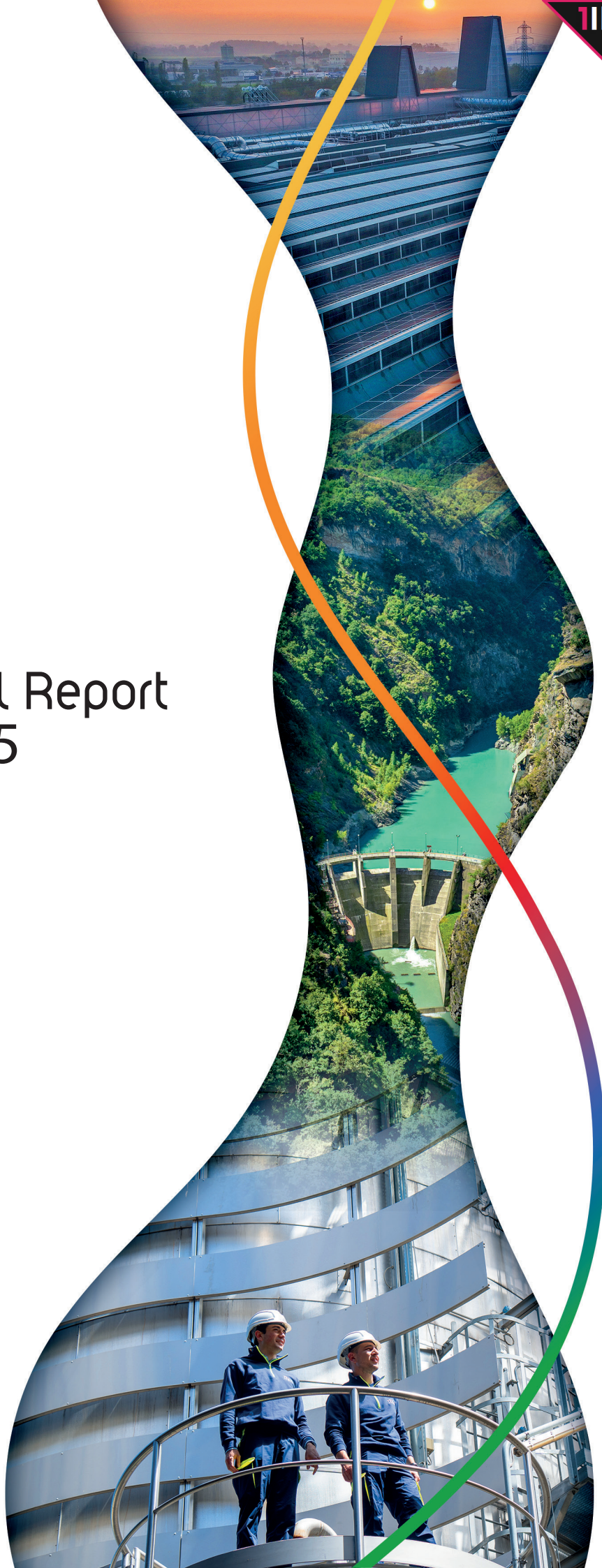


Interim Financial Report at 30 June 2025





iren

Table of Contents

INTRODUCTION	3
Corporate officers	4
Ownership structure	5
Iren Group's Mission and Vision	6
Iren Group in numbers: First Half of 2025 Highlights.....	8
Iren Group's Corporate Structure.....	10
Information on the Iren stock in the First Half of 2025	14
DIRECTORS' REPORT AT 30 JUNE 2025.....	17
Market Context	18
Significant events of the period	24
Alternative Performance Measures.....	26
Iren Group's financial position, financial performance and cash flows	28
Segment reporting	34
Financial management.....	43
Significant events after the reporting date and outlook.....	46
Risks and uncertainties	47
Related party transactions	52
Legislative and regulatory framework.....	53
Personnel	69
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2025.....	71
Statement of Financial Position	72
Income Statement	74
Statement of Comprehensive Income	75
Statement of Changes in Equity	76
Statement of Cash Flows	78
Notes	79
I. Basis of presentation	79
II. Basis of consolidation.....	81
III. Consolidation scope	83
IV. Business combinations.....	85
V. Group financial risk management	90
VI. Related party transactions.....	99
VII. Significant events after the reporting date	102
VIII. Other information	102
IX. Notes to the Statement of Financial Position.....	103
X. Notes to the Income Statement	130
XI. Guarantees, commitments and contingent liabilities	138
XII. Segment reporting.....	140
XIII. Annexes to the Condensed Interim Consolidated Financial Statements	142
Certification of the Condensed Interim Consolidated Financial Statements pursuant to article 154-bis of Legislative Decree 58/1998	152
Report on review of Condensed Interim Consolidated Financial Statements	153



Introduction

Corporate officers

Board of Directors ⁽¹⁾

Chairperson

Deputy Chairperson

Chief Executive Officer and General Manager
Directors

Luca Dal Fabbro ⁽²⁾

Moris Ferretti ⁽³⁾

Gianluca Bufo ⁽⁴⁾

Sandro Mario Biasotti ⁽⁵⁾

Stefano Borotti ⁽⁶⁾

Francesca Culasso ⁽⁷⁾

Daniele De Giovanni ⁽⁸⁾

Paola Girdinio ⁽⁹⁾

Giacomo Malmesi ⁽¹⁰⁾

Giuliana Mattiazzo ⁽¹¹⁾

Patrizia Paglia ⁽¹²⁾

Davide Piccioli ⁽¹³⁾

Cristina Repetto ⁽¹⁴⁾

Elisabetta Ripa ⁽¹⁵⁾

Elisa Rocchi ⁽¹⁶⁾

Board of Statutory Auditors ⁽¹⁷⁾

Chairperson

Standing Auditors

Sonia Ferrero

Ugo Ballerini

Donatella Busso

Simone Caprari

Fabrizio Riccardo Di Giusto

Alternate Auditors

Lucia Tacchino

Carlo Bellavite Pellegrini

Independent Auditors

KPMG S.p.A. ⁽¹⁸⁾

Manager in charge of financial reporting

Giovanni Gazza

Sustainability Reporting Manager

Selina Xerra

⁽¹⁾ Appointed by the Shareholders' Meeting of 24 April 2025 for the three-year period 2025-2026-2027.

⁽²⁾ Chairperson of the Board of Directors for the 2022–2024 term and reappointed to the same position for the 2025–2027 term by the Shareholders' Meeting of 24 April 2025. By resolution of the Board of Directors of Iren S.p.A. held on the same date, 24 April 2025, Mr Dal Fabbro was also confirmed as Chief Strategy Officer – Finance, Delegated Areas and Strategy.

⁽³⁾ Vice Chairperson of the Board of Directors during the 2019–2021 and 2022–2024 terms, and reappointed to the same position for the 2025–2027 term by the Board of Directors on 24 April 2025. By resolution of the Board of Directors of Iren S.p.A. held on the same date, Mr Ferretti was also confirmed as Chief Strategy Officer – Human Resources, Corporate Social Responsibility and Delegated Areas Strategy.

⁽⁴⁾ Appointed Chief Executive Officer and General Manager for the 2025–2027 term by the Board of Directors of Iren S.p.A. on 24 April 2025 (positions previously held from 10 September 2024, pursuant to the resolution adopted by the Board of Directors of Iren S.p.A. on the same date).

⁽⁵⁾ Member of the Related Party Transactions Committee.

⁽⁶⁾ Member of the Control, Risk and Sustainability Committee.

⁽⁷⁾ Chair of the Control, Risk and Sustainability Committee (position also held during the 2022–2024 term).

⁽⁸⁾ Member of the Control, Risk and Sustainability Committee.

⁽⁹⁾ Member of the Control, Risk and Sustainability Committee (position held since 10 September 2024).

⁽¹⁰⁾ Member of the Remuneration and Appointments Committee.

⁽¹¹⁾ Member of the Related Party Transactions Committee (position also held during the 2022–2024 term).

⁽¹²⁾ Member of the Remuneration and Appointments Committee (position also held during the 2022–2024 term).

⁽¹³⁾ Member of the Remuneration and Appointments Committee.

⁽¹⁴⁾ Member of the Related Party Transactions Committee (position also held during the 2022–2024 term).

⁽¹⁵⁾ Chair of the Related Party Transactions Committee.

⁽¹⁶⁾ Chair of the Remuneration and Appointments Committee.

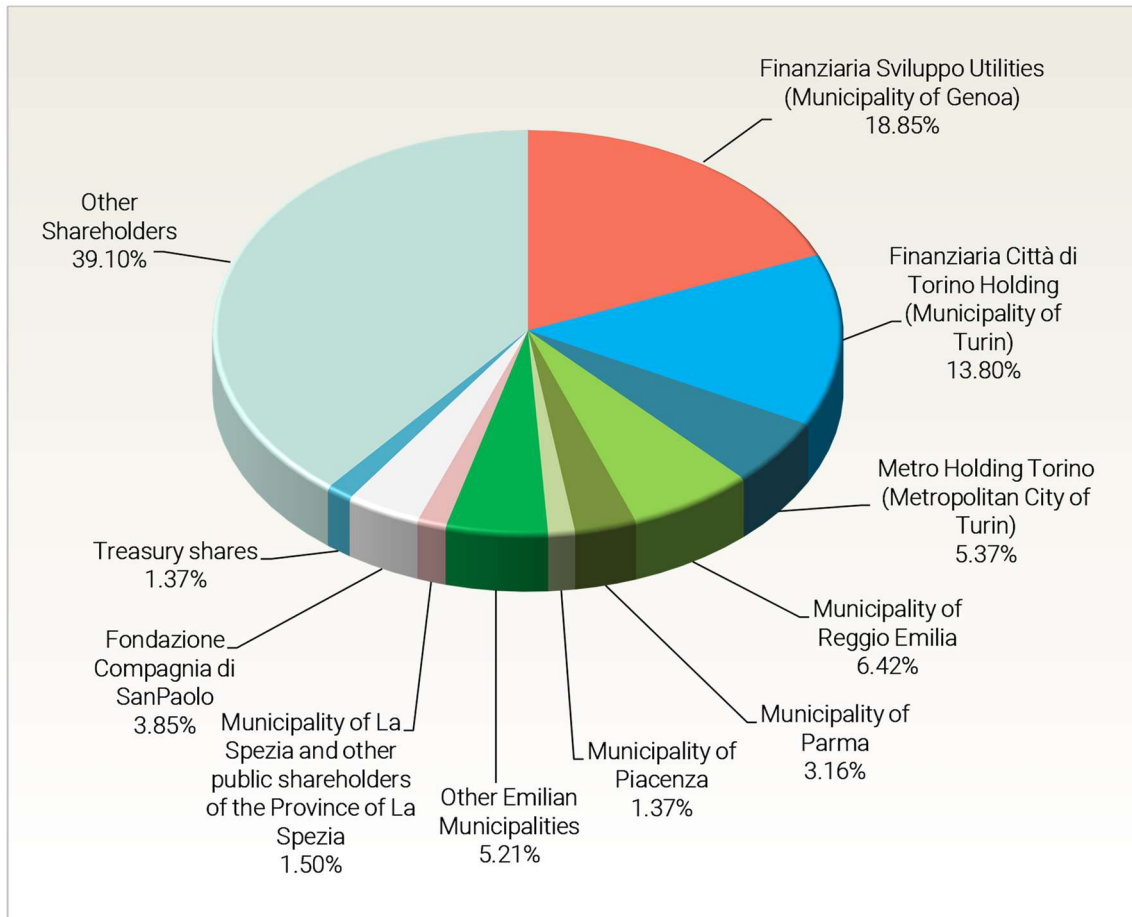
⁽¹⁷⁾ Appointed by the Shareholders' Meeting of 27 June 2024 for the 2024-2025-2026 three-year period.

⁽¹⁸⁾ Appointed by the Shareholders' Meeting of 22 May 2019 for the 2021-2029 nine-year period.

Ownership structure

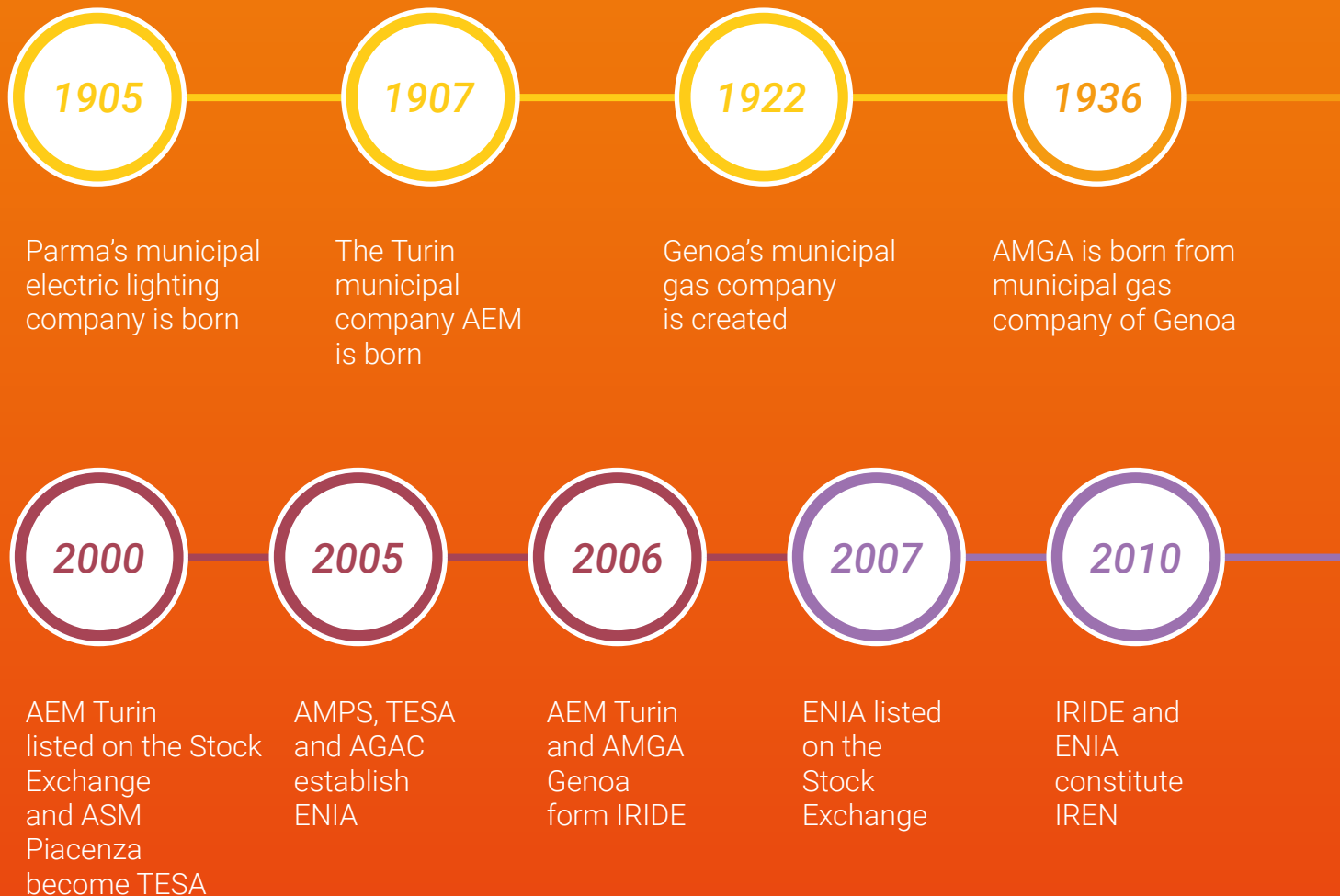
The Company's share capital amounts to 1,300,931,377 euro, fully paid up, and is made up of ordinary shares with a nominal value of 1 euro each.

At 30 June 2025, 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.



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

2025

EGEA joins the Group

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 multi-utility company that wants to build this future through innovative choices.

For everyone, every day.

Iren Group in numbers: First Half of 2025 Highlights

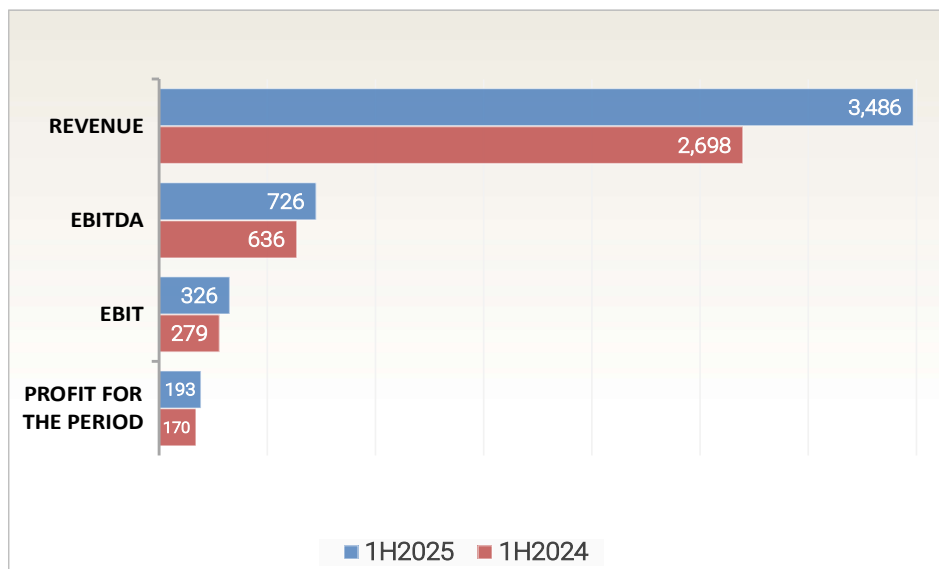
Results

	First half of 2025	First Half of 2024 Restated	Changes %
millions of euro			
Revenue	3,485.6	2,697.6	29.2
Gross Operating Profit (EBITDA)	726.2	635.8	14.2
Operating Profit (EBIT)	326.3	279.2	16.9
Profit for the period	192.8	169.7	13.6
EBITDA Margin (EBITDA/Revenue)	20.8%	23.6%	

The comparative figures for the first half of 2024 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 purchase price at the definitive fair value of the assets and liabilities acquired (Purchase Price Allocation) of Siena Ambiente.

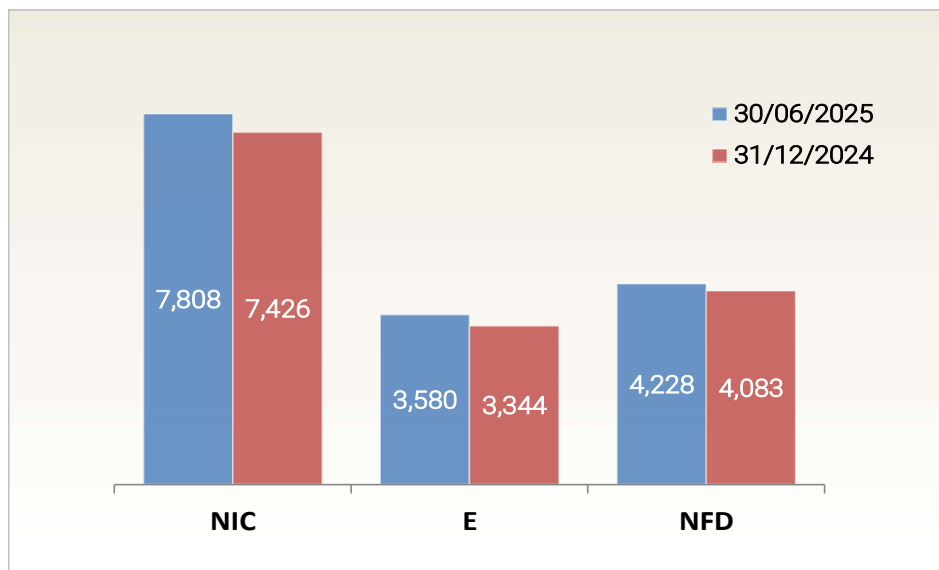
For further information, please refer to the "Business Combinations" section in the Notes to the Condensed Interim Consolidated Financial Statements.

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



Financial position

	30.06.2025	31.12.2024	Changes %
millions of euro			
Net Invested Capital (NIC)	7,808.3	7,426.4	5.1
Equity (E)	3,580.1	3,343.7	7.1
Net Financial Debt (NFD)	4,228.2	4,082.7	3.6
Debt/Equity (Net Financial Debt/Equity)	1.18	1.22	

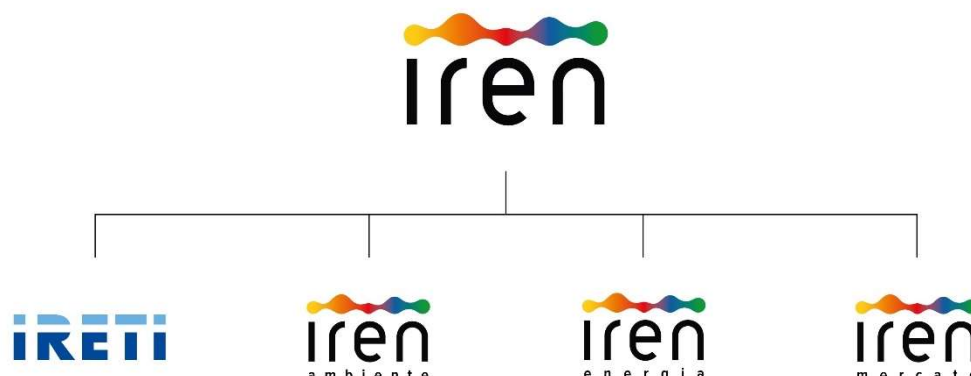


Technical and commercial figures

	First half of 2025	First half of 2024	Changes %
Electricity produced (GWh)	4,706.3	4,131.5	13.9
Thermal energy produced (GWht)	1,790.9	1,602.8	11.7
Electricity distributed (GWh)	1,737.4	1,748.0	(0.6)
Distributed gas (Mcm)	641.6	592.5	8.3
Water sold (Mcm)	96.4	87.6	10.0
Electricity sold (GWh)	7,365.0	5,701.0	29.2
Gas sold (Mcm) (*)	1,231.4	1,219.0	1.0
District heating volume (Mcm)	113.5	101.1	12.3
Waste treated (tonnes)	2,092,674	2,032,753	2.9

* of which 732.2 million cubic metres used for internal electricity and heat generation in the first half of 2025 (652.9 million cubic metres in the first half of 2024, +12.2%)

Iren Group's Corporate Structure



The Iren Group operates in the sectors of electricity (production, distribution and sale), district heating (production, distribution and sale of heat), gas (distribution and sale), management of integrated water services, waste management services (waste collection and disposal), integrated solutions (smart solutions) for energy efficiency of public and private entities, and services for public administrations, in various regions of Italy.

The Group, which adopts a structure aimed at integrating the various business chains and strengthening its territorial roots, is structured according to the model of:

- an industrial holding company (the parent Iren S.p.A., listed on the Italian Stock Exchange, with registered office in Reggio Emilia) that groups together all corporate staff activities;
- four Business Units (BU) governed by four lead companies, which preside over the activities by business line according to a model based on competencies and digitalisation of processes, which is highly scalable with the immediate integration of all acquired entities.

Specifically, Iren S.p.A. is responsible for strategic planning, development, coordination and control, while the four Business Units (BUs) are tasked with steering and coordinating the companies operating in their respective sectors:

Networks BU	<ul style="list-style-type: none"> • Integrated water service • Gas distribution • Electricity distribution
Waste Management BU	<ul style="list-style-type: none"> • Waste collection and transportation • Urban sanitation • Design and management of waste treatment and disposal plants
Energy BU	<ul style="list-style-type: none"> • Electricity generation from renewable sources • Combined heat and power generation (CHP) • Thermoelectric power generation • District heating management • Smart solutions: services for energy efficiency, public lighting, global service and heat management
Market BU	<ul style="list-style-type: none"> • Sale of electricity, gas and heat • Products/services for energy saving and home automation • Electric mobility services for customers

The Group also provides a range of **additional services**, including laboratory services, telecommunications, and other minor services, both for Group companies and external clients.

In January 2025, Iren S.p.A. acquired control of EGEA Holding, increasing its shareholding from 50% to 52.77% with the consequent line-by-line consolidation, and finalised the purchase of the remaining 47.23% in May. Through its member companies, the EGEA Holding group operates in all of the aforementioned sectors: the contribution, where relevant to the understanding of the results for the period, is also explained later in this Report in the "Segment reporting" section.

NETWORKS BU

Integrated Water Service

The Networks BU operates in water supply, sewerage and wastewater treatment in the provinces of Genoa, Savona, Piacenza, Parma, Reggio Emilia, Vercelli, La Spezia, Enna.

In total, across the Optimal Territorial Areas (ATO) under management, services are provided in 266 municipalities via a distribution network extending over 22,146 kilometres, serving more than 3 million inhabitants. As regards wastewater, the Networks BU manages a sewerage network spanning a total of 12,116 kilometres and about 1,380 treatment plants.

It should also be noted that, as of 1 January 2025, IRETI will no longer operate the Integrated Water Service of the Piacenza provincial area directly but through its subsidiary Iren Acqua Piacenza.

The aforementioned Territorial Areas were joined at the beginning of the year by ATO 4 of Cuneo, managed through the company EGEA Acque, which became part of the Group as part of the EGEA transaction. In particular, the company operates the water service in 43 municipalities of the province, serving more than 146 thousand inhabitants through a water network of 18,854 kilometres; with regard to wastewater, it is present in 41 municipalities with a total sewerage network of 780 kilometres.

Gas distribution

The distribution service, operated in over 160 municipalities, guarantees the withdrawal of natural gas from Snam Rete Gas pipelines and its transportation through local networks for delivery to end users. In particular, the Networks BU distributes methane gas in 73 municipalities in the provinces of Reggio Emilia, Parma and Piacenza (including the provincial capitals), in the municipality of Genoa and 20 other neighbouring municipalities, as well as in the city of Vercelli, in 19 municipalities in the same province, in Alba and in 42 other municipalities in the province of Cuneo and in 9 other municipalities located in Piedmont and Lombardy. The distribution network, made up of 8,433 kilometres of high, medium and low-pressure pipes, serves a catchment area of approximately 803 thousand redelivery points.

Moreover, the Networks BU manages the distribution and sale of LPG, particularly in the province of Reggio Emilia and in the province of Genoa, via specific storage plants, located in towns that are still not reached by the natural gas network.

Electricity distribution

The Networks BU provides the electricity distribution service in the cities of Turin, Parma and Vercelli with 7,800 kilometres of network in medium and low voltage, and a total of more than 734 thousand connected users.

WASTE MANAGEMENT BU

The Business Unit carries out all the activities of the municipal waste management cycle (collection, sorting, treatment, 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 and plant availability for the disposal of special waste.

The activities are carried out in various territorial contexts, starting from the historical basin of Emilia (provinces of Reggio Emilia, Parma and Piacenza) to Piedmont, in particular Turin and in the provinces of Vercelli and Novara (territories where the Waste Management BU is entrusted with the collection sector and is present with treatment and disposal plants, also with the production of electricity and thermal energy through waste-to-energy), in addition to the provinces of Asti and Cuneo, and in Liguria, in the sectors of collection (in the La Spezia area) and of treatment and waste-to-energy plants.

Moreover, in the Tuscan area, the Waste Management BU is present in all stages of the supply chain: from intermediation to treatment and disposal of both urban and special waste, with a significant presence in the provinces of Siena, Grosseto and Arezzo, where the Group also manages the collection service. The Business Unit also operates as a contracted waste collection operator in specific areas of Sardinia, Lazio, and Lombardy and has disposal facilities in the Marche and Apulia regions.

Finally, through I.Blu, it operates in the sorting of plastic waste for recovery and recycling and in the treatment of plastic waste for the production of Blupolymer (a polymer for civil uses) and Bluair (a "reducing agent" for steel plants). Through the innovative Turin-based start-up ReMat, it operates in the polyurethane foam recovery chain (particularly from mattresses, seat padding, and furniture).

The Waste Management BU serves a total of 657 municipalities with more than 4.4 million residents in its operational areas. The Group's infrastructure for the integrated waste cycle consists primarily of 4 waste-to-energy plants (TRM in Turin, the Integrated Environmental Hub – PAI – in Parma, Tecnoborgo in Piacenza, and the facility in the locality of Foci in Poggibonsi, Province of Siena), 4 active landfills, 431 equipped technological stations, and 60 plants for sorting, storage, recovery,

anaerobic digestion and composting. In addition to these, with the acquisition of the EGEA Holding group companies operating in the waste management sector (Sisea and EGEA Ambiente), are 1 sorting and recycling plant located in the province of Cuneo and 8 collection centres managed by EGEA Ambiente located in Piedmont (4 in the province of Cuneo), Liguria (one in the province of Imperia and one in Savona) and Lombardy (2 in the province of Milan).

ENERGY BU

The Business Unit operates in the production of electricity and heat, the latter distributed through district heating networks, and in energy efficiency services to public and private entities.

Production of electricity and heat

The Energy BU has an installed electric power capacity of 3,286 MW in electric power mode and 3,114 MW in cogeneration mode, and a thermal power capacity of 2,350 MWt. Specifically, it has 41 electricity production plants directly available to it: 33 hydroelectric (of which 3 mini-hydro), mostly located in Piedmont and Campania, 7 cogeneration thermoelectric (Piedmont and Emilia-Romagna) and one conventional thermoelectric in Turbigo (Milan).

The Business Unit also has 111 photovoltaic plants with a total installed capacity of 210 MW, the largest of which are located in Apulia and Basilicata, and a wind farm in Liguria with an installed power of approximately 6 MW.

From the beginning of 2025, the Energy BU also includes some companies that became part of the Iren group following the EGEA transaction, with the contribution of 2 hydroelectric plants with an installed capacity of about 4.3 MW and 3 biogas plants with an electrical cogeneration capacity of 1.87 MW.

The electricity produced by plants powered by renewable sources or high-efficiency cogeneration accounts for 74% of total production.

On the thermal production side, it should be noted that, on average, at Group level only 16% of the heat for district heating is produced by conventional heat generators: in fact, 73% comes from high-efficiency cogeneration plants, while the residual portion (11%) is produced by plants not belonging to the Business Unit (waste-to-energy plants, as part of their disposal activities).

District heating

Iren Energia has the most extensive district heating network at national level (1,146 kilometres of double pipe network), with 778 kilometres in Turin and surrounding municipalities, 220 in the municipality of Reggio Emilia, 104 in the municipality of Parma, 36 in the municipality of Piacenza and 8 in the municipality of Genoa; the total heated volume amounts to 102.7 million cubic metres.

In addition to the historical district heating areas, with the acquisition of the EGEA Holding group, the scope of operations was extended to the networks of the municipalities of Alba, Canale, Bra, Cortemilia, Narzole and Magliano Alfieri (Province of Cuneo), Alessandria and Acqui Terme in the same province, Piossasco and Carmagnola, Piobesi and Salice d'Ulzio (Province of Turin), Nizza Monferrato (Asti) and Cairo Montenotte (Savona). The total volume served by the EGEA Holding group is 10.8 million cubic metres with a dual-pipe network of approximately 115 kilometres. Almost all production plants are high-efficiency cogeneration plants with cogenerators and boilers fired by natural gas.

Energy efficiency services

The Energy BU, through its subsidiary Iren Smart Solutions, addresses companies, private condominiums, Public Administration and third sector entities, with an articulated portfolio of services:

- energy efficiency, carrying out design and implementation of energy requalification interventions: insulation, co-insulation, replacement of windows, innovative technological services, efficiency improvement of heating and air conditioning systems;
- installation of photovoltaic, solar thermal and self-generation energy systems;
- management of heating systems;
- realisation of Renewable Energy Communities (RECs);
- energy consultancy, energy management and monitoring for energy saving;
- global service for the integrated management of electrical and technological plants of complex property assets;
- relamping LEDs through energy efficiency projects in lighting, public and artistic lighting, efficient management of traffic light systems.

With the acquisition of Ardea, a company of the EGEA Holding group, the Energy BU carries out the activity of managing ordinary and extraordinary maintenance, on-call and emergency intervention on public lighting systems, with the supply of the energy carrier, in 21 municipalities in the province of Cuneo.

MARKET BU

The Market BU operates in the sale of electricity, gas and heat for district heating, and of extra-commodity services and products, in particular for energy efficiency. It is present throughout Italy, with a greater concentration in the central-northern area.

Sale of electricity

The Market BU 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.

Retail and small business electricity customers exceed 1.3 million, distributed mainly in the areas where it has historically operated (Turin, Parma, Reggio Emilia, Piacenza, Vercelli, and Genoa), in lower Piedmont, and in other commercially served areas (Salerno and several provinces in southern Italy).

With the acquisition of EGEA Energie, the Market BU consolidated its presence in Piedmont, mainly in the provinces of Cuneo and Asti, with an intake of about 105 thousand customers.

Sale of Natural Gas

The retail gas portfolio of the Market Business Unit mainly covers the Group's traditional markets of Genoa, Turin and Emilia, neighbouring development areas, as well as Vercelli, Alessandria and La Spezia. It also includes the Campania region (almost all provinces), and some municipalities in the regions of Basilicata, Calabria, Tuscany and Lazio, serving a total of over 950 thousand customers of which about 78 thousand contributed with the entry of EGEA Energie.

Sale of heat through the district heating network

Iren Mercato markets heat supplied by Iren Energia to customers connected to the district heating network in the municipalities of Turin and neighbouring areas, Reggio Emilia, Parma, Piacenza and Genoa.

Among the commercial proposals complementary to the sale of commodities, we highlight the business lines intended for the sale to retail customers of innovative products in the area of home automation, energy saving and maintenance of domestic systems, as well as "IrenGO zero emissions" for e-mobility, aimed at private customers, companies and public bodies with the aim of reducing the environmental impact of travel, also through the installation of charging infrastructures at the Group's offices and the progressive introduction of electric vehicles. All IrenGO initiatives benefit from 100% green energy supply coming from the Group's renewable source plants.

Information on the Iren stock in the First Half of 2025

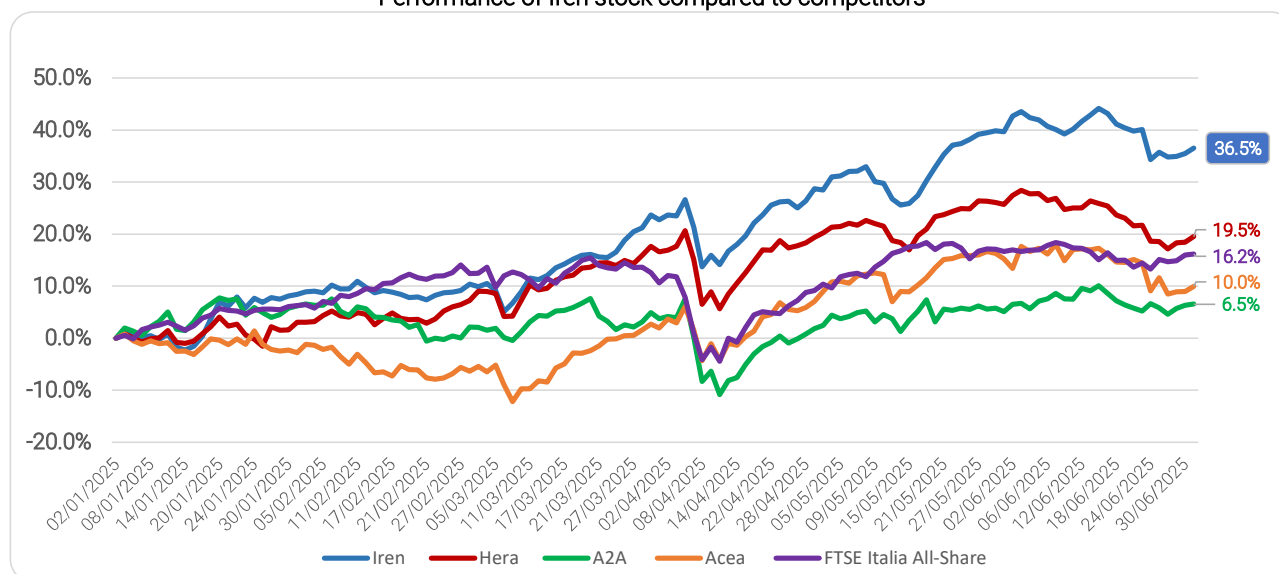
IREN stock performance on the stock exchange

In the first half of 2025, the main European and American stock market indices showed diverging trends, mainly influenced by the public spending plans announced by governments, the Trump administration's trade policies and the geopolitical instability that characterised the international macroeconomic scenario.

The FTSE Italia All-Share, the main index of the Italian stock market, was up 16.2%, driven mainly by the good performance of the banking sector (due to renewed sector consolidation activity) and utilities, which benefited from greater stability in a highly volatile context.

In this context, Iren Group stood out among Italian utilities, recording the most significant growth. This result follows the solid economic performance in 2024 and the first quarter of 2025, as well as the strengthening of the Group's capital structure, boosted by the issuance of the hybrid bond in January 2025.

Performance of Iren stock compared to competitors



At 30 June 2025, the last trading day in the period, the price of IREN share stood at 2.620 euro per share, up by 36.5% compared to the price at the beginning of the year, with average trading volumes during the period amounting to 1.758 million units.

The average price for the period was 2.313 euro per share. The highest share price during the period was recorded on 13 June (2.766 euro per share), while the lowest, 1.875 euro per share, was recorded on 13 January.

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



Share coverage

During the period, IREN Group was followed by six brokers: Banca Akros, Equita, Intermonte, Intesa Sanpaolo, Kepler Cheuvreux and Mediobanca.





Directors' Report

Market Context

Macroeconomic scenario

In the first half of 2025, the complex geopolitical context, characterised by rising trade tariffs and continuing conflicts in Ukraine and the Middle East, led to a deterioration in economic growth forecasts for the year. The annual increase in global GDP is estimated at 2.9%, down from the 2024 growth rate of 3.3%, and a significant deterioration compared to the estimates published at the end of last year, which predicted growth at 3.3% for 2025.

The main determinants of this downward revision are the tightening of trade barriers and the introduction of bilateral import tariffs by the world's major economies, with negative effects on consumer and business confidence and a consequent unfavourable impact on investment and aggregate demand. In addition, the escalation of the conflict in the Middle East could further undermine economic growth prospects, particularly if there is a closure of trade transit through the Strait of Hormuz, with repercussions on the prices of energy commodities, especially gas and oil.

The worsening of growth expectations is manifested on a global scale, albeit in a differentiated manner among the major economies.

Against the international backdrop, the Euro area shows a slight improvement in growth prospects, with an upward revision of the estimate for 2025 from 0.8% six months ago to 1.0% today; the exposure to the risk of new tariffs being imposed on exports is partially offset by the investments supported by the NextGenerationEU programme funds and by a labour market that continues to show elements of solidity. Added to this is the European Commission's recent decision to continue on the path of easing monetary policy by lowering interest rates, thus helping to support domestic demand and consumption.

Growth forecasts for the Italian economy indicate an increase in GDP of 0.6% in 2025, down slightly from 0.7% in 2024. Economic growth in the first quarter of the year amounted to 0.3%, mainly driven by the contribution of investments and, to a lesser extent, household consumption expenditure.

Finally, as things stand, global tensions and the interest rate reduction cycle do not seem to have had any significant upward effect on inflation expectations (estimated for 2025 at 2.2% in the Euro area). However, the outlook for price developments remains characterised by a high degree of uncertainty and volatility, attributable to an evolving scenario and the persisting risks related to a possible escalation of ongoing tensions and conflicts.

Household spending

In the first quarter of 2025, the economy was favourable for households, with employment increasing by 0.7% and disposable income growing by 0.9%. This improvement was only partly reflected in an increase in consumer spending, which showed a small positive change of 0.2 % compared to the previous three months.

Investments

Gross fixed capital formation was the most expansionary component of aggregate demand in the first quarter of 2025, recording a cyclical change of 1.6%. The contribution to economic growth from this component was 0.3%, which was higher than both private consumption and inventories. The sector in which the most significant increase in investment was observed was construction. This expansion was supported by the tax incentives and funding activated through the measures of the National Recovery and Resilience Plan (NRRP).

Exports

In the first quarter of 2025, both imports and exports showed positive economic dynamics, with changes of 2.6% and 2.8% respectively compared to the previous quarter. Net foreign demand made a positive contribution to GDP growth in the period, amounting to 0.1%.

Oil market

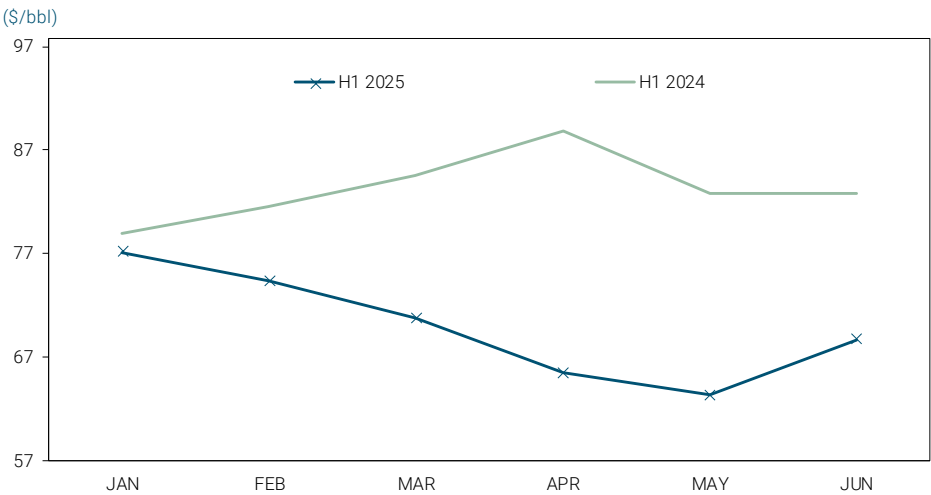
In the first half of 2025, the oil market recorded falling prices between January and May, only to rise in June as geopolitical tensions escalated.

The average Brent price was 70.1 \$/bbl, a 15.9% reduction from the average price in the first part of 2024, when it had been 83.4 \$/bbl. Considering an average euro/dollar exchange rate of 1.09, the average Brent price in euro was 64.4 €/bbl.

Demand slowed down during the period under review, especially from China and generally due to limited economic growth. Despite the demand trend, supply remains stable and is expected to grow, following the OPEC+ decision to phase out the production cuts introduced in late 2023 to support price levels.

Finally, it should be noted that heightened geopolitical tensions (especially following the US attack on Iran), with the risk of supply disruptions, balance the trend in fundamentals and seem to prevent further Brent price declines.

BRENT PRICE TRENDS



Data processed by MBS Consulting

Natural gas market

Supply and Demand

Italian gas consumption in the first half of 2025 was 33.5 bcm, an increase of 7.7% compared to the 31.1 bcm consumed in the first months of 2024.

The highest level of demand was mainly in the early months of the year, when weather conditions led to low temperatures and limited renewable production, pushing up gas consumption by thermal power plants. In fact, consumption in this sector amounted to 10.4 bcm, an increase of 18.2% compared to the first half of 2024, when it amounted to 8.8 bcm.

The recovery of industrial production remains sluggish, with consumption from energy-intensive sectors remaining at modest levels (6.0 bcm), broadly in line with the figure for the first months of 2024. Demand from distribution plants is also in line with the values of the first six months of last year, with a consumption of 15.4 bcm. On the other hand, system consumption and consumption from third-party networks grew, with a demand of 1.7 bcm and an increase of 70.0% compared to the billion in 2024.

GAS WITHDRAWN (bcm)*	2025	2024	2023	Change % 2025 vs 2024	Change % 2024 vs 2023
Industrial uses	6.0	5.9	5.9	1.7%	0.0%
Thermoelectric uses	10.4	8.8	9.9	18.2%	-11.1%
Distribution plants	15.4	15.4	15.7	0.0%	-1.9%
Third party network and system consumption / line pack	1.7	1.0	1.7	70.0%	-41.2%
Total purchased	33.5	31.1	33.2	7.7%	-6.3%

*Cumulative amounts as at 30 June processed by MBS Consulting

GAS INPUT (bcm)*	2025	2024	2023	Change % 2025 vs 2024	Change % 2024 vs 2023
Imports	30.7	30.1	31.9	2.0%	-5.6%
National production	1.7	1.4	1.4	21.4%	0.0%
Storage	1.1	-0.4	-0.1	(**)	(**)
Total input (incl. storage)	33.5	31.1	33.2	7.7%	-6.3%
Maximum capacity	63.0	63.4	63.0		
Load factor	48.8%	47.4%	50.6%		

*Cumulative amounts as at 30 June processed by MBS Consulting

The amount of inventories indicates net movement

**Change of more than 100%

Imports also recorded growth in the first half of 2025 compared to the same period in 2024, with an overall total, considering all entry points, of 30.7 bcm, slightly up on the 2024 figure (30.1 bcm). The increase in demand was also partly offset by the growth in domestic production, which amounted to 1.7 billion cubic metres in the first half of the year, an increase of more than 20% compared to the same period in 2024.

Wholesale gas prices

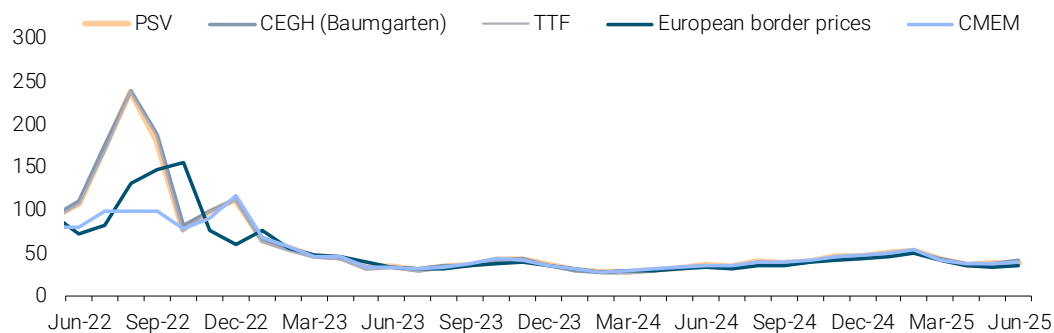
In the first six months of 2025, average natural gas wholesale prices rose sharply in all major European hubs, approaching the levels of the first half of 2023. Price growth was most acute in the first quarter of the year, when there was a significant increase in demand from the thermoelectric sector, as well as the emergence of fears concerning the filling of storages and the need to replace gas from Russia.

Spot prices at the Dutch TTF averaged 41.3 €/MWh in the first half of 2025, an increase of 39.5% compared to the same period in 2024. An even more pronounced growth can be observed in the average CEGH (Baumgarten) price, which approaches 44 €/MWh, whereas in 2024, it had been 30.5 €/MWh (+43.3% on a half-yearly basis).

The Italian PSV averaged 43.4 €/MWh in the first six months of the year, an increase of 39.1% compared to the same six months of 2024. The average PSV-TTF differential also increased, supported by the strategic importance of flows from Northern Europe, amounting to 2.2 €/MWh and 37.5% higher than the average for the first part of 2024 (1.6 €/MWh). Prices at the border averaged 40.6 €/MWh, a trend similar to the prices observed in the main European hubs and an increase of 32.7% compared to the first half of 2024. Prices at the Italian border averaged the same level (40.5 €/MWh), up by 30.0%.

Wholesale Prices in Europe

(€/MWh)



Latest data 30 June 2025

Data processed by MBS Consulting

Imbalance Price and the Protected Market

In the Italian market, the imbalance price in the first half of 2025 was on average 43.4 €/MWh, 38.2% higher than the price for the first half of 2024 (equal, on average, to 31.4 €/MWh). In the first half of 2025, the volume traded on the MGAS platform, which is used to define the imbalance price (DAM-GAS and MI-GAS), was equal to 8.4 bcm (+24% compared to the first half of 2024), of which 1.8 bcm traded on the MI-GAS intra-day market.

Lastly, the average value of the CMEM component, intended to reflect the cost of gas procurement in the protected market (calculated by ARERA as the monthly average of the PSV Day Ahead price identified by ICIS-Heren), was 43.3 €/MWh in the first half of 2025, up 38.8% compared to the first half of 2024 (31.2 €/MWh).

Electricity market

Supply and Demand

In Italy, electricity production stood at 114.0 TWh in the first six months of 2025, an increase of 4.8% compared to the first half of 2024, when it stood at 108.8 TWh. Production was sufficient to cover 74.8% of the total demand for the period, the remainder being met through imports.

Thermoelectric production amounted to 60.8 TWh (53.4% of total production), an increase of 14.2% compared to the first half of 2024. Hydroelectric production remained at a high level and amounted to 22.5 TWh, although not reaching the record levels of the first months of 2024, with a drop of 15.3%. In the national generation mix, hydropower reached almost 20%. On the other hand, production from other renewable sources increased by 6.5% compared to 2024, reaching 28.0 TWh considering both wind and solar production, compared to 26.3 TWh last year. Including geothermal production, the share of the three energy sources combined in the Italian production mix reaches almost 27%.

Total demand for the half-year remained stable compared to 2024, at 152.4 TWh, confirming the delay in the actual recovery of consumption, especially industrial consumption. Compared to the first six months of 2024, demand rose by 2.0% in the North, while it decreased slightly in the South and the Islands, by -2.2% and -2.6% respectively.

Demand and supply of accumulated electricity (GWh and changes in trends)

	until 30/06/2025	until 30/06/2024	Change %
Demand	152,446	151,421	0.7%
Northern Italy	87,104	85,424	2.0%
Centre	38,840	38,833	0.0%
Southern Italy	13,553	13,864	-2.2%
The Islands	12,949	13,299	-2.6%
Net production	114,012	108,801	4.8%
Hydro power	22,458	26,500	-15.3%
Thermal power	60,877	53,292	14.2%
Geothermoelectric	2,639	2,654	-0.6%
Wind and photovoltaic	28,039	26,355	6.4%
Pumping consumption	-1,317	-1,203	9.5%
Foreign balance	39,751	43,823	-9.3%

Data processed by MBS Consulting

Day-Ahead Market (DAM) prices

In the first half of the year, the Single National Price (PUN) averaged 119.9 €/MWh, an increase of 28.4% compared to the average of 93.4 €/MWh recorded in the first half of 2024.

The average price for the period was influenced by the price spikes observed in the first quarter of 2025, in which modest production from renewable sources led to a high level of thermoelectric production with high gas prices, causing an upward pressure on electricity prices. In the first three months, in fact, the PUN averaged 137.9 €/MWh (+50.0% compared to the corresponding period of 2024), with a gradual decrease only since April, when record production from solar sources and the seasonal rise in hydro generation brought renewables close to 50% of the production mix, bringing the PUN back below 100 €/MWh. In June, the price rose again, in line with the usual seasonal trend.

In terms of zonal prices, the highest average price was recorded in the Centre-North and amounted to 120.3 €/MWh, a difference of less than 1% compared to the PUN. The area with the lowest 'baseload' CCT was Sardinia, with a zonal price below the PUN averaging 3.6 €/MWh during the first half of the year.

Trend in the main European energy exchanges

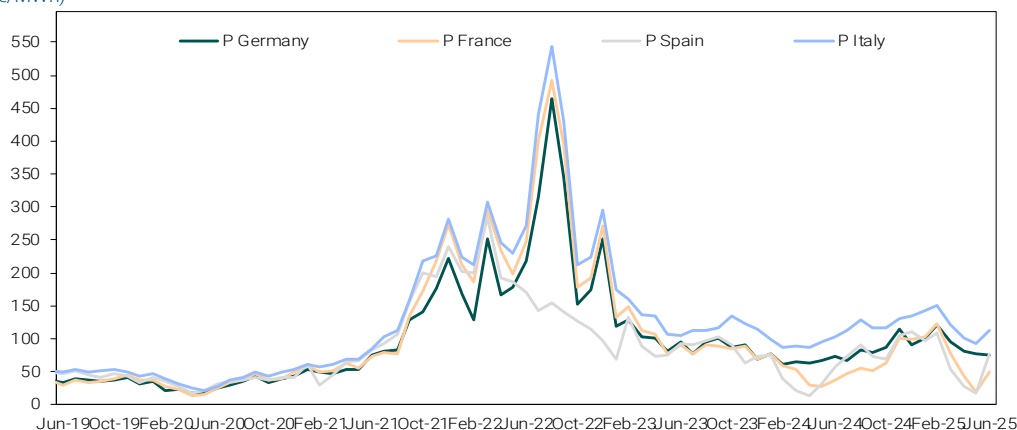
The average price recorded on the main European power exchanges in the first six months of 2025 was 74.3 €/MWh, an increase of 45.1% compared to the same period in 2024, when it was 51.2 €/MWh.

The PUN remained at a premium over average European prices throughout the six months, with an average differential between the Italian monthly price and European prices of 45.5 €/MWh.

The country with the lowest average price was Spain, with an average price in the six-month period of 63.3 €/MWh.

EUROPEAN ELECTRICITY PRICE TRENDS

(€/MWh)



Data processed by MBS Consulting

Futures related to Baseload PUN on the EEX

The following table shows the prices of the PUN futures in the first half of 2025.

The trend in prices of financial instruments was aligned between monthly and quarterly products, with an increase in the first two months of the year, a decrease in the following months and a new increase in June.

Calendar-26 saw a downward price movement until May, with a rise in the following two months. The change between the average prices in January and June is an overall decrease of about 7 €/MWh.

Apr-25 Futures		May-25 Futures		June-25 Futures	
Monthly	€/MWh	Monthly	€/MWh	Monthly	€/MWh
May-25	102.8	Jun-25	94.1	July-25	110.9
Jun-25	98.5	July-25	104.5	Aug-25	122.1
July-25	104.3	Aug-25	114.4	Sept-25	120.4
Quarterly		Quarterly		Quarterly	
Q3 25	112.2	Q3 25	114.4	Q3 25	121.4
Q4 25	111.2	Q4 25	114.4	Q4 25	119.6
Q1 26	110.6	Q1 26	114.9	Q1 26	119.0
Yearly		Yearly		Yearly	
Y1 26	99.8	Y1 26	105.6	Y1 26	109.7

Data processed by MBS Consulting

Significant events of the period

Integrated Water Service of the Province of Piacenza

Following the signing of the agreement for the management of the Integrated Water Service of the province of Piacenza, which took place on 16 December 2024, Iren Acqua Piacenza S.r.l. became the new service provider as of 1 January 2025, for a duration of 16 years, replacing the previous operator, IRETI.

Iren Acqua Piacenza is a local operating company specifically established for this purpose and is wholly owned by IRETI, which was awarded the public tender. Its industrial plan includes significant investments in the networks and infrastructure of the integrated water cycle—primarily aimed at reducing water losses and energy consumption—as well as the restructuring, upgrading, and construction of works and plants within the sewerage network.

Full Consolidation of EGEA Holding

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

On the same date, a shareholders' meeting was held which approved the appointment of a new board member nominated by Iren. By nominating four out of the seven members of the Board of Directors, Iren acquired control of EGEA Holding and its subsidiaries, resulting in their full consolidation.

Hybrid Bond

On 16 January 2025, Iren S.p.A. successfully placed its first Hybrid Bond, with a nominal value of 500 million euro, issued in a single tranche for the full amount. The settlement date was 23 January 2025. As outlined in the relevant terms and conditions, the instrument is a non-convertible, subordinated, perpetual bond, redeemable only in the event of the Company's dissolution or liquidation.

The fixed annual coupon, payable annually in arrears in the month of April starting from April 2025, is set at 4.5%, and will remain in place until the first reset date on 23 April 2030. From that date, unless fully redeemed, the bond will bear interest at the five-year Euro Mid Swap rate plus an initial margin of 221.2 basis points. The margin will increase by 25 basis points from 2035, and by a further 75 basis points from 2050, for a total cumulative increase of 100 basis points.

The issue price was set at 99.448%, resulting in an effective yield of 4.625% per annum at the first reset date.

The securities, intended for qualified investors, are listed on the regulated market of the Irish Stock Exchange (Euronext Dublin). They have been assigned a rating of BB+ by both Standard & Poor's Global Ratings and Fitch Ratings, with an equity content of 50%.

The offering received subscription requests almost eight times the amount offered, with total orders reaching 4 billion euro. The transaction is aimed at further strengthening the Group's capital structure and supporting its financial flexibility. It is aligned with the Iren Group growth strategy, which includes the integration of EGEA, potential new external growth opportunities, and the implementation of the investments outlined in the Industrial Plan, reaffirming Iren's commitment to maintaining its current investment grade rating.

Acquisition of the non-controlling interest in Iren Acqua

On 20 February 2025, IRETI finalised the acquisition of the remaining 40% stake in Iren Acqua (the operator of the Integrated Water Service in 39 municipalities within the Genoa ATO), previously held by F2i SGR through its managed funds.

The total consideration for the transaction amounts to 282.5 million euro, of which 100 million euro was paid at closing. The remaining amount is deferred over four years and three months, with interest accruing at an annual compound rate of 4.5%. From a financial perspective, the transaction allows for a reduction in third-party dividend payments and an increase in the Group's net profit. This results in a favourable economic and financial impact due to the lower cost of Group debt compared to dividends previously paid to the non-controlling shareholder, ultimately contributing to an increase in earnings per share to the benefit of Iren shareholders.

Capacity Market Auction for 2027

In early March 2025, the outcome of the main auction for the 2027 Capacity Market delivery year confirmed—consistent with results for the delivery years 2022 to 2026—the allocation of 100% of the capacity offered by the Group: 2,055 MW in the Northern area, awarded at a price of 47,000 €/MW/year.

Shareholders' Meeting

On 24 April 2025, the Ordinary Shareholders' Meeting approved the Statutory Financial Statements of Iren S.p.A. as at 31 December 2024, and resolved to distribute a dividend of 0.1283 euro per ordinary share, confirming the proposal made by the Board of Directors.

The Shareholders' Meeting also:

- approved the first section ("2025 Remuneration Policy") of the 2025 Report on the Remuneration Policy and on fees paid for 2024;
- issued a favourable vote on the second section ("Fees paid for 2024") of the same Report;
- appointed the Board of Directors and its Chair for the 2025–2026–2027 term (expiring upon approval of the financial statements for FY2027), and defined the related remuneration.

Acquisition of the remaining 47.23% of Egea Holding

Following the announcement of the exercise of the call option at the end of March, on 22 May 2025, Iren S.p.A. finalised the acquisition of the remaining 47.23% of EGEA Holding held by the other shareholder MidCo 2024 S.r.l., thus achieving total control.

At the end of the transactions envisaged since the agreements signed on 1 August 2024, MidCo 2024 and the financial creditors of the EGEA group have therefore decided to accept the minimum price quantification of 74.8 million euro as indicated by Iren in the notice of exercise of the call option itself.

The terms of the agreement provide for the payment of a portion of the price at the closing in the amount of 68.9 million euro and a residual portion of 6.7 million euro deferred to 31 March 2029, including financial expenses in consideration of the unwillingness of certain creditor parties to apply the so-called "minimum price discount mechanism".

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 are different from the financial measures explicitly required by the IFRS, the international financial reporting standards adopted by the Group. On the subject of 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, in order to improve their comparability, reliability and comprehensibility. In line with the aforementioned communications, the criteria used to construct these measures presented in this 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 held for sale (liabilities directly associated to assets held for sale).

For further details on the development of the individual items that make up the indicator, please refer to the reconciliation of the reclassified statement of financial position with the statement of financial position, included in the annexes to the Consolidated 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 indicator for the purpose of measuring total net assets, both current and non-current, also through comparison between the reporting period and previous periods or years. This measure 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 net of non-current financial assets and current financial liabilities net of current financial assets, excluding the fair value of commodity derivatives, and cash and cash equivalents.

For further details on the development of the individual items that make up the indicator, please refer to the reconciliation of the reclassified statement of financial position with the statement of financial position, included in the annexes to the Consolidated Financial Statements.

This APM is used in both internal and external documents and represents a useful tool to assess the Group's financial structure, including by comparing the reporting period with those of the previous periods or years.

Non-current Assets: calculated as the sum of property, plant and equipment, investment property, intangible assets with finite life, goodwill, investments accounted for using the equity method and other investments.

For further details on the development of the individual items that make up the indicator, please refer to the reconciliation of the reclassified statement of financial position with the statement of financial position, included in the annexes to the Consolidated Financial Statements.

Other Non-Current Assets (Liabilities): calculated as the sum of other non-current assets net of sundry liabilities and other non-current liabilities and the non-current portion of the fair value of commodity derivatives.

For further details on the development of the individual items that make up the indicator, please refer to the reconciliation of the reclassified statement of financial position with the statement of financial position, included in the annexes to the Consolidated Financial Statements.

Net Working Capital (NWC): calculated as the algebraic sum of current and non-current contract assets and liabilities, current and non-current trade receivables, inventories, current tax assets and liabilities, sundry assets and other current assets, trade payables and sundry liabilities and other current liabilities and the current portion of the fair value of commodity derivatives. For further details on the development of the individual items that make up the indicator, please refer to the reconciliation of the reclassified statement of financial position with the statement of financial position, included in the annexes to the Consolidated Financial Statements.

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 of the previous periods or years.

Gross Operating Profit or Loss (EBITDA): calculated as the sum of pre-tax profit or loss, share of profit or loss of equity-accounted investees, impairment gains and losses on equity investments, financial income and expense, and amortisation, depreciation, provisions and impairment losses. The gross operating profit or loss 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 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 pre-tax profit or loss, share of profit or loss of equity-accounted investments, impairment gains and losses on equity investments and financial income and expense. Operating profit or loss is explicitly shown as a subtotal in the financial statements.

Investments: represents the sum of investments in property, plant and equipment, intangible assets and financial assets (equity investments), presented gross of grants related to assets.

This APM is used by the Group in both internal and external documents and represents a useful tool to assess the financial resources used for the purchase of durable goods during the period.

Cash Flows from Investing Activities: determined by the algebraic sum of the cash flows relating to Investments, the realisation of investments, the change in assets held for sale and dividends received, as well as the effect on Net Financial Debt deriving from the acquisition of subsidiaries and non-controlling interests, as indicated in the statement of changes in Net Financial Debt.

Free Cash Flow: determined by the sum of net cash and cash equivalents generated by operating activities and cash flows from operating activities and cash flows from investing activities as indicated in the statement of changes in Net Financial Debt in the statement of cash flows.

Gross Operating Profit or Loss (EBITDA) margin: calculated by comparing, in percentage terms, the Gross Operating Margin divided by revenue. This APM is used by the Group in both internal and external documents and is a useful tool to assess the Group's operating performance (both as a whole and for individual Business Units), also by comparison with previous periods or years.

Net Financial Indebtedness: determined as the ratio between Net Financial Indebtedness and equity including non-controlling interests.

This APM is used by the Group in both internal and external documents and is a useful instrument for assessing the financial structure in terms of the impact of financing sources between 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 flows, net financial position or other indicators consistent with IFRS, Italian GAAP or any other generally accepted accounting principles; 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.

Iren Group's financial position, financial performance and cash flows

Income statement

IREN GROUP INCOME STATEMENT

thousand euro

	First half of 2025	First half of 2024 Restated	Change %
Revenue			
Revenue from goods and services	3,357,047	2,637,373	27.3
Other income	128,554	60,237	(*)
Total revenue	3,485,601	2,697,610	29.2
Operating expenses			
Raw materials, consumables, supplies and goods	(1,387,289)	(909,191)	52.6
Services and use of third-party assets	(1,003,170)	(813,218)	23.4
Other operating expenses	(58,227)	(48,048)	21.2
Capitalised costs for internal work	28,025	27,546	1.7
Personnel expense	(338,703)	(318,944)	6.2
Total operating expenses	(2,759,364)	(2,061,855)	33.8
GROSS OPERATING PROFIT (EBITDA)	726,237	635,755	14.2
Depreciation, amortisation, provisions and impairment losses			
Amortisation/Depreciation	(350,009)	(321,301)	8.9
Loss allowance	(44,774)	(34,224)	30.8
Other provisions and impairment losses	(5,144)	(1,053)	(*)
Total depreciation, amortisation, provisions and impairment losses	(399,927)	(356,578)	12.2
OPERATING PROFIT (EBIT)	326,310	279,177	16.9
Financial income and expense			
Financial income	20,636	26,908	(23.3)
Financial expense	(79,913)	(69,953)	14.2
Net financial expense	(59,277)	(43,045)	37.7
Gains (losses) on equity investments	(87)	2,027	(*)
Share of profit of equity-accounted investees, net of tax effects	8,561	4,706	81.9
Pre-tax profit	275,507	242,865	13.4
Income taxes	(82,650)	(73,161)	13.0
Profit from continuing operations	192,857	169,704	13.6
Profit (loss) from discontinued operations	-	-	-
Profit for the period	192,857	169,704	13.6
attributable to:			
- the owners of the parent	183,573	148,041	24.0
- non-controlling interests	9,284	21,663	(57.1)

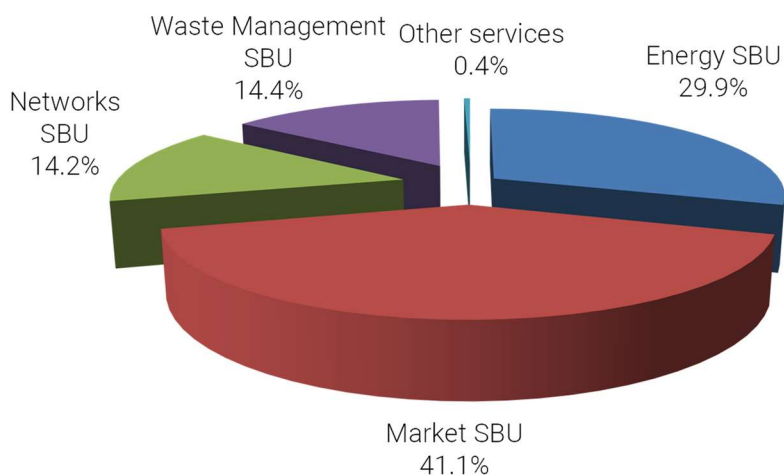
(*) Change of more than 100%

The comparative figures for the first half of 2024 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 purchase price at the definitive fair value of the assets and liabilities acquired (Purchase Price Allocation) of Siena Ambiente.

For further information, please refer to the "Business Combinations" section in the Notes to the Condensed Interim Consolidated Financial Statements.

Revenue

For the six months ended 30 June 2025, the Group reported revenue of 3,485.6 million euro, up +29.2% compared to 2,697.6 million euro in the first half of 2024. The main factor contributing to the rise in sales was energy revenue, which was impacted for about 190 million euro by higher commodity prices and for about 250 million euro related to higher energy volumes sold. Also contributing positively is the consolidation, as of 1 January 2025, of the EGEA Holding group for more than 200 million euro and the energy efficiency activities for about 50 million euro.



Gross Operating Profit (EBITDA)

Gross Operating Profit (EBITDA) amounted to 726.2 million euro, up +14.2% compared to 635.8 million euro in the first half of 2024. The period was characterised by several positive factors, such as the favourable energy scenario with rising commodity prices (PUN +28.4% and PSV +39.1%), organic growth, the overall positive regulatory effects for the Waste Management sector, as well as the change in the scope of consolidation due to the entry of the EGEA Holding group on 1 January 2025.

As far as the energy scenario is concerned, the increase in prices led to contrasting but overall positive effects (+15 million euro), improving electricity production margins (+18 million euro), partially offset by lower heat production margins (-3 million euro). The positive contribution to the electricity and heat production margin is also related to the higher quantities produced (+14 million euro), particularly in the hydroelectric sector (+9%), thanks to the high hydraulicity of the period, and in the thermoelectric sector (+69.2%), due to the full availability of the plants and a more favourable climate scenario.

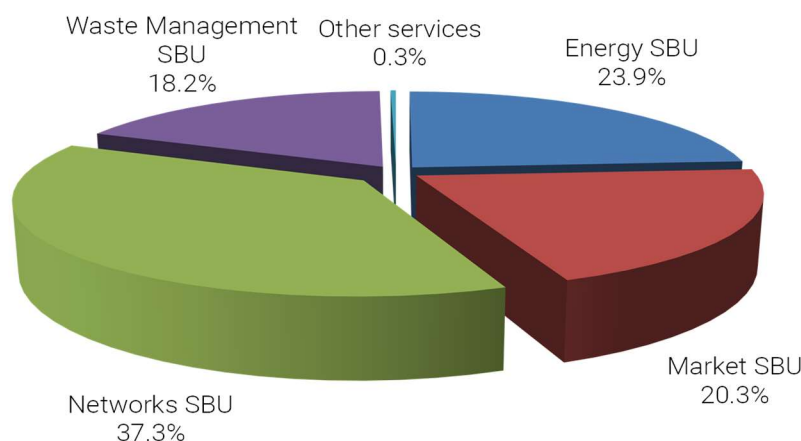
Energy commodities trading declined (-6 million euro), primarily due to the expected lower margin on gas sales, a business that had benefited from an extraordinary and therefore non-repeatable profit in the first months of 2024, while electricity sales profit improved slightly.

A positive contribution to the profit was also generated by organic growth, primarily related to tariff recognitions resulting from investments made in the Networks BU in recent years (+11 million euro) and by the regulatory effects of the revision of tariff parameters, which were overall positive (+5 million euro, of which Waste Management +7 million euro and Networks -2 million euro).

Two extraordinary items also emerged during the first half of the year, namely the recognition of the premiums for the technical/commercial quality of the integrated water service (2022-2023 period) recognised by ARERA to the companies of the Networks BU (+10 million euro) and the recognition by the Council of State of the appeals against Resolution 570/19 concerning certain components of the gas tariff method for the 2020-2025 period (+10 million euro). These items more than offset the absence of the gains related to the tariff adjustments for the recovery of inflation of the integrated water system that had positively characterised 2024 and were no longer repeatable, and the reduction of the WACC recognised in the gas and electricity distribution sectors.

Finally, the inclusion of the EGEA Holding group in the scope of consolidation effective 1 January 2025, (+34 million euro) contributed to the profit improvement.

The change in gross operating profit by business unit is broken down as follows: the Energy business unit showed strong improvements with a +30.6% increase, followed by Networks +13.9%, Market +6.5%, and Waste Management +6.3%.



Operating profit (EBIT)

Operating profit (EBIT) amounted to 326.3 million euro, up +16.9% compared to 279.2 million euro in the first half of 2024. Amortisation and depreciation for the period rose by 29 million euro, due to the start-up of new investments and expansion of the consolidation scope (17 million euro), higher allocations to the loss allowance for approximately 11 million euro, higher allocations to the provision for risks for approximately 2 million euro and lesser provision releases for 2 million euro that had characterised the first half of 2024.

Financial income and expense

Net financial expense came to 59.3 million euro, an increase (+37.7%) compared to the figure for the first half of 2024, which stood at 43.0 million.

While financial income decreased (20.6 million euro compared to 26.9 million euro in the comparative period), mainly due to lower interest income on cash investment, the increase in financial expense (79.9 million in the first half of 2025 compared to 70.0 million in the same period of 2024) is mainly due to the increase in the cost of debt, charges related to the settlement of certain loans, financial expense for the acquisition of non-controlling interests in Iren Acqua and, to a lesser extent, the adjustment of the financial component in the discounting of provisions for risks.

Gains (losses) on equity investments

In the first half of 2025, this item (equal to -0.1 million euro) refers to the effect of the fair value remeasurement, as at the acquisition date, of the pre-existing interest in EGEA Holding. In the comparative period (+2.0 million), it mainly referred to the remeasurement of the investment in Siena Ambiente prior to its full consolidation.

Share of profit of equity-accounted investees, net of tax effects

This item, which amounts to +8.6 million euro (+4.7 million in the first half of 2024), includes the share of the pro-rata profit or loss of the Group's associates and joint ventures, the most significant of which regard ASA, Aguas de San Pedro, SETA and Asti Servizi Pubblici.

Pre-tax profit

As a result of the above trends, consolidated pre-tax profit amounted to 275.5 million euro, up compared to 242.9 million euro in the comparative period.

Income taxes

Income taxes for the first half of 2025 amounted to 82.7 million euro, up from 73.2 million in the comparison period, due to a higher pre-tax profit. The tax rate, representing the estimated effective tax rate for the full year, was 30.0%, in line with the first half of 2024.

Profit for the period

As a result, net profit for the period totalled 192.8 million euro, an increase (+13.6%) compared to the first half of 2024, when it amounted to 169.7 million euro.

Of this result, 183.5 million euro is attributable to the owners of the parent (148.0 million in the first half of 2024), and 9.3 million is attributable to non-controlling interests (21.7 million in the comparative period). The decrease in the portion attributable to non-controlling interests is due to the acquisition of the remaining 40% stake in Iren Acqua in February 2025.

Statement of Financial Position

RECLASSIFIED STATEMENT OF FINANCIAL POSITION OF THE IREN GROUP

	thousand euro		
	30.06.2025	31.12.2024	Change %
Non-current assets	8,743,946	8,414,310	3.9
Other non-current assets (liabilities)	(756,562)	(619,491)	22.1
Net Working Capital	263,589	(11,778)	(*)
Deferred tax assets (liabilities)	287,877	272,676	5.6
Provisions for risks and employee benefits	(741,781)	(630,067)	17.7
Assets held for sale (liabilities directly associated with assets held for sale)	11,189	790	(*)
Net invested capital	7,808,258	7,426,440	5.1
Equity	3,580,100	3,343,697	7.1
Non-current financial assets	(136,976)	(124,355)	10.1
Non-current financial debt	4,442,920	4,460,915	(0.4)
Non-current net financial debt	4,305,944	4,336,560	(0.7)
Current financial assets	(732,347)	(867,975)	(15.6)
Current financial debt	654,561	614,158	6.6
Current net financial debt	(77,786)	(253,817)	(69.4)
Net financial debt	4,228,158	4,082,743	3.6
Own funds and net financial debt	7,808,258	7,426,440	5.1

(*) Change of more than 100%

For a reconciliation of the reclassified statement of financial position with that of the financial statements, please refer to the specific annex to the Notes to the Condensed Interim Consolidated Financial Statements.

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

Non-Current Assets at 30 June 2025 amounted to 8,743.9 million euro, up compared to 31 December 2024, when they were 8,414.3 million euro. The increase (+329.6 million euro) is mainly due to the effect of the following:

- The assets arising from the acquisition of control of the EGEA Holding Group amounted to 383.8 million euro, including goodwill. These assets mainly consist of: networks and plants related to district heating, integrated water services, and gas distribution; electricity, biogas, and biomethane generation plants; waste collection vehicles; and equity investments. These amounts are net of the elimination of the pre-existing interest (-85.0 million);
- investments in property, plant and equipment and intangible assets (+392.8 million euro) and depreciation and amortisation (-350.0 million euro) in the period;
- the reclassification to "Assets held for sale (liabilities associated with assets held for sale)" of assets related to the management of the Integrated Water Service in some municipalities in the Province of Imperia, transferred to another operator in July 2025 (-8.3 million).

For more detailed information on the sector-specific breakdown of technical investments during the period, please refer to the following section, "Segment reporting".

The change in "Other Non-Current Assets (Liabilities)" (-137.1 million euro) essentially regards the non-current portion of the tax liability relating to the settlement formulated with the Revenue Agency within the framework of the negotiated settlement of the crisis pursuant to the "Crisis Code" of the EGEA group (-65.6 million), deferred income components relating to grants received for investments (-54.4 million), and the reduction in the non-current portion of tax assets relating to the Superbonus 110 incentives (-20.5 million).

Net working capital stood at 263.6 million euro, against -11.8 million euro at 31 December 2024. The increase (+275.4 million) is essentially due to trends in trade-related items, partially offset by the effect of estimated taxes for the period.

Provisions for risks and employee benefits amounted to 741.8 million euro, an increase compared to the figure at the end of 2024, when they stood at 630.1 million. The main movements relate to: obligations for CO₂ emission allowances yet to be purchased (+96.1 million) and the change in scope of consolidation following the acquisition of the EGEA Group (+32.2 million).

Assets held for sale (liabilities associated with assets held for sale) increased by 10.4 million as a result of the aforementioned reclassification of net assets related to the management of the Integrated Water Service in some municipalities in the Province of Imperia (mainly fixed assets, receivables, and prepaid expenses for grants related to assets).

Equity amounted to 3,580.1 million euro, compared with 3,343.7 million at 31 December 2024 (+236.4 million). The change is essentially due to the following:

- net profit for the period (+192.8 million);
- dividends paid (-176.6 million);
- issuance of the perpetual hybrid bond, recognised as an equity component net of transaction costs (+493.8 million) and the recognition of coupons for the period (-5.6 million);
- change in the consolidation scope (non-controlling interests) due to the consolidation of the EGEA Holding Group at 52.77% (+65.6 million) and Change in equity interests following the exercise of the call option for full control (-74.8 million);
- acquisition of the non-controlling interest in Iren Acqua (-282.5 million);
- change in the hedging reserve, related to interest rate and commodity hedging derivatives (+24.9 million).

Net Financial Debt amounted to 4,228.2 million euro as at 30 June 2025, an increase of 145.4 million compared to 31 December 2024. For further details, please refer to the analysis of the statement of cash flows presented below.

CHANGE IN IREN GROUP'S NET FINANCIAL DEBT

The following table shows the changes in the Group's Net Financial Debt during the period.

thousand euro

	First half of 2025	First half of 2024 Restated	Change %
Opening net financial debt	(4,082,743)	(3,933,805)	3.8
Profit for the period	192,857	169,704	13.6
Non-monetary adjustments	641,627	551,195	16.4
Payment of employee benefits	(4,323)	(5,639)	(23.3)
Utilisations of provisions for risks and other charges	(14,290)	(29,640)	(51.8)
Change in other non-current assets and liabilities	84,587	13,440	(*)
Taxes paid	(1,207)	-	-
Other changes in equity	88	94	(6.4)
Cash flows from changes in NWC	(397,719)	(187,134)	(*)
Cash flows for transactions on commodities derivative markets	22,194	(28,463)	(*)
Cash flows from operating activities	523,814	483,557	8.3
Investments in property, plant and equipment and intangible assets	(392,765)	(345,018)	13.8
Investments in financial assets	(1,150)	(178)	(*)
Proceeds from the sale of investments and changes in assets held for sale	1,049	1,761	(40.4)
Acquisition of subsidiaries and non-controlling interests	(520,902)	(23,500)	(*)
Dividends collected	1,830	891	(*)
Cash flows used in investing activities	(911,938)	(366,044)	(*)
Free cash flow	(388,124)	117,513	(*)
Cash flows from equity	311,598	(178,684)	(*)
Other changes	(68,889)	(18,672)	(*)
Change in Net financial debt	(145,415)	(79,843)	82.1
Closing Net financial (debt)	(4,228,158)	(4,013,648)	5.3

(*) Change of more than 100%

The comparative figures for the first half of 2024 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 Siena Ambiente.

For further information, please refer to the "Business Combinations" section in the Notes to the Condensed Interim Consolidated Financial Statements.

The change in Net Financial Debt compared to 31 December 2024 of +145.4 million euro is due to the following factors:

- *Cash flows from operating activities* were +523.8 million, compared to +483.6 million in the first half of 2024;
- *Cash Flows used in Investing activities* totalled -911.9 million (-366.0 million in the first half of 2024), and includes, in particular:
 - technical investments during the period (392.7 million, up 13.8% compared to the comparative period);
 - items "Investments in financial assets" and "Acquisition of subsidiaries and non-controlling interests" (a total of 522.1 million), the acquisition of control over the EGEA Holding Group, including recognition of the call option and the net financial debt assumed (237.7 million), the consideration paid for the acquisition of the non-controlling interest in Iren Acqua (283.2 million, including ancillary charges), and other minor equity investments (1.2 million). The amount in the comparative period (23.6 million) referred to the net financial debt arising from the full consolidation of Siena Ambiente and the acquisition of Agrovoltaiica;
- *cash flows from equity* of +311.6 million, referring to the issuance of the hybrid perpetual bond (+493.8 million), the payment of related coupons (-5.6 million) and the payment of dividends (-176.6 million). In the comparative period, the amount (-178.7 million) related only to dividends;
- the item *other changes*, equal to -68.9 million (-18.7 million in the comparison period), mainly related to the effect of net financial expense, the change in the fair value of hedging derivatives and the recognition of IFRS 16 leases for the period.

Finally, the statement of cash flows prepared according to the model expressed as a change in cash and cash equivalents is presented at the beginning of the "Condensed Interim Consolidated Financial Statements at 30 June 2025".

Segment reporting

The Iren Group operates in 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 production from other renewable sources, Combined Heat and Power, District Heating Networks, Thermoelectric Production, Public Street Lighting, Global services, Energy efficiency services)
- Market (Sale of electricity, gas and other customer services)
- Other services (Laboratories, Telecommunications and other minor services).

These operating segments are presented pursuant to IFRS 8, which requires the disclosure about business 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 businesses presented and commented on below, revenue and expense referring to overhead activities were fully allocated to the businesses based on actual usage of the services provided or according to technical and economic drivers.

Given the fact that the Group mainly operates in one area, the following segment reporting does not include a breakdown by geographical area.

The following tables show the Net Invested Capital compared to 31 December 2024 and the income statements for the first half of 2025 (up to the Operating Profit/loss) by business segment, compared to the figures for the first half of 2024 restated. As at 30 June 2025, non-regulated activities contributed 30.3% to Gross Operating Profit (30.0% at 30 June 2024), while regulated activities accounted for 52.8% (down from 53.5% in the same period of 2024), and semi-regulated activities contributed 16.9% (16.5% in the first half of 2024).

Reclassified statement of financial position by business segment at 30 June 2025

millions of euro

	Networks	Waste Management	Energy	Market	Other services	Non-allocable	Total
Non-current assets	4,039	1,648	2,377	450	17	213	8,744
Net Working Capital	201	57	128	(130)	8		264
Other non-current assets and liabilities	(713)	(208)	(205)	(77)	3		(1,200)
Net invested capital (NIC)	3,527	1,497	2,300	243	28	213	7,808
Equity							3,580
Net financial debt							4,228
Own funds and net financial debt							7,808

Reclassified statement of financial position by business segment at 31 December 2024

millions of euro

	Networks	Waste Management	Energy	Market	Other services	Non-allocable	Total
Non-current assets	3,800	1,645	2,302	359	17	291	8,414
Net Working Capital	114	9	(11)	(128)	4	-	(12)
Other non-current assets and liabilities	(675)	(182)	(139)	19	1	-	(976)
Net invested capital (NIC)	3,239	1,472	2,152	250	22	291	7,426
Equity							3,344
Net financial debt							4,083
Own funds and net financial debt							7,426

Income statement by business segment for the first half of 2025

millions of euro

	Networks	Waste Management	Energy	Market	Other services	Non-allocable	Total
Total revenue and income	677	689	1,426	1,962	16	(1,284)	3,486
Total operating expenses	(406)	(557)	(1,253)	(1,814)	(14)	1,284	(2,760)
Gross Operating Profit (EBITDA)	271	132	173	148	2	-	726
Net amortisation, depreciation and impairment losses	(121)	(110)	(91)	(77)	(1)	-	(400)
Operating profit (EBIT)	150	22	82	71	1	-	326

Income statement by business segment for the First half 2024 restated

	Networks	Waste Management	Energy	Market	Other Services	Non-allocable	Total
Total revenue and income	621	616	877	1,556	18	(990)	2,698
Total operating expenses	(383)	(491)	(744)	(1,418)	(16)	990	(2,062)
Gross Operating Profit (EBITDA)	238	125	133	138	2	-	636
Net amortisation, depreciation and impairment losses	(112)	(99)	(85)	(60)	(1)	-	(357)
Operating Profit (EBIT)	126	27	48	78	1	-	279

Networks SBU

For the six months ended 30 June 2025, the Networks business segment, which includes the Gas Distribution, Electricity and Integrated Water Service businesses, reported revenue of 676.9 million euro, up +9.1% compared to 620.7 million euro in the first half of 2024. The increase is mainly attributable to the positive changes in the rate revenue constraints of the Integrated Water Service, the Electricity Grid and the positive effects of the technical and commercial quality premiums recognised by ARERA and the recognition by the Council of State of the appeals against ARERA Resolution 570/19. In contrast, revenue from the construction of concession assets within the scope of IFRIC 12 declined, as did tariff adjustments for inflation recovery, which had benefited 2024 and are no longer repeatable. Revenue also benefited from the change in the consolidation scope following the inclusion of the EGEA Holding Group companies as of 1 January 2025, which are also active in the Networks sector (integrated water cycle, gas networks).

The Gross Operating Profit amounted to 270.5 million euro, up 13.9% compared to 237.5 million euro in the previous year, and is primarily attributable to increased tariff restrictions and the aforementioned technical and commercial quality awards for the integrated water cycle.

Operating Profit amounted to 150.1 million euro, up +19.6% compared to 125.5 million euro in the first half of 2024. The result was impacted by: higher depreciation and amortisation charges of approximately 6 million euro and higher provisions to the loss allowance and lower releases from provisions, for a combined effect of approximately 2 million euro.

		First half of 2025	First half of 2024	Changes %
Revenue	€/mln	676.9	620.7	9.1
Gross Operating Profit (EBITDA)	€/mln	270.5	237.5	13.9
% of revenues		40.0%	38.3%	
	from Electricity Networks	€/mln	43.6	16.2
	from Gas Networks	€/mln	47.9	28.6
	from Integrated Water Service	€/mln	146.0	8.4
Operating Profit (EBIT)	€/mln	150.1	125.5	19.6
Investments	€/mln	182.4	163.0	11.9
	in Electricity Networks	€/mln	39.9	33.7
	in Gas Networks	€/mln	15.4	28.1
	in Integrated Water Service	€/mln	101.6	(0.9)
	Other	€/mln	6.0	41.4
Electricity distributed	GWh	1,737.4	1,748.0	(0.6)
Gas distributed	Mcm	641.6	592.5	8.3
Water sold	Mcm	96.4	87.6	10.0

Networks SBU - Electricity

The Gross Operating Profit amounted to 50.6 million euro, up +16.2% compared to 43.6 million euro in the first half of 2024. The improvement in gross operating profit is attributable to organic growth through investments, which have positively impacted tariffs and service quality and the update of tariff parameters under the ROSS tariff methodology, applicable for the 2024–2031 regulatory period.

Investments amounted to 53.4 million euro, an increase of +33.7% compared to 39.9 million euro in the first half of 2024. These were mainly related to new service connections; resilience enhancements of the low/medium voltage distribution network to improve service quality; construction of new primary and secondary substations, some of which are included in the National Recovery and Resilience Plan (PNRR); and continued replacement of electronic meters with 2G technology.

Networks SBU - Gas Distribution

The Gross Operating Profit amounted to 61.6 million euro, up +28.6% compared to 47.9 million euro in the first half of 2024. The increase in the profit was mainly generated by the recognition by the Council of State of the appeals against Arera Resolution 570, which were related to some components of the tariff method (standard and customised X-factor) for the regulatory periods 2020 - 2025, and by the change in the consolidation scope, which from 1 January, also includes the gas distribution area of the EGEA Holding group.

Investments amounted to 19.7 million euro, up 28.1% compared with 15.4 million euro in the first half of 2024, and involved mainly upgrading the network to cathodic protection and installing electronic meters.

Networks SBU - Integrated Water Service

The Gross Operating Profit amounted to 158.3 million euro, up +8.4% compared to 146 million euro in the first half of 2024. The improvement in the profit is attributable to the organic growth in investments made and to the introduction of the new MTI-4 tariff method valid for the fourth regulatory period 2024-2029 and to the recognition by Arera of the technical and commercial quality premiums for the period 2022-2023, partially offset by the elimination of the positive effects on 2024 of the tariff adjustments inherent in the 2023 inflationary effects that can no longer be repeated.

Investments amounted to 100.8 million euro, down -0.9% compared to 101.6 million euro in the first half of 2024. 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.

Additionally, investments of 8.5 million euro were recorded, an increase from 6 million euro in the first half of 2024, mainly related to digitalisation projects and the renovation of operational buildings.

Waste Management SBU

For the six months ended 30 June 2025, the segment revenue amounted to 688.7 million euro, up +11.7% from 616.3 million euro in the first half of 2024. The increase in revenue is attributable to waste collection activities as a result of the new financial plans approved by the municipalities, higher energy revenue, and the change in the consolidation scope with the entry of the waste and management companies of the EGEA Holding group as of 1 January 2025.

		First half of 2025	First half of 2024 restated	Changes %
Revenue	€/mln	688.7	616.3	11.7
Gross Operating Profit (EBITDA)	€/mln	132.3	124.5	6.3
% of revenue		19.2%	20.2%	
Operating Profit (EBIT)	€/mln	21.6	26.6	(18.9)
Investments	€/mln	74.4	70.1	6.1
Electricity sold	GWh	241.6	237.3	1.8
Thermal energy produced	GWht	232.1	180.9	28.3
Waste managed	tonnes	2,092,674	2,032,753	2.9
Sorted waste collection	%	69.3	68.4	

The Gross Operating Profit amounted to 132.3 million euro, an increase of +6.3% compared to 124.5 million euro in the first half of 2024. The trend is characterised by an improvement in the result of the Collection business, mainly due to the approval of the new economic-financial plans in the Tuscany and La Spezia areas, and of the Disposal business in particular, thanks to the contribution of the waste-to-energy plants, which last year, had recorded some shutdowns for maintenance/faults, and of the higher margins of the landfills due to the increase in the quantities disposed of. On the other hand, treatment and valorisation activities decreased, partly as a consequence of the fire that occurred in the second half of 2024 and that led to the stoppage of activities at the Cadelbosco plastics recovery plant.

The contribution of EGEA Ambiente and Sisea of the EGEA Holding group contributed positively to the increase in the profit for the period.

The Operating Profit amounted to 21.6 million euro, down -18.9% compared to 26.6 million euro in the first half of 2024. During the period, depreciation and amortisation increased by approximately 9 million euro, loss allowances by 3 million euro, and other provisions for risks by approximately 2 million euro.

Investments amounted to 74.4 million euro, up +6.1% compared to 70.1 million euro in the previous year. Investments relate to the purchase of vehicles and equipment for waste collection and the construction of plants; in particular, the OFMSW plant in La Spezia, the paper treatment plant (IRM) in Collegno (Turin) and the Costa di Rovigo materials recycling plant.

Energy SBU

For the six months ended 30 June 2025, the revenue of the Energy SBU, which includes the production of electricity and heat, management of district heating, activities related to public lighting and energy efficiency, amounted to 1,426.4 million euro, an increase of +62.6% compared to 877.4 million in the first half of 2024.

The increase in revenue is mainly attributable to the increase in the sale prices of electricity and heat, the higher quantities of heat and electricity produced, and the consolidation of the EGEA Holding group companies active in the power generation, heat and district heating sectors. Revenue from energy efficiency activities also increased by more than 50 million euro due to more upgrading work.

		First half of 2025	First half of 2024	Changes %
Revenue	€/mln	1,426.4	877.4	62.6
Gross Operating Profit (EBITDA)	€/mln	173.5	133.0	30.6
% of revenue		12.2%	15.2%	
Operating Profit (EBIT)	€/mln	82.1	47.6	72.4
Investments	€/mln	56.6	52.2	8.5
Electricity produced	GWh	4,471.9	3,902.1	14.6
<i>from hydroelectric sources</i>	GWh	753.6	691.1	9.0
<i>from photovoltaic</i>	GWh	154.1	144.6	6.6
<i>from cogeneration sources</i>	GWh	2,561.1	2,473.5	3.5
<i>from thermoelectric sources</i>	GWh	1,003.1	593.0	69.2
Heat produced	GWht	1,558.8	1,421.9	9.6
<i>from cogeneration sources</i>	GWht	1,301.7	1,194.8	8.9
<i>from non-cogeneration sources</i>	GWht	257.1	227.0	13.2
District heating volumes	Mcm	113.5	101.1	12.3

For the six months ended 30 June 2025, electricity production amounted to 4,471.9 GWh, up +14.6% from 3,902.1 GWh in the corresponding period of 2024.

Electricity production from cogeneration sources amounted to 2,561.1 GWh, up +3.5% compared to 2,473.5 GWh in the first half of 2024, while thermoelectric production was equal to 1,003.1 GWh, an increase of 69.2% compared to 593 GWh in the first half of 2024.

Production from renewable sources amounted to 907.7 GWh, up +8.6% from 835.7 GWh in the first half of 2024. The increase primarily concerns hydroelectric production, which amounted to 753.6 GWh compared to 691.1 GWh (+9%) in the first half of 2024, thanks to improved hydraulic conditions during the period, while photovoltaic/wind production amounted to 154.1 GWh, up 6.6% compared to the first half of 2024.

The heat produced amounts to 1,558.8 GWht, an increase of +9.6% compared to the 1,421.9 GWht of the first half of 2024 due to a more favourable thermal season and the development of the network at 113.5 Mcm of district heating volumes compared to 101.1 Mcm of the first half of 2024 (+12.3%), also thanks to the integration with the EGEA Holding group companies.

The Gross Operating Profit amounted to 173.5 million euro, up +30.6% compared to 133 million euro in the first half of 2024. The trend in the energy scenario was characterised by an upward price trend (PUN +29%) with positive effects on electricity production margins also supported by increased production, particularly hydroelectric production (+9%) and thermoelectric production (+69.2%) and electric cogeneration (+3.5%).

Heat production also improved as a result of the higher quantities produced, which helped absorb the decreasing sales margins also due to the positive, non-repeatable effects on hedging that had benefited the margin in the first half of 2024.

The Operating Profit amounts to 82.1 million euro and is up +72.4% compared to 47.6 million euro in the first half of 2024. The period also saw increased depreciation of approximately 6 million euro, mainly due to the inclusion from 1 January 2025 of EGEA Holding Group's district heating companies within the consolidation scope.

Investments amounted to 56.6 million euro, up +8.5% compared to 52.2 million euro in the first half of 2024. Major projects include the development of district heating networks and photovoltaic plants.

Market SBU

For the six months ended 30 June 2025, the segment revenue amounted to 1,962.6 million euro, up +26.1% from 1,556.3 million euro in the first half of 2024. The increase in turnover is attributable to the increase in electricity and gas prices and the change in the consolidation scope due to the consolidation of EGEA Energie in the EGEA Holding group as of 1 January 2025.

The Gross Operating Profit amounted to 147.7 million euro, up 6.5% from 138.5 million euro in the first half of 2024, taking into account the positive contribution of EGEA Energie, consolidated as from 1 January 2025.

The Operating Profit amounted to 71.4 million euro, down -9% compared to 78.4 million euro in the first half of 2024. During the period, higher depreciation and amortisation of approximately 9 million euro and higher impairment of losses on loans and receivables of approximately 5 million euro were recorded.

		First half of 2025	First half of 2024	Changes %	
Revenue	€/mln	1,962.6	1,556.3	26.1	
Gross Operating Profit (EBITDA)	€/mln	147.7	138.5	6.5	
% of revenue		7.5%	8.9%		
	from Electricity	€/mln	70.5	60.3	17.0
	from Gas	€/mln	72.6	71.8	1.2
	from Heat and other services	€/mln	4.6	6.4	(27.1)
Operating Profit (EBIT)	€/mln	71.4	78.4	(9.0)	
Investments		45.1	38.0	18.8	
Electricity Sold	GWh	3,829.2	3,119.2	22.8	
Gas Purchased	Mcm	1,235.6	1,250.5	(1.2)	
	Gas sold by the Group	Mcm	499.2	566.2	(11.8)
	Gas for internal use	Mcm	732.2	652.9	12.2
	Gas in storage	Mcm	4.2	31.5	(*)

(*) Change of more than 100%

Sale of electricity

Electricity sales volumes totalled 3,829.2 GWh, up by +22.8% compared to 3,119.2 GWh in the first half of 2024.

Sales in the free market reached 3,536.7 GWh, up +16.7% compared to 3,031 GWh in the corresponding period of 2024. This growth was driven by the business segment, which recorded sales of 961.1 GWh, an increase of +31.1% compared to 732.9 GWh in the first half of 2024, and the retail and small business segment, which recorded sales of 1,902.5 GWh, up +31.2% from 1,449.9 GWh in the corresponding period of 2024.

Conversely, the wholesale segment declined, with sales of 673.1 GWh, down -20.6% compared to 848.2 GWh in the first half of 2024.

Sales in the protected market amounted to 41 GWh, a decrease of -53.6% from 88.2 GWh in the first half of 2024, mainly due to the partial liberalisation of the market.

The Gross Operating Profit from electricity sales is equal to 70.5 million euro, up +17% compared to 60.3 million euro in the first half of 2024. The lower unit profit margins were more than offset by higher sales volumes and the positive contribution of EGEA Energie.

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

Market SBU – Sale of Electricity - GWh

	First half of 2025	First half of 2024	Changes %
<i>Business</i>	961.1	732.9	31.1
<i>Retail and small business</i>	1,902.5	1,449.9	31.2
<i>Wholesalers</i>	673.1	848.2	(20.6)
Free market	3,536.7	3,031.0	16.7
Protected market	41.0	88.2	(53.6)
Total Electricity sold	3,577.7	3,119.2	14.7

Sale of Natural Gas

Purchased volumes amounted to 1,235.6 Mcm, down -1.2% compared with 1,250.5 Mcm in the first half of 2024.

Gas sold to third parties by the Group amounted to 499.2 Mcm, down -11.8% from the 566.2 Mcm sold in the corresponding year.

Gas used for internal consumption within the Group totalled 732.2 Mcm, up +12.2% compared to 652.9 Mcm in 2024.

The Gross Operating Profit from the sale of gas amounted to 72.6 million euro, up +1.2% compared to 71.8 million euro in the first half of 2024. Lower unit profit margins and lower quantities sold due to the lower propensity to consume in the winter period were absorbed by the efficiency of operating expenses and the positive contribution of EGEA Energie.

Other sales services

Other sales services show a Gross Operating Profit of 4.6 million euro, down compared to the 6.4 million euro of the first half of 2024. The decrease in the period is attributable to the fact that 2024 still benefited from the minicondominium superbonus and the window project, which are no longer repeatable.

Investments of the Market SBU amounted to 45.1 million euro, up +18.8% from the 38 million euro in the first half of 2024.

Other services

For the six months ended 30 June 2025, revenue of the segment, which includes the activities of the analysis laboratories, telecommunications and other minor activities, was 15.8 million euro, down by -12% compared to the 18 million euro in the first half of 2024.

		First half of 2025	First half of 2024	Changes %
Revenue	€/mln	15.8	18.0	(12.0)
Gross Operating Profit (EBITDA)	€/mln	2.0	2.0	(3.5)
% of revenue		12.4%	11.3%	
Operating Profit (EBIT)	€/mln	1.1	1.04	8.6
Investments	€/mln	34.2	21.8	57.4

The Gross Operating Profit amounted to 2 million euro, in line with the first half of 2024.

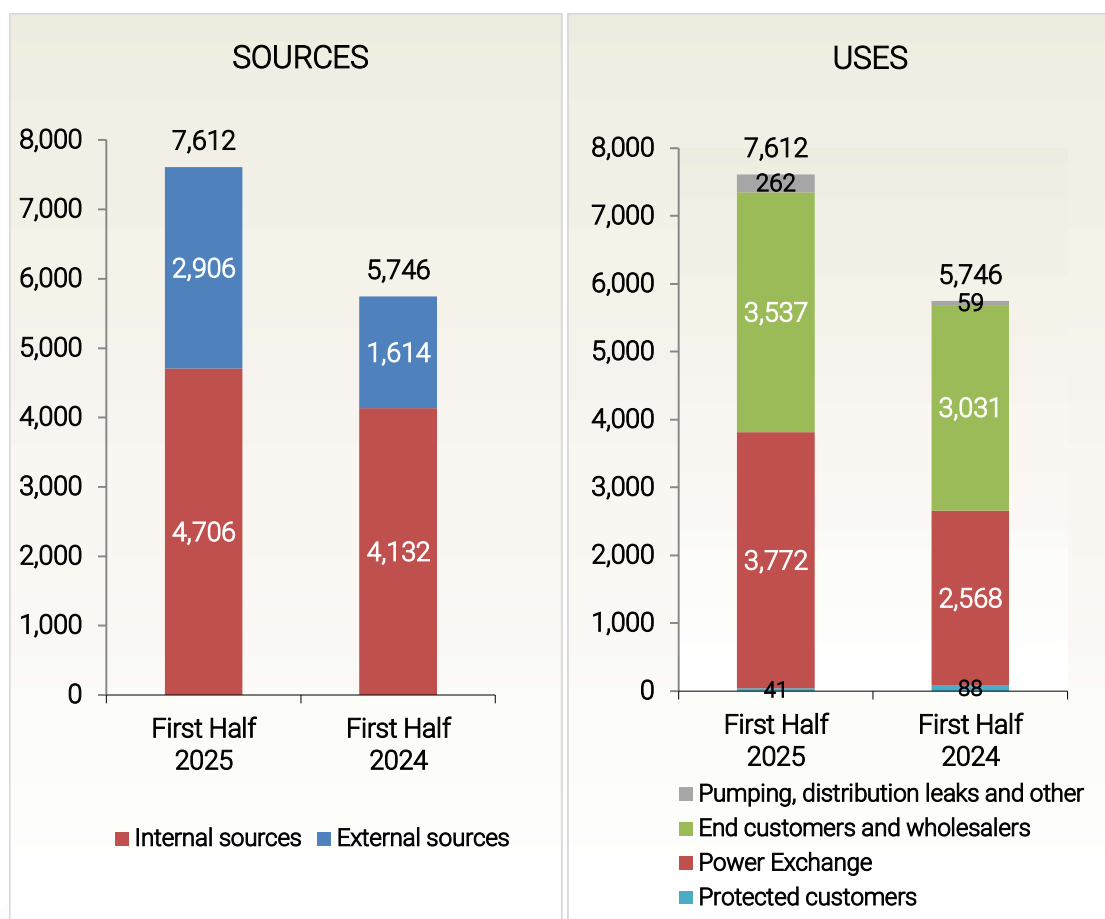
Investments in the period amounted to 34.2 million euro, up compared to 21.8 million euro in the first half of 2024 and mainly related to information systems and buildings.

Energy Balances

Electricity balance

GWh	First half of 2025	First half of 2024	Changes %
SOURCES			
Group's gross production	4,706.3	4,131.5	13.9
a) Hydroelectric	753.6	691.1	9.0
b) Photovoltaics, wind and other renewables	154.1	144.6	6.6
c) Cogeneration	2,555.9	2,473.5	3.3
d) Thermoelectric	1,003.1	593.0	69.2
e) Production from WTE and landfills	239.6	229.4	4.5
Purchases from Acquirente Unico [Single Buyer]	45.1	97.1	(53.6)
Energy purchased on the Power exchange	2,665.3	1,181.4	(*)
Energy purchased from wholesalers and imports	195.4	335.9	(41.8)
Total Sources	7,612.1	5,745.9	32.5

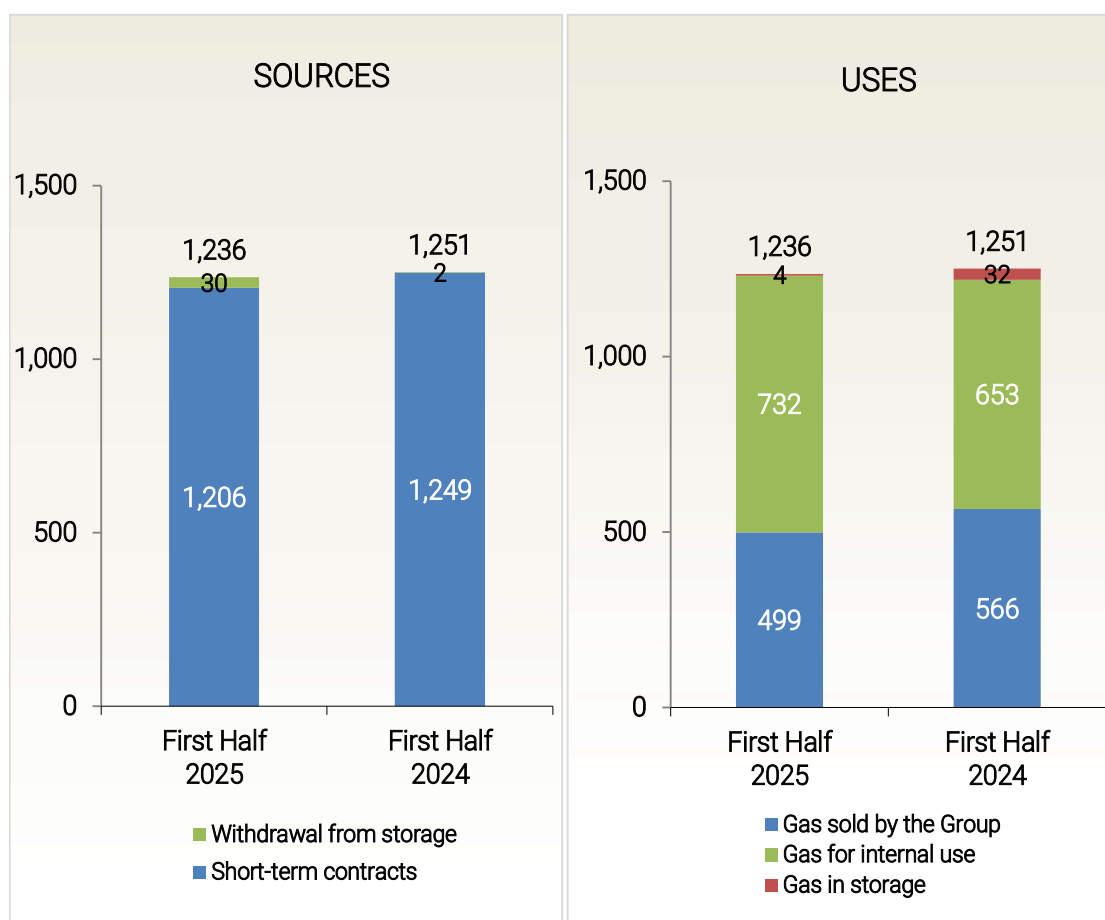
USES			
Sales to protected customers	41.0	88.2	(53.5)
Sales to end customers and wholesalers	3,536.7	3,031.0	16.7
Sales on the Power exchange	3,772.3	2,568.1	46.9
Pumping, distribution leaks and other	262.1	58.7	(*)
Total Uses	7,612.1	5,745.9	32.5



Gas balance

Millions of m ³	First half of 2025	First half of 2024	Changes %
SOURCES			
Short-term market condition contracts	1,205.9	1,249.0	(3.5)
Withdrawals from storage	29.7	1.6	(*)
Total Sources	1,235.6	1,250.5	(1.2)
USES			
Gas sold by the Group	499.2	566.2	(11.8)
Gas for internal use (1)	732.2	652.9	12.1
Gas in storage	4.2	31.5	(*)
Total Uses	1,235.6	1,250.5	(1.2)

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



Financial management

General framework

During the first half of 2025, the so-called "inversion" of the interest rate curve - a phenomenon whereby short-term rates were higher than medium/long-term rates - which had been present since the beginning of 2024, was progressively reduced and finally eliminated. Since March, the rate curve has in fact resumed a traditional pattern, with short-term rate levels lower than medium/long-term ones.

The evolution of interest rates reflects the impact of inflationary pressures and the resulting monetary policy measures implemented and expected. Since the beginning of the year, the European Central Bank has continued its policy of reducing interest rates, adopting four interventions of 25 basis points each at its meetings in January, March, April and June; the official deposit rate currently stands at 2.0%.

Finally, an analysis of the six-month Euribor rate shows a value of 2.1%, while fixed interest rates, represented by interest rate swap levels (5-10 years), are in the range of 2.3% to 2.6%.

Activities performed

Throughout the period, efforts continued to strengthen the financial structure of Iren Group. Changes in financial requirements are monitored through careful planning, which makes it possible to forecast the need for new resources, taking into account 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 management of cash flows, 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.

Hybrid bond

As reported in the "Significant Events of the Period" section, on 16 January 2025, Iren S.p.A. successfully launched its first Hybrid Bond, with a nominal amount of 500 million euro, issued in a single tranche for the entire amount. The settlement date was 23 January 2025. As outlined in the relevant terms and conditions, the instrument is a non-convertible, subordinated, perpetual bond, redeemable only in the event of the Company's dissolution or liquidation.

The bond pays a fixed annual coupon of 4.5%, payable annually in arrears in April, starting from April 2025, and continuing until the first reset date on 23 April 2030. From that date, unless fully redeemed, the bond will bear interest at the five-year Euro Mid Swap rate plus an initial margin of 221.2 basis points. The margin will increase by 25 basis points from 2035, and by a further 75 basis points from 2050, for a total cumulative increase of 100 basis points.

The issue price was set at 99.448%, resulting in an effective yield of 4.625% per annum at the first reset date.

The notes, intended for qualified investors, are listed on the regulated market of the Irish Stock Exchange (Euronext Dublin). The securities were assigned a BB+ rating by both Standard & Poor's Global Ratings and Fitch Ratings, and recognised with an equity content of 50%.

Green Bond and EMTN Programme

During the first half of the year, the allocation phase of the proceeds of the two Green Bonds issued in 2024 (the fifth and sixth for the Group) amounting to 1 billion euro was successfully completed, on sustainable projects with a measurable and positive impact on the environment, in compliance with the timeframe of the Sustainable Financing Framework (SFF) and according to best market practice. In line with the guidelines included in the SFF, the certification agency DNV issued the relevant Second Party Opinion for each green bond without any remarks.

In addition, on 23 July, the annual renewal of the EMTN Programme took place, which constitutes the platform through which the Group will be able to make future bond issues, with the extension of the relevant ceiling to 5 billion euro from the previous 4 billion.

For the first time, the Base Prospectus of the Programme was approved by CONSOB and obtained a rating of admissibility for listing on the MOT (Electronic Bond Market) by Borsa Italiana, with the possibility of passporting on another European market.

Liability Management Activities

As part of a careful and proactive management of existing funding sources, aimed at streamlining the Group's liquidity and capital structure, during the first half, Iren S.p.A. proceeded to repay early KPI-linked term loans totalling 250 million euro.

Within the Group, as of 1 January 2025, the EGEA Holding Group companies were included in the consolidation scope, bringing with them medium-to-long-term financing positions amounting to a total of 165 million euro.

To optimise the Group's financial structure, with a view to centralising debt as required by intercompany policy, almost all positions were repaid early in the first half of the year, totalling 161 million euro.

As at 30 June 2025, the residual medium-to-long-term debt held by companies of the EGEA Holding Group amounts to 4 million euro.

Financial debt from loans, which does not include liabilities related to leases recorded in application of IFRS 16, at the end of the period consists of 26% loans and 74% bonds; 89% of the total debt is financed by sustainable funds, consistent with the Iren Sustainable Finance Framework, such as Green Bonds and loans whose interest rate is linked to Key Performance Indicators of an ESG nature.

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.

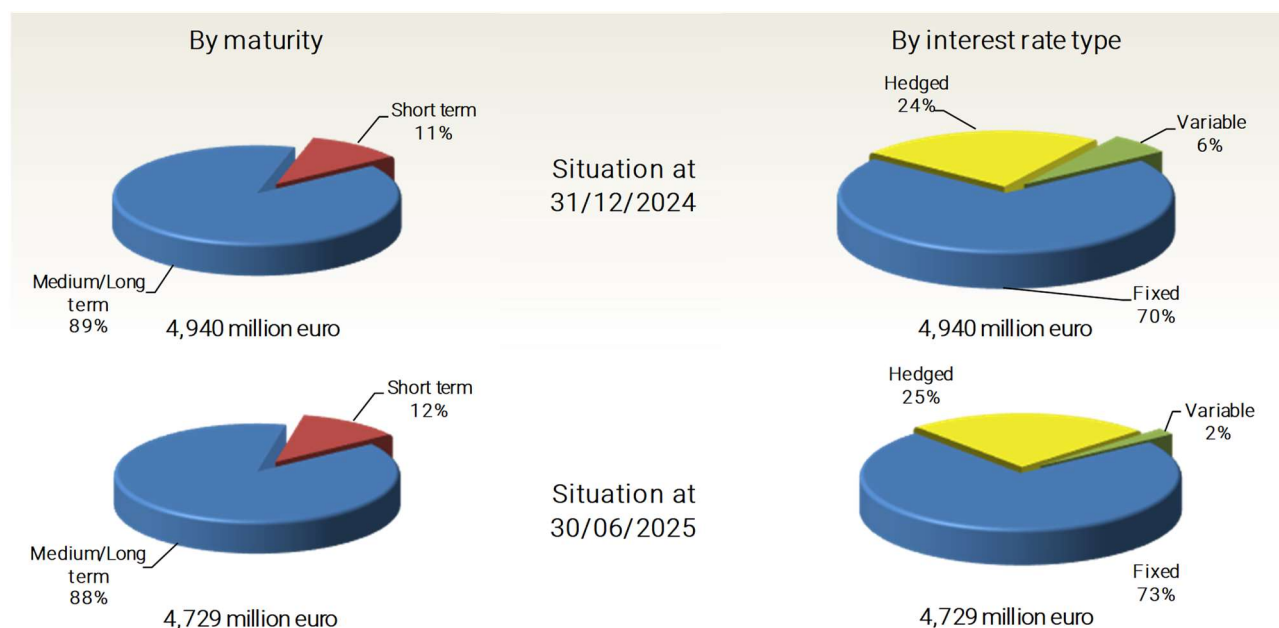
Within the scope of Liability Management activities, three Interest Rate Swap contracts were restructured for a total notional amount of 150 million euro and two Interest Rate Swap contracts were settled for a positive market value of a total of 56 thousand euro.

Furthermore, following the consolidation of the EGEA Holding Group companies, an additional 15 Interest Rate Swap contracts were added, with a positive Mark-to-Market (MtM) value of 5.1 million euro as at 1 January 2025, covering 60.6 million euro of loan-related debt and 3 million of lease-related debt. In the first half of 2025, in line with the early repayment of the financing positions, the related hedges were settled: as at 30 June 2025, only one Interest Rate Swap contract was in place (hedging the debt for a leasing contract) with a positive Mark to Market of 42 thousand euro.

At the end of the period, the portion of floating rate debt not hedged by derivatives was equal to 2% 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, with optimisation of the cost of capital and 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 2024, is shown in the chart below.



Rating

The Iren Group holds the ratings:

- "BBB" with "Stable" Outlook for the long-term credit rating with Standard & Poor's Global Ratings (S&P);
- "BBB" with "Stable" Outlook for the long-term credit rating with Fitch Ratings.

The same ratings are also given to senior unsecured debt.

Both ratings are based on the strategies outlined in the Business Plan to 2030, with particular 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. From a financial point of view, the assigned ratings also express the adequate liquidity of the Group, the high credibility on the capital market and excellent relations with banking counterparties, thanks also to an ever greater use of sustainable finance instruments.

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 Group's liquidity profile and credit rating, in addition to current and equivalent liquid assets available to service maturities over the next twelve months, Iren has access to a total of 625 million euro, composed of:

- medium/long-term financing lines entered into and available but not utilised (425 million euro);
- committed Sustainability-Linked revolving credit facilities (RCF), signed in December 2023 with UniCredit and BPER (200 million euro).

Significant events after the reporting date and outlook

Renewal of the EMTN Programme

Iren renewed its EMTN (Euro Medium Term Notes) Programme, which is used to issue bonds, increasing the maximum amount from 4 to 5 billion euro.

On 23 July 2025, the Prospectus relating to the Programme was approved by CONSOB for the first time and obtained a judgement of admissibility for listing on the Electronic Bond Market (MOT) by Borsa Italiana.

The Programme was rated "BBB" by the rating agencies Fitch Ratings and S&P Global Ratings.

Business Outlook

In a complex and highly uncertain macroeconomic context, driven by geopolitical tensions, the two main risks potentially affecting the Group's performance are: the evolution of interest rates, linked to macroeconomic dynamics, and the volatility of commodity prices.

The second half of the year will see the continuation of the investments envisaged in the Business Plan, primarily aimed at improving the efficiency of the energy and water distribution networks, developing waste collection activities, and increasing generation capacity from renewable sources.

In the coming months, we also expect an increase in tariff revenues from regulated businesses, supported by investments, and a recovery in the marginality of waste treatment plants.

Expectations for the energy sector are for lower hydroelectric production compared to the extraordinary volumes recorded last year, partly offset by an increase in thermoelectric production. The margins of the Market BU are expected to be stable, even in a very challenging competitive context, to which the Group is responding with a strategy of high-value customer retention.

The Group's overall results are expected to be in line with the forecasts already communicated with the presentation of the results for the first quarter of 2025.

Risks and uncertainties

The management of corporate risks is an essential component of the Internal Control System of the Corporate Governance of a listed company, and the Corporate Governance Code of Listed Companies assigns specific responsibilities on this aspect. The Enterprise Risk Management model applied by the Group includes the methodological approach to integrated identification, assessment and management of the Group risks.

For each of the following risk types:

- Financial Risks (liquidity, interest rate, currency);
- Credit Risk;
- Energy Risks, attributable to the procurement of gas for thermoelectric generation and to the sale of electricity, heat and gas, and to the hedging derivative markets;
- Cyber Risks, linked to potential events related to the loss of confidentiality, integrity or availability of data or information after which negative impacts on the organisation, people, operations or other organisations could derive;
- Risks from Climate Change, which include risks due to the transition to a low carbon dioxide emission economy (transition risks) and risks of a physical nature (physical risks) that may result from catastrophic environmental events (acute risks) or from medium- to long-term changes in environmental patterns (chronic risks);
- Tax Risks, associated with potential transactions carried out in violation of tax regulations or in contrast with the principles or purposes of the tax system;
- Operational risks, associated with asset ownership, involvement in business activities, processes, procedures and information flows.

Specific "policies" have been defined with the primary goal of fulfilling strategic guidelines, organisational- managerial principles, macro processes and techniques necessary for the active management of the related risks.

The Group's Enterprise Risk Management model also regulates the roles of the various parties involved in the risk management process, which is governed by the Board of Directors, and calls for specific Commissions to manage the financial, tax, IT, credit, energy and climate risks.

The Cyber Risk Policy, the Climate Change Risk Policy and the Tax Control Model were adopted in 2020 following the approval of the Board of Directors of Iren S.p.A., while the other Policies have undergone some substantial revisions over time to adapt them to the current organisational models and to the evolution of risk factors.

The approach followed is also consistent with the commitments expressed in the Sustainability Policy: it takes into account the risks and opportunities associated with sustainability issues that are material to the Iren Group, assessing, for each risk category envisaged in the Group's risk model, the environmental, social and governance (ESG) risk profiles, as also envisaged by EU Directive 2022/2464 - Corporate Sustainability Reporting Directive (CSRD).

As the Iren Group pays particular attention also to maintaining trust and a positive image of the Group, the Enterprise Risk Management model manages also "reputational risks", which relate to the impacts on stakeholders of any malpractices.

Within the Group there is the Risk Management Department, which reports to the Chief Executive Officer of the Company. Within the scope and within the limits of the powers granted by the Board of Directors of Iren S.p.A., the Chief Executive Officer, in liaison with the Chair and the Deputy Chair, is in charge of overseeing the functionality of the internal control system by (i) supporting the Control, Risk and Sustainability Committee in identifying the main corporate risks, taking into account the characteristics of the activities carried out by the Company and its subsidiaries, and in periodically submitting them to the Board of Directors for review; (ii) implementing the guidelines defined by the Board of Directors by ensuring that the competent corporate structures design, implement and manage the internal control and internal auditing system, constantly verifying its overall adequacy, effectiveness and efficiency, and adapting it to the dynamics of the operating conditions and the legislative and regulatory framework.

The Risk Management Department deals with:

- the integrated management of the Group's Enterprise Risk Management (ERM) System: methodological approach, definition of policies and monitoring of the System;
- management of insurance policies.

A periodic assessment process is in place with regard to adverse events in the various sectors and across all Group's areas in order to describe in detail their causes and implement the most suitable methods for preventing and/or limiting the impacts of the events.

The Risk Management Department also oversees the Group's Business Continuity Management (BCM) model, the objective of which is to guarantee the resilience of the business in the face of unexpected events, ensuring the continuity of business processes deemed critical. The Group BCM includes the organisational and technological safeguards necessary to ensure continuity of processes, as well as a proactive and structured response to Emergency and/or Crisis events.

Below is a breakdown of the management methods active within the group for the different types of risk.

1. Financial Risks

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

a) Liquidity risk

Liquidity risk is the risk that financial resources available to the company will be insufficient to cover financial and trade commitments in accordance with the agreed terms and deadlines.

The procurement of financial resources has been centralised in order to optimise their use. In particular, centralised management of cash flows at Iren makes it possible to allocate the funds available at the Group level according to the needs that from time to time arise among the individual companies. Cash movements are recognised in intra-group accounts along with intra-group interest income and expense.

A number of investees have an independent structure in compliance with the guidelines provided by the Parent.

b) Currency risk

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

c) Interest rate risk

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

Compliance with the limits imposed by the Policy are verified during the Financial Risk Commission meetings with regard to the main metrics, together with analysis of the market situation, interest rate trends, the value of hedges and confirmation that the conditions established in covenants have been met.

2. Credit risk

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

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

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

Furthermore, revolving without recourse are carried out with reference to trade receivables relating to invoices of retail customers who do not use direct debit for their payments.

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

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

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

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

The loss allowance reflects, carefully and in accordance with the current legislation (applying the IFRS 9 method), the effective credit risks, and is determined on the basis of the extraction from databases of the amounts making up the receivable and, in general, assessing any changes in the said risk compared to the initial measurement and, estimating the related expected credit losses determined on a prospective basis, taking into due consideration the historical data.

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

3. Energy risk

The Iren Group is exposed to price risk on the energy commodities traded, these being electricity, natural gas, environmental emission certificates, etc., since both purchases and sales are affected by fluctuations in the price of these commodities directly, or through indexing formulae.

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

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

For a more detailed analysis of the risks dealt with up to now, reference should be made to the "Group Financial Risk Management" section of the Notes to the Financial Statements.

4. ESG and climate change risks

The Iren Group has integrated ESG risk assessment into its Enterprise Risk Management system, also defining a specific Risk Policy dedicated to climate change risks, which are becoming increasingly important for organisations. Such integration is a key strategic and governance approach to ensure long-term resilience. ESG risk management, including related to climate change, is essential for determining the significance of impacts generated and experienced, including from a medium- to long-term perspective, improving the ability to anticipate and respond to environmental changes.

Moreover, they affect the health of the planet, with estimates of significant effects already in the medium term. All companies, and in particular those operating in significantly exposed sectors such as the Iren Group, must necessarily consider climate change risk analysis as an emerging and determining factor in the definition of their medium- and long-term strategies.

The adoption of the Climate Change Risk Policy and the resulting risk analysis and management represent a process that will enable the Group to provide even more effective control over its exposure to damaging events and the opportunities that the external context and its changes may offer, as well as its contribution to the achievement of sustainable development objectives defined at national and international level.

The Policy analyses and regulates, focusing on the applicability to the individual Business Units, the risk factors related to climate change, distinguishing between physical risks and transition risks. Physical risks resulting from changing climatic conditions are divided into acute physical risks - if related to local catastrophic natural events (e.g. floods, heat waves, fires, etc.) - and chronic physical risks - if related to long-term climate change (e.g. global warming, rising sea levels, water scarcity, etc.).

The transition to a low-carbon economy could entail extensive changes in government policies, with consequent regulatory, technological and market changes. Depending on the nature and speed of these changes, transition risks may result in a varying level of financial and reputational risk for the Group.

The Policy requires the presence of a specific Risk Commission to periodically review the Group's risk profile, defining and proposing updates to the Chief Executive Officer on strategies for managing risk classes and reporting any emerging critical issues to the Delegated Bodies. The document also includes guidelines for reporting, aimed at ensuring transparency of information to all stakeholders.

As part of its Climate Change Risk Management Policy, Iren Group has long implemented a tool that supports its strategic decision-making process. This tool has seen the development and progressive updating of an assessment model based on three time horizons (2030, 2040, and 2050), identified in line with the Group's Strategic and Sustainability Plan objectives, and on the use of climate and socio-economic scenarios necessary to define evolutionary scenarios for the main variables underlying the analysis.

Climate data are based on scenarios published by the International Panel on Climate Change (IPCC), the so-called Representative Concentration Pathways (RCPs) where the number associated to each RCP indicates the "strength" of climate change generated by human activity by 2100 compared to the pre-industrial period.

The climate scenarios taken into consideration in the analysis are the RCP 2.6 scenario (which envisages strong mitigation aimed at keeping global warming well below 2°C compared to pre-industrial levels while achieving the objectives defined by the Paris Agreement), the RCP 4.5 scenario (considered by the Iren Group to be the most representative of the current global climate and political context), which envisages easing of objectives compared to the RCP 2.6 scenario and a stabilisation of emissions by 2100 at around double pre-industrial levels, and the RCP 8.5 scenario (commonly associated with the expression 'Business-as-usual', or 'No mitigation'), which envisages no particular countermeasures and a growth in emissions at current rates. Socio-economic data, on the other hand, are mainly based on the International Energy Agency's NetZero Emissions by 2050 Scenario (NZE) and Stated Policies Scenario (STEPS). The assessment model adopted by the Group allows to quantify the variation of the economic-financial variables, through specific KPIs, for those assets that are potentially more exposed to climate change risks.

The application of the model shows that the actions introduced in the 2030 Business Plan, in which asset-specific investments are outlined, have a mitigating effect on the impacts of climate change on the activities of Iren Group. Mitigation actions of a strategic nature, linked to investments, are flanked by others of an operational and insurance nature.

In addition, for the purpose of applying the European Taxonomy (EU Regulation 2020/852), the Group carried out an analysis specifically aimed at verifying the DNSH (Do No Significant Harm) criterion for the climate change adaptation target, which requires that, for each activity, a physical climate risk assessment (acute and chronic) be carried out and an adaptation plan implemented that presents possible solutions in the event of significant risk exposure. To this end, for the activities/assets managed by the Group, the relevant risk factors are identified, in the current and future scenarios with a time horizon of 2050, and an adaptation plan is defined, where necessary.

5. Tax risks

The Iren Group has adopted a specific internal control and tax risk management system, understood as the risk of operating in violation of tax regulations or in contrast with the principles or aims of the legal system.

The tax risk control and management system, the "Tax Control Framework" (hereinafter "TCF"), enables the Group to pursue the objective of minimising its exposure to tax risk by identifying, updating, assessing and monitoring tax-related governance, processes, risks and controls.

The Group is committed to managing its tax affairs in accordance with all applicable laws and regulations.

For this reason, Iren has adopted the TCF as an internal control system that defines the governance for the management of taxation and related risk in line with the principles of the company strategy and, in particular, the Tax Strategy.

The Tax Control Framework adopted consists of a set of rules, guidelines, tools and models aimed at supporting the Group's employees in carrying out their daily activities, ensuring consistency on relevant tax matters.

Therefore, the TCF's structure provides for the presence of two pillars that outline its operating scheme: the Tax Strategy and the Tax Compliance Model.

The Tax Strategy defines the objectives and the approach adopted by the Group in managing the tax variable. The purpose of this document is to establish the Principles of conduct in tax matters in order to i) contain tax risk due to exogenous and endogenous factors, and ii) continue to guarantee over time the correct and timely determination and settlement of taxes due by law, and the performance of related obligations. The Tax Strategy has been approved and issued by the Board of Directors of Iren S.p.A..

The Tax Compliance Model is an element of the Internal Control and Risk Management System. This document contains the detailed description of the phases comprising the risk assessment, control and periodic monitoring processes carried out by Iren, and the subsequent reporting on tax issues to the Chief Executive Officer and the other relevant bodies and functions. It also aims to summarize the main responsibilities assigned to the various functions involved in tax-relevant processes. The Tax Compliance Model is prepared by the Tax and Compliance Function and is ultimately approved by the Board of Directors of Iren S.p.A..

The project for the creation of a TCF aligned with the best practices in the matter took shape with the presentation by Iren S.p.A. and Iren Energia of the application for access to the Collaborative Compliance institution, a regime between the Revenue Agency and the large companies introduced by Legislative Decree no. 128 of 5 August 2015 in order to promote the implementation of enhanced forms of communication and cooperation based on mutual trust between tax authorities and taxpayers, and to encourage, in the common interest, the prevention and resolution of tax disputes. The preliminary investigation for admission was successfully concluded in December 2021 with the admission of the two companies.

6. Operational risks

This category includes all the risks which, in addition to those already noted in the previous paragraphs, may influence achievement of the targets, i.e. relating to the effectiveness and efficiency of business transactions, levels of performance, profitability and protection of the resources against losses.

The objective of the Group's Enterprise Risk Management model is the integrated and synergistic management of risks.

For each business line and operating area, the Group's risk management process provides for an analysis of the activities performed and the identification of the main risk factors related to the achievement of objectives. Following the identification activity, the risks are assessed qualitatively and quantitatively (in terms of magnitude and probability of occurrence), thus making it possible to identify the most significant risks. The analysis also involves an assessment of the current and prospective level of control of the risk, monitored by means of specific *key risk indicators*.

The phases mentioned above make it possible to structure specific plans to deal with each risk factor.

Along all the management phases, each risk is subjected on a continuous basis to a process of control and monitoring, which checks whether the treatment activities approved and planned have been correctly and effectively implemented, and whether any new operational risks have arisen. The process of managing operational risks is associated with a comprehensive and structured reporting system for presenting the results of the risk measurement and management activity. Each process stage is performed in accordance with standards and references defined at Group level. At least annually, the operational risk situation is updated, in which the dimension and level of control of the monitored risks are highlighted; financial, IT, credit and energy risk situations are updated quarterly.

Group risk reporting, updated every six months, is sent to top management and risk owners, who are involved in management activities. The risk analysis also supports the preparation of planning tools.

In this regard, Iren has equipped itself with a very detailed risk map that corresponds to the reality of the Group, with qualitative and quantitative assessments of each individual risk and with details of the controls and mitigation actions in place or planned. For each risk identified, the relevant ESG (Environmental, Social and Governance) impacts are associated.

Of particular note are:

a. Legal and regulatory risks

The legislative and regulatory framework is subject to possible future changes and, therefore, is a potential risk. In this regard Departments operate, dedicated to continual monitoring of the relevant legislation and regulations in order to assess their implications, guaranteeing their correct application in the Group.

b. Plant-related risks

In relation to the size of the Group's production assets, plant-related risks are managed with the methodological approach described above in order to correctly allocate resources in terms of control and preventive measures (preventive/predictive maintenance, control and supervisory systems, emergency and continuity plans, etc.). The Risk Management Department periodically performs surveys on the most important facilities, through which it can accurately detail the events to which these facilities could be exposed, and the consequent preventive actions. The risk is also hedged by insurance policies designed considering the situation of the single plants.

c. IT Risks

Cyber risks are defined as the set of internal and external threats which can compromise business continuity or cause civil liability damage to third parties in the event of loss or disclosure of sensitive data. From an internal point of view, the operational risks regarding information technology are closely related to the business of Iren Group, which operates network infrastructures and plants, including through remote control, accounting operational management and invoicing systems and energy commodity trading platforms. Iren Group is, in fact, one of the leading Italian operators on the Energy Exchange and any accidental unavailability of the system could have considerable economic consequences, connected with the non-submission of energy sale or purchase offers. At the same time, problems related to supervision and data acquisition on physical systems could cause plant shutdowns and collateral and even serious damage. A breakdown of invoicing systems could also determine delays in issuing bills and the related collections, as well as damage to reputation.

To mitigate such risks, specific measures have been adopted, such as redundancies, highly-reliable systems and appropriate emergency procedures, which are periodically subject to simulations, to ensure their effectiveness. The Iren Group is also exposed to the risk of cyber attacks aimed both at acquiring sensitive data and at stopping operations, causing damage to plants and networks and compromising service continuity. Market benchmarks also show that attacks aimed at the acquisition of one's own and third parties' data, resulting in civil liability actions and even serious penalties, and the acquisition of trade secrets are becoming increasingly frequent.

In this regard, the Group Cyber Risk Policy is in force, approved by the Board of Directors of Iren S.p.A., which - like the other main risk policies - provides for the convening of specific Risk Commissions, the monitoring of performance indicators and dedicated reporting.

The operational risk management process also aims at optimising the Group's insurance programmes.

7. Strategic risks

In the development of the 2030 Business Plan, the Group has structured three distinct areas of analysis: a qualitative-quantitative risk assessment, a specific focus on investments and a focus on climate change risks.

The qualitative risk assessment was based on an analysis of industry trends, the Group's exposure to related strategic risks and the related ability of the Business Plan to mitigate these risks. Consequently, for the risk categories and related elementary risks mapped as part of the Group's Risk Map, which also integrates the ESG impacts for each risk, a detailed analysis of the quantitative drivers relating to the risks with an impact in the years of the Plan was carried out. Once these risks have been identified, the relative impacts, probability of occurrence and mitigation actions have been quantified in order to quantify both the inherent and residual risk value. This assessment led to the enhancement of the Plan's stress test and related rating indices.

With regard to the Plan investment analysis, the mitigating effect on risks and execution risks of the capital expenditure categories and major initiatives were identified.

Finally, an analysis of the risk factors from climate change impacting the Group was carried out, with modelling of the most significant assets and risk factors for different climate scenarios and time horizons. Model results were analysed and investments to mitigate Climate Change risks were evaluated.

M&A transactions and other initiatives of a strategic nature, which were assessed during the year, were also subject to detailed analysis, with a particular focus on the impact of these transactions on the Group's sustainability objectives (environmental indicators, where significant, and social indicators relating, for example, to compliance with labour, health and safety regarding the target and governance policies) and consistency with the EU Taxonomy.

Related party transactions

The Procedure on Related Party Transactions ("RPT Procedure"), published on the Iren website (www.gruppoiren.it) was approved and adopted by the Board of Directors, then in office, on 28 June 2021, effective 1 July 2021, subject to the favourable opinion of the Related Party Transactions Committee ("RPTC", entirely composed of Independent Directors). Pursuant to Article 16 of the RPT Procedure, the Board of Directors in office during the 2022-2024 term, having obtained the positive opinion expressed in this regard by the RPTC in office during the same three-year period, approved the update of the same RPT Procedure with a resolution passed on 18 December 2024, setting the effective date as of 1 January 2025. This update, it is noted, was functional, on the one hand, to implementing the provision contained in the aforementioned Article 16 of the RPT Procedure (which, *inter alia*, provides for such a procedure to be carried out at least every three years, a term that expires in 2024) and, on the other hand, to constantly improve the efficiency of Iren management and supervision of related-party transactions. Lastly, it should be noted that the (updated) text of the RPT Procedure, dated 4 February 2025, was refined with certain clarifications of a non-substantial nature, applying the relevant Article 16.2.

The above document was prepared implementing:

- the provisions regarding transactions with related parties set out in section 2391-*bis* of the Italian Civil Code;
- the Regulation containing provisions on related party transactions, adopted by Consob by Resolution no. 17221 of 12 March 2010 and subsequent amendments and additions ("Consob Regulation"), in the version in force from time to time, taking into account the indications of Consob Communication No. DEM/10078683 of 24 September 2010;
- the provisions of art. 114 of Legislative Decree no. 58 of 24 February 1998 ("Testo Unico della Finanza"/ TUF - Consolidated Law on Finance) as amended and the provisions of Regulation (EU) no. 596/2014 on market abuse.

The corporate documents adopted in accordance with the legislation on transactions with related parties, defined in coordination with the provisions of the administrative and accounting procedures pursuant to art. 154-*bis* TUF, aim specifically to:

- (i) regulate the performance of transactions with related parties by Iren, directly or through subsidiaries, identifying internal procedures and rules capable of ensuring the substantial and procedural transparency and correctness of such transactions, and
- (ii) establish the methods for fulfilling the related disclosure obligations, including those provided for in legal and regulatory measures in force and applicable.

These, very briefly, provide for:

- a) the identification of the scope of related parties as per the IFRS adopted in accordance with the procedure set out in section 6 of EC Regulation 1606/2002 in the version in force at the time;
- b) the definition of a "related-party transaction";
- c) the identification of cases of exclusion, among which transactions "for small amounts";
- d) the procedures applicable to minor and major transactions, as the case may be;
- e) the persons responsible for the paperwork on related-party transactions;
- f) the transactions on which the Shareholders must resolve;
- g) forms of publicity and information flows.

Iren and its subsidiaries carry out transactions with related parties in accordance with the principles of transparency and fairness. These transactions mainly concern services provided to customers in general (gas, water, electricity, heat, etc.) or following concessions and awards of services, in particular for the waste management sector, and are governed by the contracts applied in such situations.

Where the services provided are not the above, the transactions are governed by specific agreements whose terms are established, where possible, in accordance with normal market conditions. If these references are not available or significant, the contractual conditions are defined also in consultation with independent experts and/or professionals.

Information on transactions with related parties is included in the Notes to the Condensed Interim Consolidated Financial Statements in sections "VI. Information on transactions with related parties" and "XIII. Annexes to the Condensed Interim Consolidated Financial Statements", which form an integral part thereof.

Legislative and regulatory framework

This section reports the main legislative and regulatory provisions (new rules or amendments to pre-existing rules) that occurred in the first half of 2025 in relation to the sectors of operation, as well as the scope of the concessions and franchises held by the Iren Group.

European Framework

On 26 February 2025, the European Commission published its first major initiatives of its mandate:

- **Clean Industrial Deal**, which defines the strategy proposed by the Commission to support industry and defend EU competitiveness while maintaining commitment to the objectives of the Green Deal (in particular decarbonisation and circularity);
- **Affordable Energy Act**, which details what measures the Commission will propose to reduce energy costs for both citizens and industry;
- **'Omnibus'** legislative proposal to simplify the reporting rules included in the European Union's Taxonomy for Sustainable Business Activities, Corporate Sustainability Reporting (CSRD) and Corporate Sustainability Due Diligence Directive (CSDDD), and a legislative proposal to simplify the Carbon Border Adjustment Mechanism (CBAM).

European Parliament resolution of 7 May 2025 on the European Water Resilience Strategy

In May, the European Parliament passed a resolution calling on the Commission and Member States to define an ambitious strategy for water resilience, demanding that water be recognised as a strategic political priority, placing it at the centre of the Union's environmental, economic and social policies, with water management that is sustainable, integrated and digitalised.

The main priorities highlighted are the promotion of wastewater reuse, the reduction of chemical pollution, the development of intelligent irrigation and warning systems, and targeted investments in the most vulnerable areas.

National Framework

GAS

Gas Networks

Res. 28/2025/R/gas and Res. 111/2025/R/gas - Further provisions and amendments in relation to the Distributor Responsibility Mechanism on IN-OUT delta

In relation to the simplified mechanism for making distribution companies responsible for the IN-OUT delta, i.e. the difference between the volumes injected at the city gates and those withdrawn by end customers at the redelivery points of the distribution network, introduced by Res. 386/2022/R/gas, the Authority with Res. 28/2025/R/gas defined:

- (i) the modalities of penalty sharing in the case of underlying DSO (Distribution System Operators);
- (ii) a transitional measure whereby, pending the completion of the interventions planned by the Integrated Information System Operator with impacts on the determination of the delta_{IO}, distribution companies can communicate to the Responsible Balancing Body (RdB) the values of gas withdrawals (OUT) expected for those city gates to which are connected Redelivery Points to which an incorrect withdrawal has been attributed, within the transport balance. Furthermore, the Authority has defined that the penalty is applied to the distribution company operating the plant at the time of its calculation. With Res. 111/2025/R/gas, however, it was clarified that in the case of tender alternations, the distribution of the penalty among DSO is made on the basis of the period of competence.

Res. 87/2025/R/gas - Compliance with rulings of the Council of State, Second Section, Nos. 10185/2023, 10293/2023, 10294/2023, 10295/2023, and 1450/2024 regarding tariffs for natural gas distribution and metering services

In relation to the procedure initiated by Res. 231/2024/R/gas, with Res. 87/2025/R/gas, the Authority complied with the rulings of the Council of State, including No. 10293/2023 concerning Ireti Gas, which confirmed the annulment in part of Res. 570/2019/R/gas, with reference to the determination of operating costs for the distribution service for the regulatory period 2020-2025.

The resolution confirmed the guidelines outlined in consultation document 427/2024/R/gas by defining for all classes of distribution companies (large, medium, small) new (higher) values of unit operating costs recognised in the first year of the regulatory period (2020) and new values of recognised operating cost reduction rates (X-factor) valid for the period 2020-2025 (lower for large and medium-sized companies).

The resolution also introduced, for large companies, the possibility of applying for a customised X-factor that is lower than the one set for all companies belonging to the same cluster.

In implementation of the provisions of Res. 87/2025/R/gas, the following additional regulatory implementation steps occurred:

- **Res. 98/2025/R/gas - Redetermination of reference tariffs for gas distribution and metering services for the years 2010 to 2023:** for the years 2020-2023, re-determined pursuant to Res. 87/2025 were the values of recognised operating costs for the generality of companies belonging to the three size clusters (large, medium, small);
- **Det. DINE 1/2025 - Modalities of application of the revenue adjustment mechanism allowed for the application of the rate of reduction of operating costs recognised for the company-specific distribution service (Article 45 RTDG) (Pub. 27/03/2025):** defines the procedures for submitting applications and the application criteria for determining the customised X-factor;
- **Res. 260/2025/R/gas - Determinations on the applications for admission to the revenue adjustment mechanism allowed for the application of the rate of reduction of the operating costs recognised for the company-specific distribution service (Article 45 RTDG):** the resolution approved the applications for access to the mechanism for the definition of a customised X-factor, including the one submitted by IRETI.

Res. 130/2025/R/com - Revision of the criteria for revaluation of capital costs for infrastructure services in the electricity and gas sectors. Definition of common parameters for services subject to ROSS regulation

With the measure, the Authority approves the revision of the criteria for the revaluation of capital costs for infrastructure services in the electricity and gas sectors, providing for the adoption of the IPCA-Ita index in place of the gross fixed capital formation deflator index, and defining, for gas distribution, the connecting criteria to align the reference time windows with those of the regulation of electricity distribution.

Res. 221/2025/R/gas - Initiation of proceedings for the formation of measures concerning tariffs and quality of gas distribution and metering services for the sixth regulatory period. Extension of TUDG provisions for the years 2026 and 2027

The measure provides for the initiation of 2 separate proceedings:

- the extension of the current regulation (5th regulatory period) to the years 2026 and 2027, with reference to both tariff regulation and quality regulation;
- the definition of the regulatory framework for the new period (6th regulatory period) starting in the year 2028, with the possible application of the ROSS-basis criteria for larger companies and the possible activation of an experimental application already in 2027.

Res. 222/2025/R/gas - Revision of the regulation of the model network code for the natural gas distribution service (CRDG), concerning guarantees and payments

The measure provides for the streamlining of the regulation of guarantees, to protect the distribution company, provided for in the Gas Distribution Network Code, and redefines the issuing times of transport invoices and payment terms for distribution users. In particular, the resolution updates the way in which natural gas distributors must request and manage financial guarantees from network users, and new rules are introduced for the management of payments between operators, with the aim of improving transparency and reducing the risk of insolvency.

Res. 252/2025/R/gas - Extraordinary and urgent measures regarding metering activities on the natural gas transportation network as a result of the first application of the fees for non-compliance with service levels and consequent amendments to the RMTG

The Regulation of the Metering Service on the Natural Gas Transmission Network (RMTG), introduced by Res. 512/2021/R/gas, provides for a system of fees to be paid by distribution companies in the event of non-compliance with the standards defined in connection with metering activities at ReMi substations as of 2024. The provision was incorporated into the update of the Snam Rete Gas Network Code and refined with subsequent provisions.

With the Resolution in question, urgent measures were adopted to resolve or mitigate the critical issues that emerged from the monitoring of the service levels and related economic fees applied for 2024, also in order to mitigate any excessively penalising impacts. The main corrective measures introduced include the following: (i) introduction of a cap on the economic fees charged for each plant, also to be applied for 2024; (ii) in relation to indicator E, measurements at zero, where considered to be in the valid metering range, are so even if measured over time intervals of less than one hour.

Gas market

Storage Filling Thermal Year 2025-2026

Res. 45/25, in implementation of **MD 30 January 2025** (early start of capacity allocation procedures), in continuity with the provisions for the previous Thermal Year 2023/2024, provides:

- that storage companies' technical consumption costs are not charged to storage users but are covered through the storage companies' financial balance mechanism (Art. 28 RAST);
- that, for the purpose of covering the gas quantities for the management of the technical consumption of the storage companies, the quantities still available in the storage stocks supplied by the balancing manager may be used;
- if, at the end of the month of October 2025, the storage user's storage capacity is lower than the minimum (paragraph 17.1 RAST), the storage company shall charge the higher of the fee pursuant to subsection 26.1 RAST or 1.5 €/MWh, commensurate with the financial expense not incurred in the event of failure to fill the allocated capacity;
- to instruct the storage companies to organise the auctions with capacity lots of up to 1,000 million scm;
- that any capacity allocated in breach of Regulation 2023/4271 shall revert to the availability of the storage company for allocation, subject to payment of the fees due.

With Res. 150/25, the Authority stipulates that a storage premium shall be applied to the stocks as of 31 October 2025 to the allocated capacities for the thermal year 2025-2026, until the storage capacity reaches 90% full. The criterion for calculating the storage premium is based on the difference between an estimate of the financial expense associated with the gas tied up in storage and the differential between the price of the product with delivery in the winter period and the price of the product with delivery in the injection period, calculated at the time of the allocation procedure.

ELECTRICITY

Electricity market

The CACER MD update of 28 February 2025 - Self-Consumption Configurations for Renewable Energy Sharing provides:

- extension of the scope of the NRRP-funded measure to municipalities with a population of up to 50,000 inhabitants (previously the rule was up to 3,000);
- more flexibility in the timeframe for the entry into operation of the plants: completion of the works by 30 June 2026, entry into operation within 24 months from the date of completion of the works and in any case no later than 31 December 2027;
- possibility of requesting an advance of up to 30% of the contribution (previously up to 10%).

TIDE Updates – Integrated Electricity Dispatch Text

With Res. 128/25, the Authority extends the remuneration on lost production, deriving from the provision of the extraordinary downward modulation service provided by Terna, to the zonal price of the Day-Ahead Market to all FRNP (Non-Programmable Renewable Sources). This provision is effective as of 1 April 2025 and will be incorporated into the TIDE as of the consolidation phase (as of 1 February 2026), thus repealing the previous resolution ARG 5/10, which provided for such remuneration only on wind power production. The non-production corresponds to the producible energy to be determined by the GSE per type of FRNP (extending what was already in place for the wind power sector).

Res. 227/25 - changes to the TIDE and modalities for implementing transitional RES X follows up on previous consultation documents No. 50/25 and No.129/25.

The Authority's final decisions on the amendments to the TIDE (DCO 50/25) are given below:

- with regard to the previous proposal to procure the primary reserve (Frequency Containment Reserve) after the DAM, which was also followed by a proposal from Terna, the Authority believes that further investigation is necessary to assess whether FCR procurement should take place before or after the DAM, also in light of the evolution of the European regulatory framework;
- the two-year transitional period for the transition to full market procurement of FCR (from 2028) confirmed, with a minimum requirement to be procured on the market equal to 10% of the mandatory requirement under the European SOGL Regulation (on exchanges between TSO, transmission operators) to be gradually reduced from August 2026;
- evidence of the context in which the extraordinary downward modulation service is activated by Terna must be made known to operators, together with the reasons for such activations, to ensure that this service is only used in the absence of other resources;
- there is mandatory communication of the baseline of the Zonal Enabled Virtual Units by the BSP, the operator of the balancing service (with the right of the same, Terna, to correct the baseline on the basis of the measurement data available during settlement);
- the allocation of the feasibility intervals of the Node Enabled Virtual Units by the BSP is confirmed, with possible correction by Terna in case of inconsistencies with the technical constraints of the underlying units;
- on the subject of the publication of the model of the grid relevant at the nodal level, Terna points out that as a critical subject, risks could arise from the disclosure of the sensitive data of its assets; ARERA, pending further investigation, suspends the publication of the grid model until at least 31 December 2026.

On the other hand, with regard to the outcomes of DCO 129/25 concerning the implementation of the transitional MD RES X, the relevant baseline is defined for the calculation of the producible energy for the purpose of the incentive disbursement, for qualifying plants, in the event of zero or negative zonal prices or production cuts. For individually enabled units, the base programme for FRNP units is considered within aggregates in which the modulation energy coincides with the producible energy calculated by the GSE (pursuant to Res. 128/25).

Terna – MACSE Regulation - Mechanism for the Procurement of Electricity Storage Capacity

With reference to the MACSE Regulation, the following updates should be noted:

- the date of the first battery auction with delivery 2028 was announced: 30 September 2025;
- The requirements document published by Terna identifies 10 GWh at national level by 2028 (mainly allocated to the south) with 0 GWh for the northern and central northern areas;
- finally, Terna publishes a consultation in which it proposes two alternative methodologies (described qualitatively) for dimensioning the need for storage capacity that can be supplied through the MACSE. Finally, it points out that electrochemical batteries and pumping need two separate requirements due to their technological diversity.

European Balancing Platforms

With the DCO Terna coordination MSD – PICASSO, Terna launches the consultation, on 8 May 2025, for the resumption of its participation in the European Secondary Reserve Exchange Platform (the so-called aFRR - Automatic Frequency Restoration Reserve). The proposals concern:

- the identification of a price-elastic aFRR requirement above a certain power threshold, in line with what is allowed by ACER Decision 08/2024, as a mitigation measure identified with Res. 60/24 closing the investigation on abnormal imbalance prices;
- the possibility for operators to also share on PICASSO half-bands of aFRR not previously reserved in MSD/MB (so-called Free-bids);
- the restart of operations on Picasso for the end of July 2025.

Finally, the **DCO Terna coordination MSD - MARI** is a consultation launched on 16 June 2025 for the first connection to the MARI platform for the exchange of slow secondary reserve (mFRR - Manual Frequency Restoration Reserve) with activation planned for the end of September 2025.

Retail

DL 19/2025 ("DL Bollette")

Decree Law 19/2025, passed by the Council of Ministers and published in the Official Journal on 28 February 2025, allocates 3 billion euro to support families (1.6 billion euro) and businesses (1.4 billion euro). Among the main measures:

- the social bonus system was increased by providing an extraordinary contribution of 200 euro, in addition to the ordinary bonuses, to be granted to families with ISEE up to 25,000 euro. This additional contribution was disbursed directly in the bill during the issues between April and July 2025;
- the possibility is provided for vulnerable customers to request to be supplied within the Gradual Protection Service for non-vulnerable domestic customers. In addition, all customers already supplied within the Gradual Protection Service who should, during the current Service assignment period, acquire the status of vulnerable customer shall continue to be served within the same Service until the end of the Service assignment period, without prejudice to their right to conclude a new contract at any time;
- concessions were provided for the supply of electricity to non-domestic low-voltage customers with available power greater than 16.5 kW, through the elimination of the ASOS component of the general system charges for a six-month period;
- ARERA was given a mandate to intervene with further regulatory provisions in order to define new information obligations that favour the transparency and comparability of offers (both at the level of contractual and pre-contractual processes).

Electricity Production facilities

Permitting

The Ministerial Decree of the Ministry of the Environment and Energy Security (MASE) 21 June 2024 concerning the identification of suitable areas has been the subject of several Regional Administrative Courts' rulings that have challenged its overall structure. Relevant rulings or orders are listed below:

- with the exception of Sardinia and Friuli Venezia Giulia, the regions have so far postponed legislating on "Suitable Areas" pending the outcome of the Lazio Regional Administrative Court;
- The Lazio Regional Administrative Court, Rome, Sec. III with ruling no. 9155 annulled art. 7 (2) and (3) of "MD Suitable Areas". The MASE has 60 days to rewrite the MD in line with the indications of the ruling - there are no direct effects on already approved regional laws (the ongoing processes of other regions are suspended);
- Lazio Regional Administrative Court, Rome, Sec. III with ruling no. 9157 raised a question of the constitutionality of Article 5(1) and (2) of DL Agricoltura. The Court will meet in October and decide in late 2025/early 2026;
- Lombardy Regional Administrative Court: ruling no. 1825/2025 on Regional Government Decree XII/2783 2024 Reg. Lombardy on agri-voltaics: the annulment of the subjective and objective requirement was ordered - there will be no direct

effects on other regions, reaffirming the state's powers on the fundamental principles of the sector, while the regions cannot introduce limitations that have no basis in national law.

Moreover, the reference legislation for authorisation procedures, Legislative Decree 190/2024, received further implementation with Legislative Decree no. 73 of 21 May 2025 ("DL Infrastrutture"), regulating the so-called "acceleration areas", providing that they are to be identified on the basis of the suitable areas "ope legis" (Art. 20 (8) of Legislative Decree 199/2021) and that regions submit RES Acceleration Area Plans to Strategic Environmental Assessment by 31 August 2025. The timing forces the regions to coordinate Suitable Areas laws with these plans.

Electricity Networks

Electricity distribution concessions

Law No. 207 of 30 December 2024 (Budget Law 2025) introduced important novelties in the field of electricity distribution concessions. The main objective of the regulatory intervention is to improve the security, reliability and efficiency of the grid, contributing to the energy transition and decarbonisation, in line with the European Union's 2050 targets. The law stipulates that distributors may submit Extraordinary Investment Plans aimed at improving the resilience and reliability of networks, increasing the integration capacity of distributed generation, upgrading network infrastructure and defending networks.

The law outlines a procedure for the evaluation and approval of extraordinary plans, which involves collaboration between the Ministry of the Environment and Energy Security, the Ministry of Economy and Finance, ARERA, the Unified Conference and the Parliamentary Committees.

The approval of these plans may lead to a reshaping of the existing concessions in terms of duration with a maximum limit of 20 years, against payment by the distributors of concessionary charges (reshaping charges), included in the invested capital subject to amortisation and remuneration.

As part of the process that will lead to the publication of an inter-ministerial decree, which will have to define the terms and methods for the submission of the Plans and their subsequent evaluation and approval, the Authority has initiated a consultation process for the formulation of proposals to the ministries regarding the extraordinary plans and the determination of remodelling expenses:

With Res. 237/2025/R/eel - Opening of proceedings for the adoption of the proposal on extraordinary multi-year investment plans for the purpose of remodelling electricity distribution concessions and on the criteria for determining the related charges, the Authority identified and separated two proceedings:

- a) for the adoption of the proposal on extraordinary multi-year investment plans and the criteria for determining the charges resulting from the related remodelling of the duration of existing concessions, addressed in DCO 238/2025/R/eel;
- b) for the definition of detailed provisions for how the aforementioned remodelling charges are to be included in the network tariffs, to be concluded by March 2026.

With Consultation Document 238/2025/R/eel - Guidelines for the Authority's proposal on extraordinary multi-year investment plans for the purpose of remodelling electricity distribution concessions and on the criteria for determining the relevant charges, the following topics were placed for consultation:

- duration of remodelling: expected to last more than 10 years, but not more than 20 years as stipulated by law and starting from 2031.
- time window of the plans: two time windows have been provided in which it is possible to apply for remodelling of the concession:
 - the first within seven months of the publication of the MD. In this case, the extraordinary plan covers the period 2027-2031;
 - the second by January 2028, when interested distributors can submit the extraordinary 2029-2033 plan.
- increase in investments:
 - in order to obtain the extension, distributors must increase their average investments in the extraordinary plan over the five-year period 2020-2024;
 - the required increase is 10-20% if the 2020-2024 investments exceeded depreciation and 25-35% if they were lower;
- determination of charges: charges for the remodelling of concessions will be calculated as a percentage of the revenue allowed to cover capital costs.

With Res. 130/2025/R/com - Revision of the criteria for revaluation of capital costs for infrastructure services in the electricity and gas sectors. Definition of common parameters for services subject to ROSS regulation, the Authority approves the revision of the criteria for the revaluation of capital costs for infrastructure services in the electricity and gas sectors, providing for the adoption of the IPCA-Ita index in place of the gross fixed capital formation deflator index to be applied from the 2025 reference tariffs.

As part of the proceedings initiated with Res. 271/2021/R/com and Res. 527/2022/R/com, the Authority activated **Consultation Document 210/2025/R/com - Guidelines for the adjustment of specific institutes of the basic ROSS regulation and lines of action for the introduction of regulatory instruments preparatory to the experimentation of the integral ROSS** with reference to interventions on the basic ROSS regulation for:

- the refinement of the application of the recognised capitalisation rate;
- the simplification of the Z-factor institution through two alternative proposals: (i) one-off extraordinary baseline adjustment request; (ii) ex-post Z-factor activation;
- the gradual introduction of regulatory instruments aimed at the start of full ROSS regulation on an experimental basis for the two-year period 2026-2027, starting with Gas Transport, Electricity Transmission and Electricity Distribution limited to e-distribution, with the presentation of business plans.

WASTE

With reference to the waste sector, the following regulatory measures (ARERA) should be noted:

Waste social bonus

Resolution 133/2025/R/Rif

The Authority initiates the procedure for the recognition of the waste social bonus for domestic users of the integrated municipal waste management service in economically and socially disadvantaged conditions, following the publication of the Prime Ministerial Decree of 21 January 2025, which identified the Principles and criteria for the definition of the related application modalities of the tariff reductions.

Specifically, ARERA has ordered the definition of the application methods for the recognition of the bonus to those entitled and the methods for sharing information flows among the parties involved, regulating the possible introduction of gradual application mechanisms and defining the monitoring methods.

Consultation document DCO240/2025/R/Rif, which describes, inter alia, the proposals for i) the identification of the beneficiaries of the facilitation and the information useful for automatic recognition; ii) the identification of the modalities of transmission between the subjects involved; iii) the application modalities for quantification and disbursement and iv) the information obligations of the managers of tariff management and relations with users.

Waste tariff method for the third regulatory period (MTR-3)

Two consultation documents (**DCO 180/2025/R/rif** and **DCO249/2025/R/rif**) were published in the first half of 2025 to update the tariff methodology in the period 2026-2029.

Criteria for tariff articulation to waste service users

In this regard, two consultation documents (**DCO179/2025/R/rif** and **DCO248/2025/R/rif**) were published in the first half of 2025 for the definition of the "TICSER - Integrated waste management service fees text".

Updating technical quality in the municipal waste sector

During the period, two consultation documents (**DCO 147/2025/R/rif** and **DCO235/2025/R/rif**) were issued to update the technical quality by extending the set of indicators to several profiles in the area of waste management, from collection to transport and treatment of the relevant waste chains (undifferentiated fraction, organic fraction and packaging fractions).

Accounting Unbundling

Finally, two consultation documents (**DCO 146/2025/R/rif** and **DCO246/2025/R/rif**) were published for the introduction of guidelines for accounting and administrative separation in the urban waste sector.

WATER SERVICE

With reference to the water sector, the following ARERA regulatory measures should be noted:

Standard matrix of call for tenders for the IWS assignment

Following DCO 245/2024, the Authority published, with DCO 123/2025, its final guidelines on the standard matrix of call for tenders for assignment of the Integrated Water Service. The proposals mainly concern a) the information requirements of the call for tenders, b) the consistency between the content of the call for tenders and the regulatory provisions in force, c) criteria for the articulation and evaluation of technical and economic offers. The final decision, expected during 2025, will come into force on 1 January 2026.

Initiation of proceedings to amend and update the rules on transparency of invoicing documents

With Resolution 122/2025, the Authority initiated the proceedings in question in order to strengthen the pursuit of the objectives of transparency and greater comprehension of information for the end user, also in consideration of the important and diversified legislative and regulatory innovations that have occurred since the adoption of Resolution 586/2012.

OTHER GENERAL MATTERS

Incentives - RES development

The transitional MD RES X - effective from 28 February 2025 - is the mechanism that supports the construction of renewable energy plants with generation costs close to market competitiveness. The measure, which supports technologies such as photovoltaics, wind power, hydropower and residual gases from purification processes, will be valid until 31 December 2025. In summary, the main aspects of the mechanism:

- plan to incentivise 14.65 GW of renewable plants with a power of more than 1 MW through competitive auctions, of which the quota dedicated to photovoltaics is 10 GW;
- possibility of registering for auction a maximum of 95% of the total power of the plant (5% will remain merchant - there is also the possibility of registering a single fraction of the total power);
- plants may be commissioned within 36 months (maximum plus a further 15 months with a tariff reduction of - 0.2%/month for the first 9 months and -0.5%/month for the last 6 months);
- accelerated assessment of projects with a capacity greater than 10 MW, with the GSE playing the role of facilitator in the single authorisation process;
- incentive through direct access for plants with a capacity of less than 1 MW. For plants of less than 200 kW, the GSE provides an all-inclusive tariff (TO). For plants above this limit, or for those under 200 kW that apply for it, the tariff is paid by CFD (Contract for difference) between the contract price and the DAM price. In addition, it is envisaged that the award price will be adjusted for inflation;
- obligation to qualify for MBR (Market for Balancing and Redispatching) for plants with capacity greater than 1 MW;
- provision for the disbursement of the incentive on the energy that can be produced by the plant (and not actually produced) in the event of zero or negative zonal prices or production cuts (extraordinary downward modulation) ordered by Terna only if the plant is qualified (non-qualified plants lose the incentive in the event of a zero/negative price);
- the following is identified for Photovoltaics: CAPEX 900 k€/MW - Minimum price 65 €/MWh - Operating price 80 €/MWh - Maximum price (auction base) 95 €/MWh.

In addition, the GSE Operating Rules for access to procedures through competitive auctions (for plants with capacity greater than 1 MW) were published. The first tender procedure (after submission of expressions of interest) is scheduled for July 2025. ARERA placed for consultation the definition of award prices for direct access plants (capacity less than 1 MW).

Concessions and Assignments of the Iren Group

HYDROPOWER GENERATION

The following is a summary of the major concessions for hydroelectric use and the related expiry dates for Iren Energia's plants.

Region	Facility	Average rated concession power (MW)	Expiry
Piedmont	Po Stura - San Mauro	5.58	31 December 2010
Piedmont	Pont Ventoux – Susa	45.64	13 December 2034
Piedmont	Agnel - Serrù – Villa	12.53	31 December 2010
Piedmont	Bardonetto – Pont	8.92	31 December 2010
Piedmont	Ceresole – Rosone	32.92	31 December 2010
Piedmont	Telessio - Eugio – Rosone	26.10	31 December 2010
Piedmont	Rosone – Bardonetto	9.71	31 December 2010
Piedmont	Valsoera – Telessio	1.76	31 December 2010
Campania	Tusciano	8.49	31 March 2029
Campania	Tanagro	12.85	31 March 2029
Campania	Bussento	17.06	31 March 2029
Campania	Calore	3.27	31 March 2029

In relation to the aforementioned concessions expiring on 31 December 2010, concerning Valle Orco (Agnel - Serrù – Villa, Bardonetto – Pont, Ceresole – Rosone, Telessio - Eugio – Rosone, Rosone – Bardonetto, Valsoera – Telessio) and Po Stura-San Mauro, a project financing proposal was submitted to the Piedmont Region.

With Resolution of the Piedmont Regional Council of 17 April 2023 no. 17/6747, the feasibility of the two project financing proposals presented by Iren Energia was resolved, pursuant to Article 183, paragraph 15 of Legislative Decree 50/2016, concerning, respectively, the expired Concessions for large hydroelectric derivations on the Torrente Orco and the expired Concession for large hydroelectric derivations of the Po Stura - San Mauro plant.

By Resolutions no. 28-6999 and 29-7000 of the Regional Council of 5 June 2023, the Piedmont Region resolved, pursuant to Articles 3 and 4 of Regional Law 26/2020, that *"there was no overriding public interest in a different use of the derived waters, incompatible with the maintenance of the use for hydroelectric purposes, and the definition of the public evidence procedure for the relative assignment"*.

With DGR no. 7387 of 3 August 2023 and Executive Decision no. 578 of 7 August 2023, the Piedmont Region verified the correctness of the 'end-of-concession reports' of expired large hydroelectric derivations and ordered their publication on its institutional website.

The Piedmont Region entrusted SCR Piemonte S.p.A with the activities of preparing the tender specifications and documentation and the consequent management for the search for professionals qualified to verify, pursuant to art. 26 of Legislative Decree no. 50/2016, the project related to the project financing proposals submitted by Iren Energia. These activities have already been initiated by SCR and are still ongoing. The call for tenders is pending.

NATURAL GAS DISTRIBUTION

With effect from 1 January 2023, following a demerger, IRETI Gas took over ownership of the concessions relating to the management of the natural gas distribution service, particularly in the Group's historical operating areas: the Genova¹, Parma, Reggio Emilia and Piacenza² areas, under an extended regime.

Liguria area

As far as ATEM Genova¹ is concerned, on 10 June 2025, Ireti Gas provided the Contracting Authority, at the latter's request, with the data referred to in Article 5 MD 226/2011 updated to 31 December 2023, necessary for the preparation of the tender for the award of the new concession.

With regard to the tender issued by ATEM Genova², the Council of State confirmed the unlawfulness of the call for tenders in ruling no. 3150/23. The new tender has not yet been called.

Finally, IRETI Gas is concessionaire of the gas distribution service in the municipalities of the Province of Savona Albenga and Ceriale.

Emilia Area

In the Reggio Emilia ATEM, Ireti Gas has already provided the Contracting Authority, at the latter's request, with the data necessary for the preparation of the tender for the award of the new concession updated to 31 December 2023 and, by 8 August 2025, an update to 31 December 2024 will be provided.

The company is also owner of the gas distribution concessions in the Emilia municipalities of Pontenure (ATEM Piacenza 2) and Solignano (ATEM Parma), as well as the management of the private village of Grazzano Visconti in the municipality of Vigolzone.

Piedmont Area

ASM Vercelli holds gas distribution concessions in the following municipalities in the Province of Vercelli: Albano Verellese, Carisio, Greggio, Olcenengo, Oldenico, San Germano Vercellese-Strella district, Quinto Vercellese, Tronzano Vercellese and Villarboit.

In the Vercelli ATEM, the Contracting Authority asked ASM for the data needed to prepare the tender for the award of the new concession, which were provided updated to 31 December 2023. On 4 June 2025, a meeting of the Technical Table was held with the Contracting Authority and the appointed Advisor, and a new meeting of said Table is being requested to settle certain technical-administrative aspects related to the managed plant.

Through Reti Metano Territorio (100% controlled by Egea Holding), the Group is also present in the ATEM Cuneo 3 - Municipality of Alba and 42 other municipalities in the Province of Cuneo, which are managed under an extension regime, while waiting for the Contracting Authority to start the procedure for the assignment of the new concession.

Other geographical areas

Also through Reti Metano Territorio, the Group operates in gas distribution in the following ATEM:

- ATEM Lecco 1 - Municipality of Calolziocorte;
- ATEM Milan 3 - Municipality of Casarile;
- ATEM Monza and Brianza 1 - Municipalities of Burano di Molgora and Vimercate;
- ATEM Monza and Brianza 2 - Municipality of Besana in Brianza;
- ATEM Alessandria 3 - Municipality of Acqui Terme (Acqui Rete Gas, 50% owned by Reti Metano Territorio).

ELECTRICITY

The ministerial electricity concessions expire on 31 December 2030; Iren manages the public electricity distribution service in the cities of Turin and Parma (through IRETI) and Vercelli (through ASM Vercelli).

Iren is also present with DEA S.p.A., part of the group of the affiliated ASTEA, which manages the electricity distribution service in some municipalities in the Marche region (Agugliano, Magliano di Tenna, Montelupone, Offida, Osimo, Polverigi, Recanati, Santa Maria Nuova) and in the Abruzzo region (Ortona, San Vito Chietino), as well as in Sanremo (Liguria, Province of Imperia) and, through its subsidiary ASPM, in the municipality of Soresina (Lombardy, Province of Cremona).

The existing concessions were defined with Legislative Decree 79/1999, Article 9 of which stipulated that distribution companies operating at the date of entry into force of the measure would continue to provide the service on the basis of concessions issued by the competent Ministry (at the time the Ministry of Industry, Trade and Crafts, now the MASE) and expiring by 31 December 2030.

Legislative Decree 79/99 also provided that, no later than five years prior to the same expiry date (31 December 2025), the competent Minister, having consulted the Unified Conference and the Authority, should define the terms, conditions and criteria, including remuneration for the investments made by the previous concessionaire, for the new concessions to be

granted on the expiry of 31 December 2030, subject to the delimitation of the area, in any event not less than the municipal territory and not more than one quarter of all end customers, and that that service be entrusted on the basis of tenders to be called, in accordance with national and Community legislation on public procurement.

With Law No. 207 of 30 December 2024 (Budget Law 2025), in Article 1, paragraphs 50 to 53, the legislator provided that a decree of the Ministry of the Environment and Energy Security (MASE), in agreement with the Ministry of the Economy and Finance (MEF), upon the proposal of ARERA, shall define the terms and procedures for the presentation by the concessionaires of the electricity distribution service of extraordinary multi-year investment plans, detailing the minimum goals and objectives that the aforementioned plans must pursue.

With the Budget Law 2025, the awarding of concessions starting on 1 January 2031 by means of tenders will therefore be limited to cases in which extraordinary multi-year investment plans are not submitted or not approved: in such cases, in fact, the prerequisites for remodelling of the duration of concessions do not exist.

By means of DCO No. 238/2025/R/EEL, ARERA placed for consultation what was indicated in the proceedings initiated by Resolution No. 237/2025/R/eel of 3 June 2025, for the adoption of measures functional to the proposal for the preparation of the decree referred to in the aforementioned Budget Law. On 23 May 2025, IRETI sent its comments to ARERA.

DISTRICT HEATING

Iren Energia manages the district heating distribution service through concession, award or authorisation to lay networks in the following areas:

- Municipality of Turin
- Nichelino (TO);
- Beinasco (TO);
- Rivoli (TO);
- Collegno (TO);
- Grugliasco (TO);
- Reggio Emilia;
- Parma;
- Piacenza;
- Genoa.

In addition, through EGEA Holding and its subsidiaries, it manages the district heating service in the municipalities of Alba (Cuneo), Piossasco (Turin), Canale (Cuneo), Acqui Terme (Alessandria), Cairo Montenotte (Savona), Carmagnola (Turin), Bra (Cuneo), Nizza Monferrato (Asti), Alessandria, Cortemilia (Cuneo) and Narzole (Cuneo).

Lastly, the Group, through Dogliani Energia, holds the concession for the district heating service in the municipality of Dogliani (Cuneo). In this regard, the construction of the cogeneration plant with attached network is currently underway.

It is noted that, following a public evidence procedure concluded with the Municipality of Moncalieri decision No. 2727 of 20 December 2024, Iren Mercato is the concessionaire of the public district heating service in the territory of the Municipality of Moncalieri for five years as from 1 January 2025 (it was also concessionaire on a transitional basis of the same service from 1 November 2023 to 31 December 2024).

Iren Energia, which supplies heat to Iren Mercato, owns the existing production plants and network infrastructure and is party to an agreement with the municipality for the occupation of public land, which has now expired. This situation of land occupation is continuing under an extension regime pending determinations by the Municipality on the modalities of new assignment or renewal. At present, there is the possibility of renewing the concession to Iren Energia.

INTEGRATED WATER SERVICE

Liguria Area

IRETI holds the management assignment for the Integrated Water Service in the 67 municipalities of the Province of Genoa. The assignment was granted by Decision no. 8 of the Genoa ATO Authority on 13 June 2003 and will expire in 2032.

The Integrated Water Service in the territory of the municipalities of the Province of Genoa is managed by IRETI through the safeguarded operators. The authorised and/or safeguarded companies of Iren Group that perform the function of operator are Iren Acqua (60% controlled by IRETI) and Iren Acqua Tigullio (66.55% controlled by Iren Acqua).

Iren Acqua was merged into IRETI effective 1 July 2025.

IRETI also directly operates the drinking water distribution service in the municipalities of Camogli, Rapallo, Coreglia, Zoagli, Sestri Levante, Casarza Ligure and Moneglia, and the Integrated Water Service in the municipalities of Né and Carasco, in the Genoa ATO.

The company operates only the segment of the water service in the following ATOs:

- Savona Centre West 1, in the municipalities of Albissola Marina, Albissola Superiore, Quiliano, Vado Ligure, Celle Ligure, Noli, Spotorno, Bergeggi, Savona, Stella, Varazze;
- Savona Centre West 2 - Municipalities of Altare, Cairo Montenotte, Carcare, Cengio.

As far as the Province of Imperia is concerned, IRETI participated in the tender called on 19 July 2024 by the ATO Ovest Provincia di Imperia for the selection of the private partner in the company Rivieracqua S.p.A. The tender was then awarded to another economic operator and as a result of the take-over on 1 July 2025, the water service in the municipalities of Camporosso, San Biagio della Cima, Perinaldo, Soldano, Vallebona, Isolabona, Vallecrosia, Dolceacqua, Seborga, Bordighera and Ventimiglia was transferred to the single managing body of the Area, Rivieracqua itself.

Finally, in La Spezia and its Province, in 31 municipalities, the Iren Group manages (through ACAM Acque) the water service with a concession valid until 31 December 2033.

Emilia Area

The Group operates the Integrated Water Service in the provinces of Reggio Emilia, Piacenza and Parma.

In the aforementioned territories, the ownership of the assets and networks relating to the water sector is held by companies wholly owned by public bodies, so-called "equity companies", respectively for the Municipality of Parma - Parma Infrastrutture, for the ATO of Piacenza - Piacenza Infrastrutture (for the capital Municipality, Consorzio Val d'Arda and Consorzio Val Nure for other municipalities in the Province of Piacenza) and AGAC Infrastrutture for the ATO of Reggio Emilia. These companies made their networks and assets available to the Iren Group on the basis of a rental contract and against the payment of an annual fee.

Reggio Emilia Territorial Basin - the operation of the Integrated Water Service for the Province of Reggio Emilia, excluding the Municipality of Toano, is the responsibility of the "Azienda Reggiana per la Cura dell'Acqua", or ARCA for short, 60% owned by the public partner AGAC Infrastrutture and 40% by IRETI, private operating partner for the assignment of the service in ATO3 Reggio Emilia until 31 December 2043.

ARCA, by means of a specific agreement, on the basis of the provisions of the tender deeds, entrusted the management of the operating tasks to the territorial operating company (SOT) Iren Acqua Reggio, which was set up for this purpose by the private operating partner (IRETI).

Piacenza Territorial Basin - With regard to the tender announced by ATERSIR in 2022 for the awarding of the Integrated Water Service for the Province of Piacenza, with Management Determination no. 66 of 22 March 2024, ATERSIR awarded the Open Procedure to IRETI for the awarding of the concession for the service starting from 1 January 2025. In consideration of this assignment, IRETI, in execution of the provisions of the call for tenders, established on 20 June 2024 the territorial operating company Iren Acqua Piacenza S.r.l., a company to which goods, assets and resources were conferred through a deed of partial demerger with spin-off of the IRETI "Integrated Water Service of Piacenza" BU effective as of 1 January 2025. On 19 December 2024, the Service Management Agreement was signed, effective from 1 January 2025 and expiring on 31 December 2040.

Parma Territorial Basin - the Convention stipulated with the ATO of Parma set the expiry date of the assignment at 30 June 2025. The aforementioned deadline was extended by Emilia-Romagna Regional Law No. 14/21 until 31 December 2027.

Piedmont Area

The Group operates, through ASM Vercelli, the services related to the integrated water cycle in Piedmont ATO2 "Biellese Vercellese, Casalese". The services provided by the company extend beyond the city of Vercelli to 14 municipalities in the province.

Management expired on 31 December 2023. In this regard, the Conference of the Area Governing Body (EGATO2) was unable to resolve on the choice of the management model due to the lack of a quorum, and therefore the same Body was subject to a Commissioner's order by the Piedmont Region. The Commissioner's appointment ended on 28 February 2025 with the publication of Decree no. 1 of the same date and having as its object the "Choice of the management model and start of the procedure for assignment of the Integrated Water Service for the Optimal Territorial Area 2 Piedmont to the in-house Company BCV S.p.A.", which provides:

- the approval of "in-house" assignment as the IWS management model in the ATO 2 Piedmont;
- to initiate the path and the procedures described in detail in the time schedule for the entrusting of the IWS within the Optimal Territorial Area 2 "Biellese, Vercellese, Casalese" to the single manager of the area pursuant to Article 149-bis of Legislative Decree no. 152 of 2006, identified in BCV S.p.A;
- the failure to comply with the milestones "conferment of networks - phase 1 and phase 2 - resolution", "elaboration of the sworn PEF" and "updating of the organisational model of the PoA" and the possible failure to approve the Report pursuant to Art. 17 (2), of Legislative Decree no. 201 of 2022 within the terms set forth in the time schedule shall entail the immediate activation, by the Area Governing Body, of the procedures necessary to resort to the model of awarding the service through a public procedure or to a joint company whose private partner is selected through a public procedure

and the simultaneous definitive setting aside of the solution consisting in the "in-house" assignment of the service. Among the fulfilments of the time schedule is the signing of the financing contract and the acquisition of the availability of resources for the liquidation of ASM Vercelli.

In the year 2025, the operation of the IWS by ASM Vercelli was therefore operated under an extension regime, which will reasonably continue until the completion of the path undertaken by EGATO2, aimed at definitively appointing the sole Manager, both with the in-house model and in the event that other models should be used with public evidence procedures. Following the adoption of the aforementioned commission measure, ASM Vercelli and IRETI, on 8 April 2025, filed an appeal with the Regional Administrative Court of Piedmont - Turin in order to obtain the annulment of the aforementioned decree, concerning the "Choice of the management model and start of the procedure for assignment of the Integrated Water Service for the Optimal Territorial Area 2 Piedmont to the in-house Company BCV S.p.A.", as well as for the annulment of any prior, preparatory, connected, consequent act.

An appeal to the Regional Administrative Court was also filed by the Municipality of Vercelli and some other municipalities belonging to ATO2 "Biellese, Vercellese, Casalese".

In the current month of June, ASM Vercelli and IRETI filed and are in the process of filing Additional Grounds against EGATO Order no. 63 of 23 May 2025 acknowledging the Commissioner's Decree.

The hearing for discussion has not yet been set.

The Group also operates, operationally through IRETI, the water cycle services in the municipalities of Nizza and Canelli.

Finally, the Group operates, through EGEA Acque (a subsidiary of EGEA Holding), services related to the integrated water cycle in 43 Municipalities belonging to ATO4 "Cuneese".

These managements have expired and the Conference of Area has entrusted the management of the integrated water service to Consorzio Gestori Servizi Idrici S.c.a.r.l. (COGESI), a wholly publicly owned company, from 1 July 2019 until 31 December 2024. EGEA Acque is currently continuing its management under an extension regime pending the liquidation of the residual industrial value by COGESI.

Sicily Area (Enna)

AcquaEnna operates the Integrated Water Service in ATO 5 Sicily, relating to the Province of Enna, with the concession expiring on 19 November 2034.

The table below therefore summarises the data on the existing agreements in the Group's main areas of operation:

ATO	REGIME	SIGNING DATE	EXPIRY DATE
Genoa Area	ATO/operator agreement	16 April 2004/05 October 2009	31 December 2032
Reggio Emilia	ATO/operator agreement	20 December 2023	31 December 2043
Parma	ATO/operator agreement	27 December 2004	31 December 2027
Piacenza	ATO/operator agreement	19 December 2024	31 December 2040.
Vercelli	ATO/operator agreement	13 March 2006	31 December 2023 (*)
La Spezia	ATO/operator agreement	20 October 2006	31 December 2033
Enna	ATO/operator agreement	19 November 2004	19 November 2034

(*) In prorogatio

WASTE MANAGEMENT SERVICE

The IREN Group provides waste management services on the basis of specific assignments from the local authorities, governed by agreements signed with the provincial ATO. The table below contains details of existing agreements in the Group's main areas of operation:

ATO	REGIME	SIGNING DATE	EXPIRY DATE
Reggio Emilia	ATO/operator agreement	10 June 2004	31 December 2011 (*)
Parma	ATO/operator agreement	28 December 2022	31 December 2037
Piacenza	ATO/operator agreement	28 December 2022	31 December 2037
Turin (Municipality)	ATO/operator agreement	21 December 2012	30 April 2034 (**)
Vercelli (municipality)	Municipality/operator agreement	22 January 2003	31 December 2028
COVeVaR Consortium (Vercelli municipalities)	Tender contract with COVeVaR /ASM Vercelli - San Germano - RIMECO	1 January 2022	31 December 2029 extendable for a further 12 months (***)
ATO waste province of La Spezia (Municipality of La Spezia)	Municipality/operator agreement	10 June 2005	31 December 2028 (collection and sweeping) 30 January 2043 (waste disposal)
ATO Toscana Sud	ATO/operator agreement	28 March 2013	27 March 2033
Consorzio Ecologico Cuneese	Contract with San Germano	1 March 2024	28 February 2031 (renewable for a further 2 years + 1)
Municipality of Selargius (Sardinia, CA)	San Germano - Waste management services	1 March 2023	22 February 2028 with possible renewal until 31 January 2031 (36 months)
Municipality of Iglesias (Sardinia, SU)	Urban and waste management services	1 September 2018	31 August 2028
Consorzio SEA	San Germano tender - Urban and waste management services Bagnolo Piemonte- Barge-Bellino-Brondello- Brossasco-Cardè- Casteldelfino-Castellar- Cavallerleone-Crissolo-Envie- Faule-Fossano-Frassino- Gambasca-Isasca-Martiniana Po-Melle-Monasterolo di Savigliano-Moretta-Murello- Oncino-Ostana-Paesana- Pagno-Polonghera- Pontechianale-Revello- Riffreddo-Ruffia-Saluzzo- Sampeyre- Sanfront- Savigliano-Scarnafigi-Torre San Giorgio-Valmala (now merged with Busca) Venasca-Villanova- Solaro-Sant'Albano Stura- Trinità-Genola	1 September 2028	31 August 2025 with possible extension for a period not exceeding 6 months to award a new tender (28 February 2026)

<i>Consorzio Bacino Rifiuti Astigiano (CBRA)</i>	CBRA/ATI Consortium tender contract (38% San Germano, 62% Asti Servizi Pubblici)	22 March 2024	6 October 2026 renewable for a further 12 + 6 months (tot. 18 months) (****)
<i>Municipality of Ussana (Sardinia, SU)</i>	San Germano tender contract Urban hygiene services	21 August 2024	20 August 2032
<i>Consorzio bacino basso novarese</i>	San Germano tender contract- Service for the collection, transport and transfer to disposal plants of municipal waste, manual and mechanised sweeping, cleaning of market areas, management of recycling areas in the following Municipalities: Barengo- Bellinzago Novarese-Biandrate- Borgolavezzaro-Briona- Caltignaga-Cameri- Casalbeltrame-Casaleggio- Casalino-Casalvolone- Castellazzo-Cerano-Galliate- Garbagna-Granozzo-Landiona- Mandello-Marano- Mezzomerico-Momo-Nibbiola- Oleggio-Recetto-Romentino-S. Nazzaro Sesia-S.Pietro Mosezzo-Sillavengo-Sozzago- Terdobbiate- Tornaco-Trecate- Vaprio-Vespolate-Vicolungo- Villata-Vinzaglio	1 October 2020	30 September 2029
<i>Consorzio Covar 14</i>	Sub-tender contract Teknoservice srl /San Germano Urban hygiene services Moncalieri-La Loggia- Villastellone	1 February 2022	31 May 2025 (36-month extension to 30 November 2028)
<i>STR (Consortium of Langhe and Roero Municipalities)</i>	EGEA Ambiente/Municipality of Alba (CN) tender contract	05 July 2021	04 July 2026
<i>ACEM (consortium of Monregalese Municipalities)</i>	Tender contract EGEA Ambiente/Municipalities of Cortemilia - Castelletto Uzzone (CN) - Guardiania CDR	1 March 2023	30 September 2025
<i>CSEA (consortium of Fossano Municipalities)</i>	ATI tender contract (S. Germano, Coop Proteo and EGEA Ambiente)/4 municipalities in the Cuneo area (EGEA 12.86% investment)	1 January 2020	31 August 2025
<i>Province of Imperia</i>	EGEA Ambiente tender contract with some municipalities in the Imperia area (Andora, Cervo, Cesio, Chiusanico, Diano Arentino, Diano Castello, Diano Marina, Diano San Pietro, San Bartolomeo Al Mare, Stellanello, Testico, Villa Faraldi)	1 January 2021	31 December 2025
<i>Municipality of S. Giuliano Milanese</i>	Tender contract ATI (AMSA, EGEA Ambiente) EGEA 16% investment)	1 January 2020	30 September 2027
<i>Marche Multiservizi spa</i>	EGEA Ambiente/Province of Pesaro tender contract	1 June 2021	31 December 2025

(*) Service extended ex lege until new agreements are defined

(**) the duration is 20 years starting from the day following the end of the provisional operation of the waste-to-energy plant of TRM S.p.A. on 31 August 2014

(***) ASM Vercelli SpA 60.01%; San Germano SpA 20.78%; RIMECO soc. coop. 19.21%

(****) The territorial area covered by the contract is made up of 114 municipalities belonging to the Consorzio Bacino Rifiuti Astigiano/ATO Astigiano (excluding the municipality of Asti which, although a member of the consortium, is currently subject to autonomous contractual regulations).

As outlined in the table, the contracting authority Agenzia Territoriale dell'Emilia-Romagna per i Servizi Idrici e Rifiuti (ATERSIR) signed with Iren Ambiente the contracts for the concession of the public service for waste management in the Parma and Piacenza territorial basins for a duration of 15 years, starting from 1 January 2023.

The two concessions - awarded following public tenders - cover 89 municipalities: 43 in the Parma area and 46 in the Piacenza area. The respective management companies are Iren Ambiente Parma and Iren Ambiente Piacenza, which took over the operational management of the service from Iren Ambiente.

ACAM Ambiente, controlled by Iren Ambiente and active in La Spezia and its Province, manages the integrated waste cycle service in 32 municipalities belonging to the Optimal Area of the Levante (including the municipality of La Spezia).

It should be noted that SEI Toscana is the owner, by virtue of an agreement with the ATO Toscana Sud, of the integrated waste management in 98 municipalities in the provinces of Grosseto, Siena, and Arezzo, expiring on 27 March 2033, and in six municipalities in the province of Livorno (Piombino, San Vincenzo, Sassetta, Suvereto, Castagneto Carducci, and Campiglia Marittima).

For COVeVaR, the Mandatory Consortium of Municipalities of Vercelli and Valsesia for the management of urban waste, which concerns other Municipalities of Vercelli (except Borgosesia), in particular the Municipalities of Albano Verellese, Alice Castello, Arborio, Balocco, Borgo D'Ale, Buronzo, Carisio, Casanova Elvo, Collobiano, Crova, Formigliana, Gattinara, Ghislarengo, Greggio, Lenta, Lozzolo, Moncrivello, Olcenengo, Oldenico, Quinto Verellese, Roasio, Rovasenda, Salasco, San Germano Verellese, San Giacomo Verellese, Santhià, Tronzano Verellese, Villarboit, the tender was awarded to the temporary consortium (RTI) composed of ASM Vercelli (60.01%, group leader), San Germano (20.78%) and RIMECO Soc. Coop. (19.21%), with 8-year validity from 1 January 2022 with possibility of extension of a further 12 months.

San Germano carries out its main activity as a collection operator as a contractor in several areas, including Sardinia, Lombardy, Piedmont and Emilia-Romagna.

SERVICES FOR MUNICIPALITIES

A) Services for Partner Municipalities

Municipality of Turin

Iren Smart Solutions is party to the following agreements with the municipality of Turin for the provision of public services:

- Agreement for the management of the public lighting and traffic light service, expiring on 31 December 2036;
- Agreement, entered into following a project financing proposal submitted by the Company pursuant to Article 183, paragraph 15 of Legislative Decree 50/2016, for the awarding of services for the design and implementation of technological and construction upgrading, operation, maintenance (including the supply of energy vectors) of municipal thermal, electrical and special plants, with a duration of 27 years from the signing of the Take-over Notice of the Plants (30 June 2049).

Municipality of Genoa

- GEN-IUS Programme: Concession for the rehabilitation and energy maintenance services of 32 buildings in the Municipality of Genoa;
- Matitone of Genoa: service concession through public/private partnership, concerning energy performance, upgrading, management and maintenance services under guaranteed energy performance regime of the building called "Il Matitone", seat of the Genoa City Council offices. The duration is 15 years (maturity 14 April 2035);

B) Services to other municipalities

Iren Smart Solutions manages the public lighting service, also by means of plant efficiency upgrades, in Piedmont (Cuneo and some municipalities in the Biella area), Emilia-Romagna (Ventasso, Fidenza, Fiorenzuola, Rivergaro and Tizzano Val Parma) and Lombardy (Morbegno)

The Company provides energy efficiency services in some municipalities in Veneto (including Treviso, Cortina, San Donà di Piave, Monselice, Maserà, Casale sul Sile, Mortegliano, Musile, Noventa, Casier, Borgo Valbelluna, Scorzè, Martellago, Longarone, Ponte nelle Alpi, Limana, Codognè, Gradisca d'Isonzo, Manzano, Porpetto, Amaro, Cavazzo, Pasian di Prato, Tolmezzo, Verzegnis), Piedmont (including Cuneo, some municipalities in the Metropolitan City of Turin), Emilia-Romagna (Castelnovo ne' Monti, Sorbolo Mezzani, Montechiarugolo, Medesano), Lombardy (Morbegno, Sulbiate, Ronco, Mezzago, Bellusco, Agrate, Burago) and Liguria (S. Margherita Ligure, Rapallo, Cogoleto, Sarzana, Santo Stefano Magra, Arcola). In addition, the Group manages public lighting in Vercelli (through ASM Vercelli) and Asti (through Asti Energia e Calore).

Finally, through Ardea (a wholly-owned subsidiary of Egea Holding), the public lighting service is managed, including by means of plant efficiency upgrades, in some municipalities in Piedmont (Savigliano, Alba, Santo Stefano Belbo, Nizza Monferrato, Canale, Verzuolo, Cherasco, Treiso, Centallo, Sommariva, Fossano, Envie, Chiusa Pesio, Govone, Priocca, Mondovì, Racconigi and Marene) and Liguria (Camporosso).

ELECTRICITY GRADUAL PROTECTION SERVICE

Gradual Protection Auction for domestic customers

Iren Mercato and Salerno Energia Vendite (SEV) were the assignees, through auctions held in 2024, of two lots of the gradual protection service for non-vulnerable domestic customers in the electricity sector, for a total of about 300 thousand POD. The relevant customers will be managed by SEV itself for the period from 1 July 2024 to 31 March 2027:

- Southern Area 6: Brindisi, Matera, Potenza, Salerno and Taranto;
- Southern Area 7: Barletta-Andria-Trani, Campobasso, Cosenza, Foggia and Isernia.

Gradual Protection Auction for SME customers

Similarly to the above, the auction for the assignment of the gradual protection service for small businesses was held in 2024, and saw the award to Iren Mercato of three lots below, for a total of approximately 38,000 POD, which will be managed by it for the similar period from 1 July 2024 to 31 March 2027:

- Lot 1: Tuscany and Calabria;
- Lot 4: Emilia-Romagna and Piedmont;
- Lot 7: Apulia, Abruzzo, Basilicata, Molise, Umbria and Sicily.

Personnel

As at 30 June 2025, Iren Group had 11,862 employees, up compared to 11,311 employees as at 31 December 2024, as the table below shows, divided by Holding, Business Unit and EGEA Holding Group.

Company	Workforce at 30.06.2025	Workforce at 31.12.2024
Iren S.p.A.	1,138	1,150
IRETI and subsidiaries	2,329	2,342
Iren Ambiente and subsidiaries	5,875	5,875
Iren Energia and subsidiaries	1,230	1,249
Iren Mercato and subsidiaries	702	695
EGEA Holding Group	588	-
Total	11,862	11,311

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

- the continuation of the generational turnover plan;
- the consolidation of the EGEA Holding group companies from January 2025, totalling 570 resources.

Judicial initiative of Mr. Signorini

On 2 April 2025, Mr. Signorini notified Iren of his appeal to the Court of Reggio Emilia, labour section, to contest the dismissal imposed on 25 June 2024.

In relation to this matter and the Group's previous assessments, please refer to Iren Group's Consolidated Financial Statements as at 31 December 2024.

The Company, having taken note of the notification, is coordinating the actions to be taken, in view of the fact that no significantly different elements have occurred with respect to what has already been considered for the purposes of the aforementioned consolidated financial statements.



Condensed Interim Consolidated Financial Statements

Statement of Financial Position

thousand euro

	Notes	30.06.2025	of which related parties	31.12.2024	of which related parties
ASSETS					
Property, plant and equipment	(1)	4,550,525		4,516,355	
Investment property	(2)	1,946		1,974	
Intangible fixed assets with a finite useful life	(3)	3,706,221		3,357,523	
Goodwill	(4)	272,387		247,273	
Equity-accounted investments	(5)	203,859		282,462	
Other equity investments	(6)	9,008		8,723	
Non-current contract assets	(7)	325,258		300,238	
Non-current trade receivables	(8)	44,975	39,935	33,840	28,876
Non-current financial assets	(9)	137,434	37,936	124,756	37,998
Other non-current assets	(10)	117,660	1,082	131,668	1,081
Pre-paid tax assets	(11)	414,155		389,533	
Total non-current assets		9,783,428	78,953	9,394,345	67,955
Inventories	(12)	72,423		84,033	
Current contract assets	(13)	92,335		69,291	
Trade receivables	(14)	1,209,115	62,754	1,442,454	147,689
Current tax assets	(15)	19,573		14,474	
Sundry assets and other current assets	(16)	439,688	233	298,717	155
Current financial assets	(17)	554,042	12,246	580,646	6,682
Cash and cash equivalents	(18)	200,114		326,568	
Assets held for sale	(19)	12,929		790	
Total current assets		2,600,219	75,233	2,816,973	154,526
TOTAL ASSETS		12,383,647	154,186	12,211,318	222,481

thousand euro

	Notes	30.06.2025	of which related parties	31.12.2024	of which related parties
EQUITY					
Equity attributable to the owners of the parent					
Share capital		1,300,931		1,300,931	
Reserves and Retained Earnings		1,846,886		1,306,622	
Profit for the period/year		183,573		268,471	
Total equity attributable to the owners of the parent		3,331,390		2,876,024	
Equity attributable to non-controlling interests		248,710		467,673	
TOTAL EQUITY	(20)	3,580,100		3,343,697	
LIABILITIES					
Non-current financial liabilities	(21)	4,443,418		4,460,916	
Employee benefits	(22)	83,051		81,495	
Provisions for risks and charges	(23)	293,162		276,258	
Deferred tax liabilities	(24)	126,278		116,857	
Sundry liabilities and other non-current liabilities	(25)	874,182	145	751,559	1
Total non-current liabilities		5,820,091	145	5,687,085	1
Current financial liabilities	(26)	681,109	5,289	656,530	7,060
Trade payables	(27)	1,422,454	28,238	1,787,198	42,841
Current contract liabilities	(28)	2,913		88,983	
Sundry liabilities and other current liabilities	(29)	402,865	502	353,693	107
Current tax liabilities	(30)	98,089		12,743	
Provisions for risks and charges - current portion	(31)	374,286		281,389	
Liabilities directly associated with assets held for sale	(32)	1,740		-	
Total current liabilities		2,983,456	34,029	3,180,536	50,008
TOTAL LIABILITIES		8,803,547	34,174	8,867,621	50,009
TOTAL EQUITY AND LIABILITIES		12,383,647	34,174	12,211,318	50,009

Income statement

thousand euro

	Notes	First half of 2025	of which related parties	First half of 2024 Restated	of which related parties
Revenue					
Revenue from goods and services	(33)	3,357,047	199,334	2,637,373	187,711
Other income	(34)	128,554	4,881	60,237	3,131
Total revenue		3,485,601	204,215	2,697,610	190,842
Operating expenses					
Raw materials, consumables, supplies and goods	(35)	(1,387,289)	(904)	(909,191)	(919)
Services and use of third-party assets	(36)	(1,003,170)	(19,905)	(813,218)	(17,080)
Other operating expenses	(37)	(58,227)	(5,532)	(48,048)	(5,305)
Capitalised costs for internal work	(38)	28,025		27,546	
Personnel expense	(39)	(338,703)		(318,944)	
Total operating expenses		(2,759,364)	(26,341)	(2,061,855)	(23,304)
GROSS OPERATING PROFIT		726,237		635,755	
Depreciation, amortisation, provisions and impairment losses					
Amortisation/Depreciation	(40)	(350,009)		(321,301)	
Loss allowance	(41)	(44,774)		(34,224)	
Other provisions and impairment losses	(41)	(5,144)		(1,053)	
Total depreciation, amortisation, provisions and impairment losses		(399,927)		(356,578)	
OPERATING PROFIT		326,310		279,177	
Financial income and expense	(42)				
Financial income		20,636	332	26,908	197
Financial expense		(79,913)	(1)	(69,953)	(59)
Net financial expense		(59,277)	331	(43,045)	138
Gains (losses) on equity investments	(43)	(87)		2,027	
Share of profit of equity-accounted investees, net of tax effects	(44)	8,561		4,706	
Pre-tax profit		275,507		242,865	
Income taxes	(45)	(82,650)		(73,161)	
Profit from continuing operations		192,857		169,704	
Profit (loss) from discontinued operations	(46)	-		-	
Profit for the period		192,857		169,704	
attributable to:					
- owners of the parent		183,573		148,041	
- non-controlling interests	(47)	9,284		21,663	
Earnings per ordinary share	(48)				
- basis (euro)		0.14		0.12	
- diluted (euro)		0.14		0.12	

The comparative figures for the first half of 2024 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 purchase price at the definitive fair value of the assets and liabilities acquired (Purchase Price Allocation) of the company Siena Ambiente. For more information, please refer to section IV. Business combinations.

Statement of comprehensive income

		thousand euro	
		First half of 2025	First half of 2024 Restated
Profit for the period - owners of the parent and non-controlling interests (A)		192,857	169,704
Other comprehensive income that will be subsequently reclassified to profit or loss			
- effective portion of fair value gains of cash flow hedges		34,017	16,094
- fair value gains/(losses) of financial assets		-	-
- share of other gains/(losses) of equity-accounted investees		(318)	(955)
- change in translation reserve		(3,509)	665
Tax effect		(8,766)	(3,336)
Other comprehensive income to be subsequently reclassified to profit or loss, net of tax effect (B1)	(49)	21,424	12,468
Other comprehensive income that will not be subsequently reclassified to profit or loss			
- actuarial gains/(losses) on employee defined benefit plans (IAS19)		-	-
- portion of other gains/(losses) of equity-accounted investees related to defined benefit plans (IAS 19)		-	-
Tax effect		-	-
Other comprehensive income not to be subsequently reclassified to profit or loss, net of tax effect (B2)	(49)	-	-
Comprehensive income (A)+(B1)+(B2)		214,281	182,172
attributable to:			
- the owners of the parent		205,187	160,328
- non-controlling interests		9,094	21,844

The comparative figures for the first half of 2024 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 purchase price at the definitive fair value of the assets and liabilities acquired (Purchase Price Allocation) of the company Siena Ambiente. For more information, please refer to section IV. Business combinations.

Statement of changes in equity

	Share capital	Share premium reserve	Legal reserve	Hedging reserve	Capital instruments reserve	Other reserves and retained earnings
31/12/2023 Restated	1,300,931	133,019	111,093	12,758	-	993,655
Owner transactions						
Dividends						
Retained earnings			8,614			93,709
Repurchase of treasury shares						-
Changes in consolidation scope						-
Change in equity interests						1,571
Other changes						(1,722)
Total owner transactions	-	-	8,614	-	-	93,558
Comprehensive income for the period						
Profit for the period						
Other comprehensive income				11,622		665
Total comprehensive income for the period	-	-	-	11,622	-	665
30/06/2024 Restated	1,300,931	133,019	119,707	24,380	-	1,087,878

	Share capital	Share premium reserve	Legal reserve	Hedging reserve	Capital instruments reserve	Other reserves and retained earnings
31/12/2024	1,300,931	133,019	119,707	(32,301)	-	1,086,197
Owner transactions						
Dividends						
Retained earnings			10,625			93,227
Repurchase of treasury shares						-
Perpetual hybrid bonds					495,279	
Hybrid perpetual bond coupons						(4,218)
Changes in consolidation scope						
Change in equity interests						(76,497)
Other changes						234
Total owner transactions	-	-	10,625	-	495,279	12,746
Comprehensive income for the period						
Profit for the period						
Other comprehensive income				25,123		(3,509)
Total comprehensive income for the period	-	-	-	25,123	-	(3,509)
30/06/2025	1,300,931	133,019	130,332	(7,178)	495,279	1,095,434

The comparative figures at 30 June 2024 have been restated to take into account, at the acquisition date, as required by IFRS 3, the effects of completing the allocation of the purchase price to the final fair value of the assets and liabilities acquired (Purchase Price Allocation) of the company Siena Ambiente.

thousand euro

	Total reserves and Retained earnings	Profit for the period	Total equity attributable to the owners of the parent	Equity attributable to non-controlling interests	Total equity
31/12/2023 Restated	1,250,525	254,752	2,806,208	438,086	3,244,294
Owner transactions					
Dividends	-	(152,429)	(152,429)	(26,255)	(178,684)
Retained earnings	102,323	(102,323)	-	-	-
Repurchase of treasury shares	-	-	-	-	-
Changes in consolidation scope	-	-	-	32,612	32,612
Change in equity interests	1,571	-	1,571	(16,353)	(14,782)
Other changes	(1,722)	-	(1,722)	1,260	(462)
Total owner transactions	102,172	(254,752)	(152,580)	(8,736)	(161,316)
Comprehensive income for the period					
Profit for the period	-	148,041	148,041	21,663	169,704
Other comprehensive income	12,287	-	12,287	181	12,468
Total comprehensive income for the period	12,287	148,041	160,328	21,844	182,172
30/06/2024 Restated	1,364,984	148,041	2,813,956	451,194	3,265,150

thousand euro

	Total reserves and Retained earnings	Profit for the period	Total equity attributable to the owners of the parent	Equity attributable to non-controlling interests	Total equity
31/12/2024	1,306,622	268,471	2,876,024	467,673	3,343,697
Owner transactions					
Dividends	-	(164,619)	(164,619)	(12,022)	(176,641)
Retained earnings	103,852	(103,852)	-	-	-
Repurchase of treasury shares	-	-	-	-	-
Perpetual hybrid bonds	495,279	-	495,279	-	495,279
Hybrid perpetual bond coupons	(4,218)	-	(4,218)	-	(4,218)
Changes in consolidation scope	-	-	-	65,626	65,626
Change in equity interests	(76,497)	-	(76,497)	(281,662)	(358,159)
Other changes	234	-	234	1	235
Total owner transactions	518,650	(268,471)	250,179	(228,057)	22,122
Comprehensive income for the period					
Profit for the period	-	183,573	183,573	9,284	192,857
Other comprehensive income	21,614	-	21,614	(190)	21,424
Total comprehensive income for the period	21,614	183,573	205,187	9,094	214,281
30/06/2025	1,846,886	183,573	3,331,390	248,710	3,580,100

Statement of cash flows

	thousand euro	
	First half of 2025	First half of 2024 Restated
A. Opening cash and cash equivalents	326,568	436,134
Cash flows from operating activities		
Profit for the period	192,857	169,704
Adjustments:		
Income taxes for the period	82,650	73,161
Share of profit (loss) of associates and joint ventures	(8,561)	(4,706)
Net financial expense (income)	59,277	43,045
Amortisation and depreciation	350,009	321,301
Net impairment losses (reversals of impairment losses) on assets	88	(2,270)
Loss allowance	44,774	34,224
Net provisions for risks and other charges	111,976	85,682
Capital (gains) losses	1,414	758
Payment of employee benefits	(4,323)	(5,639)
Utilisations of provisions for risks and other charges	(14,290)	(29,640)
Change in other non-current assets	37,445	8,591
Change in sundry liabilities and other non-current liabilities	47,142	4,849
Taxes paid	(1,207)	-
Other changes in equity	88	94
Change in inventories	14,771	(14,413)
Change in contract assets	(47,981)	(49,671)
Change in trade receivables	277,252	89,441
Change in current tax assets and other current assets	(101,059)	242,821
Change in trade payables	(443,349)	(459,438)
Change in contract liabilities	(86,070)	(62,613)
Change in current tax liabilities and other current liabilities	(11,283)	66,739
Change in market exposure for commodity derivatives	22,194	(28,463)
B. Net cash and cash equivalents from operating activities	523,814	483,557
Cash flows from investing activities		
Investments in property, plant and equipment and intangible assets	(392,765)	(345,018)
Investments in financial assets	(1,150)	(178)
Investment realisation	1,049	1,761
Acquisition of subsidiaries net of cash acquired	13,112	9,352
Dividends collected	1,830	891
C. Net cash and cash equivalents used in investing activities	(377,924)	(333,192)
Cash flows from financing activities		
Dividends paid	(177,018)	(37,323)
Issuance of hybrid bonds	493,789	-
Coupons paid to holders of hybrid bonds	(5,550)	-
Purchase of interests in consolidated companies	(169,739)	-
New non-current loans	70,000	500,000
Repayment of non-current loans	(451,879)	(35,821)
Repayment of lease liabilities	(10,767)	(8,025)
Change in other financial liabilities	(3,917)	(18,529)
Change in loan assets	9,879	(372,700)
Interest paid	(45,799)	(52,111)
Interest received	18,657	7,106
D. Net cash and cash equivalents used in financing activities	(272,344)	(17,403)
E. Cash flows for the period (B+C+D)	(126,454)	132,962
F. Closing cash and cash equivalents (A+E)	200,114	569,096

The comparative figures for the first half of 2024 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 purchase price at the definitive fair value of the assets and liabilities acquired (Purchase Price Allocation) of the company Siena Ambiente. For more information, please refer to Section IV. Business combinations.

Notes

Introduction

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

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

The operating segments in which the Group operates are:

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

Section XII, Segment reporting, includes the information required by IFRS 8.

The group's condensed interim consolidated financial statements as at and for the six months ended 30 June 2025 include the financial statements of the Parent and of its subsidiaries, (collectively referred to as the "Group" and, individually, as "Group companies") and the Group's equity interest in jointly-controlled companies and in associates, measured using the equity method.

The financial statements of the fully consolidated companies are prepared at the end of the reporting period.

I. Basis of presentation

The Condensed Interim Consolidated Financial Statements of the Iren Group as at 30 June 2025 have been prepared pursuant to article 154-ter, paragraph 2 of Legislative Decree no. 58 of 24 February 1998, as amended by Legislative Decree no. 195 of 6 November 2007.

The Condensed Interim Consolidated Financial Statements as at 30 June 2025 have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and endorsed by the European Union, as well as the measures issued in implementation of Article 9 of Legislative Decree No. 38/2005. The "IFRS" also include the revised International Accounting Standards ("IAS") and all interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC"). In particular, these condensed interim consolidated financial statements, having been prepared in accordance with IAS 34 - Interim Financial Reporting, do not include all the information required for the annual financial statements and must be read together with the annual financial statements prepared for the year ended 31 December 2024 and available at the company's registered office, at Borsa Italiana S.p.A. and on the website www.gruppoiren.it.

The accounting standards applied in the preparation of the condensed interim 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 2025 and illustrated in the following section "Accounting standards, amendments and interpretations applied as from 1 January 2025".

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 non-controlling investors), which are measured at fair value, as well as on the going concern assumption. The Group did not detect any particular risks connected with its business and/or any uncertainties that might cast doubt on its ability to continue as a going concern.

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

Financial statement formats

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

In line with what was previously published, in the statement of financial position, assets and liabilities are classified as "current/non-current". Assets and liabilities classified as discontinued or held for sale are shown separately. Current assets, which include cash and cash equivalents, are those that will be realised, transferred or consumed during the Group's ordinary operating cycle or during the twelve months following the end of the year. 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, the Income Statement also shows the interim total of Gross Operating Profit obtained by deducting total operating expenses from total revenue.

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

Publication of the consolidated Financial Statements

The Condensed Interim Consolidated Financial Statements were authorised for publication by the Board of Directors of Iren S.p.A. in its meeting of 30 July 2025.

Use of estimates and assumptions by management

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

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.

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 first half of 2025, 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

The 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 and the cyclicity of the thermal season.

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 2025

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

Amendments to IAS 21 – Lack of exchangeability

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

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

II. Basis of consolidation

The consolidation scope includes subsidiaries, joint ventures and associates.

Subsidiaries

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

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

The financial statements of subsidiaries are consolidated 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, 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, have a balancing entry in net equity; b) when a parent transfers control to an investee, but retains an interest in the company, it measures the retained equity investment at fair value and recognises any gains or losses deriving from loss of control in profit or loss.

Joint ventures

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

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

Joint arrangements are divided into 2 types:

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

Associates (accounted for using the equity method)

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

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

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

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

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

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

Business combinations

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

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

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

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

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

Loss of control

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

Transactions eliminated on consolidation

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

III. Consolidation scope

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

Parent:

Iren S.p.A.

Companies consolidated on a line-by-line basis

The consolidation is performed on a line-by-line basis for the four companies responsible for the individual business units and their direct and indirect subsidiaries, in addition to EGEA Holding, whose subsidiaries operate in the same business sectors as the Group.

- 1) Iren Ambiente and its subsidiaries:
 - ACAM Ambiente
 - AMIAT V and the subsidiary:
 - o AMIAT
 - Bonifiche Servizi Ambientali
 - Bonifica Autocisterne
 - I.Blu
 - Iren Ambiente Parma
 - Iren Ambiente Piacenza
 - Iren Ambiente Toscana and its subsidiaries:
 - o Futura
 - o Scarlino Energia
 - o SEI Toscana and its subsidiary:
 - Ekovision
 - o Semia Green
 - o Siena Ambiente
 - o Valdarno Ambiente and its subsidiary:
 - CRCM
 - Manduriambiente
 - ReCos
 - ReMat
 - 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:
 - o Alfa Solutions
 - Maira and its subsidiary:
 - o Formaira
 - Iren Green Generation and its subsidiaries:
 - o Agrovoltica
 - o Iren Green Generation Tech
 - o Limes 1
 - o Limes 2
 - o Limes 20
 - Valle Dora Energia
- 3) Iren Mercato and its subsidiaries:
 - Alegas
 - Atena Trading
 - Salerno Energia Vendite

- 4) IRETI and its subsidiaries:
 - ACAM Acque
 - Acquaenna
 - ASM Vercelli
 - Consorzio GPO
 - Iren Laboratori
 - Iren Acqua Piacenza
 - Iren Acqua Reggio
 - Iren Acqua and its subsidiary:
 - o Iren Acqua Tigullio
 - IRETI Gas
 - Nord Ovest Servizi
- 5) EGEA Holding and its subsidiaries:
 - EGEA Ambiente and its subsidiaries.
 - o Olmo Bruno
 - o Sisea
 - Ardea
 - Capo dell'Acqua
 - Edis
 - EGEA New Energy
 - TLRNet and its subsidiaries:
 - o Acqui Energia
 - o Alessandria Calore
 - o Bra Energia
 - o Carmagnola Energia
 - o Monferrato Energia
 - o SEP
 - o Telenergia
 - o Valbormida Energia
 - EGEA Energie
 - EGEA Acque and the subsidiary:
 - o Tecnoedil Lavori
 - Reti Metano Territorio

The change in the line-by-line consolidation scope in the first half of 2025 is due to the acquisition of control of EGEA Holding and its direct and indirect subsidiaries. Further details on this transaction are provided below in Section IV. Business combinations.

In terms of changes in the ownership structure of subsidiaries, it is noted that on 20 February 2025, IRETI finalised the acquisition of the remaining 40% of the share capital of Iren Acqua, previously held by F2i SGR. During the period, additional corporate transactions became effective, which, although they did not change the consolidation scope, resulted in a restructuring of the Group's shareholding structure. In particular, as of 1 January 2025, the mergers of AMTER and TB into their respective direct parents, IRETI and Valdarno Ambiente, became effective.

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

IV. Business combinations

BUSINESS COMBINATIONS IN THE FIRST HALF OF 2025

The business combination carried out by the Group during the first half of 2025 involved the acquisition of control of EGEA Holding and its direct and indirect subsidiaries.

Business combinations provisionally accounted for

EGEA Holding Group

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

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

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

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

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

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

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

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

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

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

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

In the six months ended 30 June 2025, EGEA Holding and its subsidiaries generated revenue of 201,447 thousand euro and a profit of 5,554 thousand euro.

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

		thousand euro	
	Nominal values	FV Adjustment	Fair value
Property, plant and equipment	70,774	-	70,774
Intangible fixed assets with a finite useful life	216,086	68,415	284,501
Equity-accounted investees	3,382	-	3,382
Other equity investments	5	-	5
Non-current trade receivables	1,250	-	1,250
Non-current financial assets	20,563	-	20,563
Other non-current assets	15,574	-	15,574
Deferred tax assets (liabilities)	35,116	(16,789)	18,327
Inventories	3,251	-	3,251
Current contract assets	83	-	83
Trade receivables	119,964	-	119,964
Current tax assets	2,381	-	2,381
Sundry assets and other current assets	45,468	-	45,468
Current financial assets	1,352	-	1,352
Cash and cash equivalents	23,112	-	23,112
Non-current financial liabilities	(89,265)	-	(89,265)
Employee benefits	(4,110)	-	(4,110)
Provisions for risks and charges	(21,135)	(11,050)	(32,185)
Sundry liabilities and other non-current liabilities	(77,645)	-	(77,645)
Current financial liabilities	(108,505)	-	(108,505)
Trade payables	(103,085)	-	(103,085)
Sundry liabilities and other current liabilities	(55,877)	-	(55,877)
Current tax liabilities	(3,803)	-	(3,803)
Non-controlling interests held in Group companies	(3,076)	-	(3,076)
Total net identifiable assets	91,860	40,576	132,436

Trade receivables include gross contractual amounts of 154,408 thousand euro, of which 33,194 thousand euro considered non-collectable at the date of acquisition.

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

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

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

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

The value of the assets of the integrated water service infrastructure was increased by 7,938 thousand euro in order to adjust it to the Residual Value (VR) prepared on the basis of an appraisal by an independent external technician, in line with the regulations and tools defined by ARERA. Assets are depreciated on the basis of the regulatory useful life of each category of non-current asset defined using the above method.

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

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

Tax assets deemed recoverable related to past losses accrued by EGEA Holding Group companies amount to 2,504 thousand euro.

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

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

For this acquisition, pending finalisation of the Purchase Price Allocation (PPA) to be completed in accordance with IFRS 3, the positive difference between the fair value of the fee and the fair value of the identifiable assets acquired and liabilities assumed was provisionally allocated to goodwill.

	thousand euro
Consideration transferred	95,000
Fair value of net identifiable assets	132,436
Non-controlling interests in net identifiable assets	(62,550)
Goodwill	25,114

The goodwill arising from the acquisition mainly refers to the skills and technical knowledge of the EGEA Holding Group's personnel and the synergies expected to be achieved from the integration of the acquired EGEA Holding Group companies with Iren Group. The goodwill recognised in the financial statements will be deductible for income tax purposes for 16,290 thousand euro as it relates to the acquisition of tax-relevant business units. The remaining 8,824 thousand euro will not be deductible for income tax purposes as it relates to the acquisition of fiscally irrelevant investments.

As at 30 June 2025, the accounting for this business combination was incomplete and, as allowed by IFRS 3, the fair value of the identifiable assets acquired, identifiable liabilities assumed and goodwill was recognised on a provisional basis. Since the acquisition accounting has only been determined provisionally, it has not yet been possible to specifically allocate goodwill to Cash Generating Units.

The differential between the consideration paid to MidCo for the acquisition of the residual investment in EGEA Holding (47.23%) in May 2025 and the carrying amount of the third-party holdings acquired was deducted from the Group's equity in the amount of 12,453 thousand euro.

RESTATEMENT OF AMOUNTS AT 30 JUNE 2024

The Group acquired control of the company Siena Ambiente at the beginning of 2024. For this acquisition, the final fair value of the identifiable assets acquired and liabilities assumed was determined at the end of 2024, reflecting the best knowledge gained in the interim. Therefore, in the condensed interim consolidated financial statements as at and for the six months ended 30 June 2024, the fair value had been recorded on a provisional basis as permitted by IFRS 3.

In accordance with the provisions of the standard, the update of the fair value occurred with effect from the date of acquisition (1 January 2024) and, therefore, all changes were made to the financial position of the company acquired at that date. The resulting balances in the condensed interim consolidated financial statements at 30 June 2024 have been restated to reflect the new amounts. The following are the changes that occurred with reference to the income statement and cash flows representation for the first half of 2024.

Income Statement

	thousand euro		
	First half 2024 Published	Restatement of the Fair Value of Siena Ambiente	First half of 2024 Restated
Revenue			
Revenue from goods and services	2,637,373		2,637,373
Other income	60,237		60,237
Total revenue	2,697,610	-	2,697,610
Operating expenses			
Raw materials, consumables, supplies and goods	(909,191)		(909,191)
Services and leased assets	(813,218)		(813,218)
Other operating expenses	(48,048)		(48,048)
Capitalised costs for internal work	27,546		27,546
Personnel expense	(318,944)		(318,944)
Total operating expenses	(2,061,855)	-	(2,061,855)
GROSS OPERATING PROFIT	635,755	-	635,755
Depreciation, amortisation, provisions and impairment losses			
Amortisation/Depreciation	(319,865)	(1,436)	(321,301)
Loss allowance	(34,224)		(34,224)
Other provisions and impairment losses	(1,053)		(1,053)
Total depreciation, amortisation, provisions and impairment losses	(355,142)	(1,436)	(356,578)
OPERATING PROFIT	280,613	(1,436)	279,177
Financial income and expense			
Financial income	26,908		26,908
Financial expenses	(69,953)		(69,953)
Net financial expense	(43,045)	-	(43,045)
Gains (losses) on equity investments	(1,243)	3,270	2,027
Share of profit of equity-accounted investees, net of tax effects	4,706		4,706
Pre-tax profit	241,031	1,834	242,865
Income taxes	(73,579)	418	(73,161)
Profit from continuing operations	167,452	2,252	169,704
Profit (loss) from discontinued operations	-		-
Profit for the period	167,452	2,252	169,704
attributable to:			
- owners of the parent	145,178	2,863	148,041
- non-controlling interests	22,274	(611)	21,663

Statement of Cash Flows

			thousand euro
	First half 2024 Published	Restatement of the Fair Value of Siena Ambiente	First half of 2024 Restated
A. Opening cash and cash equivalents	436,134		436,134
Cash flows from operating activities			
Profit for the period	167,452	2,252	169,704
Adjustments:			
Income taxes for the period	73,579	(418)	73,161
Share of profit (loss) of associates and joint ventures	(4,706)		(4,706)
Net financial expense (income)	43,045		43,045
Amortisation and depreciation	319,865	1,436	321,301
Net impairment losses (reversals of impairment losses) on assets	1,000	(3,270)	(2,270)
Loss allowance	34,224		34,224
Net provisions for risks and other charges	85,682		85,682
Net capital (gains) losses	758		758
Payment of employee benefits	(5,639)		(5,639)
Utilisations of provisions for risks and other charges	(29,640)		(29,640)
Change in other non-current assets	8,591		8,591
Change in other liabilities and other non-current liabilities	4,849		4,849
Taxes paid	-		-
Other changes in equity	94		94
Change in inventories	(14,413)		(14,413)
Change in contract assets	(49,671)		(49,671)
Change in trade receivables	89,441		89,441
Change in current tax assets and other current assets	242,821		242,821
Change in trade payables	(459,438)		(459,438)
Change in contract liabilities	(62,613)		(62,613)
Change in current tax liabilities and other current liabilities	66,739		66,739
Change in market exposure for commodity derivatives	(28,463)		(28,463)
B. Cash flows from operating activities	483,557	-	483,557
Cash flows from investing activities			
Investments in property, plant and equipment and intangible assets	(345,018)		(345,018)
Investments in financial assets	(178)		(178)
Sale of investments	1,761		1,761
Acquisition of subsidiaries net of cash acquired	9,352		9,352
Dividends collected	891		891
C. Cash flows used in investing activities	(333,192)		(333,192)
Cash flows from financing activities			
Dividends paid	(37,323)		(37,323)
New non-current loans	500,000		500,000
Repayment of non-current loans	(35,821)		(35,821)
Repayment of lease liabilities	(8,025)		(8,025)
Change in other financial liabilities	(18,529)		(18,529)
Change in loan assets	(372,700)		(372,700)
Interest paid	(52,111)		(52,111)
Interest received	7,106		7,106
D. Cash flows used in financing activities	(17,403)		(17,403)
E. Cash flows for the period (B+C+D)	132,962		132,962
F. Closing cash and cash equivalents (A+E)	569,096		569,096

V. Group Financial Risk Management

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

1. FINANCIAL RISKS

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

a) Liquidity risk

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

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

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

In this context, to support the Group's liquidity profile and rating level, in addition to current cash and cash equivalents, Iren has a total of 625 million euro, including medium/long-term financing lines subscribed and available but not used (425 million euro) and the committed Sustainability-Linked revolving credit facilities (RCF), subscribed in December 2023 with Unicredit and BPER (200 million euro).

The nominal cash flows expected for the repayment of financial liabilities to lenders and the contractual terms of existing loans are substantially unchanged from those reported in the Notes to the Consolidated Financial Statements at 31 December 2024 in paragraph "a) Liquidity Risk" of the "Group Financial Risk Management" section. Similarly, with regard to the liabilities relating to the application of IFRS 16 on leases, the expected cash flows shown in the situation at 31 December 2024 remain basically unchanged by shifting the analysis to the date of this document, taking into account the changes resulting from the consolidation of new entities.

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

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

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

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

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

Financial debt at the reporting date consisted of 26% loans and 74% bonds; it is also noted that:

- the fixed-rate portion is 73%, the hedged portion is 25% and the remaining variable portion is 2%;
- 89% of total debt is financed by sustainable funds, consistent with the Iren Sustainable Finance Framework, such as Green Bonds and loans whose interest rate is linked to ESG Key Performance Indicators - see also Note 21 "Non-current financial liabilities" of these Notes.

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

b) Currency risk

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

c) Interest rate risk

The Iren Group is exposed to fluctuations in interest rates, especially with regard to the borrowing costs. The Iren Group's strategy is to limit exposure to the risk of interest rate volatility, maintaining at the same time a low cost of funding. From a non-speculative view, the risks associated with the increase in interest rates are monitored and, if necessary, reduced or eliminated by *swap* and *collar* contracts with financial high credit *standing* counterparties, for the sole purpose of hedging. At the end of the period, all contracts entered into meet the requirement to limit exposure to interest rate risk and also meet the formal requirements for hedge accounting.

The fair value of the aforementioned interest rate hedging contracts as at 30 June 2025 concerns the positions of the Parent (positive for 3,556 thousand euro), TRM (negative for 7,604 thousand euro), Siena Ambiente (positive for 694 thousand euro) and EGEA New Energy (positive for 42 thousand euro).

The hedging contracts entered into, together with fixed-rate loans, hedge 98% of loans against interest rate risk, in line with Iren Group's target of maintaining adequate protection against significant increases in the interest rate.

In order to provide a complete understanding of the risks of interest rate fluctuations to which the Group is subjected annually at 31 December, a sensitivity analysis was conducted of net financial expense and valuation items of derivative financial contracts as a result of interest rate fluctuations.

2. CREDIT RISK

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

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

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

Furthermore, revolving without recourse are carried out with reference to trade receivables relating to invoices of retail customers who do not use direct debit for their payments.

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

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

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

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

The control of credit risks is also strengthened by the monitoring and reporting procedures, in order to identify promptly possible countermeasures. Furthermore, on a quarterly basis, a Group report is produced with the evolution of the trade receivables of the Group companies, in terms of customer type, contract status, business chain and ageing range. The

assessment of credit risk is carried out both at consolidated level and at the level of Business Units and companies. Some of the above assessments are carried out at intervals of less than three months or when there is a specific need.

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

The loss allowance reflects, carefully and in accordance with the current legislation (applying the IFRS 9 method), the effective credit risks, and is determined on the basis of the extraction from databases of the amounts making up the receivable and, in general, assessing any changes in the said risk compared to the initial measurement and, estimating the related expected credit losses determined on a prospective basis, taking into due consideration the historical data.

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

	thousand euro
Trade receivables	44,774
Total - loss allowances in the IS	44,774
Non-current financial assets	1
Total - Financial expense in the IS	1
Total	44,775

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

Lastly, with reference to credit concentration we can note the relations between the subsidiaries Iren Smart Solutions and AMIAT and the municipality of Turin. For further details, see in particular "Non-current financial assets" in the Notes to the statement of financial position.

3. ENERGY RISK

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

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

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

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

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

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

- Over the Counter (OTC) on commodities (commodity swaps on TTF, PSV, PFOR and PUN indices) totalling 5.1 TWh. The fair value of these instruments as at 30 June 2025 was positive overall by 284 thousand euro (depending on the different positions, of which 22,268 thousand euro of positive fair value and 21,984 thousand euro of negative fair value);
- on the regulated platform European Energy Exchange - EEX, on PUN for a total net notional equal to 3.0 TWh. The Fair Value of these instruments (the so-called The Fair Value of these instruments (the so-called "Variation Margin") as at 30 June 2025 is negative overall for 11,311 thousand euro, with daily settlement on a specific current account: these instruments are not in fact specifically valued in the financial statements as they are already expressed in terms of "higher/lower" liquidity.

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

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

Purchases of EUA take place either Spot (with immediate payment and physical delivery) or forward via Future/Forward (with deferred payment and physical delivery); in addition, they may be concluded either on the OTC market (bilateral contracts with third parties) or directly on the regulated EEX market. The annual domestic requirement to be covered is approximately 2.7 million CO₂ allowances/tonnes.

As at 30 June 2025, there were Future/Forward transactions:

- Over the Counter (OTC) for a total of 3,095 thousand tonnes. The Fair Value of these instruments totalled a negative 5,062 thousand euro;
- on the regulated platform European Energy Exchange - EEX for a total net notional equal to 1,153 thousand tonnes. The Fair Value of these instruments is negative overall for 288 thousand euro, with daily settlement on a specific current account: these instruments are not specifically measured in the financial statements as they are already expressed in terms of "higher/lower" liquidity.

At 30 June 2025, there were 20 Power Purchase Agreements in place with an average residual duration of three years and nine months and a total residual volume of 201 GWh.

RECOGNITION OF DERIVATIVES

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

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

Transactions recognised in compliance with hedge accounting rules

These transactions may include:

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

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

Transactions not recognised under hedge accounting

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

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

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

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

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

FAIR VALUE

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

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

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

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

Mortgages and bonds

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

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

Derivative hedging contracts (rate and commodities)

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

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

Put Options

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

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

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

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

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

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

thousand euro

thousand euro	Carrying amount				TOTAL
30.06.2025	Fair value of hedging instruments	Fair Value Through Profit & Loss	Financial assets measured at amortised cost	Other financial liabilities	
Financial assets measured at fair value					
Derivative hedging contracts (rate)	16,992				16,992
Derivative hedging contracts (commodities)	22,268				22,268
Assets for variable portion of transfer price OLT Offshore LNG Toscana		21,744			21,744
Other equity investments		9,008			9,008
Total Financial assets measured at fair value	39,260	30,752	-	-	70,012
Financial assets not measured at fair value					
Trade receivables			1,254,090		1,254,090
Loan assets			630,472		630,472
Sundry assets and other assets (*)			498,951		498,951
Cash and cash equivalents			200,114		200,114
Total Financial assets not measured at fair value	-	-	2,583,627	-	2,583,627
Financial liabilities measured at fair value					
Derivative hedging contracts (rate)	(20,304)				(20,304)
Derivative hedging contracts (commodities)	(27,046)				(27,046)
Put options		(7,280)			(7,280)
Total Financial liabilities measured at fair value	(47,350)	(7,280)	-	-	(54,630)
Financial liabilities not measured at fair value					
Bonds				(3,471,288)	(3,471,288)
Mortgages				(1,247,266)	(1,247,266)
Sundry financial liabilities (**)				(274,428)	(274,428)
Trade payables				(1,422,454)	(1,422,454)
Sundry liabilities and other liabilities (*)				(495,700)	(495,700)
Total Financial liabilities not measured at fair value	-	-	-	(6,911,136)	(6,911,136)
TOTAL	(8,090)	23,472	2,583,627	(6,911,136)	(4,312,127)

(*) Prepaid expenses and deferred income are excluded

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

thousand euro

Fair value

30.06.2025	Level 1	Level 2	Level 3	TOTAL
Financial assets measured at fair value				
Derivative hedging contracts (rate)		16,992		16,992
Derivative hedging contracts (commodities)		22,268		22,268
Assets for variable portion of transfer price OLT Offshore LNG Toscana			21,744	21,744
Other equity investments				-
Total Financial assets measured at fair value	-	39,260	21,744	61,004
Financial assets not measured at fair value				
Trade receivables				-
Loan assets				-
Sundry assets and other assets (*)				-
Cash and cash equivalents				-
Total Financial assets not measured at fair value	-	-	-	-
Financial liabilities measured at fair value				
Derivative hedging contracts (rate)		(20,304)		(20,304)
Derivative hedging contracts (commodities)		(27,046)		(27,046)
Put options		(6,989)	(291)	(7,280)
Total Financial liabilities measured at fair value	-	(54,339)	(291)	(54,630)
Financial liabilities not measured at fair value				
Bonds	(3,403,673)			(3,403,673)
Mortgages		(1,254,912)		(1,254,912)
Sundry financial liabilities (**)				-
Trade payables				-
Sundry liabilities and other liabilities (*)				-
Total Financial liabilities not measured at fair value	(3,403,673)	(1,254,912)	-	(4,658,585)
TOTAL	(3,403,673)	(1,269,991)	21,453	(4,652,211)

(*) Prepaid expenses and deferred income are excluded

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

The non-current portion of "Financial assets measured at fair value" includes at Level 3 the asset relating to the variable portion of the sale price of OLT Offshore LNG Toscana, amounting to 21,744 thousand euro as at 30 June 2025, the fair value of which is determined on the basis of the application of the price formula provided for in the contract, taking into account the expected profitability of the company and the discount rate inferred from its financial statements. In this regard, a sensitivity on the fair value of this item is reported, expressing the change in it when the expected profitability and discount rate increase/decrease by one percentage point.

	+1%	-1%
Profitability (flows)	972	(972)
Discount rate	(695)	728

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

thousand euro

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

(*) Prepaid expenses and deferred income are excluded

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

thousand euro

Fair value

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

VI. Information on transactions with related parties

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

Transactions with owners

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

Through Iren Smart Solutions, the Group operates services awarded by the municipality of Turin, i.e. public street lighting and traffic light services, management of heating and electrical systems of buildings used as administrative offices or to provide services to the community. The services rendered by Iren Smart Solutions are governed by specific long-term agreements. In this context, in 2022, an agreement was signed between the Municipality of Turin and Iren Smart Solutions for the plant and building upgrading aimed at improving the energy efficiency of 800 buildings in the Municipality of Turin, which is added to the work carried out in recent years on the city's public lighting systems and the heating systems of numerous municipal-owned buildings.

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

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

Iren Acqua, IRETI, and Iren Acqua Piacenza provide water services to the municipalities of Genoa, Parma, and Piacenza, respectively, through supply contracts similar to those in place with their general customers.

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

Again in the context of the sector, for the Municipality of Turin the waste management and snow clearing services, and post-operative management of the "Basse di Stura" landfill site are provided by AMIAT in accordance with the Service Contract in being. In this regard, an onerous current account contract is in place between the Municipality of Turin and AMIAT for management of the past-due amounts related to the above activities.

Transactions with associates

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

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

Transactions with other related parties

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

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

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

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

Quantitative information on transactions with related parties is provided in section "XIII. Annexes to the "Condensed Interim Consolidated Financial Statements", considered an integral part of these notes.

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

Transactions that consist of assigning remunerations and economic benefits, in any form, to members of the administration and control bodies of Iren and Key Management Personnel of the Group are also subject to the provisions of the RPT Procedure.

Disclosure pursuant to Art. 5.8 and 5.9 CONSOB Regulation

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

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

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

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

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

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

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

Finally, during the first half of 2025, the Committee:

- received a report on the changes made to the list of Senior Executives with Strategic Responsibilities of Iren Group, with particular regard to the person who took on the position of Director of Information Technologies and Systems of Iren S.p.A., as well as formulated the relevant proposal, with reference to the progressive remuneration adjustments envisaged for said subject; given the coherence with the remuneration policy approved by the competent bodies, a hypothesis of exclusion from the application of the RPT Procedure as set forth in paragraph 6, letter (f) of the Procedure and Article 13, paragraph 3, letter b), nos. (i), (ii) and (iv) of the Consob Regulation on Related Party Transactions;
- examined the rescheduling of the economic-contractual conditions of the executive employment relationship between the Company and, respectively, Luca Dal Fabbro, Moris Ferretti and Gianluca Bufo (consequent to the renewal of the Board of Directors’ mandate by the Shareholders’ Meeting of 24 April); also in this case, given the consistency with the

remuneration policy approved by the competent bodies, a hypothesis of exclusion from the application of the RPT Procedure was configured, as set forth in paragraph 6, letter (f) of the Procedure and Article 13, paragraph 3, letter b), nos. (i), (ii) and (iv) of the Consob Regulation on Related Party Transactions.

The grounds for exclusion from the application of the RPT Procedure set out in paragraph 6, lett. (b) and (d) of the Procedure itself also for the presentation by the Committee of the proposal for (i) the remuneration for participating in the Committees established within the Board of Directors of the Company for the 2025-2027 period (Remuneration and Appointments Committee; Control, Risk and Sustainability Committee; Related Party Transaction Committee); (ii) the additional remuneration for the role of Lead Independent Director of Iren S.p.A.

VII. Significant events after the reporting date

Renewal of the EMTN Programme

Iren renewed its EMTN (Euro Medium Term Notes) Programme, which is used to issue bonds, increasing the maximum amount from 4 to 5 billion euro.

On 23 July 2025, the Prospectus relating to the Programme was approved by CONSOB for the first time and obtained a judgement of admissibility for listing on the Electronic Bond Market (MOT) by Borsa Italiana.

The Programme was rated “BBB” by the rating agencies Fitch Ratings and S&P Global Ratings.

VIII. Other information

Significant non-recurring events and transactions

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

Positions or transactions deriving from atypical and/or unusual operations

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

IX. Notes to the statement of financial position

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

ASSETS

NON-CURRENT ASSETS

NOTE 1_PROPERTY, PLANT AND EQUIPMENT

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

	thousand euro					
	Cost at 30/06/2025	Accumulated depreciation at 30/06/2025	Carrying amount at 30/06/2025	Cost at 31/12/2024	Accumulated depreciation at 31/12/2024	Carrying amount at 31/12/2024
Land	180,166	(10,394)	169,772	174,213	(10,165)	164,048
Buildings	1,118,437	(440,184)	678,253	1,023,999	(413,814)	610,185
Plant and machinery	7,101,036	(3,902,668)	3,198,368	6,953,671	(3,729,896)	3,223,775
Industrial and commercial equipment	318,072	(199,014)	119,058	299,090	(185,184)	113,906
Other assets	505,963	(332,480)	173,483	484,884	(311,552)	173,332
Assets under construction and payments on account	211,591	-	211,591	231,109	-	231,109
Total	9,435,265	(4,884,740)	4,550,525	9,166,966	(4,650,611)	4,516,355

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

	31/12/2024	Increases	Decreases	Changes in consolidation scope	Reclassifications	30/06/2025
Land	174,213	1,058	(321)	5,188	28	180,166
Buildings	1,023,999	9,234	(861)	19,945	66,120	1,118,437
Plant and machinery	6,953,671	65,829	(1,722)	69,302	13,956	7,101,036
Industrial and commercial equipment	299,090	10,305	(3,345)	6,885	5,137	318,072
Other assets	484,884	11,954	(11,270)	17,169	3,226	505,963
Assets under construction and payments on account	231,109	74,716	(185)	1,262	(95,311)	211,591
Total	9,166,966	173,096	(17,704)	119,751	(6,844)	9,435,265

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

	31/12/2024	Depreciation for the period	Decreases	Changes in consolidation scope	Reclassifica- tions	thousand euro 30/06/2025
Land	(10,165)	(422)	193	-	-	(10,394)
Buildings	(413,814)	(20,236)	551	(5,809)	(876)	(440,184)
Plant and machinery	(3,729,896)	(143,245)	1,196	(31,454)	731	(3,902,668)
Industrial and commercial equipment	(185,184)	(12,080)	2,912	(4,659)	(3)	(199,014)
Other assets	(311,552)	(24,818)	10,950	(7,055)	(5)	(332,480)
Total	(4,650,611)	(200,801)	15,802	(48,977)	(153)	(4,884,740)

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

The balance of the "reclassifications" column refers mainly to net transfers from property, plant and equipment to intangible assets of items that fall within the scope of application of IFRIC 12.

Land and buildings

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

Plant and machinery

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

Industrial and commercial equipment

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

Other assets

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

Assets under construction and payments on account

The item Assets under construction includes all the charges incurred for investments in progress and not yet in operation. This mainly refers to photovoltaic parks (42,430 thousand euro), the extension of the district heating transport network (21,897 thousand euro), thermoelectric production plants (15,631 thousand euro), hydroelectric production plants (9,889 thousand euro), the electricity distribution and metering network (44,134 thousand euro), the gas distribution and metering network not under concession (2,283 thousand euro), energy efficiency (11,224 thousand euro) and waste collection and disposal (52,069 thousand euro).

Increases

The increases in the period, of 173,096 thousand euro, mainly refer to:

- investments in thermoelectric and hydroelectric plants and photovoltaic plants for 30,874 thousand euro;
- development of the district-heating network and new connections to the network, including heat exchange substations, meters and remote reading appliances, for 15,727 thousand euro;
- investments in the electricity distribution grids, including primary substations, of 52,665 thousand euro;
- investments in the gas networks not in a concession arrangement in accordance with the provisions of IFRIC 12 of 6,412 thousand euro;
- investments for collection and disposal in the waste management sector for 44,757 thousand euro;
- investments in corporate, e-mobility and energy efficiency activities for 17,792 thousand euro.

Depreciation

Ordinary depreciation for the first half of 2025, totalling 200,801 thousand euro, was calculated on the basis of the rates indicated in section "IV. Accounting standards and measurement criteria" of 2024 annual financial statements and considered representative of the residual useful life of the assets.

Finally, no assets are pledged against liabilities.

Right-of-use assets - IFRS 16

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

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

	thousand euro					
	Cost as at 30/06/2025	Accumulated depreciation at 30/06/2025	Carrying amount at 30/06/2025	Cost at 31/12/2024	Accumulated depreciation at 31/12/2024	Carrying amount at 31/12/2024
Land	12,220	(4,337)	7,883	12,502	(4,108)	8,394
Buildings	59,986	(22,580)	37,406	57,469	(19,366)	38,103
Plant and machinery	11,637	(3,142)	8,495	3,824	(1,569)	2,255
Industrial and commercial equipment	1,340	(344)	996	1,408	(245)	1,163
Other assets	37,307	(16,793)	20,514	36,567	(15,553)	21,014
Total	122,490	(47,196)	75,294	111,770	(40,841)	70,929

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

	thousand euro				
	31/12/2024	Increases	Decreases	Changes in consolidation scope	30/06/2025
Land	12,502	29	(311)	-	12,220
Buildings	57,469	3,081	(564)	-	59,986
Plant and machinery	3,824	-	-	7,813	11,637
Industrial and commercial equipment	1,408	-	(68)	-	1,340
Other assets	36,567	1,173	(3,633)	3,200	37,307
Total	111,770	4,283	(4,576)	11,013	122,490

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

	thousand euro			
	31/12/2024	Depreciation of the period	Decreases	30/06/2025
Land	(4,108)	(423)	194	(4,337)
Buildings	(19,366)	(3,699)	485	(22,580)
Plant and machinery	(1,569)	(1,573)	-	(3,142)
Industrial and commercial equipment	(245)	(99)	-	(344)
Other assets	(15,553)	(4,794)	3,554	(16,793)
Total	(40,841)	(10,588)	4,233	(47,196)

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

NOTE 2_INVESTMENT PROPERTY

The following table highlights the breakdown of the item:

	Cost at 30/06/2025	Accumulated depreciation at 30/06/2025	Carrying amount at 30/06/2025	Cost at 31/12/2024	Accumulated depreciation at 31/12/2024	Carrying amount at 31/12/2024
Land	565	-	565	565	-	565
Buildings	3,462	(2,081)	1,381	3,462	(2,053)	1,409
Total	4,027	(2,081)	1,946	4,027	(2,053)	1,974

thousand euro

This item consists mainly of properties whose fair value is not lower than their carrying amount.

NOTE 3_ INTANGIBLE ASSETS WITH A FINITE USEFUL LIFE

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

	Cost at 30/06/2025	Accumulated amortisation at 30/06/2025	Carrying amount at 30/06/2025	Cost at 31/12/2024	Accumulated amortisation at 31/12/2024	Carrying amount at 31/12/2024
Development expenditure	37,471	(24,369)	13,102	35,721	(21,337)	14,384
Industrial patents and intellectual property rights	494,757	(328,767)	165,990	450,046	(296,605)	153,441
Concessions, licences, trademarks and similar rights	4,815,098	(2,004,999)	2,810,099	4,409,634	(1,846,094)	2,563,540
Other intangible assets	958,025	(547,638)	410,387	862,560	(486,353)	376,207
Assets under development and payments on account	306,643	-	306,643	249,951	-	249,951
Total	6,611,994	(2,905,773)	3,706,221	6,007,912	(2,650,389)	3,357,523

thousand euro

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

	31/12/2024	Increases	Decreases	Changes in consolidation scope	Reclassifica- tions	30/06/2025
Development expenditure	35,721	1,341	-	409	-	37,471
Industrial patents and intellectual property rights	450,046	36,819	-	2,031	5,861	494,757
Concessions, licences, trademarks and similar rights	4,409,634	71,048	(2,525)	320,439	16,502	4,815,098
Other intangible assets	862,560	35,278	(579)	60,766	-	958,025
Assets under development and payments on account	249,951	79,466	(154)	9,628	(32,248)	306,643
Total	6,007,912	223,952	(3,258)	393,273	(9,885)	6,611,994

thousand euro

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

	31/12/2024	Amortisation for the period	Decreases	Changes in consolidation scope	Reclassifica- tions	thousand euro 30/06/2025
Accumulated amortisation of development expenditure	(21,337)	(2,623)	-	(409)	-	(24,369)
Accumulated amortisation of ind. patents and intellectual property use rights	(296,605)	(30,603)	-	(1,559)	-	(328,767)
Accumulated amortisation of concessions, licences, trademarks and similar rights	(1,846,094)	(69,370)	1,845	(91,533)	153	(2,004,999)
Accumulated amortisation of other intangible assets	(486,353)	(46,584)	570	(15,271)	-	(547,638)
Total	(2,650,389)	(149,180)	2,415	(108,772)	153	(2,905,773)

The column "Changes in consolidation scope" refers to the assets acquired during the half-year of the EGEA Holding Group companies. The balance in the 'Reclassifications' column mainly refers to the net transfers from property, plant and equipment to intangible assets of assets falling within the scope of IFRIC 12 and to the reclassification in the item Assets held for sale of the assets related to the Integrated Water Service business unit of some municipalities in the province of Imperia, sold at the beginning of July 2025. The increases in other intangible assets mainly refer to the capitalisation of costs for the commercial development of customers. The carrying amount of other intangible assets at the end of the year includes 173,602 thousand euro in assets recognised in relation to costs incurred for the commercial development of customers.

Industrial patents and intellectual property rights

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

Concessions, licences, trademarks and similar rights. This item consists mainly of:

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

Other intangible assets

This item consists mainly of:

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

Assets under development and payments on account

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

NOTE 4_GOODWILL

Goodwill, of 272,387 thousand euro (247,273 thousand euro at 31 December 2024), in the first half of 2025 showed an increase of 25,114 thousand euro following the acquisition of control (business combinations) of the EGEA Holding Group in January 2025.

As at 30 June 2025, the accounting for the business combination of the EGEA Holding Group was incomplete and, as allowed by IFRS 3, the fair value of the identifiable assets acquired, identifiable liabilities assumed and goodwill was recognised on a provisional basis.

Since the acquisition accounting has only been determined provisionally, it has not yet been possible to allocate goodwill to the individual Cash Generating Units.

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

The table below shows the allocation of goodwill to the Cash Generating Units.

	31/12/2024	Increases Business Combinations	thousand euro 30/06/2025
Waste Management	28,792		28,792
Electricity distribution	67,631	-	67,631
Gas distribution	1,638	-	1,638
Integrated Water Service	44,405	-	44,405
Power and Heat Generation	7,331	-	7,331
Photovoltaic and Wind Generation	31,411	-	31,411
Market	66,065	-	66,065
Total goodwill allocated to CGU	247,273	-	247,273
Interim goodwill not allocated to CGU (EGEA Holding Group acquisition)	-	25,114	25,114
Total	247,273	25,114	272,387

Waste Management Cash Generating Unit

Goodwill of 28,792 thousand euro refers mainly to the:

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

Electricity Distribution Cash Generating Unit

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

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

Gas Distribution Cash Generating Unit

Goodwill of 1,638 thousand euro refers to the acquisition of control of Busseto Servizi in January 2019.

Integrated Water Service Cash Generating Unit

Goodwill of 44,405 thousand euro refers mainly to the:

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

Power and Heat Generation Cash Generating Unit

Goodwill of 7,331 thousand euro refers mainly to the:

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

Photovoltaic and Wind Cash Generating Unit

Goodwill of 31,411 thousand euro refers mainly to the:

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

Market Cash Generating Unit

Goodwill, of 66,065 thousand euro refers mainly to the:

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

As mentioned in section I "Basis of presentation" of this report, during the first half of 2025, in accordance with IAS 36, the Group verified the non-existence of specific impairment triggers with particular reference to goodwill. This review took into consideration the discount rate trend (WACC) recorded during the first half of 2025 and the comparison of electricity and gas prices recorded during the first half of 2025 with the forecast prices used in the impairment exercise as at 31 December 2024.

Based on the verifications performed, there was no indication that the assets recognised in the condensed interim consolidated financial statements as at and for the six months ended 30 June 2025 were impaired, and therefore no impairment test was performed at the end of the period.

NOTE 5_EQUITY-ACCOUNTED INVESTMENTS

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

The list of the Group's equity-accounted investments at 30 June 2025 is annexed.

The item amounted to a total of 203,859 thousand euro (282,462 thousand euro as at 31 December 2024). Changes for the year are shown in the following tables:

Equity investments in joint ventures

	31/12/2024	Increases (Decreases)	Changes in consolidation scope	Changes in profit or loss	Changes in Equity	Dividend distribution	thousand euro 30/06/2025
Acque Potabili	8,175	-	-	151	-	-	8,326
Acqui Rete Gas	-	-	229	-	-	-	229
EGEA Holding	85,320	-	(85,000)	(320)	-	-	-
Enerbrain	-	870	-	-	-	-	870
Nuova Sirio	81	(61)	-	(20)	-	-	-
Vaserie Energia	862	-	-	209	-	(100)	971
TOTAL	94,438	809	(84,771)	20	-	(100)	10,396

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

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

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

Equity investments in associates

thousand euro

	31/12/2024	Increases (Decreases)	Changes in consolidation scope	Changes in profit or loss	Changes in Equity	Dividend distribution	30/06/2025
3A	-	-	35	-	-	-	35
A2A Alfa	-	-	-	-	-	-	-
Acos	16,066	-	-	464	-	-	16,530
Acos Energia	1,243	-	-	300	-	(475)	1,068
AETA	-	-	10	-	-	-	10
Agrinord Energia	-	-	142	-	-	-	142
Aguas de San Pedro	23,003	-	-	1,790	(3,362)	(666)	20,765
Aiga	-	-	-	-	-	-	-
Amat	-	-	-	-	-	-	-
Arca	40	-	-	38	-	-	78
Arienes	21	-	-	-	-	-	21
Asa	45,586	-	-	2,449	(86)	-	47,949
Asa scpa	1,197	-	-	-	-	-	1,197
Astea	25,095	-	-	-	-	-	25,095
Asti Servizi Pubblici	20,932	-	-	985	-	(557)	21,360
Barricalla	14,654	-	-	29	-	-	14,683
BI Energia	166	-	-	(23)	-	-	143
Calore Verde	-	-	332	-	-	-	332
Centro Corsi	20	-	-	2	-	-	22
CSA	363	-	-	(8)	-	-	355
CSAI	1,668	-	-	157	-	-	1,825
E.G.U.A.	682	-	-	147	-	-	829
Etambiente	-	-	2,003	-	-	-	2,003
Fingas	-	-	-	-	-	-	-
Fratello Sole Energie Solidali	240	-	-	7	-	-	247
G.A.I.A.	14,928	-	-	10	-	-	14,938
Iniziative Ambientali	48	-	-	383	-	-	431
OMI Rinnovabili	4	-	-	-	-	-	4
Rimateria	-	-	-	-	-	-	-
SETA	13,164	-	-	1,248	-	(789)	13,623
Sistema Ambiente	3,135	-	-	227	-	-	3,362
STU Reggiane	5,769	-	-	16	-	-	5,785
Tanaro Servizi Acque	-	-	145	-	-	-	145
Tirana Acque	-	-	-	-	-	-	-
Valenza Rete Gas	-	-	486	-	-	-	486
TOTAL	188,024	-	3,153	8,221	(3,448)	(2,487)	193,463

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

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

NOTE 6_OTHER EQUITY INVESTMENTS

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

The list of other Group equity investments as at 30 June 2025 is provided in the annex.

The breakdown of this item is as follows:

	31/12/2024	Changes in consolidation scope	Increases	Revaluations	thousand euro 30/06/2025
AISA Impianti	992	-	-	-	992
Autostrade Centro Padane	881	-	-	-	881
CIDIU Servizi	2,655	-	-	-	2,655
Environment Park	1,243	-	-	-	1,243
Tech4Planet	2,011	-	82	-	2,093
Others	941	5	198	-	1,144
TOTAL	8,723	5	280	-	9,008

NOTE 7_NON-CURRENT CONTRACT ASSETS

Non-current contract assets, net of the related provision for impairment, total 325,258 thousand euro (300,238 thousand euro at 31 December 2024) and refer to:

- assets of the integrated water service for tariff adjustments and for lower volumes supplied with respect to the constraint of revenue due to the operator; the current tariff method provides generally (unless the fee growth limit is reached) for their recovery through fees after two years (304,901 thousand euro as at 30 June 2025, 280,760 thousand euro as at 31 December 2024);
- assets of the electricity transmission, distribution, and metering services deriving from the rules issued in AEEGSI Resolution no. 654/2015 on the subject of tariff regulation for the period 2016-2023 which entailed the recognition of revenue from electricity transport and of the related assets (19,826 thousand euro as at 30 June 2025, 18,947 thousand euro as at 31 December 2024) which will be recovered starting from 2026 until 2030;
- waste management service assets for tariff adjustments relating to activities already carried out that may be invoiced more than twelve months after the reporting date (531 thousand euro as at 30 June 2025, unchanged compared to 31 December 2024).

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

	thousand euro 30/06/2025	31/12/2024
Non-current contract assets	325,258	300,238
Current contract assets	92,335	69,291
Current contract liabilities	(2,913)	(88,983)
Total	414,680	280,546

NOTE 8_NON-CURRENT TRADE RECEIVABLES

Receivables, which are affected by discounting, amounted to 44,975 thousand euro (33,840 thousand euro at 31 December 2024) and mainly refer to receivables from the Municipality of Turin for the waste management service and the technological renewal and efficiency upgrading of the heating systems at some municipal buildings (28,035 thousand euro at 30 June 2025, 27,850 thousand euro at 31 December 2024). For more information on the overall position of Iren Group in relation to the Municipality of Turin please see Note 9 "Non-current financial assets".

NOTE 9_NON-CURRENT FINANCIAL ASSETS

The item of 137,434 thousand euro (124,756 thousand euro at 31 December 2024) mainly consists of loan assets and derivatives with positive fair value. These are detailed in the following table.

	thousand euro	
	30/06/2025	31/12/2024
Non-current loan assets with associates	5,844	5,844
Non-current loan assets with owners	31,888	31,951
Non-current loan assets with others	59,649	42,634
Fair value of derivatives – non-current portion	17,451	22,358
Securities other than equity investments	858	225
Other financial assets	21,744	21,744
Total	137,434	124,756

Non-current loan assets with associates

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

Non-current loan assets with owners

Amounting to 31,888 thousand euro (31,951 thousand euro as at 31 December 2024), these refer to amounts due from the Municipality of Turin, and relate to:

- the application of the financial asset model provided for in IFRIC 12 to the energy efficiency project ("Torino LED") associated with the Public Lighting service performed under concession by Iren Smart Solutions in the city of Turin, for the non-current portion (31,783 thousand euro). Recognition of the discounted financial asset is a result of the vesting of the current unconditional right to receive the contractually-agreed cash flows, which coincided with completion of the installation of the related LED devices.
- the non-current portion of the amount related to the current account which governs transactions between the subsidiaries AMIAT, Iren Smart Solutions, and the municipality of Turin (106 thousand euro). The current account agreement runs until 31 December 2036 and the interest accruing on the balance is calculated based on the actual average cost incurred by Iren Group for its financial exposure.

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

These receivables form part of an overall position, totalling 85,698 thousand euro, and are divided among various accounting items according to their classification by type and expiry date: Non-current trade receivables (Note 8), Non-current financial assets (this Note 9), Trade receivables (Note 14) and Current financial assets (Note 17), as shown in the table presented below.

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

thousand euro

	30/06/2025	31/12/2024
Non-current trade receivables	28,035	27,850
Trade receivables for services on invoices issued	1,413	36,815
Trade receivables for services on invoices to be issued	18,978	15,818
Trade receivables for heat and other supplies	12	15
Loss allowance of trade receivables	(44)	(47)
Total current trade receivables	20,359	52,601
Non-current portion of current account assets	106	167
Non-current portion of service concession financial assets	31,986	31,986
Loss allowance non-current financial assets	(203)	(202)
Total non-current financial assets	31,889	31,951
Current portion of current account assets	61	-
Current portion of accrued interest income	13	11
Current portion of financial receivables for services in concession	5,343	4,068
Loss allowance current financial assets	(2)	(2)
Total current financial assets	5,415	4,077
Total	85,698	116,479

Non-current financial assets with others

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

Fair value of derivatives – non-current portion

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

Securities other than equity investments

These amounted to 858 thousand euro (225 thousand euro at 31 December 2024) and relate to securities given as collateral and measured at amortised cost.

Other financial assets

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

NOTE 10_OTHER NON-CURRENT ASSETS

These are as follows:

thousand euro

	30/06/2025	31/12/2024
Security deposits	9,573	7,836
Tax assets after 12 months	72,400	95,214
Other non-current assets	31,670	24,512
Non-current accrued income and prepaid expenses	4,017	4,106
Total	117,660	131,668

Tax assets after 12 months refer mainly to deductions on work done in order to improve the energy efficiency of buildings (ecobonus) and to VAT assets for which claims for refund have been made. Tax assets for deductions on work carried out

to improve the energy efficiency of buildings (ecobonus) classified as non-current will be used by the Group to offset taxes due for the next five years.

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

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

NOTE 11_DEFERRED TAX ASSETS

They amounted to 414,155 thousand euro (389,533 thousand euro at 31 December 2024) and refer to deferred tax assets arising from income components deductible in future years.

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

CURRENT ASSETS

NOTE 12_INVENTORIES

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

	thousand euro	
	30/06/2025	31/12/2024
Gas storage	1,775	11,690
Consumables and spare parts	78,890	81,956
Provision for inventory write-down	(8,242)	(9,613)
Net book value	72,423	84,033

The change in gas storage follows the reduction in existing stocks as of 30 June 2025 compared to 31 December 2024.

The provision for inventory write-down was set aside and is used to take into consideration inventories that are technically obsolete and slow-moving.

At 30 June 2025 no inventories were pledged against liabilities.

NOTE 13_CURRENT CONTRACT ASSETS

Current contract assets amounted to 92,335 thousand euro (69,291 thousand euro at 31 December 2024) and mainly related to activities performed to improve the energy efficiency of buildings.

NOTE 14_TRADE RECEIVABLES

These are as follows:

	thousand euro	
	30/06/2025	31/12/2024
Trade receivables from customers	1,475,319	1,597,034
Trade receivables from joint ventures	224	24,633
Trade receivables from associates	24,460	50,964
Trade receivables from owners	33,104	64,500
Trade receivables from other related parties	4,964	7,591
Total gross trade receivables	1,538,071	1,744,722
Loss allowance	(328,956)	(302,268)
Total	1,209,115	1,442,454

At 30 June 2025, there are factoring transactions with derecognition of the receivable for a total of 44,694 thousand euro while it amounted to 10,522 thousand euro as at 31 December 2024.

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

	Gross trade receivables	Loss allowance	Average loss percentage
Not past due	852,170	(41,404)	4.9%
Past due from 0 to 3 months	248,213	(32,403)	13.1%
Past due from 3 to 12 months	157,031	(69,848)	44.5%
Past due for more than 12 months	280,657	(185,301)	66.0%
Total	1,538,071	(328,956)	

Receivables not past due include receivables for invoices to be issued of 489,257 thousand euro (863,449 thousand euro at 31 December 2024) which include the estimate of revenue earned for services supplied between the date of the last reading of effective consumption and the period-end date.

Receivables from customers

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

Receivables from Associates and Joint Ventures

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

Receivables from owners

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

Receivables from other related parties

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

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

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

	Networks	Waste Management	Energy	Market	Other services	Total
Not past due	203,744	249,094	169,037	229,900	395	852,170
Past due from 0 to 3 months	29,825	40,521	13,223	164,599	45	248,213
Past due from 3 to 12 months	30,846	21,445	6,307	98,397	36	157,031
Past due for more than 12 months	66,992	30,677	9,488	172,836	664	280,657
Total gross trade receivables	331,407	341,737	198,055	665,732	1,140	1,538,071

Loss allowance

The table below shows the changes in the loss allowance:

	31/12/2024	Increases	Decreases	Changes in consolidation scope	thousand euro 30/06/2025
Loss allowance	302,268	44,774	(52,122)	34,036	328,956

The increase in the period was recognised to adjust the loss allowance to the amount of expected losses on the basis of the simplified approach provided for by IFRS 9, where "loss" means the present value of all future net cash flows, adjusted to take into account forward looking information. The decreases in the period refer mostly to utilisations to fully impair non-collectable amounts.

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

	Networks	Waste Management	Energy	Market	Other services	thousand euro Total
Not past due	(11,441)	(24,824)	(1,164)	(3,931)	(44)	(41,404)
Past due from 0 to 3 months	(5,546)	(3,241)	(2,152)	(21,456)	(8)	(32,403)
Past due from 3 to 12 months	(12,794)	(6,190)	(971)	(49,891)	(2)	(69,848)
Past due for more than 12 months	(57,559)	(27,041)	(9,488)	(90,549)	(664)	(185,301)
loss allowance	(87,340)	(61,296)	(13,775)	(165,827)	(718)	(328,956)

NOTE 15_CURRENT TAX ASSETS

These amounted to 19,573 thousand euro (14,474 thousand euro at 31 December 2024) and include amounts due from the tax authority for IRES and IRAP.

NOTE 16_SUNDRY ASSETS AND OTHER CURRENT ASSETS

These are as follows:

	thousand euro 30/06/2025	31/12/2024
Government land tax /UTIF	2,197	5,637
VAT assets	45,496	35,193
Other tax assets	110,409	66,109
Tax assets within 12 months	158,102	106,939
Cassa Servizi Energetici e Ambientali (CSEA)	85,420	49,451
Green certificates	16,337	12,933
Advances to suppliers	22,932	23,263
Other current assets	102,456	88,848
Other current assets	227,145	174,495
Accrued income and prepaid expenses	54,441	17,283
Total	439,688	298,717

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

Other tax assets include 90,308 thousand euro for deductions on work carried out to improve the energy efficiency of buildings (ecobonus). Beginning in 2021, part of these assets are recognised under current assets, as the business model

calls for the financial asset to be realised through transfers to financial intermediaries. The increase of 140,971 thousand euro compared to 31 December 2024 is attributable to assets accrued for work carried out during the first half of 2025.

In September 2019, Iren exercised the option for establishment of Group VAT to which the Revenue Agency attributed a new VAT number with effect from 1 January 2020.

The companies that take part in the VAT Group as at 30 June 2025, in addition to the Parent Iren S.p.A., are as follows: Iren Energia S.p.A., IReti S.p.A., Iren Mercato S.p.A., Iren Ambiente S.p.A., Amiat S.p.A, Iren Smart Solutions S.p.A., Iren Acqua Tigullio S.p.A., Iren Acqua S.p.A., Iren Acqua Reggio S.r.l, Iren Laboratori S.p.A., Bonifica Autocisterne S.r.l., ASM Vercelli S.p.A., Atena Trading S.r.l, Acam Ambiente S.p.A., Acam Acque S.p.A., ReCos S.p.A., Alfa Solutions S.p.A., TRM S.p.A, San Germano S.p.A., Maira S.p.A., Formaira S.r.l., Territorio e Risorse S.r.l., Rigenera Materiali S.r.l., Re.Mat S.r.l, Bonifiche Servizi Ambientali S.r.l., Uniproject S.r.l., Manduriambiente S.p.A., Iren Ambiente Toscana S.p.A., Futura S.p.A., I Blu S.r.l., Iren Ambiente Parma S.r.l., Iren Ambiente Piacenza S.r.l., Asti Energia e Calore S.p.A, IReti Gas S.p.A., Sei Toscana S.p.A., Valdarno Ambiente S.r.l., Iren Green Generation Tech S.p.A., Valle Dora S.r.l., Dogliani Energia S.r.l., Alegas S.r.l., Ekovision S.r.l., Limes 20 S.r.l., Limes 1 S.r.l., Limes 2 S.r.l., Acquaenna S.c.p.A., Iren Acqua Piacenza S.r.l., Semia Green S.r.l., Agrovoltaiica S.r.l., CRCM. S.r.l..

Amounts due from the Cassa Servizi Energetici e Ambientali (CSEA – the Energy and Environmental Services Fund) refer to Energy Efficiency Certificates for 28,742 thousand Euros (24,507 thousand Euros at 31 December 2024). It should be noted that a portion of amounts due from Cassa Servizi Energetici e Ambientali may not be due within the following 12 months.

NOTE 17_CURRENT FINANCIAL ASSETS

These are as follows:

	thousand euro	
	30/06/2025	31/12/2024
Loan assets with joint ventures	2,100	240
Loan assets with associates	4,727	3,931
Loan assets with owners	5,415	4,077
Loan assets with others	519,991	533,159
Current portion of derivative financial instruments	21,809	39,239
Total	554,042	580,646

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

Loan assets with joint ventures

The item refers to loans to the company Nuova Sirio.

Loan assets with associates

The item mainly refers to loans to Agrinord Energia (634 thousand euro), Bio Metano Cella Dati (572 thousand euro) and STU Reggiane (522 thousand euro). The remainder relates mainly to dividends to be collected.

For further details, please see the schedule of related party transactions shown in the annex.

Loan assets with owners

These regard amounts due from the municipality of Turin, on which interest accrues in favour of the Group, and amounted to 5,415 thousand euro (4,077 thousand euro as at 31 December 2024), and are related to the relationship between the subsidiary Iren Smart Solutions and the municipality of Turin.

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

Loan assets with others

This item refers for 451,900 thousand euro to deposits on which interest accrues in July and September 2025. These instruments were finalised with banking counterparties and stipulated mainly following the collections relating to the bond issues in September 2024 and January 2025.

The item also contains the deposits paid as security for transactions on commodities futures markets (5,121 thousand euro), and restricted current accounts of the subsidiary TRM S.p.A., deriving from the loan agreement that provides for the linking of amounts to service the instalment due, environmental compensation charges and extraordinary maintenance of the waste-to-energy plant (33,824 thousand euro). The remaining balance consists of assets arising from the implementation of the financial asset model provided by IFRIC 12 for the water purification service acquired in the Marche region, accrued income and deferred charges of a financial nature and right-of-use assets.

Current portion of derivative financial instruments

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

NOTE 18_CASH AND CASH EQUIVALENTS

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

	thousand euro	
	30/06/2025	31/12/2024
Bank and postal deposits	199,864	326,280
Cash and similar on hand	250	288
Total	200,114	326,568

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

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

NOTE 19_ASSETS HELD FOR SALE

Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. They amounted to 12,929 thousand euro (790 thousand euro at 31 December 2024). This item relates:

- for 12,139 thousand euro to assets related to the Integrated Water Service of some municipalities in the province of Imperia, the sale of which will be finalised on 1 July 2025; in particular, they refer to intangible assets for 8,332 thousand euro, VRG receivables for 3,717 thousand euro and inventories for 90 thousand euro;
- for 632 thousand euro (unchanged from 31 December 2024), to the net assets related to the concessions of the integrated water service of four municipalities of the province of Alessandria for which the takeover of the new operator is being defined;
- for 158 thousand euro (unchanged compared to 31 December 2024), to the associate Piana Ambiente.

In addition, assets held for sale include the equity investment in Fata Morgana, already fully impaired in previous periods.

LIABILITIES

NOTE 20_EQUITY

Equity may be analysed as follows:

	thousand euro	
	30/06/2025	31/12/2024
Share capital	1,300,931	1,300,931
Reserves and Retained Earnings	1,846,886	1,306,622
Profit for the period	183,573	268,471
Total equity attributable to the owners of the parent	3,331,390	2,876,024
Capital and reserves attributable to non-controlling interests	239,426	432,562
Profit attributable to non-controlling interests	9,284	35,111
Total consolidated equity	3,580,100	3,343,697

Share capital

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

In 2020 and 2021, following the relative shareholders' resolutions, the parent repurchased treasury shares for a total of 17,855,645 shares for a total price of 38,691 thousand euro recognised as a reduction of equity in the item "Reserves and Retained Earnings".

Reserves and Retained Earnings

The breakdown of this item is as follows:

	thousand euro	
	30/06/2025	31/12/2024
Treasury shares	(38,691)	(38,691)
Perpetual hybrid bonds	495,279	-
Share premium reserve	133,019	133,019
Legal reserve	130,332	119,707
Hedging reserve	(7,178)	(32,301)
Other reserves and retained earnings	1,134,125	1,124,888
Total reserves	1,846,886	1,306,622

Perpetual hybrid bonds

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

The non-convertible hybrid perpetual bonds issued are framed as equity instruments, as for these instruments Iren is permitted to defer the payment of interest over time, the early repurchase of which is permitted upon the occurrence of certain events or at the reset date. They are instruments that cannot be converted into shares and, in the event of liquidation, dissolution or insolvency of the company, coupon payments will be subordinate to all other payment obligations of the issuer. The consideration received from the sale of the instruments and subsequent repayments of principal are recognised as an increase and decrease in equity, respectively, in accordance with IAS 32 for equity instruments. Interest expense, when an obligation to pay arises, is recognised as a reduction of equity.

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

The issue price was set at 99.448%, resulting in an effective yield of 4.625% per annum at the first reset date.

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

Hedging reserve

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

Other reserves and retained earnings

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

The increase in 2025 is mainly due to the carrying forward of the profits for 2024 (93,227 thousand euro).

Dividends

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

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

CAPITAL MANAGEMENT

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

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

NON-CURRENT LIABILITIES

NOTE 21_NON-CURRENT FINANCIAL LIABILITIES

The item amounted to a total of 4,443,418 thousand euro (4,460,916 thousand euro at 31 December 2024).

Bonds

These amounted to 2,995,510 thousand euro due after 12 months (2,992,913 thousand euro at 31 December 2024). The item consisted of positions of the parent referred to Public and Private Bond issues, accounted for at amortised cost, against a total nominal amount outstanding at 30 June 2025 of 3,024,000 thousand euro (unchanged compared to 31 December 2024). The details of Bonds with maturity after 12 months are as follows:

- Green Bonds maturing October 2027, coupon 1.5%, amount 500 million euro, all outstanding (amount at amortised cost 497,513 thousand euro);
- Green Bonds maturing October 2029, coupon 0.875%, amount 500 million euro, all outstanding (amount at amortised cost 497,606 thousand euro);
- Green Bonds maturing January 2031, coupon 0.25%, amount 500 million euro, including TAP issue of October 2021, all in issue (amount at amortised cost 491,273 thousand euro);
- Green Private Placement maturing August 2028, coupon 2.875%, outstanding amount 40 million euro (amount at amortised cost 39,790 thousand euro);
- Green Bonds maturing July 2032, coupon 3.875%, amount 500 million euro, all outstanding (amount at amortised cost 496,115 thousand euro);
- Green Bonds maturing September 2033, coupon 3.625%, amount 500 million euro, all outstanding (amount at amortised cost 494,658 thousand euro);
- Bond maturing July 2030, coupon 1%, outstanding amount 484 million euro (amount at amortised cost 478,555 thousand euro).

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

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

Non-current bank loans

Non-current bank loans relate exclusively to the non-current portion of loans/credit lines due after 12 months granted by banks, and amounted to 1,171,021 thousand euro (1,387,786 thousand euro as at 31 December 2024). Non-current bank loans can be analysed by interest rate type (with respective indications of minimum and maximum rates applied) and by maturity date (related to the portion after 12 months), as shown in the table below:

thousand euro

	fixed rate	floating rate	TOTAL
min/max rate	n.a.	2.358% - 3.452%	
maturity	2026-2044	2026-2041	
1.7.2026 – 30.6.2027	374	83,756	84,130
1.7.2027 – 30.6.2028	396	253,002	253,398
1.7.2028 – 30.6.2029	418	358,054	358,472
1.7.2029 – 30.6.2030	442	80,490	80,932
Subsequent	1,795	392,294	394,089
Total after 12 months as at 30/06/2025	3,425	1,167,596	1,171,021
Total after 12 months as at 31/12/2024	2,606	1,385,180	1,387,786

All loans are denominated in euro.

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

thousand euro

	31/12/2024					30/06/2025
	Total after 12 months	Increases	Changes in consolidation scope	Decreases	Change in amortised cost	Total after 12 months
- fixed rate	2,606	-	70,101	(69,294)	12	3,425
- floating rate	1,385,180	70,000	95,009	(383,468)	875	1,167,596
TOTAL	1,387,786	70,000	165,110	(452,762)	887	1,171,021

Total non-current loans at 30 June 2025 decreased compared to 31 December 2024, as a combined result of:

- increase of 70,000 thousand euro in non-current loans for disbursements on CEB (Council of Europe Development Bank) lines held by Iren Spa;
- increase of 165,110 thousand euro in non-current loans held by EGEA Group companies that entered the Group's scope of consolidation at the beginning of 2025; ;
- reduction of 452,762 thousand euros for the current portion of loans maturing within the next 12 months and for the early repayment of existing positions and for the current portion of loans maturing within the next 12 months. The latter amounted to 161,332 thousand euros relating to non-current loans held by companies of the EGEA Holding Group; increase of 887 thousand euro due to recognition of the loans at amortised cost.

Other financial liabilities

These amount to 276,886 thousand euro (80,217 thousand euro as at 31 December 2024) and refer:

- for 20,304 thousand euro (21,479 thousand at 31 December 2024) to the fair value of derivative contracts entered into as hedges against the interest rate fluctuation risk on floating rate loans and the price of commodities (please see the paragraph "Group Financial Risk Management" for details);
- for 62,319 thousand euro (53,393 thousand euro as at 31 December 2024) to lease liabilities;
- for 3,254 thousand euro (3,166 thousand euro as at 31 December 2024) to the liabilities related to the fair value measurement of the put options granted to non-controlling interests on their shares. This item refers to the option to sell the non-controlling interest in ReMat, equal to 5.23% of the share capital and in Nord Ovest Servizi S.p.A., equal to 25% of the share capital, held partly by SMAT and partly by GTT;

- for 191,009 thousand euro (2,171 thousand euro as of 31 December 2024) to financial debts towards others, the most significant amounts of which refer to the debt for the portion of the price deferred to 2029 relating to the purchase of 40% of the subsidiary Iren Acqua and to loans to some fully consolidated companies, but of which the Group does not hold 100% of the shares, granted by the minority shareholder.

NOTE 22_EMPLOYEE BENEFITS

Changes during the first half of 2025 were as follows:

	31/12/2024	Changes in consolidation scope	Disbursements during the period	Obligations vested during the period	Financial expenses	Reclassifications	thousand euro 30/06/2025
Post-employment benefits	72,194	4,110	(3,898)	512	1,166	(110)	73,974
Additional salary payments (seniority bonus)	3,051	-	(190)	35	48	-	2,944
Loyalty bonus	2,015	-	(41)	40	29	-	2,043
Tariff discounts	2,930	-	(44)	-	27	-	2,913
Premungas fund	1,305	-	(150)	-	22	-	1,177
Total	81,495	4,110	(4,323)	587	1,292	(110)	83,051

The column "Changes in consolidation scope" refers to the balances acquired during the first half of 2025 upon the consolidation of the Former EGEA Group Companies by Holding effective as of 1 January 2025.

The "Reclassifications" column refers to the balances related to the Integrated Water Service branch of some municipalities in the Province of Imperia, which was sold at the beginning of July 2025.

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

Actuarial assumptions

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

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

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

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

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

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

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

NOTE 23_PROVISIONS FOR RISKS AND CHARGES

The item amounted to 293,162 thousand euro (276,258 thousand euro as at 31 December 2024). It is detailed in the following table, and refers both to the current and non-current portions:

	31/12/2024	Increases	Decreases	(Gains) losses	Changes in consolida- tion scope	30/06/2025	amounts in euro Non-current portion
Provision for restoration of third-party assets	29,487	420	-	539	-	30,446	30,446
"Post-closure" provisions	79,048	1,281	(2,255)	1,957	-	80,031	75,335
Provisions for dismantling and reclaiming sites	49,935	-	(2,139)	1,704	169	49,669	49,626
Provision for early retirement	12,043	125	(1,110)	182	-	11,240	10,317
ETS cancellation obligation	194,187	96,113	(11,599)	-	-	278,701	-
Other provisions for risks and charges	192,947	8,249	(15,851)	-	32,016	217,361	127,438
TOTAL	557,647	106,188	(32,954)	4,382	32,185	667,448	293,162

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

The "Changes in consolidation scope" column refers to the balances acquired in January 2025 relating to the companies of the EGEA Holding group.

Provision for restoration of third-party assets

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

"Post-closure" provisions

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

Provision for dismantling and reclaiming sites

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

Provision for early retirement

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

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

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

ETS cancellation obligation

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

The decreases refer to the adjustment of the fund allocated for the previous financial year's obligation, in light of the updating of the unit value of the securities still to be purchased based on market prices at the end of the period.

Other provisions for risks and charges

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

During the first half of 2025, releases totalling 2,488 thousand euro were made, mainly relating to the resolution of various disputes for which there is no longer any need to maintain the related provisions.

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

NOTE 24_DEFERRED TAX LIABILITIES

Deferred tax liabilities of 126,278 thousand euro (116,857 thousand euro as at 31 December 2024) are due to the temporary difference between the carrying amount and tax value of assets and liabilities recognised in the financial statements.

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

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

NOTE 25_SUNDRY LIABILITIES AND OTHER NON-CURRENT LIABILITIES

This item can be broken down as follows:

	thousand euro	
	30/06/2025	31/12/2024
Due after 12 months	136,703	68,519
Deferred income for grants related to assets - non current	734,085	679,712
Non-current accrued liabilities and deferred income	3,394	3,328
Total	874,182	751,559

The increase in the item "Due after 12 months" refers for 65,626 thousand euro to the non-current portion of the tax liability relating to the settlement formulated with the Revenue Agency as part of the negotiated resolution of the crisis pursuant to the "Crisis Code" of the EGEA group. This item also includes balances relating to advances paid by users to guarantee the supply of water and to payables to users entitled to reimbursement of the purification tariff of the Integrated Water Service following the Supreme Court ruling of 14 July 2023.

Deferred income for contributions against plant investments, non-current portion, includes the amounts relating to connection grants of 211,426 thousand euro and the "Fo.N.I." component (Provision for New Investments), amounting to 78,048 thousand euro, provided for by the tariff method for the Integrated Water Service, which will be reversed in the income statement after 12 months from the reporting date. The portion that will be booked to the income statement in the 12 months following the reporting date amounts to 10,744 thousand and 4,056 thousand euro, respectively, and is included in the item "Other sundry liabilities and other current liabilities" under deferred income for grants related to assets.

CURRENT LIABILITIES**NOTE 26_CURRENT FINANCIAL LIABILITIES**

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

Current financial liabilities can be analysed as follows:

	thousand euro	
	30/06/2025	31/12/2024
Bonds	475,778	475,282
Bank loans	127,229	100,423
Loans from associates	311	986
Loans from owners	4,972	6,067
Loans from other related parties	6	7
Lease liabilities	14,596	16,150
Loans from others	31,669	15,243
Current liabilities for derivatives	26,548	42,372
Total	681,109	656,530

Bonds

This is the Green Bonds with maturity September 2025, coupon 1.95%, outstanding amount 476 million euro. The carrying amount is shown at amortised cost for 475,778 thousand euro (475,282 thousand euro at 31 December 2024).

Bank loans

Current bank loans may be broken down as follows:

	thousand euro	
	30/06/2025	31/12/2024
Loans - current portion	76,245	75,362
Other current bank loans	443	500
Accrued financial expense and deferred financial income	50,541	24,561
Total	127,229	100,423

Loans from associates

They refer to payables to Arienes in the amount of 311 thousand euro.

Loans from owners

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

Loans from others

They amounted to 31,669 thousand euro (15,243 thousand euro as of 31 December 2024) and mainly related to the advance collection of the sale of the BU related to the Integrated Water Service of some municipalities in the province of Imperia (10,981 thousand euro), the fair value valuation of the option to sell the minority interest in IBlu S.r.l. (4,026 thousand euro), equal to 20% of the share capital, held by Idealservice; the item also includes payables to factors (10,268 thousand euro).

Current liabilities for derivatives

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

NOTE 27_TRADE PAYABLES

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

	thousand euro	
	30/06/2025	31/12/2024
Trade payables to suppliers	1,360,301	1,697,532
Trade payables to joint ventures	26	(1)
Trade payables to associates	16,783	7,461
Trade payables to owners	4,588	7,257
Trade payables to other related parties	6,842	28,125
Advances due within 12 months	4,222	6,100
Guarantee deposits due within 12 months	6,000	5,599
Trade payables to customers for restriction reimbursements within 12 months	23,692	35,125
Total	1,422,454	1,787,198

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

NOTE 28_CURRENT CONTRACT LIABILITIES

This item totalled 2,913 thousand euro (88,983 thousand euro at 31 December 2024) and refers to the amounts paid by customers as advance payments for energy efficiency measures in buildings, which have not yet been completed.

NOTE 29_SUNDRY LIABILITIES AND OTHER CURRENT LIABILITIES

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

	thousand euro	
	30/06/2025	31/12/2024
VAT liability	10,007	5,088
Government land tax/UTIF	23,514	124
IRPEF liability	1,607	1,772
Other tax liabilities	35,237	30,433
Tax liabilities due within 12 months	70,365	37,417
Amounts due to employees	90,737	74,431
Amounts due to Cassa Servizi Energetici e Ambientali (CSEA)	48,453	49,365
Amounts due to social security institutions within 12 months	35,721	34,348
Other current liabilities	114,170	118,932
Sundry liabilities due within 12 months	289,081	277,076
Accrued expenses and deferred income	43,419	39,200
Total	402,865	353,693

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

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

NOTE 30_CURRENT TAX LIABILITIES

The item "Current tax liabilities" amounting to 98,089 thousand euro (12,743 thousand euro as at 31 December 2024) is made up of IRES and IRAP liabilities, comprising the estimate of taxes for the current year.

NOTE 31_PROVISIONS FOR RISKS AND CHARGES - CURRENT PORTION

This item amounted to 374,286 thousand euro (281,389 thousand euro at 31 December 2024) and refers to the current portion of the provisions, divided as follows:

- post-closure provisions and the provision for dismantling and reclaiming sites totalling 4,739 thousand euro;
- provision for early retirement of 923 thousand euro;
- provisions for ETS cancellation obligation of 278,701 thousand euro;
- other provisions for risks of 89,923 thousand euro.

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

NOTE 32_LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS HELD FOR SALE

Liabilities directly associated with assets held for sale, amounting to 1,740 thousand euro, refer to the Integrated Water Service of some municipalities in the Province of Imperia, the sale of which will be finalised on 1 July 2025, and concern deferrals on grants in the amount of 1,630 thousand euro and liabilities for Employee Severance Indemnity in the amount of 110 thousand euro.

FINANCIAL POSITION

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

	thousand euro	
	30/06/2025	31/12/2024
Non-current financial assets	(136,976)	(124,355)
Non-current financial debt	4,442,920	4,460,915
Non-current net financial debt	4,305,944	4,336,560
Current financial assets	(732,347)	(867,975)
Current financial debt	654,561	614,158
Current net financial debt	(77,786)	(253,817)
Net financial debt	4,228,158	4,082,743

It is specified that, in the calculation of net debt, the fair value of commodity derivatives is excluded from current and non-current financial debt and assets.

Net Financial position with related parties

Non-current financial assets include 32,092 thousand euro due from the municipality of Turin and 5,844 thousand euro due from associates.

Current financial assets include 5,417 thousand euro due from the Municipality of Turin and 6,827 thousand euro due from associates and joint ventures.

Current financial liabilities include 4,972 thousand euro due to the Municipality of Turin for dividends, 311 thousand euro due to associates and 6 thousand euro due to other related parties.

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

	thousand euro	
	30/06/2025	31/12/2024
A. Cash	(200,114)	(326,568)
B. Cash equivalents	-	-
C. Other current financial assets	(457,021)	(465,034)
D. Liquidity (A) + (B) + (C)	(657,135)	(791,602)
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	87,942	47,364
F. Current portion of the non-current financial debt	566,619	566,794
G. Current financial debt (E + F)	654,561	614,158
H. Net current financial debt (G - D)	(2,574)	(177,444)
I. Non-current financial debt (excluding current portion and debt instruments)	1,447,410	1,468,002
J. Debt instruments	2,995,510	2,992,913
K. Trade payables and other non-current debt	-	-
L. Non-current financial debt (I + J + K)	4,442,920	4,460,915
M. Total financial debt (H + L)	4,440,346	4,283,471

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

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

	thousand euro
Current and non-current financial liabilities 31.12.2024	5,075,073
Monetary changes as reported in the statement of cash flows	
New non-current loans	70,000
Repayment of non-current loans	(451,879)
Repayment of lease liabilities	(10,767)
Change in other financial liabilities	(992)
Interest paid	(45,799)
Dividends paid	177,018
Non-monetary changes	
Liabilities acquired following changes in the consolidation scope	197,770
Liabilities for purchase of investments in consolidated companies	188,420
New financial leases	3,940
Fair value change in derivatives	(1,178)
Interest and other financial expense	73,270
Dividends declared	(177,395)
Current and non-current financial liabilities 30.06.2025	5,097,481

X. Notes to the Income Statement

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

The Group's consolidated income statement, effective 1 January 2025, includes the financial figures of the EGEA Holding Group companies; the economic results for the first half of 2025 are therefore influenced by the inclusion of these figures in the consolidation scope.

REVENUE

NOTE 33_REVENUE FROM GOODS AND SERVICES

This item amounted to 3,357,047 thousand euro (2,637,373 in the first half of 2024) as follows.

	thousand euro	
	First half of 2025	First half of 2024
Electricity revenue	1,482,204	988,130
Heat revenue	176,394	119,135
Gas revenue	511,030	474,759
Integrated water service revenue	296,777	282,201
Revenue from waste collection and disposal	522,251	488,554
Revenue from asset construction services under concession	133,905	113,085
Revenue from other services	234,486	171,509
Total	3,357,047	2,637,373

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

	thousand euro						
	Networks	Waste Management	Energy	Market	Other services	Intragroup eliminations	Total
Revenue from goods and services	577,883	628,811	1,319,543	1,910,326	13,700	(1,093,216)	3,357,047
Other revenue	98,997	60,106	106,795	51,684	2,120	(191,148)	128,554
Total	676,880	688,917	1,426,338	1,962,010	15,820	(1,284,364)	3,485,601

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

	thousand euro						
	Networks	Waste Management	Energy	Market	Other services	Intragroup eliminations	Total
Electricity revenue	83,333	28,177	987,991	929,671	-	(546,968)	1,482,204
District heating revenue	-	8,994	185,276	-	-	(17,876)	176,394
Gas revenue	69,360	2,802	-	948,054	-	(509,186)	511,030
Integrated water service revenue	292,739	1,719	-	-	-	2,319	296,777
Waste management revenue	18	529,527	-	-	-	(7,294)	522,251
Revenue from asset construction services under concession - IFRIC 12	110,472	21,149	2,284	-	-	-	133,905
Revenue from other services	21,961	36,443	143,992	32,601	13,700	(14,211)	234,486
Total Revenue from goods and services	577,883	628,811	1,319,543	1,910,326	13,700	(1,093,216)	3,357,047

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

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

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

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

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

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

Integrated Water Service

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

Waste management revenue

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

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

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

Revenue from other services

The revenue included under this heading refers in particular:

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

NOTE 34_OTHER INCOME

Other income totalled 128,554 thousand euro (60,237 thousand euro in the first half of 2024) and refers to grants, revenue for energy certificates and sundry income. The tables below show the details of the individual items.

Grants

	thousand euro	
	First half of 2025	First half of 2024
Grants related to assets	9,633	8,613
Connection grants	6,467	5,959
Other grants	4,132	4,239
Total	20,232	18,811

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

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

Revenue from energy certificates

	thousand euro	
	First half of 2025	First half of 2024
Revenue from incentive as per Green Certificates	40,423	6,756
Revenue from Energy Efficiency Certificates (White Certificates)	10,722	9,476
Revenue from CO ₂ emission quotas	6,806	-
Total	57,951	16,232

Other income

	thousand euro	
	First half of 2025	First half of 2024
Service contracts	2,821	517
Lease income	1,250	668
Capital gains on sale of assets	475	368
Insurance settlements	2,811	406
Sundry reimbursements	3,532	3,207
Other revenue and income	39,792	20,028
Total	50,371	25,194

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

COSTS

NOTE 35_RAW MATERIALS, CONSUMABLES, SUPPLIES AND GOODS

This item is broken down as follows:

	thousand euro	
	First half of 2025	First half of 2024
Purchase of electricity	390,279	168,157
Purchase of gas	739,406	563,291
Purchase of heat	4,438	168
Purchase of other fuels	159	238
Purchase of water	4,517	4,098
Other raw materials and materials inventories	89,183	89,675
Emission trading	139,994	88,465
White Certificates	4,528	9,345
Change in inventories	14,785	(14,246)
Total	1,387,289	909,191

Costs for raw materials, consumables, supplies and goods increased by 478,098 thousand euro. The increase in electricity and gas purchase costs is mainly related to the increase in commodity prices and the higher volumes of electricity purchased on the stock exchange in the period.

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

NOTE 36_SERVICES AND USE OF THIRD-PARTY ASSETS

Costs for services amounted to 1,003,170 thousand euro (813,218 thousand euro in the first half of 2024), as follows:

	thousand euro	
	First half of 2025	First half of 2024
Electricity transport and electricity system expenses	337,153	242,661
Gas carriage	59,430	38,467
Third-party works, maintenance and industrial services	225,176	175,210
Collection and disposal, snow clearing, public parks	188,253	169,935
Expenses related to personnel (meal allowance, training, business travel)	9,356	8,737
Technical, administrative and commercial consulting and advertising expenses	48,221	51,279
Legal and notary fees	2,116	5,890
Insurance	14,966	14,425
Bank expenses	6,649	5,248
Telephone expenses	3,746	3,284
IT expenses	35,472	28,156
Reading and invoicing services	8,936	8,726
Board of Statutory Auditors's fees	946	797
Other costs for services	42,638	41,192
Total costs for services	983,058	794,007

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

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

Use of third-party assets amounted to 20,112 thousand euro (19,211 thousand euro in the first half of 2024). The item included mainly fees paid to the single operator of the Genoa Area and the fees paid to the companies that own the assets of the integrated water service of the municipalities of Parma, Piacenza, and Reggio Emilia. Secondly, this item includes short-term leases or when the underlying asset is of low value, which the group has decided to exclude from the scope of application of IFRS 16.

NOTE 37_OTHER OPERATING EXPENSES

Other operating expenses amounted to 58,227 thousand euro (48,048 thousand euro in the first half of 2024), as follows:

	thousand euro	
	First half of 2025	First half of 2024
General expenses	23,191	12,069
Instalments and higher instalments for water shunting	16,065	17,345
Taxes and duties	14,237	14,583
Capital losses on goods disposal	765	453
Other sundry operating expenses	3,969	3,598
Total	58,227	48,048

General expenses include, among other things, operating fees to various entities and penalties on the quality of services and from suppliers. The item "Taxes and duties" relates mainly to expenses for IMU property tax on the Group's plants and buildings and expenses for occupying and reclaiming public land.

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

NOTE 38_CAPITALISED EXPENSES FOR INTERNAL WORK

Capitalised expenses for internal work amounted to 28,025 thousand euro (27,546 thousand euro in the first half of 2024), and regard increases in capital assets made with internal resources and production factors.

	thousand euro	
	First half of 2025	First half of 2024
Capitalised personnel expense	(20,199)	(19,619)
Capitalised inventory materials	(7,826)	(7,927)
Total	(28,025)	(27,546)

NOTE 39_PERSONNEL EXPENSE

Personnel expense amounted to 338,703 thousand euro (318,944 thousand euro in the first half of 2024), as follows:

	thousand euro	
	First half of 2025	First half of 2024
Gross remuneration	241,878	227,929
Social security contributions	74,655	69,490
Post-employment benefits	512	447
Other long-term employee benefits	75	85
Other personnel expense	20,379	19,799
Directors' fees	1,204	1,194
Total	338,703	318,944

As specified in Note 38, 20,199 thousand euro of costs related to employees were capitalised.

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

The composition of personnel is shown in the following table.

	30/06/2025	31/12/2024	Average for the period
Senior managers	122	109	122
Junior managers	392	401	401
White collar workers	4,902	4,703	4,895
Blue collar workers	6,446	6,098	6,428
Total	11,862	11,311	11,846

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

- the initiation/conclusion of services contracted out as part of the Waste Management BU;
- the continuation of the generational turnover plan;
- the consolidation of the EGEA Holding Group companies from January 2025, totalling 570 resources.

NOTE 40_AMORTISATION AND DEPRECIATION

Depreciation/amortisation for the period amounted to 350,009 thousand euro (321,301 thousand euro in the first half of 2024).

	First half of 2025	First half of 2024
Property, plant and equipment and investment property	147,947	187,876
Intangible assets	202,062	133,425
Total	350,009	321,301

thousand euro

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

NOTE 41_PROVISIONS AND IMPAIRMENT LOSSES

This item amounted to a total of 49,918 thousand euro (35,277 thousand euro in the first half of 2024) as follows:

	First half of 2025	First half of 2024
Loss allowance for trade receivables	44,774	33,961
Loss allowance for Non-current contract assets and Other current assets	-	263
Loss allowance	44,774	34,224
Provision for restoration of third-party assets	420	966
Provision for post-closure	1,281	431
Provisions for risks and other	4,205	2,611
Release of provisions	(762)	(2,955)
Total net other provisions and impairment losses	5,144	1,053
Total	49,918	35,277

thousand euro

The increase in the period was recognised to adjust the loss allowance to the amount of expected credit losses on the basis of the simplified approach provided for by IFRS 9, where “loss” means the present value of all future net cash flows, adjusted to take into account forward looking information.

Increases in the provisions for risks mainly relate to probable charges in the waste management sector, while releases refer to the elimination of risks related to IMU and personnel disputes.

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

NOTE 42 FINANCIAL INCOME AND EXPENSE

Financial income

Financial income amounted to 20,636 thousand euro (26,908 thousand euro in the first half of 2024). The details are shown in the following table:

	thousand euro	
	First half of 2025	First half of 2024
Dividends	23	36
Bank interest income	2,854	8,193
Interest income on loans /receivables	10,807	9,094
Interest income from customers	3,806	3,124
Other financial income	3,146	6,461
Total	20,636	26,908

Interest income on loans/receivables mainly refers to interest accrued on sums tied up in bank deposits (9,633 thousand euro), on credit relating to current account relationships between the Group and the Municipality of Turin (187 thousand euro) and to interest on loans granted to associated companies (88 thousand euro).

Other financial income consists mainly of income for the discounting of provisions.

Financial expense

The item amounted to 79,913 thousand euro (69,953 thousand euro in the first half of 2024). The breakdown of financial expenses is shown in the following table:

	thousand euro	
	First half of 2025	First half of 2024
Interest expense on mortgages	29,897	37,312
Interest expense on bonds	35,770	28,443
Hedging effect of interest rate derivatives	(4,613)	(10,749)
Interest expense on bank current accounts	602	9
Other interest expense	5,081	4,640
Capitalised borrowing costs	(701)	(143)
Derivative fair value charges	209	-
Capital losses on disposal of financial assets	-	9
Interest cost – Employee benefits	1,292	1,250
Financial expense on lease liabilities	858	847
Impairment losses on loan assets	1	-
Other financial expense	11,517	8,335
Total	79,913	69,953

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

Interest expense on mortgages includes costs relating to liability management transactions for 3,285 thousand euro.

Other financial expense mainly includes financial expense for the discounting of provisions.

NOTE 43_GAINS (LOSSES) ON EQUITY INVESTMENTS

The net losses of 87 thousand euro (gains of 2,027 thousand euro in the first half of 2024) mainly refer to the effect of the redetermination at fair value, at the date of acquisition of control, of the previous interest in EGEA Holding. In the comparative period, it mainly referred to the revaluation of the investment in Siena Ambiente before consolidation and the write-down of the stake in EGEA.

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

The share of profit of equity-accounted investees amounted to 8,561 thousand euro (a profit of 4,706 thousand euro in the first half of 2024). For more details please see Note 5 "Equity-accounted investments".

NOTE 45_INCOME TAXES

The item Income taxes amounts to 82,650 thousand euro and includes the estimated income taxes for the first half of 2025, while in the comparative period it amounted to 73,161 thousand euro.

The estimate of income tax for the first half of 2025 is the result of the best estimate of the average expected tax rate for the full year, applied to the pre-tax profit for the period, adjusted to reflect the tax effect of certain items recognised entirely in the period. The tax rate for the first half of 2025 is equal to 30%, while in the first half of 2024, it was equal to 30.1%.

NOTE 46_ PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS

None.

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

Profit attributable to non-controlling interests, which amounted to 9,284 thousand euro (21,663 thousand euro in the first half of 2024), relates to the share of profit of non-controlling interests in companies fully consolidated but not wholly owned by the Group.

NOTE 48_EARNINGS PER SHARE

For the purpose of calculating basic and diluted earnings per share, it should be noted that the number of shares in the first half of 2025 represents the weighted average number of shares outstanding during the reporting period in accordance with IAS 33 § 20. The Parent has not issued any financial instruments that have the potential to dilute its common stock, therefore diluted earnings per share is equal to basic earnings per share.

	First half of 2025	First half of 2024
Profit for the period(thousands of euro)	183,573	148,041
Weighted average number of shares outstanding over the year (thousand)	1,283,076	1,283,076
Basic earnings per share (euro)	0.14	0.12

NOTE 49_OTHER COMPREHENSIVE INCOME

Other comprehensive income was 21,424 thousand euro (12,468 thousand euro in H1 2024) and included other comprehensive income items that will be reclassified to profit or loss at a later date. In detail they refer to:

- the effective portion of changes in the fair value of cash flow hedging instruments, a positive 34,017 thousand euro, which refers to derivatives hedging changes in interest rates and derivatives hedging changes in commodity prices (for the Group, this concerns electricity and gas).
- the share of other profits/(losses) of equity-accounted investees, a negative 318 thousand euro, which refers to changes in the fair value of cash flow hedging instruments of associates;
- the change in the translation reserve, amounting to a negative 3,509 thousand euro, due to the change in the exchange rate used to translate the financial statement balances of associates that prepare their financial statements in currencies other than the euro
- the tax effect of other comprehensive income, for 8,766 thousand euro.

XI. Guarantees, commitments and contingent liabilities

GUARANTEES

Guarantees provided concern sureties and other guarantees for own commitments of 791,193 thousand euro (823,625 thousand euro at 31 December 2024); the most significant items refer to sureties issued in favour of:

- the Electricity Market Operator (GME) for 93,100 thousand euro to guarantee the energy market participation contract;
- ATERSIR for 59,639 thousand euro for agreements and tenders in progress relating to the Integrated Water Service and the Urban Waste Management Service;
- the Turin Provincial/Metropolitan City Governments, for 58,849 thousand euro for waste conferment and post-closure management of plants subject to I.E.A.;
- ARPAE for 56,567 thousand euro for waste conferment and operations and post-closure management of plants subject to Integrated Environmental Authorisation (I.E.A.);
- Shell Energy Europe for 50,000 thousand euro to guarantee the gas supply contract;
- ATO-R, for 44,335 thousand euro, as definitive guarantees in the Amiat/TRM acquisition procedure;
- SNAM Rete Gas for 33,736 thousand euro to guarantee contracts and network codes;
- Municipality of Turin, for 31,861 thousand euro, definitive guarantee in the AMIAT/TRM acquisition;
- Province of La Spezia for 29,889 thousand euro for waste transfer and management of plants;
- Ministry of the Environment, for 28,235 thousand euro for various authorisations;
- Customs Authority, for 22,269 thousand euro to guarantee the regular payment of revenue tax and additional local and provincial duties on electricity consumption and gas excise;
- Piedmont Region for 15,601 thousand euro as guarantee for project financing for the concession of large water derivation plants for hydroelectric purposes;
- CONSIP for 14,762 thousand euro mainly for electricity supply contracts;
- Revenue Agency for 14,724 thousand euro for a VAT credit refund request;
- Terna, for 14,067 thousand euro to guarantee injection and withdrawal dispatching contracts and to guarantee the electricity transport service contract;
- Apulia Region for 11,290 thousand euro to guarantee landfill and plant authorisations;
- Assemblea Territoriale Idrice Enna for 9,028 thousand euro as a work guarantee;
- Aisa Impianti for 7,800 thousand euro as guarantee for the contract of transfer at the plants;
- Basin Consortium of Basso Novarese for 6,989 thousand euro to guarantee the contract for the collection and disposal of urban waste;
- Tuscany Region for 8,643 thousand euro to guarantee landfill and plant authorisations;
- Province of Savona for 6,647 thousand euro for contributions and management of plants.
- Ato Toscana Sud for 6,500 thousand euro to guarantee the integrated waste management service
- CSEA for 5,950 thousand euro as a guarantee of the graduated protection service.

COMMITMENTS

Commitments to suppliers

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

- contracts for the purchase of natural gas at a fixed price, with a countervalue of 935 thousand euro;
- contracts for the purchase of methane gas at an indexed price, for a forecast quantity of the equivalent of 27.2 MWh;
- power purchase agreements, with a countervalue of 62,502 thousand euro.

CONTINGENT LIABILITIES

Iren Mercato S.p.A. / Azienda Sanitaria Locale Roma 1 - Iren Mercato S.p.A. / Azienda Sanitaria Locale Roma 4

Two proceedings are pending before the Court of Rome, initiated by certain local health authorities in Lazio and relating to the transactions between them and Iren Mercato, in its own right and as a member of the temporary joint venture entrusted under the Agreement of 4 August 2006 entered into with the Lazio Region for the "Technological multi-service and provision of energy carriers - Lot D"; in particular:

- writ of summons dated 10 April 2020 by ASL ROMA 1 (contract of 13 December 2007) with the aim of ascertaining the undue receipt of the fee for the supply of hot water and steam for the period from 1 July 2007 to 28 February 2017, contesting the incorrect application of the tariff, and the consequent repayment of the sum; the plaintiff has quantified this amount at 8 million euro; Following the appointment of the technical expert by the Court, the expert investigation operations were initiated.
- writ of summons dated 12 April 2022 by ASL ROMA 4 (contract of 08 June 2007) with the aim of ascertaining the undue receipt of the fee for the supply of hot water and steam for the period from 01 April 2007 to 19 February 2017, contesting the incorrect application of the tariff, and the consequent repayment of the sum; the plaintiff has quantified this amount at 7.5 million euro; Following the appointment of the technical expert by the Court, the expert investigation operations were initiated.

The risk of losing the case has been cautiously estimated as possible, given the uncertainty connected with expert appraisals involving highly technical services completed many years ago.

Iren Mercato S.p.A. / Azienda Sanitaria Locale Viterbo

On 27 March 2025, Azienda Sanitaria Locale Viterbo filed a request for arbitration aimed at ascertaining the undue receipt by Iren Mercato of the fee for the domestic hot water and steam supply service for the period from 1 April 2007 to 19 February 2017, contesting the incorrect application of the tariff, and the consequent repayment of the sum; The plaintiff quantified this amount at 8.9 million euros. The parties have appointed their own Arbitrator, while the President of the Arbitration Board has not yet been nominated.

The risk of losing has been cautiously estimated as far as predictable, given the uncertainty related to arbitration operations concerning services characterised by high technicality and ended for many years ago.

XII. Segment reporting

Segment reporting, based on the Group's management and internal reporting structure, is given below in accordance with IFRS 8.

Given the nature of the activity performed by Group companies, a geographical segment analysis is not relevant.

The business units in which the Group operates are:

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

These business units are disclosed pursuant to IFRS 8. Under this standard, the disclosure about operating segments should be based on the elements which management uses in making operational and strategic decisions.

For a proper interpretation of the results relating to individual businesses, revenue and expense referring to joint activities were fully allocated to the businesses based on actual usage of the services provided or according to technical and economic drivers.

Given the fact that the Group mainly operates in one area, the following segment reporting does not include a breakdown by geographical area.

Net invested capital by business segment compared to the figures as at 31 December 2023 restated and income statements (up to the operating profit/(loss)) for the current period by business segment are presented below, compared against the 2023 figures restated.

It should be noted that there is no revenue from transactions with a single customer equal to or exceeding 10% of total revenue.

In the segment reporting tables below, the following quantities are presented:

Net invested capital (NIC): determined by the algebraic sum of non-current assets, other non-current assets (liabilities), net working capital, deferred tax assets (liabilities), provisions for risks, and employee benefits and assets held for sale (liabilities directly associated with assets held for sale).

Net financial debt: calculated as the sum of non-current financial liabilities net of non-current financial assets and current financial liabilities net of current financial assets and cash and cash equivalents.

Net Working Capital (NWC): determined as the algebraic sum of current and non-current contract assets and liabilities, current and non-current trade receivables, inventories, current tax assets and liabilities, sundry assets and other current assets, trade payables and sundry liabilities and other current liabilities.

Fixed Capital: determined by the sum of Property, Plant and Equipment, Investment Property, Intangible Assets with a finite life, Goodwill, equity-accounted investments, and Other Investments.

Gross operating profit or loss: calculated as the sum of pre-tax profit or loss, share of profit or loss of equity-accounted investees, impairment gains and losses on equity investments, financial income and expense, amortisation, depreciation, provisions and impairment losses.

Operating profit or loss: calculated as the sum of pre-tax profit or loss, share of profit or loss of equity-accounted investees, impairment gains and losses on equity investments and financial income and expense.

Reclassified statement of financial position by business segment at 30 June 2025

millions of euro

	Networks	Waste Management	Energy	Market	Other services	Non-allocable	Total
Non-current assets	4,039	1,648	2,377	450	17	213	8,744
Net Working Capital	201	57	128	(130)	8	-	264
Other non-current assets and liabilities	(713)	(208)	(205)	(77)	3	-	(1,200)
Net invested capital (NIC)	3,527	1,497	2,300	243	28	213	7,808
Equity							3,580
Net financial debt							4,228
Own funds and net financial debt							7,808

Reclassified statement of financial position by business segment at 31 December 2024

millions of euro

	Networks	Waste Management	Energy	Market	Other services	Non-allocable	Total
Non-current assets	3,800	1,645	2,302	359	17	291	8,414
Net Working Capital	114	9	(11)	(128)	4	-	(12)
Other non-current assets and liabilities	(675)	(182)	(139)	19	1	-	(976)
Net invested capital (NIC)	3,239	1,472	2,152	250	22	291	7,426
Equity							3,344
Net financial debt							4,083
Own funds and net financial debt							7,426

Income statement by business segment for the first half of 2025

millions of euro

	Networks	Waste Management	Energy	Market	Other services	Non-allocable	Total
Total revenue and income	677	689	1,426	1,962	16	(1,284)	3,485
Total operating expenses	(406)	(557)	(1,253)	(1,814)	(14)	1,284	(2,759)
Gross Operating Profit	271	132	173	148	2	-	726
Net amortisation, depreciation and impairment losses	(121)	(110)	(91)	(77)	(1)	-	(400)
Operating profit	150	22	82	71	1	-	326

Income statement by business segment for the first half of 2024 restated

millions of euro

	Networks	Waste Management	Energy	Market	Other services	Non-allocable	Total
Total revenue and income	621	616	877	1,556	18	(990)	2,698
Total operating expenses	(383)	(491)	(744)	(1,418)	(16)	990	(2,062)
Gross Operating Profit	238	125	133	138	2	-	636
Net amortisation, depreciation and impairment losses	(112)	(99)	(85)	(60)	(1)	-	(357)
Operating profit	126	27	48	78	1	-	279

XIII. Annexes to the Condensed Interim Consolidated Financial Statements

LIST OF FULLY CONSOLIDATED COMPANIES

LIST OF JOINT VENTURES

LIST OF ASSOCIATES

LIST OF EQUITY INVESTMENTS IN OTHER COMPANIES

RELATED PARTY TRANSACTIONS

RECONCILIATION OF IFRS FINANCIAL STATEMENTS WITH RECLASSIFIED FINANCIAL STATEMENTS (Consob Communication no. 6064293 of 26 July 2006)

RECONCILIATION BETWEEN TOTAL FINANCIAL DEBT (ESMA COMMUNICATION OF 4 MARCH 2021) AND NET FINANCIAL DEBT

LIST OF FULLY CONSOLIDATED COMPANIES

Company	Registered office	Currency	Share/Quota capital	% interest	Investor
Iren Ambiente S.p.A.	Piacenza	Euro	63,622,002	100	Iren
Iren Energia S.p.A.	Turin	Euro	918,767,148	100	Iren
Iren Mercato S.p.A.	Genoa	Euro	61,356,220	100	Iren
Ireti S.p.A.	Genoa	Euro	196,832,103	100	Iren
Ireti Gas S.p.A.	Parma	Euro	120,000	100	Ireti
Acam Acque S.p.A.	La Spezia	Euro	24,260,050	100	Ireti
Acam Ambiente S.p.A.	La Spezia	Euro	1,000,000	100	Iren Ambiente
Acquaenna S.c.p.a.	Enna	Euro	3,000,000	50.87	Ireti
Acqui Energia S.p.A.	Alba (CN)	Euro	1,800,000	100	TLRNET
Alessandria Calore S.r.l.	Alba (CN)	Euro	1,000,000	100	TLRNET
Agrovoltaica S.r.l.	Turin	Euro	1,000	100	Iren Green Generation
Alfa Solutions S.p.A.	Reggio Emilia	Euro	100,000	86	Iren Smart Solutions
Alegas S.r.l.	Alessandria	Euro	100,000	100	Iren Mercato
AMIAT S.p.A.	Turin	Euro	46,326,462	80	AMIAT V
AMIAT V. S.p.A.	Turin	Euro	1,000,000	93.06	Iren Ambiente
Ardea S.r.l.	Cuneo	Euro	500,000	100	Egea Holding
ASM Vercelli S.p.A.	Vercelli	Euro	120,812,720	59.97	Ireti
Asti Energia e Calore S.p.A.	Asti	Euro	120,000	62	Iren Energia
Atena Trading S.r.l.	Vercelli	Euro	556,000	59.97	Iren Mercato
Bonifica Autocisterne S.r.l.	Piacenza	Euro	595,000	51	Iren Ambiente
Bonifiche Servizi Ambientali S.r.l.	Reggio Emilia	Euro	3,000,000	100	Iren Ambiente
Bra Energia S.p.A.	Alba (CN)	Euro	2,492,083	80	TLRNET
Capo dell'Acqua S.r.l.	Bari	Euro	10,000	100	Egea Holding
Carmagnola Energia S.r.l.	Alba (CN)	Euro	200,000	100	TLRNET
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	85,65 7,15	Valdarno Ambiente Siena Ambiente
Dogliani Energia S.r.l.	Cuneo	Euro	10,000	100	Iren Energia
Edis S.r.l.	Alba (CN)	Euro	296,635	100	Egea Holding
Egea Acque S.p.A.	Alba (CN)	Euro	3,715,278	100	Egea Holding
Egea Ambiente S.r.l.	Alba (CN)	Euro	500,000	100	Egea Holding
Egea Holding S.p.A.	Alba (CN)	Euro	52,941	100	Iren
Egea New Energy S.p.A.	Alba (CN)	Euro	2,200,000	100	Egea Holding
Egea Energie S.r.l.	Alba (CN)	Euro	100,000	100	Egea Holding
Ekovision S.r.l.	Prato	Euro	1,485,000	100	SEI Toscana
Formaira S.r.l.	San Damiano Macra (CN)	Euro	40,000	100	Maira
Futura S.p.A.	Grosseto	Euro	3,660,955	40 40 20	Iren Ambiente Toscana Iren Ambiente Sei Toscana
I. Blu S.r.l.	Tavagnacco (UD)	Euro	9,001,000	80	Iren Ambiente
Iren Acqua S.p.A.	Genoa	Euro	19,203,420	100	Ireti
Iren Acqua Tigullio S.p.A.	Chiavari (GE)	Euro	979,000	66.55	Iren Acqua
Iren Acqua Reggio S.r.l.	Reggio Emilia	Euro	5,000,000	100	Ireti

Company	Registered office	Currency	Share/Quota capital	% interest	Investor
Iren Acqua Piacenza S.r.l.	Piacenza	Euro	3,000,000	100	Ireti
Iren Ambiente Parma S.r.l.	Parma	Euro	4,000,000	100	Iren Ambiente
Iren Ambiente Piacenza S.r.l.	Piacenza	Euro	4,000,000	100	Iren Ambiente
Iren Ambiente Toscana S.p.A.	Florence	Euro	5,000,000	100	Iren Ambiente
Iren Laboratori S.p.A.	Genoa	Euro	2,000,000	90.89	Ireti
Iren Smart Solutions S.p.A.	Reggio Emilia	Euro	2,596,721	60	Iren Energia
				20	Iren Ambiente
				20	Iren Mercato
Limes 1 S.r.l.	Turin	Euro	20,408	51	Iren Green Generation
Limes 2 S.r.l.	Turin	Euro	20,408	51	Iren Green Generation
Limes 20 S.r.l.	Turin	Euro	10,000	100	Iren Green Generation
Maira S.p.A.	San Damiano Macra (CN)	Euro	596,442	82	Iren Energia
Manduriambiente S.p.A.	Manduria (TA)	Euro	4,111,820	95.289	Iren Ambiente
Monferrato Energia S.p.A.	Alba (CN)	Euro	400,000	90	TLRNET
Nord Ovest Servizi S.p.A.	Turin	Euro	7,800,000	45	Ireti
				30	Amiat
Olmo Bruno S.r.l.	Alba (CN)	Euro	20,000	100	Egea Ambiente S.r.l.
Iren Green Generation S.r.l.	Turin	Euro	10,000	100	Iren Energia
Iren Green Generation Tech S.r.l.	Turin	Euro	80,200	100	Iren Green Generation
ReCos S.p.A.	La Spezia	Euro	1,000,000	99.51	Iren Ambiente
Re Mat S.r.l.	Turin	Euro	200,000	94.77	Iren Ambiente
Reti Metano Territorio S.r.l.	Alba (CN)	Euro	20,200,000	100	Egea Holding
Rigenera Materiali S.r.l.	Genoa	Euro	3,000,000	100	Iren Ambiente
Salerno Energia Vendite S.p.A.	Salerno	Euro	3,312,060	50	Iren Mercato
San Germano S.p.A.	Turin	Euro	1,425,000	100	Iren Ambiente
Scarlino Energia S.p.A.	Scarlino (GR)	Euro	1,000,000	100	Iren Ambiente Toscana
SEI Toscana S.r.l.	Siena	Euro	45,388,913	41.78	Iren Ambiente Toscana
				16.37	Valdarno Ambiente
				20.62	Siena Ambiente
				0.2	C.R.C.M.
Semia Green S.r.l.	Siena	Euro	3,300,000	50.909	Iren Ambiente Toscana
				49.091	Siena Ambiente
S.E.P. S.p.A.	Alba (CN)	Euro	200,000	100	TLRNET
Siena Ambiente S.p.A.	Siena	Euro	2,866,575	40	Iren Ambiente Toscana
SISEA S.r.l.	Sommariva bosco (CN)	Euro	750,000	51	Egea Ambiente
Tecnoedil lavori S.r.l.	Alba (CN)	Euro	410,000	98.78	Egea Acque
				1.22	Egea Holding
Telenergia S.r.l.	Alessandria	Euro	3,700,000	97.3	TLRNET
Territorio e Risorse S.r.l.	Turin	Euro	2,510,000	65	Iren Ambiente
				35	ASM Vercelli
TLRNET S.r.l.	Alba (CN)	Euro	1,000,000	100	Egea Holding
TRM S.p.A.	Turin	Euro	86,794,220	80	Iren Ambiente
Uniproject S.r.l.	Maltignano (AP)	Euro	91,800	100	Iren Ambiente
Valbormida Energia S.p.A.	Alba (CN)	Euro	800,000	60	TLRNET

Company	Registered office	Currency	Share/Quota capital	% interest	Investor
Valdarno Ambiente S.r.l.	Terranuova Bracciolini (AR)		22,953,770	56.016	Iren Ambiente Toscana
Valle Dora Energia S.r.l.	Turin	Euro	537,582	74.5	Iren Energia

LIST OF JOINT VENTURES

Company	Registered office	Currency	Share/Quota capital	% interest	Investor
Acque Potabili S.p.A. in liquidazione (in liquidation)	Turin	Euro	7,633,096	47.546	Ireti
Acqui Rete Gas S.r.l.	Alba (CN)	Euro	10,000	50	Gas Networks and Local Operations
Enerbrain S.r.l.	Turin	Euro	50,000	49.69	Iren Smart Solutions
Vaserie S.r.l.	Siena	Euro	10,000	69	Siena Ambiente

LIST OF ASSOCIATES

Company	Registered office	Currency	Share/Quota capital	% interest	Investor
A2A Alfa S.r.l. (1)	Milan	Euro	100,000	30	Iren Mercato
Acos S.p.A.	Novi Ligure	Euro	17,075,864	25	Ireti
Acos Energia S.p.A.	Novi Ligure	Euro	150,000	25	Iren Mercato
Aeta S.c. a r.l.	Bra (CN)	Euro	20,000	25	Egea Holding
				25	Egea Acque
Agrinord Energia S.r.l.	Alba (CN)	Euro	50,000	40	Egea New Energy S.p.A.
Aguas de San Pedro S.A. de C.V.	S.Pedro Sula (Honduras)	Lempiras	159,900	39.34	Ireti
Aiga S.p.A. (1)	Ventimiglia	Euro	104,000	49	Ireti
Amat S.p.A. (1)	Imperia	Euro	5,435,372	48	Ireti
Arca S.r.l.	Reggio Emilia	Euro	100,000	40	Ireti
Arienes S.c. a r.l.	Reggio Emilia	Euro	50,000	42	Iren Smart Solutions
ASA S.p.A.	Livorno	Euro	28,613,406	40	Ireti
Asa S.c.p.a.	Castel Maggiore (BO)	Euro	1,820,000	49	Iren Ambiente
Astea S.p.A.	Recanati (MC)	Euro	76,115,676	21.32	Consorzio GPO
Asti Servizi Pubblici S.p.A.	Asti	Euro	7,540,270	45	Nord Ovest Servizi
Barricalla S.p.A.	Turin	Euro	2,066,000	35	Iren Ambiente
BI Energia S.r.l.	Reggio Emilia	Euro	100,000	47.5	Iren Energia
Biometano Cella Dati S.r.l.	Cella Dati (CR)	Euro	270,000	50	Egea New Energy S.p.A.
Calore Verde S.r.l.	Ormea (CN)	Euro	30,000	20.81	Egea Holding
Centro Corsi S.r.l.	Reggio Emilia	Euro	12,000	33	Alfa Solutions 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

Company	Registered office	Currency	Share/Quota capital	% interest	Investor
EGUA S.r.l.	Cogorno (GE)	Euro	119,000	49	Ireti
Etambiente S.p.A.	Florence	Euro	2,300,000	33.91	Egea Ambiente
Fata Morgana S.p.A. (2)	Reggio Calabria	Euro	2,225,694	25	Ireti
Fin Gas S.r.l.	Milan	Euro	10,000	50	Iren Mercato
Fratello Sole Energie Solidali Impresa Sociale S.r.l.	Genoa	Euro	350,000	40	Iren Energia
G.A.I.A. S.p.A.	Asti	Euro	5,539,700	45	Iren Ambiente
Iniziative Ambientali S.r.l.	Novellara (RE)	Euro	100,000	40	Iren Ambiente
OMI Rinnovabili S.c.a.r.l.	Reggio Emilia	Euro	10,000	40.15	Alfa Solutions S.p.A.
Piana Ambiente S.p.A. (2)	Gioia Tauro	Euro	1,719,322	25	Ireti
Rimateria S.p.A. (3)	Piombino (LI)	Euro	4,589,273	30	Iren Ambiente
Seta S.p.A.	Turin	Euro	12,378,237	48.85	Iren Ambiente
Sistema Ambiente S.p.A.	Lucca	Euro	2,487,657	36.56	Iren Ambiente
STU Reggiane S.p.A.	Reggio Emilia	Euro	16,770,080	30	Iren Smart Solutions
Tanaro Servizi Acque S.p.A.	Alba (CN)	Euro	100,000	48.62	Egea Acque
3A S.c.a.r.l.	Alba (CN)	Euro	10,000	40	Tecnoedil
Tirana Acque S.c. a r.l. (1)	Genoa	Euro	95,000	50	Ireti
Valenza Rete Gas S.p.A.	Valenza (AL)	Euro	200,000	50	Gas Networks and Local Operations

LIST OF EQUITY INVESTMENTS IN OTHER COMPANIES

Company	Registered office	Currency	Share/Quota capital	% interest	Investor
Acque Potabili Siciliane S.p.A. (1)	Palermo	Euro	5,000,000	9.83	Iren Acqua
Aeroporto di Reggio Emilia S.p.A.	Reggio Emilia	Euro	2,177,871	0.11	Alfa Solutions S.p.A.
AISA S.p.A. in liquidation (1)	Arezzo	Euro	3,867,640	3	Iren Ambiente Toscana
AISA Impianti S.p.A.	Arezzo	Euro	6,650,000	3	Iren Ambiente Toscana
Alpen 2.0 S.r.l.	Turin	Euro	70,000	14.29	Maira
ACQUEDUEO S.c.a.r.l.	Biella	Euro	40,000	20	ASM Vercelli
Aurora S.r.l.	S. Martino in Rio (RE)	Euro	514,176	0.1	Alfa Solutions S.p.A.
Autostrade Centro Padane S.p.A.	Cremona	Euro	30,000,000	1.46	Ireti
C.R.P.A. S.p.A.	Reggio Emilia	Euro	2,201,350	2.27	Ireti
CIDIU Servizi S.p.A.	Collegno (TO)	Euro	10,000,000	17.9	Amiat
Consorzio CIM 4.0 s.c.a.r.l.	Turin	Euro	232,000	4.3	Iren
CCC-Consorzio cooperative costruzioni	Bologna	Euro	15,637,899	0.06	BSA
GAL Langhe Roero Scarl	Bossolasco (CN)	Euro	1,007,500	0.46	Egea Acque
Consorzio Integra	Bologna	Euro	42,548,492	0.02	BSA
Consorzio Topix	Turin	Euro	1,600,000	0.3	Iren Energia
EGEA S.p.A.	Alba (CN)	Euro	58,167,200	0.47	SEI Toscana
Environment Park S.p.A.	Turin	Euro	11,406,780	3.39	Iren Energia
				7.41	AMIAT

Company	Registered office	Currency	Share/Quota capital	% interest	Investor
L.E.A.P. S.c. a r.l.	Piacenza	Euro	255,728	14.66	Iren Ambiente
MiTo Tech Ventures SLP SICAV-RAIF	Luxembourg				Iren Spa
Parma Servizi Integrati S.c. a r.l.	Parma	Euro	20,000	11	Iren Smart Solutions
Reggio Emilia Innovazione S.c.a.r.l. in liquidation (2)	Reggio Emilia	Euro	871,956	0.99	Iren Ambiente
Restart	Ascoli Piceno	Euro	13,670,060	0.066	Uniproject
Serchio Verde Ambiente S.p.a. in liquidation (2)	Castelnuovo di Garfagnana (LU)	Euro	1,128,950	5.93	Iren Ambiente Toscana
Società di Biotecnologie S.p.A.	Turin	Euro	536,000	2.93	Iren Smart Solutions
Tech4Planet	Rome	Euro	149,348	11.03	Iren Spa
T.I.C.A.S.S. S.c. a r.l.	Genoa	Euro	136,000	2.94	Ireti

(1) Company in liquidation

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

(3) Company in bankruptcy

RELATED PARTY TRANSACTIONS

	Trade Receivables	Financial assets	Other assets	Trade Payables	Financial liabilities
RELATED PARTY SHAREHOLDERS					
Municipality of Genoa	1,113	-	4	1,932	-
Municipality of Parma	8,056	-	414	635	-
Municipality of Piacenza	2,561	-	-	1,232	-
Municipality of Reggio Emilia	2,001	-	540	70	-
Municipality of Turin	48,435	37,509	83	719	4,972
Finanziaria Sviluppo Utilities	-	-	41	-	-
JOINT VENTURES					
Acque Potabili	79	-	-	(2)	-
Acqui Rete Gas	145	2,100	-	28	-
Vaserie Energia	-	-	-	-	-
ASSOCIATES					
ACOS	4	4,691	-	-	-
ACOS Energia	1	475	-	-	-
Agrinord Energia	-	634	-	-	-
Aguas de San Pedro	-	749	-	-	-
AIGA	400	75	-	85	-
AMAT	106	-	-	-	-
ARCA	16,535	-	-	125	-
Arienes	7,474	-	-	7,625	311
ASA	209	-	-	224	-
ASA Livorno	688	-	-	(13)	-
ASTEA	4	256	-	1	-
Asti Servizi Pubblici	243	278	-	150	-
Barricalla	598	490	-	12	-
BI Energia	5	1,232	-	-	-
Biometano Cella Dati	5	572	-	-	-
Centro Corsi	-	30	-	26	-
CSA in liquidation	748	-	-	-	-
CSAI	84	-	-	268	-
EGUA	425	100	-	22	-
Etambiente	30	243	-	6,484	-
Fingas	-	100	-	-	-
Fratello Sole Energie Solidali	816	-	-	194	-
GAIA	1,823	-	-	1,198	-
Iniziative Ambientali	2	-	-	-	-
Omi Rinnovabili	-	-	-	-	-
Piana Ambiente in liquidation	70	-	-	-	-
SETA	4,916	-	-	380	-
Sistema Ambiente	2	-	-	-	-
STU Reggiane	84	523	-	-	-
Valenza Rete Gas	62	125	-	2	-
OTHER RELATED PARTIES					
Subsidiaries of Municipality of Turin	929	-	32	305	-
Subsidiaries of Municipality of Genoa	761	-	12	1,785	6
Subsidiaries of Municipality of Parma	864	-	189	1,066	-
Subsidiaries of Municipality of Piacenza	32	-	-	573	-
Subsidiaries of Municipality of Reggio Emilia	2,382	-	-	3,112	-
Others	(3)	-	-	-	-
TOTAL	102,689	50,182	1,315	28,238	5,289

thousand euro

	Other liabilities	Revenue and income	Costs and other charges	Financial income	Financial expense
RELATED PARTY SHAREHOLDERS					
Municipality of Genoa	-	1,023	4,181	-	-
Municipality of Parma	-	528	1,211	-	-
Municipality of Piacenza	-	9,240	669	-	-
Municipality of Reggio Emilia	-	127	(38)	-	-
Municipality of Turin	-	124,916	525	188	-
Finanziaria Sviluppo Utilities	-	-	-	-	-
JOINT VENTURES					
Acque Potabili	-	10	-	-	-
Acqui Rete Gas	-	32	13	24	-
Vaserie Energia	-	3	-	-	-
ASSOCIATES					
ACOS	-	24	-	-	-
ACOS Energia	-	3	-	-	-
Agrinord Energia	-	-	-	-	-
Aguas de San Pedro	-	-	-	-	-
AIGA	-	-	-	-	-
AMAT	-	-	-	-	-
ARCA	493	44,685	1,496	83	-
Arienes	-	38	-	-	-
ASA	-	246	779	-	-
ASA Livorno	-	475	82	5	-
ASTEA	-	8	15	-	-
Asti Servizi Pubblici	-	1,170	130	-	-
Barricalla	-	1,607	-	-	-
BI Energia	-	2	-	-	-
Biometano Cella Dati	-	-	-	-	-
Centro Corsi	-	5	51	-	-
CSA in liquidation	-	591	-	-	-
CSAI	-	673	234	-	-
EGUA	-	143	75	-	-
Etambiente	-	30	6,484	-	-
Fingas	-	-	-	3	-
Fratello Sole Energie Solidali	-	-	-	-	-
GAIA	-	1,791	2,066	4	-
Iniziative Ambientali	-	2	-	-	-
Omi Rinnovabili	-	-	129	-	-
Piana Ambiente in liquidation	-	-	-	-	-
SETA	-	6,119	532	-	-
Sistema Ambiente	-	2	-	-	-
STU Reggiane	-	52	-	13	-
Valenza Rete Gas	-	55	12	2	-
OTHER RELATED PARTIES					
Subsidiaries of Municipality of Turin	7	2,688	1,491	-	1
Subsidiaries of Municipality of Genoa	147	3,176	1,293	10	-
Subsidiaries of Municipality of Parma	-	1,391	1,507	-	-
Subsidiaries of Municipality of Piacenza	-	256	572	-	-
Subsidiaries of Municipality of Reggio Emilia	-	2,905	2,832	-	-
Others	-	199	-	-	-
TOTAL	647	204,215	26,341	332	1

RECONCILIATION OF IFRS FINANCIAL STATEMENTS WITH RECLASSIFIED FINANCIAL STATEMENTS (Consob Communication no. 6064293 of 26 July 2006)

thousand euro

IFRS STATEMENT OF FINANCIAL POSITION		RECLASSIFIED STATEMENT OF FINANCIAL POSITION	
Property, plant and equipment	4,550,525	Property, plant and equipment	4,550,525
Investment property	1,946	Investment property	1,946
Intangible assets	3,706,221	Intangible assets	3,706,221
Goodwill	272,387	Goodwill	272,387
Equity-accounted investments	203,859	Equity-accounted investments	203,859
Other equity investments	9,008	Other equity investments	9,008
Total (A)	8,743,946	Non-current Assets (A)	8,743,946
Other non-current assets	117,660	Other non-current assets	117,660
Sundry liabilities and other non-current liabilities	(874,182)	Sundry liabilities and other non-current liabilities	(874,182)
		+ Fair value liabilities commodity derivatives	(40)
Total (B)	(756,522)	Other non-current assets (Liabilities) (B)	(756,562)
Inventories	72,423	Inventories	72,423
Non-current contract assets	325,258	Non-current contract assets	325,258
Current contract assets	92,335	Current contract assets	92,335
Non-current trade receivables	44,975	Non-current trade receivables	44,975
Trade receivables	1,209,115	Trade receivables	1,209,115
Current tax assets	19,573	Current tax assets	19,573
Sundry assets and other current assets	439,688	Sundry assets and other current assets	439,688
Trade payables	(1,422,454)	Trade payables	(1,422,454)
Contract liabilities	(2,913)	Contract liabilities	(2,913)
Sundry liabilities and other current liabilities	(402,865)	Sundry liabilities and other current liabilities	(402,865)
Current tax liabilities	(98,089)	Current tax liabilities	(98,089)
		+ Fair value liabilities commodity derivatives	(4,739)
		+ Environmental compensation charges	(8,718)
Total (C)	277,046	Net working capital (C)	263,589
Pre-paid tax assets	414,155	Pre-paid tax assets	414,155
Deferred tax liabilities	(126,278)	Deferred tax liabilities	(126,278)
Total (D)	287,877	Deferred tax assets (Liabilities) (D)	287,877
Employee benefits	(83,051)	Employee benefits	(83,051)
Provisions for risks and charges	(293,162)	Provisions for risks and charges	(293,162)
Provisions for risks and charges - current portion	(374,286)	Provisions for risks and charges - current portion	(374,286)
		- Environmental compensation charges	8,718
Total (E)	(750,499)	Provisions and employee benefits (E)	(741,781)
Assets held for sale	12,929	Assets held for sale	12,929
Liabilities directly associated with assets held for sale	(1,740)	Liabilities directly associated with assets held for sale	(1,740)
Total (F)	11,189	Assets held for sale (liabilities directly associated with assets held for sale)(F)	11,189
		Net invested capital (G=A+B+C+D+E+F)	7,808,258
Equity (H)	3,580,100	Equity (H)	3,580,100
Non-current financial assets	(137,434)	Non-current financial assets	(137,434)
Non-current financial liabilities	4,443,418	Non-current financial liabilities	4,443,418
		- Fair value asset commodity derivatives	(40)
Total (I)	4,305,984	Non-current financial debt (I)	4,305,944
Current financial assets	(554,042)	Current financial assets	(554,042)
Cash and cash equivalents	(200,114)	Cash and cash equivalents	(200,114)
Current financial liabilities	681,109	Current financial liabilities	681,109
		- Fair value asset commodity derivatives	(4,739)
Total (L)	(73,047)	Current financial debt (L)	(77,786)
		Net financial debt (M=I+L)	4,228,158
		Own funds and net financial debt (H+M)	7,808,258

RECONCILIATION BETWEEN TOTAL FINANCIAL DEBT (ESMA COMMUNICATION OF 4 MARCH 2021) AND NET FINANCIAL DEBT

thousand euro

	30/06/2025	31/12/2024
A. Cash	(200,114)	(326,568)
B. Cash equivalents	-	-
C. Other current financial assets	(457,021)	(465,034)
D. Liquidity (A) + (B) + (C)	(657,135)	(791,602)
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	87,942	47,364
F. Current portion of non-current financial debt	566,619	566,794
G. Current financial debt (E + F)	654,561	614,158
H. Net current financial debt (G - D)	(2,574)	(177,444)
I. Non-current financial debt (excluding current portion and debt instruments)	1,447,410	1,468,002
J. Debt instruments	2,995,510	2,992,913
K. Trade payables and other non-current debt	-	-
L. Non-current financial debt (I + J + K)	4,442,920	4,460,915
M. Total financial debt (H + L)	4,440,346	4,283,471
(-) C. Other current financial assets	457,021	465,034
(+) Non-current financial assets (statement of financial position item)	(136,976)	(124,355)
(+) Current financial assets (statement of financial position item net of fair value of commodity derivatives)	(532,233)	(541,407)
Net financial debt	4,228,158	4,082,743

Certification of the Condensed Interim Consolidated Financial Statements pursuant to article 154-bis of Legislative Decree 58/1998

1. The undersigned Gianluca Bufo, Chief Executive Officer, and Giovanni Gazza, Manager in Charge of Financial Reporting of IREN S.p.A., taking into account the provisions of art. 154-bis, paragraphs 3 and 4, of Legislative Decree 58 of 24 February 1998, hereby certify:
 - the adequacy in relation to the characteristics of the company and
 - the effective application of the administrative and accounting procedures for the preparation of the condensed interim consolidated financial statements during the first half of 2025.
2. It is also hereby certified that:
 - 2.1 the condensed interim consolidated financial statements:
 - a) have been prepared in compliance with the applicable IFRS endorsed by the European Community pursuant to Regulation (EC) 1606/2002 of the European Parliament and Council, of 19 July 2002;
 - b) correspond to the figures in the ledgers and accounting records;
 - c) are suitable to offer a true and fair view of the financial position and financial performance of the issuer and the group of companies included in the consolidation scope.
 - 2.2 the interim Directors' Report contains a reliable analysis of the key events that took place during the first six months of the year and of their impact on the condensed interim consolidated financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year. The interim Directors' Report also contains a reliable analysis of disclosures on significant transactions with related parties.

30 July 2025

Chief Executive Officer

Mr. Gianluca Bufo

(signed on the original)

The Manager in Charge of Financial Reporting
under Law 262/05

Giovanni Gazza

(signed on the original)



KPMG S.p.A.
Revisione e organizzazione contabile
Corso Vittorio Emanuele II, 48
10123 TORINO TO
Telefono +39 011 83951
Email it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Report on review of condensed interim consolidated financial statements

*To the shareholders of
Iren S.p.A.*

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of the Iren Group, comprising the statement of financial position as at 30 June 2025, the income statement and the statements of comprehensive income, changes in equity and cash flows for the six months then ended and notes thereto. The directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the IFRS Accounting Standard applicable to interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim consolidated financial statements.



Iren Group

Report on review of condensed interim consolidated financial statements

30 June 2025

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Iren Group as at and for the six months ended 30 June 2025 have not been prepared, in all material respects, in accordance with the IFRS Accounting Standard applicable to interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and endorsed by the European Union.

Turin, 1 August 2025

KPMG S.p.A.

(signed on the original)

Fabio Monti
Director of Audit



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