

Green Bond Report 2024

1. INTRODUCTION

1.1. Company Overview

Azienda Trasporti Milanesi S.p.A. ("ATM"), one of the leading local transport companies in Italy, is the parent company of an international group operating in Italy, Denmark and Greece, in the transport sector: owned by the City of Milan, its main activity in Italy is the operation of the local public transport networks and lines in the area administered by the City of Milan and part of the wider area administered by the Milan Urban District Council. The Group employs approximately 10,500 people and operates metro, tram, bus, trolley bus and funicular services, carrying over 650 million passengers a year.

1.2. Mission and Values

With its mission of promoting intelligent mobility and constantly improving the quality of the services for its customers, the Group aims at becoming a model for sustainable integrated mobility. ATM, through its pivotal role in Milan's mobility system, operates to valorize its people and to promote a change towards a green and efficient mobility in Milan, with a significant contribution to reducing greenhouse gas emissions and to easing traffic congestion.

Aiming to create economic, social, and environmental value through its relations with all the stakeholders, ATM pursues a business strategy oriented towards more environmentally friendly modes of transport, with the goal to improve the quality of life for everyone in the medium- to long-term. In addition to economic value, ATM and the Group create value in the territory in which they operate by engaging in projects, initiatives, partnerships, and activities with the widest possible impact in the social and environmental field.

| Key figures of ATM operations in Italy ¹ | | | |
|---|-------|-------|--------|
| | 2024 | 2023 | 2022 |
| Passengers (mln) | 675.0 | 662.2 | 569.87 |
| Territory Served (km ²) | 656 | 656 | 656 |
| Km traveled (mln vehicle*km) | 153.6 | 154.6 | 155.64 |
| Number of metro lines | 5 | 5 | 5 |
| Number of metro carriages | 947 | 947 | 947 |
| Number of tram lines | 17 | 17 | 17 |
| Number of trams | 484 | 493 | 493 |
| Number of bus lines | 137 | 136 | 135 |
| Number of buses | 1236 | 1259 | 1246 |

¹ Further details and data can be found in ATM Integrated Annual Report, available at: https://www.atm.it/it/IlGruppo/Financial_information/Pagine/Bilancioannualeerelazionidegliorganidirevisioneamministrativacontabile.aspx

1.3. ATM Green Bond

The ATM Green Bond issuance constitutes a valuable opportunity for the execution of the Group's planned strategy, offering an opportunity to widen its investors' base and engage with socially responsible investors.

Before the issuance of ATM Green Bond in July 2024, a Green Financing Framework was published in March 2024 and reviewed by Sustainalytics. The Second Party Opinion confirmed the alignment of the Framework to the ICMA Green Bond Principles 2021 (with June 2022 Appendix) and APLMA, LMA, LSTA Green Loan Principles 2023, with an expected contribution of the use of proceeds to the achievements of UN Sustainable Goals 7, 9, 11 and 13.

Following the ICMA Green Bond Principles, ATM has committed in its Green Financing Framework to publish an annual allocation and impact report until the maturity of its outstanding debt instruments, providing disclosure on its efforts to promote sustainability throughout the funds provided by investors.

1.4 Green Bond Final Terms

| | |
|------------------------|---|
| Issuer | Azienda Trasporti Milanesi S.p.A. |
| Issuer Rating | Fitch: BBB S&P: BBB+ |
| Format | Bond; Senior; Unsecured; Reg S not applicable |
| Issue Date | 26/07/2024 |
| Maturity | 26/07/2031 |
| Volume | € 70,000,000 |
| ISIN | XS2867280658 |
| Denomination | €100,000 |
| Use of Proceeds | To finance and/or refinance Eligible Green Projects in line with the Green Financing Framework 2024 |
| Listing | Euronext Dublin |

2. ATM GREEN FINANCING FRAMEWORK 2024²

Within the Framework, the Eligible Green Project categories related to eligible projects are aligned with the Sustainable Development Goals set by United Nations, specifically SDGs 7, 9, 11 and 13. Selected Eligible Green Projects have been grouped in compliance with financial statements representation:

- Fleet/Clean transportation;
- Renewable energy;
- Green buildings.

² Available at: https://www.atm.it/en/IlGruppo/Investors/Documents/ATM_Green_Financing_Framework_2024.pdf

Eligible Green Projects have been defined in accordance with the broad categorisation of eligibility for “Green Projects” set out by the ICMA GBP.

The Eligible Green Projects constitute expenditures that occurred no earlier than three financial years prior to the year of issuance, the budget year of issuance itself, and two financial years occurring after the year of issuance.

The Eligible Green Projects, which meet the Eligibility Criteria set out in the Green Financing Framework, may include:

- capital expenditures;
- acquisition of stakes in “pure player” assets or companies deriving at least 90% of their revenues from zero tailpipe public transport and which meet the Eligibility Criteria described in the Green Financing Framework.

In case of project divestment or non-compliance with selection criteria, ATM commits to allocate the proceeds to other projects that would comply with the eligibility criteria of the Framework.

| Green Eligible Category | Eligibility Criteria | Example of Eligible Assets / Projects | EU Taxonomy Mapping (Climate Change Mitigation) |
|-------------------------|--|--|--|
| Clean Transportation | <p>Projects and investments related to the establishment, acquisition, expansion, renewal, maintenance and/or operation of zero direct (tailpipe) CO₂ emissions transport, as well as associated enabling systems and equipment.</p> <p>Projects and investments related to acquisition, renewal, maintenance and operation of personal mobility or transport devices where the propulsion comes from the physical activity of the user, from a zero-emission motor, or a mix of zero-emission motors and physical activity. The personal mobility devices are allowed to be operated on the same public infrastructure as bikes or pedestrians.</p> <p>Construction and/or adaptation of existing or new infrastructure supporting electric or zero emission transportation.</p> | <ul style="list-style-type: none"> • Bus and minibus fleet transition from diesel to electric engine • Renewal of tram fleet (new cars and revamping existing cars) • Renewal of the ticketing system • Metro 4 acquisition • Construction of new Toscana and Triboniano depots for electric buses • Charging stations in new and existing depots, and opportunity chargers on the city network for electric buses | <p>6.3. Urban and suburban transport, road passenger transport</p> <p>6.4 Operation of personal mobility devices, cycle logistics</p> <p>6.15 Infrastructure enabling low-carbon road transport and public transport</p> |
| Renewable energy | Installation, maintenance, and repair of on-site renewable energy systems (specifically, solar photovoltaic | <ul style="list-style-type: none"> • Installation of photovoltaic | 7.6. Installation, maintenance and repair |

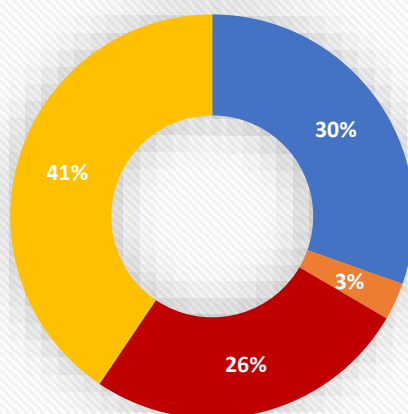
| | systems and the ancillary technical equipment). | systems in depots | of renewable energy technologies |
|-----------------|---|---|---|
| Green Buildings | <p>Construction of new buildings:</p> <ul style="list-style-type: none"> • PED at least 10% < than the threshold set NZEB in national measures implementing Directive 2010/31/EU • the energy performance is certified using an EPC <p>Acquisition of new buildings:</p> <ul style="list-style-type: none"> • for buildings built before 31/12/20, the building has at least EPC class A, or it is within the top 15% of the national or regional building stock expressed as operational PED • for buildings built after 31/12/20, PED must be at least 10% < than the threshold for NZEB. The energy performance is certified using an EPC. • buildings that have received third-party certification: BREEAM Excellent, HQE Excellent, or LEED Platinum. <p>Renovation of existing buildings:</p> <ul style="list-style-type: none"> • the renovation complies with the applicable requirements for major renovations or, alternatively, leads to a reduction of PED of at least 30%. | <ul style="list-style-type: none"> • Headquarter buildings | <p>7.1. Construction of new buildings</p> <p>7.2. Renovation of existing buildings</p> <p>7.7. Acquisition and ownership of buildings</p> |

3. ALLOCATION REPORT

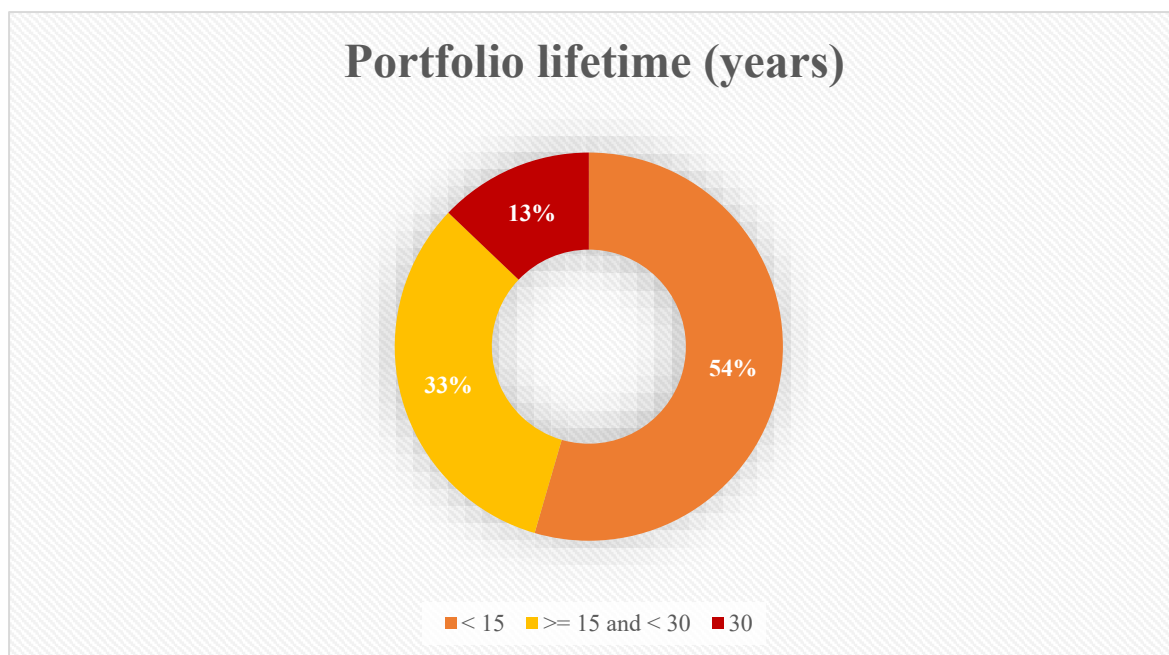
As of December 31, 2024, an amount equivalent to ATM Green Bond proceeds (€70 Mio.) has been fully allocated to refinance existing projects falling under the Clean Transportation eligible category, as detailed in the table below. At the date hereof, all the proceeds have been allocated to projects in operation as of December 31, 2024.

| Clean Transportation | Eligibility for green bonds | Allocated Amount (Mio. €) | Portfolio lifetime (years) |
|------------------------------|-----------------------------|---------------------------|----------------------------|
| Rolling stock | 100% | 21.3 | ~19 (19.33) |
| Buildings | 100% | 2.1 | ~ 17 |
| Systems and equipment | 100% | 18.2 | ~ 12 (12.1) |
| Technologies | 100% | 28.4 | ~13 (13.36) |
| Total | 100% | 70.0 | ~15 (14.96) |

Investment Allocation (by type of project)



■ Rolling stock ■ Buildings ■ Systems and equipment ■ Technologies



4. IMPACT REPORT

ATM committed to publish an impact report providing information on the environmental and sustainable impacts of the projects financed and/or refinanced through the Green Financing Instruments issued under its Green Financing Framework 2024.

The report was intended to align, on a best effort basis, with the approach described in the ICMA “Handbook – Harmonised Framework for Impact Reporting (June 2024)”³.

The table on the following page provides a detailed view on the impacts generated:

³ Available at: <https://www.icmagroup.org/assets/documents/Sustainable-finance/2024-updates/Handbook-Harmonised-Framework-for-Impact-Reporting-June-2024.pdf>

| Green Eligible Category: Clean Transportation | | |
|---|--|--|
| Eligible Green Projects/Assets | Impact Metrics | |
| Rolling stock (such as renewal of tram fleet, replacement of diesel buses with electric buses, revamping and general inspection of metro trains and trams, purchase of spare trolleys for metro trains) | <ul style="list-style-type: none"> 2024 GHG emissions reduced (tCO₂e) 2.302 tCO₂ avoided Annual Absolute (gross) GHG emissions in tCO₂e Scope 1 2024 ATM Group 58.611 tCO₂ Scope 1 2023 ATM Group 65.537 tCO₂ Number of clean vehicles deployed (e.g., electric) 78 new electric buses⁴ | |
| Buildings (such as garage repair costs) | | |
| Systems and equipment (such as creation of charging structures for electric buses, improvement of automation, power, and traction systems) | | |
| Technologies (such as improvement of payment and ticketing systems, improvement of service control and monitoring systems, disaster recovery systems) | | |

5. MAIN PROJECTS: OVERVIEW

5.1 Rolling stock

5.1.1. Renewal of tram fleet

Rolling stock fleet modernization is key for attractive, efficient, and sustainable mobility in urban areas. The fleet has been renewed with 60 more innovative and efficient bidirectional trams, to offer a comfortable journey thanks to the air-conditioned passenger compartment, ergonomically designed seats and transitions between the carriages to improve the distribution of passengers throughout the vehicle. The amount invested represents the share of self-financed investments made by ATM during the period under review. A part of this amount is related to advances on vehicles that have not yet been delivered and corresponds to the self-financed share of about 6 trams, of which 4 urban trams co-financed by the Italian Ministry of Infrastructures and Transport (MIT) at 60% and 2 interurban trams entirely borne by ATM.

⁴ The operation of the new buses is financed through a combination of bond proceeds and public funds.

5.1.2. Replacement of buses

As a part of its endeavor to proceed towards a sustainable future via a green transition, ATM replaced 78 diesel or hybrid 12-metre buses with an equal number of electric, emission-free 12-metre buses. This change will lead to a significant reduction of air pollutants and GHG emissions, contributing to the improvement of air quality in the City of Milan and the surrounding area.

6. METHODOLOGY OF IMPACT ASSESSMENT

IMPACT

Annual GHG emissions reduced (tCO₂e):

This figure is calculated by converting the reduction in annual diesel consumption for 2024, due to the introduction of the new 78 electric buses, into avoided tCO₂ emissions. The conversion factor used is Defra - UK Government GHG Conversion Factors for Company Reporting FUEL (2024).

Annual Absolute (gross) GHG emissions in tCO₂e Scope 1:

This data, from the 2024 Integrated Annual Report, is calculated based on diesel fuel consumption for traction and diesel, gas, and LPG for heating and converted into tCO₂ based on Defra indices.

Regarding the rolling stock, it is possible to determine a KPI that precisely identifies the green impact.

Investments in other categories (Buildings, Systems and Equipment, Technologies) also indirectly contribute to the green performance of transport services, impacting all the existing green vehicles (trains, trams, trolleybuses) and new electric buses, thus amplifying the emissions reduction effect.

7. DISCLAIMER

This document (the Impact Report 2025) is intended to provide non-exhaustive, general information related to ATM's approach to sustainability.

It contains forward-looking statements that reflect ATM's management current views with respect to future events and financial and operational performance of the company and its subsidiaries.

These forward-looking statements are based on ATM's current expectations and projections about future events. Since the statements themselves are subject to risks and uncertainties, actual future results or performance may materially differ from those expressed therein or implied thereby due to any number of different factors, many of which are beyond the ability of ATM's control, including for instance changes in the regulatory framework and/or taxation laws, future market developments, fluctuations in the price and availability of commodities and other risks.

Investors are cautioned not to place undue reliance on the forward-looking statements contained herein, which are made only as of the date of this document. ATM does not undertake any obligation to publicly release any updates or revisions to any forward-looking statements to reflect events or circumstances after the date of this presentation.

This document is intended to provide non-exhaustive, general information related to ATM's approach to sustainability. This document may contain or refer to public information not separately reviewed, approved or endorsed by ATM and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by ATM as to the fairness, accuracy, reasonableness or completeness of such information.

This document does not constitute a recommendation regarding the securities of the company. This document does not contain an offer to sell or a solicitation of any offer to buy any securities issued by ATM in any jurisdiction. This material is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation. Persons who might come into possession of it must inquire as to the existence of such restrictions and comply with them.

This Impact Report 2025 is not intended to be, and should not be regarded as providing legal, financial or technical advice.

Attachment: Independent Auditors' Report

INDEPENDENT AUDITOR'S REPORT ON THE "ALLOCATION REPORT" AND "IMPACT REPORT" INCLUDED IN THE SPECIFIC SECTIONS OF THE GREEN BOND REPORT 2024

**To the Board of Directors of
Azienda Trasporti Milanesi S.p.A.**

We have undertaken a limited assurance engagement of the "*Allocation Report*" and "*Impact Report*" sections (the "Report"), included in the accompanying Green Bond Report 2024 for the year ended on December 31, 2024, prepared by Azienda Trasporti Milanesi S.p.A. (the "Company"), on the basis of the Green Financing Framework (the "Framework") issued in March 2024 and developed in accordance with the Green Bond Principles 2021 version, as published by the International Capital Markets Association ("ICMA"), and the Green Loan Principles 2023 version, as published by Loan Market Association ("LMA"), Asia Pacific Loan Market Association ("APLMA"), and Loan Syndications and Trading Association ("LSTA") (hereinafter collectively the "Principles"). The Green Bond Report 2024 is related to the green bond issued in July 2024.

Directors' Responsibility

The Directors of Azienda Trasporti Milanesi S.p.A. are responsible for the preparation of the Report in accordance with the Framework developed by the Company in line with the Principles. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of the Report that is free from material misstatement, whether due to fraud or error.

Independence and quality control policies

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

Sede Legale: Via Santa Sofia, 28 - 20122 Milano | Capitale Sociale: Euro 10.688.930,00 i.v.

Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03049560166 - R.E.A. n. MI-1720239 | Partita IVA: IT 03049560166

Il nome Deloitte si riferisce a una o più delle seguenti entità: Deloitte Touche Tohmatsu Limited, una società inglese a responsabilità limitata ("DTTL"), le member firm aderenti al suo network e le entità a esse correlate. DTTL e ciascuna delle sue member firm sono entità giuridicamente separate e indipendenti tra loro. DTTL (denominata anche "Deloitte Global") non fornisce servizi ai clienti. Si invita a leggere l'informativa completa relativa alla descrizione della struttura legale di Deloitte Touche Tohmatsu Limited e delle sue member firm all'indirizzo www.deloitte.com/about.

© Deloitte & Touche S.p.A.

Auditor's Responsibility

Our responsibility is to express a conclusion on the Report based on the procedures performed. We conducted our engagement in accordance with *International Standards on Assurance Engagements - Assurance Engagements other than Audits or Reviews of Historical Information* ("ISAE 3000 revised") issued by International Auditing and Assurance Standards Board for limited assurance engagements. This standard requires that we plan and perform the review to obtain limited assurance as to whether the Report is free of material misstatement.

The procedures performed have been based on our professional judgment and have included inquiries primarily of the Company personnel responsible for the preparation of information included in the Report, analysis of documents, recalculations, comparisons, reconciliations with the accounting records and other procedures to obtain supporting evidence.

In detail, we have performed the following procedures:

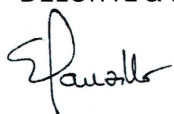
- Analysis of the Framework adopted by Azienda Trasporti Milanesi S.p.A. and of the Second Party Opinion, which includes the assessment of the alignment of the Framework with the Green Bond Principles 2021 version, as published by ICMA, and the Green Loan Principles 2023 version, as published by LMA, APLMA, and LSTA and the applicability of the categories of *Eligible Green Projects* for the purposes of proceeds allocation and the definition of environmental impacts;
- Analysis of the reporting process for the purposes of preparing the *Report*.
- Interviews with the Company's management in order to understand criteria and processes underlying the detection of the *Eligible Green Projects* and the generation, detection and management of relevant qualitative and quantitative information included in the Report.
- Reconciliation and verification of the quantitative data included in the Report.
- Analysis on a sample basis through the collection and analysis of supporting documentation, in order to verify the consistency of the information included in the *Report* with the Principles.
- Obtaining the representation letter, signed by the Company's legal representative, on the correctness and completeness of the information indicated in the Report and of the information provided to us for the purposes of our work.

The procedures performed are less in extent than for a reasonable assurance engagement conducted in accordance with *ISAE 3000 revised* and, consequently, do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that “*Allocation Report*” and “*Impact Report*” sections included in the Green Bond Report 2024 of Azienda Trasporti Milanesi S.p.A. is not prepared, in all material respects, in accordance with the Green Financing Framework.

DELOITTE & TOUCHE S.p.A.



Ernesto Lanzillo
Partner

Milan, Italy
August 5, 2025