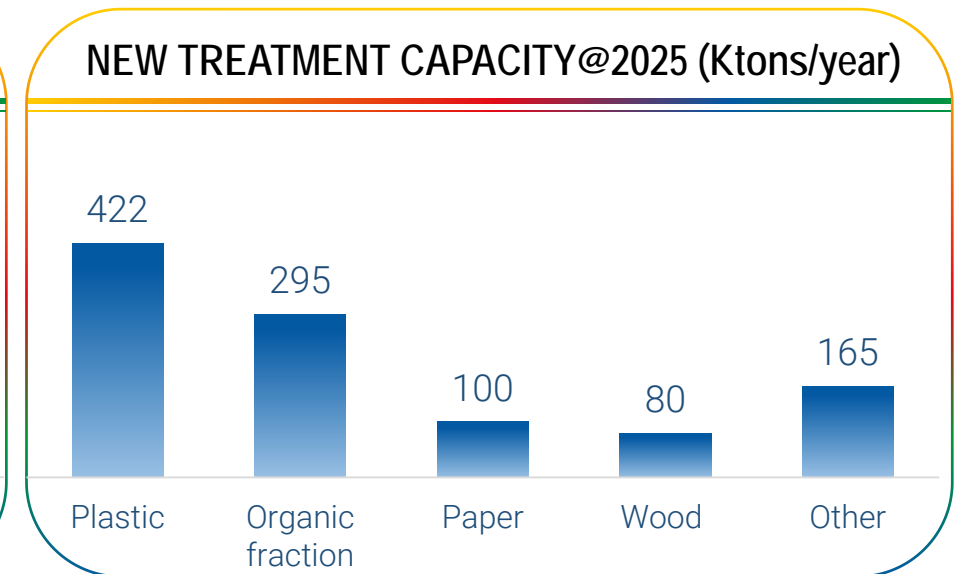
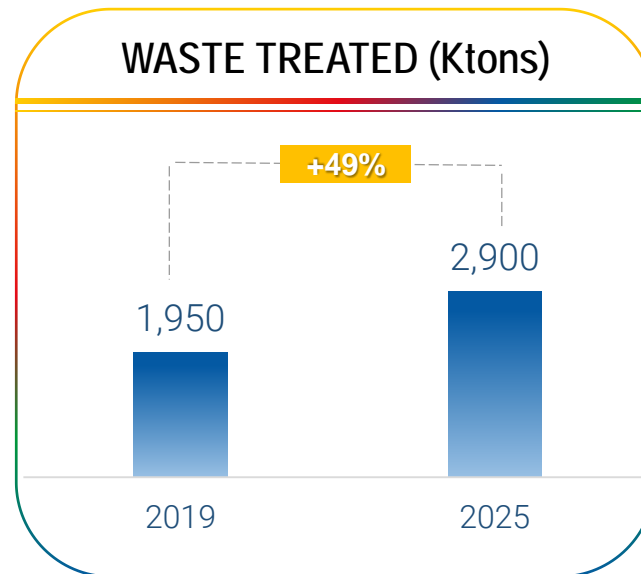
m€	2019	2023	2025
EBITDA	373	413	444
Cagr '19 - '25	3.0%		
EBIT	198	220	247
Cumulated capex	1,310m€		



Waste

- +1 million tons waste treated in our plants thanks to the development of new treatment plants (paper, plastic, wood, organic fraction, sludge)
- +6 bps, reaching more than 70%, in sorted waste collection supported by widening of door-to-door and pay-as-you-throw collection systems
- Fully consolidation of I.Blu and Unieco
- Confirmation of all the currently owned concessions
- Possible participation in tenders within reference areas in which IREN is not incumbent (not included in BP figures)

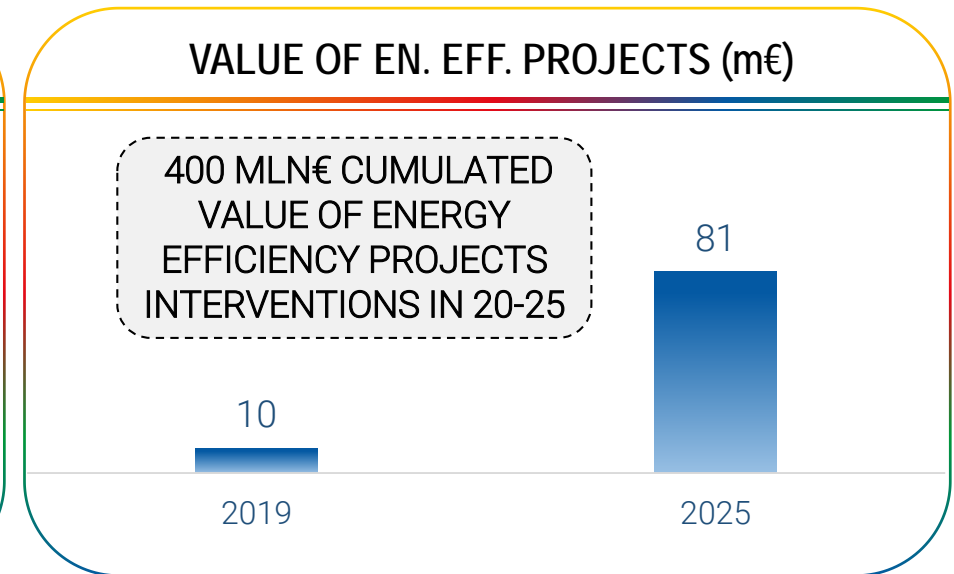
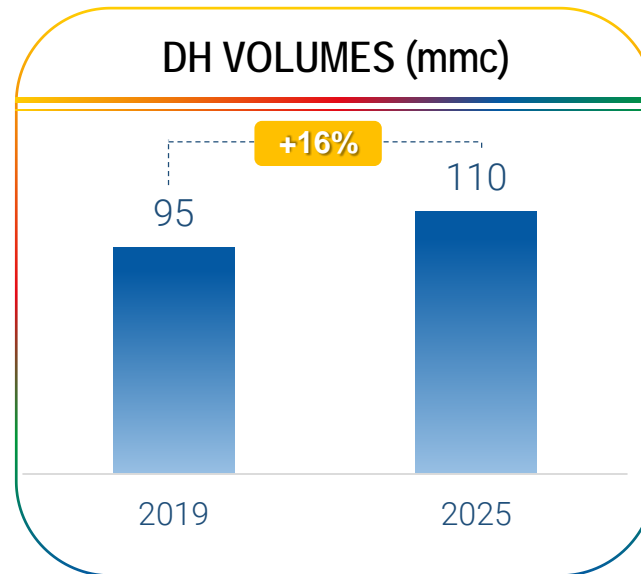
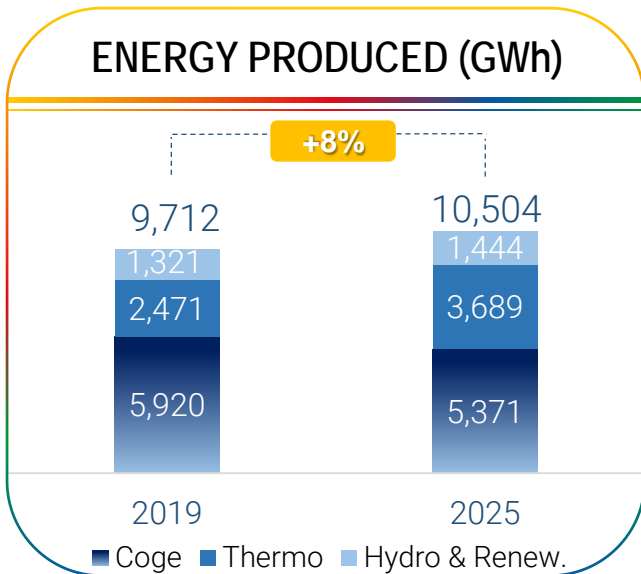
m€	2019	2023	2025
EBITDA	158	218	227
Cagr '19 – '25	6.3%		
EBIT	56	76	89
Cum. maintenance capex	68		
Cumulated RAB capex	270		
Cum. development capex	384		



Energy

- Significant increase in thermoelectric production (+49%) thanks to the new TL3 Group in Turbigio.
- Launch of the capacity market
- Extension of the district heating networks and saturation of the existing infrastructure (+15 cubic meters) with the achievement of 100 million cubic meters in 2022.
- Growth in the energy efficiency segment also taking advantage of the introduction of the 110% Superecobonus (400 million cumulative interventions).

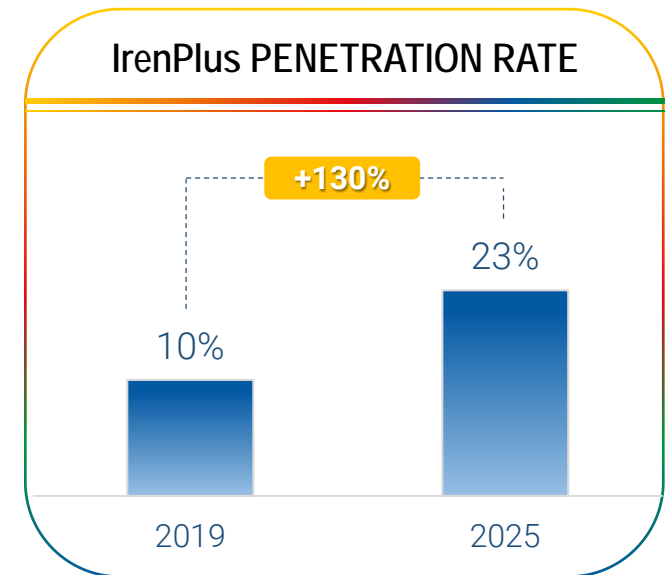
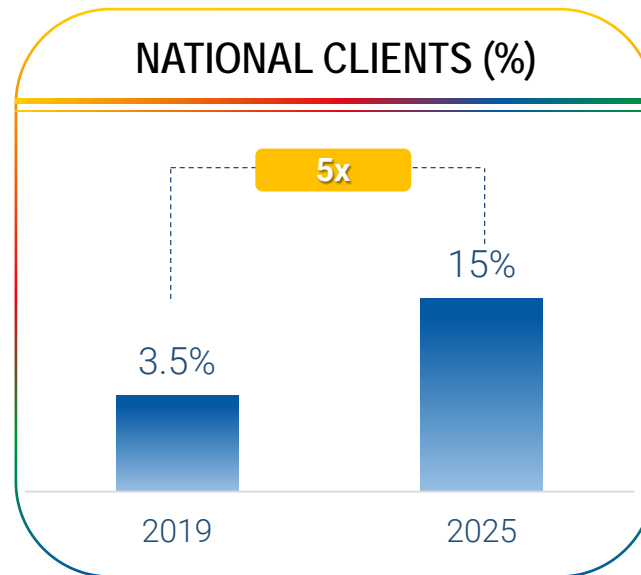
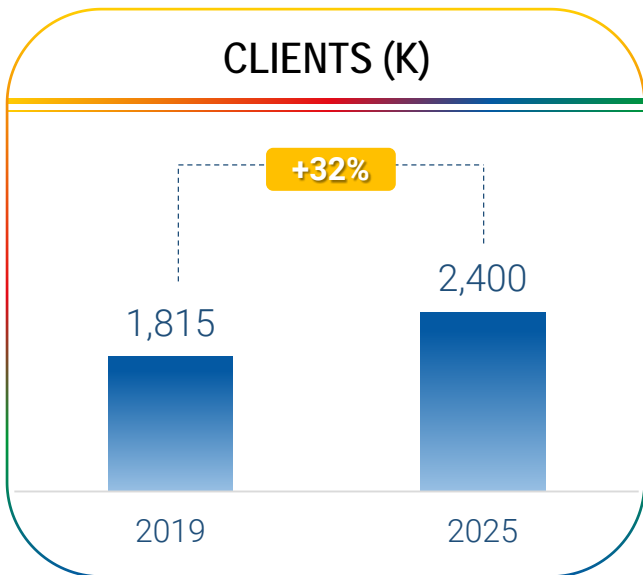
m€	2019	2023	2025
EBITDA	274	318	328
Cagr '19 - '25	3.0%		
EBIT	140	156	176
Cum. maintenance capex	262		
Cum. development capex	810		



Market

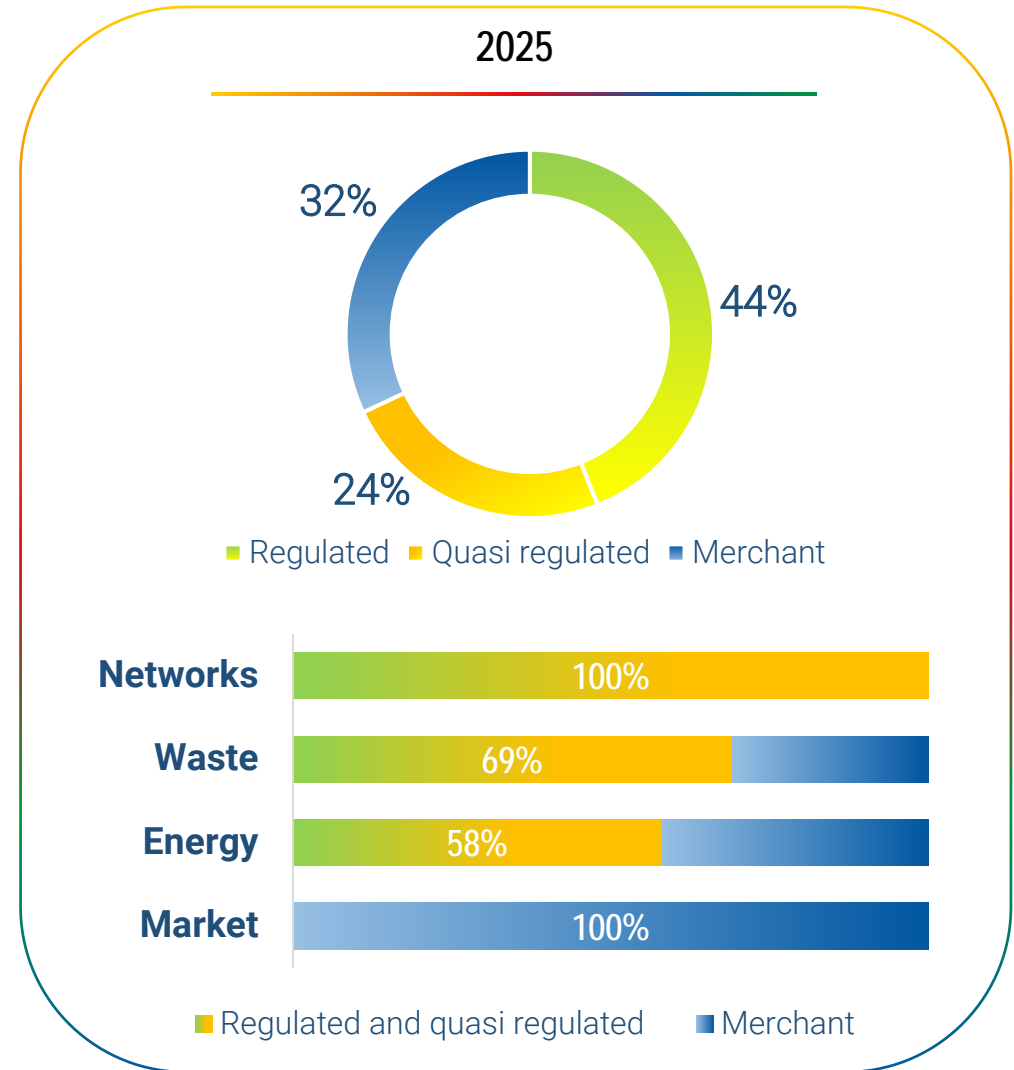
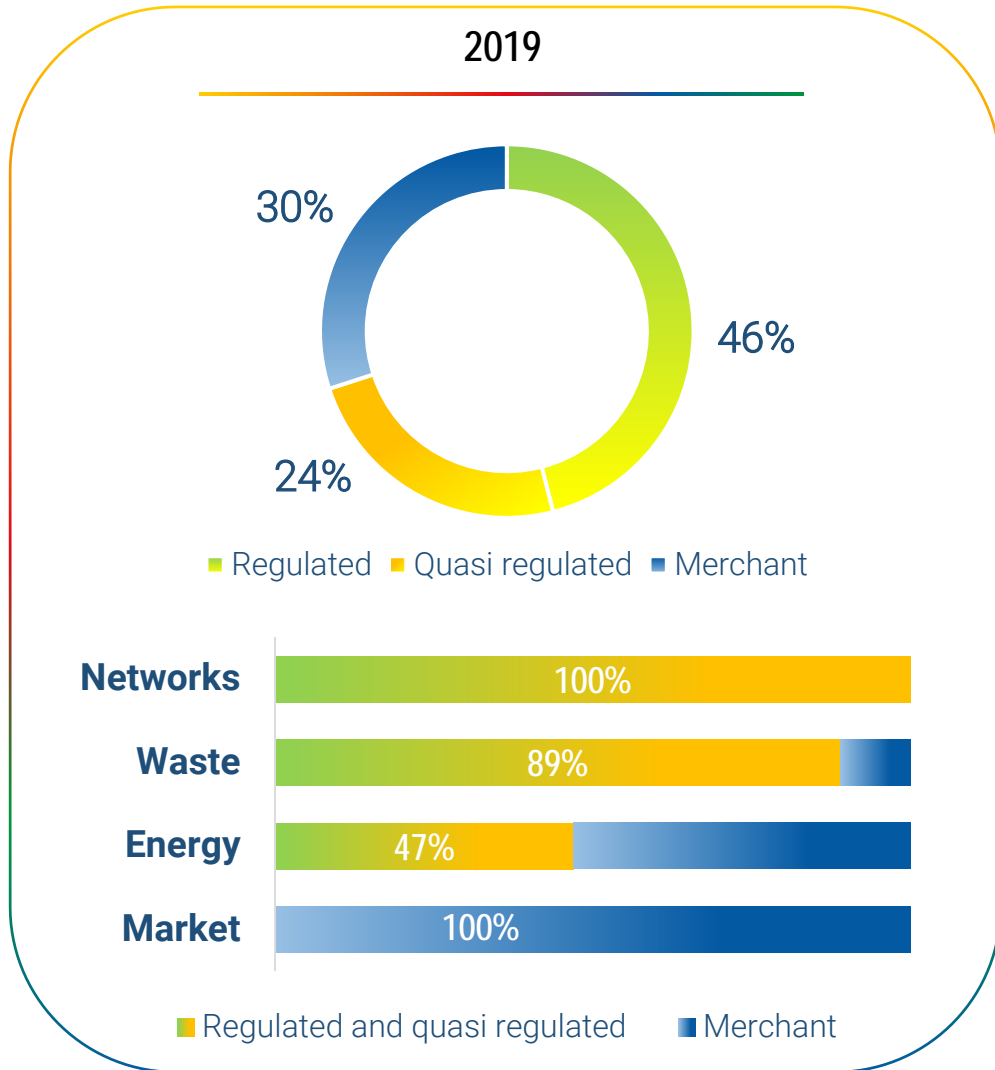
- +32% client base expansion by going national, keeping the churn rate as one of the lowest in the sector, thanks to a new customer experience driven by digital platforms
- 5x national clients thanks to digital strategy and commercial excellence
- +100% Iren Plus penetration rate driven by the extension of products and services offered, favored by Superbonus

m€	2019	2023	2025
EBITDA	110	149	157
Cagr '19 - '25	6.1%		
EBIT	57	68	72
Cum. maintenance capex	245		
Cum. development capex	63		



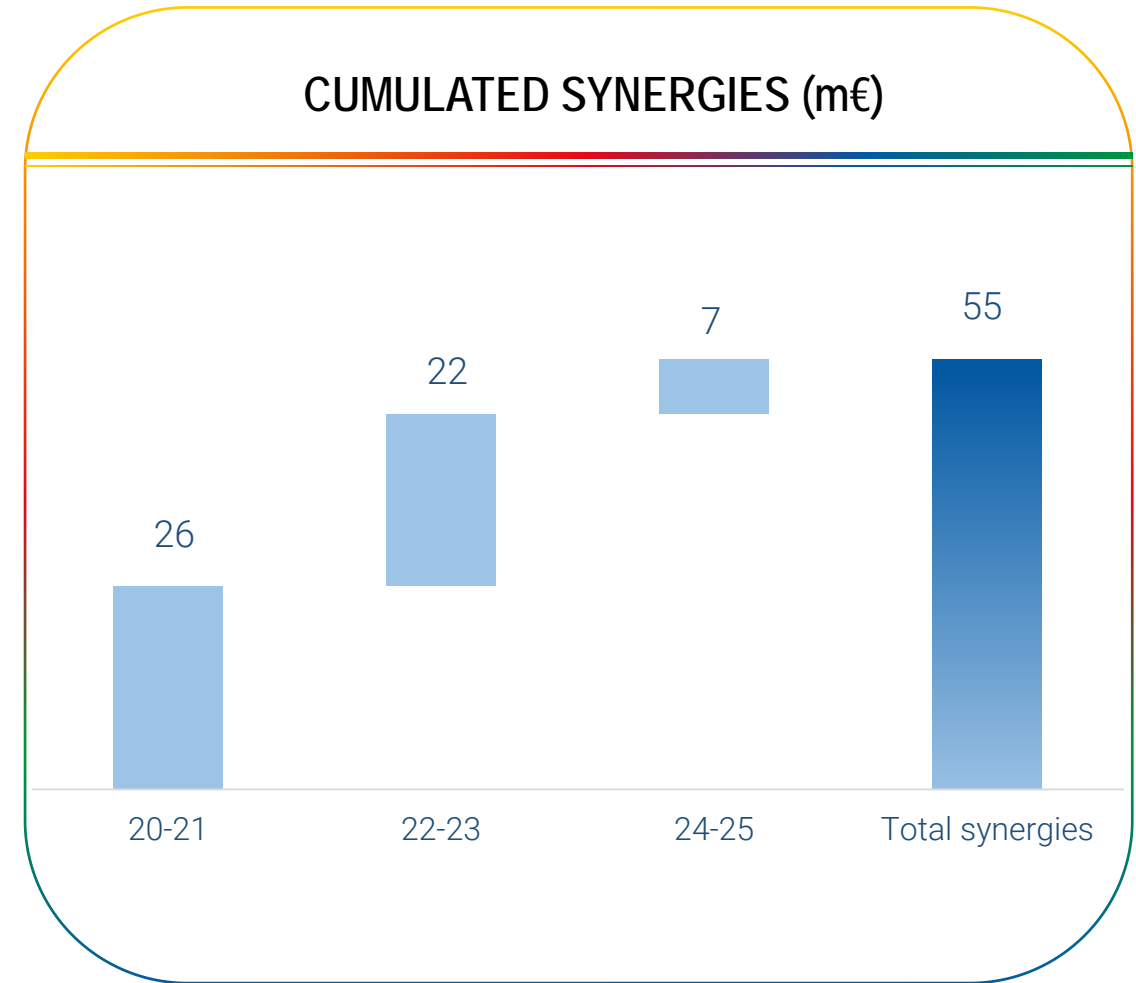
EBITDA breakdown by activity

70% Ebitda from regulated and quasi-regulated activities in 2019, 68% in 2025



Synergies

- Synergies target is in line with previous Business Plan
- Higher savings coming from advanced analytics projects
- 65 performance improvement initiatives still on going
- Strong reduction of external costs which leads to a reduction in opex
- 35m€ of emerging costs mainly related to digitalization and transformation projects necessary to further improve our business model scalability and create a more reactive structure



Regulatory framework

	Gas distribution	Electricity distribution	Water service	Integrated waste collection service
Regulatory period	6 years (2020 – 2025)	8 years (2016 – 2023)	4 years (2020 – 2023)	4 years (2018-2021)
WACC methodology update	6 years (2016 – 2021)	6 years (2016 – 2021)	4 years (2020 – 2023)	4 years (2018-2021)
WACC update	every three years (2022) update of β in 2020	every three years (2022)	every two years (2020)	every four years (2022)

	Until 2021	2022 - 2025
Gas distribution and metering	6.3%	6.3%
Electricity distrib. and metering	5.9%	5.9%
	Until 2023	2024 - 2025
Integrated water service	5.2%	5.2%
	Until 2021	2022 - 2025
Integrated waste collection serv.	6.3%	6.3%

■ Already defined values

■ Assumptions

BP scenario

	2019	2023	2025
PUN (€/MWh)	52	54	55
PSV (€cent/smc)	16	19.1	19.1
ETS (€/Ton)	25	24	24
Clean spark spread - PSV (€/MWh)	7.0	6.3	6.5
Hydro Green Certificates (€/MWh)	92	99	96
Energy Efficiency Certificates (€/TEE)	260	260	260

Networks concessions



GAS CONCESSIONS

ATEM	Expiry
Genova 1	Expired
Parma	Expired
Reggio Emilia	Expired
Vercelli	Expired
Piacenza 2 - Est	Expired



WATER CONCESSIONS

AREA	Expiry
Piacenza*	Expired
Reggio Emilia*	Expired
Genova	2032
Parma	2025
Vercelli 1	2023
La Spezia	2033

*Ongoing tenders



ELECTRICITY CONCESSIONS

AREA	Expiry
Torino	2030
Parma	2030
Vercelli 1	2030

Hydroelectric and waste concessions



HYDROELECTRIC CONCESSIONS

AREA	Hydroelectric plant	Electric Power (MW)	Expiry
Piemonte 1	Pont Ventoux-Susa	157	2034
Piemonte 2	Valle Orco e S. Mauro	300	Expired 2010
Piemonte 3	S. Lorenzo, Moncalieri, La Loggia, valle Susa	25	---*
Campania	Nucleo Tusciano	108	2029
Liguria	Brugneto, Canate	10	Expired 2014

* The expiring date is not provided for electric power plants <3 MW



MAIN WASTE CONCESSIONS

AREA	Expiry
Parma**	1st in ranking
Piacenza**	1st in ranking
Reggio Emilia	Expired
Torino	2033
Vercelli 1	2028
Vercelli 2	Expired
La Spezia	2028
Novara**	1st in ranking

** 1st in ranking, pending the official final award

Shareholding structure

>50%
Public
Shareholders

Public entities IREN's Shareholders are more than 50%: Municipality of Genoa ~19%, Municipality of Turin ~14%, Emilia Municipalities (Reggio Emilia, Parma, Piacenza and other minor Municipalities) ~17%, La Spezia Municipalities ~2%.

LSS
Loyalty Shares
Scheme

In 2016, a LSS which establishes the rules for the double voting right for specific Shareholders' Resolutions and the elimination of the obligation for Public Shareholders to hold at least 51% of Iren's share capital has been introduced in Iren's bylaws. Since 2018, Public Shareholders must hold at least 50%+1 of the voting rights in relation to the Shareholders' Resolutions with increased vote.

According to the Shareholders' Agreement updated in 2019, Public Shareholders who signed the agreement must hold at least 35% of Iren's share capital.

4
Shareholders
Agreements

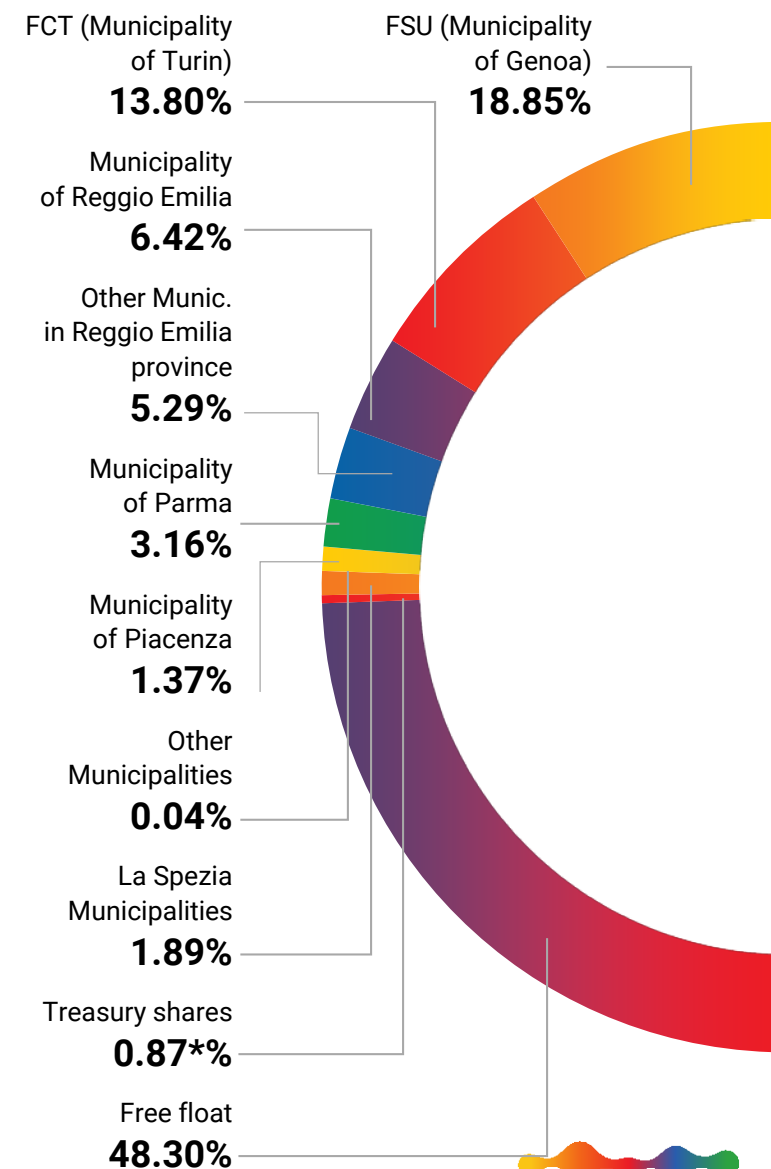
Four Shareholders' agreements:

- One between FSU (Municip. Of Genoa) , FCT (Municip. of Turin), Emilia Shareholders and former ACAM Municipalities (expiring April 2022)
- One between FSU and FCT (expiring July 2021)
- One between Emilia Shareholders (expiring April 2022)
- One between former ACAM Municipalities (expiring May 2022)

They guarantee that all the most important decisions relating to Corporate Governance are taken by agreement of the public Shareholders. In particular, out of 15 members of IREN's BoDs, 13 are appointed by the members of the shareholders agreements, including the CEO, Chairman and Vice-Chairman which are unanimously appointed.

SBB

On 5th April 2019, the shareholders meeting approved a share buyback program up to 5% of Iren's share capital. On 13th May 2019, the Board of Directors approved the launch of share buyback program on 2% of share capital.



*Updated to September, 28 2020

Public entities / Shareholders

IREN SHAREHOLDING STRUCTURE

Shareholders	Total Shares	%	Total Voting rights	%
FSU Municipality of Genoa	245,249,617	18.85%	457,749,234	23.58%
FCT Municipality of Turin	179,567,795	13.80%	359,135,582	18.50%
Municipality of Reggio Emilia	83,559,569	6.42%	167,119,138	8.61%
Other Municipalities of Reggio Emilia	68,754,590	5.29%	135,103,475	6.96%
Municipality of Parma	41,158,566	3.16%	82,317,132	4.24%
Municipality of Piacenza	17,846,547	1.37%	35,306,094	1.82%
Other Municipalities	534,070	0.04%	1,061,676	0.05%
La Spezia Municipalities	24,593,215	1.89%	45,045,196	2.32%
Shares/voting rights owned by public entities	661,263,969	50.83%	1,282,837,527	66.07%
Free float	628,333,326	48.30%	647,328,462	33.34%
Treasury shares*	11,334,082	0.87%	11,334,082	0.58%
IREN's Share capital	1,300,931,377	100%	1,941,500,071	100%

On the 1st June 2018, the "loyalty share scheme" came into force. All the Shareholders that have kept IREN shares for at least two years and have been registered in the proper list have now a double voting right for each shares (only in relation to specific matters, such as the appointment of the Board of Directors and of the Board of Statutory Auditors).

*The voting right relating to treasury shares in the portfolio is suspended. The treasury shares, however, are included in the calculation of the quorum constituting the shareholders' meeting

TRADE REGIME OF PUBLIC SHAREHOLDERS' SHARES

Shareholders	Total Shares	Non-negotiable shares (until may 2022)	Negotiable shares (under specific policy to avoid overhang risk)	Freely negotiable shares (not included in the shareholders agreement)
FSU Municipality of Genoa	245,249,617	154,281,688	90,967,929	-
FCT Municipality of Turin	179,567,795	154,281,689	25,286,106	-
Municipality of Reggio Emilia	83,559,569	58,228,078	25,331,491	-
Other Municipalities of Reggio Emilia	68,754,590	44,147,738	22,421,158	2,185,694
Municipality of Parma	41,158,566	14,025,186	5,292,380	21,841,000
Municipality of Piacenza	17,846,547	12,248,901	5,597,646	-
Other Municipalities	534,070	311,318	216,288	6,464
Former ACAM Municipalities	24,593,215	17,804,838	2,805,654	3,982,723
Shares owned by public entities	661,263,969	455,329,436	177,918,652	28,015,881

205.934.533 negotiable shares equal to 15.8% of IREN's share capital



Water Sources: networks efficiency






DRIVER

Management of water source to increase efficiency and reduce consumption

THE INITIATIVE

Division of the networks into small and equal areas, called "districts", which allow a more precise monitoring of networks and increase efficiency management

POSITIVE IMPACTS

-  Continuous monitoring of the networks
-  Leaks reduction
-  Decrease of break events
-  Emergency prevention
-  Water and energy savings



Continuous monitoring

CUMULATED CAPEX
180m€



Leaks reduction

WATER LOSS
REDUCTION @2025
~17mcm



Water and energy
saving

SAVED @2025
~4,700 Toe



Decarbonization: heat storage

DRIVER

Increase efficiency of power generation process, through reduction in energy consumption and related emissions

THE INITIATIVE

Heat accumulators absorb the productive capacity of the combined cycles in periods when the demand is low, in order to manage demand peaks efficiently

POSITIVE IMPACTS

- Increase amount of heat produced in cogeneration at the expenses of boilers
- Reduction in gas consumption, lower costs and lower CO₂ emissions



Heat production

CUMULATED CAPEX
~28m€



Energy savings

ANNUAL SAVINGS
@2025
~3.5m€



Low carbon

ANNUAL CO₂
EMISSIONS AVOIDED
@2025
~30,000 t



Resilient cities: energy efficiency

DRIVER

- New policies and incentives for energy efficiency
- New technologies and growth of the digital market
- Consumers and citizens increasingly sensitive to reducing their environmental impact

THE INITIATIVE

Innovative integrated solutions and products to improve efficiency and reduce consumption for different subjects (private citizens, SMEs and companies, non-profit organizations, condominiums, public administration).

POSITIVE IMPACTS

- Energy savings from citizens and customers
- Reduction in consumption and related CO₂ emissions
- Expanding business and entering new markets



LED
Relamping



Thermal
plants and PV



Urban
upgrading



Green
energy

CUMULATED CAPEX
~257 m€

ENERGY SAVED
@2025
+85%

SAVED IN 2019
~113kToe



Circular economy: plastic recovery

DRIVER

- Waste reduction, recycling and material re-use
- Finding sustainable solutions for managing the growth of plastic use
- Increasing and improving quality of material for recovery

THE INITIATIVE

Thanks to I.Blu acquisition, Iren develops a new industrial and integrated process that transforms plastic into a new raw material, used for asphalts, furniture, infrastructure, containers, bags, and other items.

POSITIVE IMPACTS

- Increase in plastic re-use, in line with EU targets
- Energy savings and CO₂ avoided from plastic recovery and from use of "plasmix" instead of fossil fuels



Plastic
recovery

CUMULATED CAPEX
~75 m€



Recycling

ANNUAL RECYCLED
PLASTIC
@2025
~188,000 t



I.Blu

ANNUAL CO₂ SAVED
@2025
~193,000 t

