

**INTEGRATED ANNUAL  
REPORT  
ATM GROUP  
2024**



At ATM, we want to make a difference every day, because our *passion* and *care* for our work drives us to think big and to promote *innovation, inclusion* and *sustainability* for an integrated mobility that serves millions of customers.



## Foreword

This document includes the Report on Operations, the Sustainability Report, the Consolidated Financial Statements and the Annual Report.

The objective of the Report on Operations is to represent, in addition to the annual results of operations, the ATM Group's sustainable value creation model for its business in the medium-long term, highlighting the links existing between strategy, governance, economic-financial performance and the social, environmental and economic context in which the Group operates.

The issues discussed in the Report on Operations represent the main factors that can influence the Group's economic and financial performance and impact on material sustainability issues.

The Sustainability Report is prepared in accordance with the provisions of Legislative Decree 125/2024 and in accordance with the ESRS Standards issued by EFRAG and implemented by Delegated Regulation (EU) 2023/2772.

The Sustainability Report, which constitutes a specific section of the Report, aims to provide an understanding of both the ATM Group's impact on sustainability issues and the information needed to understand how these issues affect the company's performance, results and financial position.

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# Introduction

## **1.1 Letter from the Chairperson**

The year 2024 was a year of significant achievements for ATM, both nationally and internationally. Notable milestones include the full opening of the M4 metro line in Milan, the start-up of Greece's first automatic metro in Thessaloniki and the opening of five new stations on the automatic metro in Copenhagen. These successes have enabled ATM to further strengthen its know-how, confirming it as a leader in the management of driverless metros, both in Italy and abroad. To support corporate growth and strengthen governance, ATM's Board of Directors was enlarged to seven members, with the appointment of two new directors and the creation of three endo-committees, in line with practice for companies issuing securities and of this size. Furthermore, in compliance with the new European regulation, starting this year ATM was among the first 200 companies in Italy to integrate a Corporate Sustainability Reporting Directive (CSRD) section in its financial statements, demonstrating its growing commitment to transparency and corporate responsibility on ESG sustainability issues.

After two years in substantial break-even, the ATM Group closed the year 2024 with a profit of EUR 5.8 million, while the parent company ATM S.p.A. recorded a profit of EUR 3.1 million, demonstrating the validity of the initiatives and strategies implemented in recent years. The results of subsidiaries and investee companies contributed significantly to the improvement of the Group's overall results: the companies that made the greatest contribution to the parent company's accounts were the Danish Metro Service, Nord Est Trasporti, which operates in the public transport sector in the Monza and Brianza area, and Rail Diagnostics S.p.A., which specialises in the integrated diagnostics of metro-transportation installations and systems. The results confirm that expanding operational and geographic boundaries are key strategies for generating additional margins, which are crucial for preserving the Group's corporate strength and supporting the investment plans envisaged for the coming years.

On the revenue side, there was an increase both in the fees generated in Italy by the service contract with the Municipality of Milan and the commissioning of the entire M4 automatic line, and in those relating to the management of the Copenhagen and Thessaloniki metro networks abroad. As far as costs are concerned, despite the high uncertainty related to the main economic variables, most items remained stable compared to last year, thanks in part to careful streamlining activities. However, there was an increase in total costs of EUR 39 million compared to 2023, almost entirely attributable to the increase in personnel costs related to the expansion of the workforce in both the Italian and foreign companies.

The economic and financial results, which are detailed in the internal chapters, reflect the Group's sound management and successful implementation of initiatives during the year. With revenues of EUR 1,161 million (+ EUR 64 million vs. 2023) and operating costs and expenses of EUR 1,061 million

(+ EUR 39 million vs. 2023), the Group recorded EBITDA of EUR 100 million (+ EUR 25 million vs. 2023) and an operating result of EUR 15 million (+ EUR 26 million vs. 2023), reaching a profit of EUR 5.8 million (+ EUR 5 million vs. 2023). The ATM Group's total balance sheet assets amounted to EUR 2,336 million (+ EUR 24 million vs. 2023).

The implementation of the Strategic Business Plan 2021-2025 continued according to plan, with a steady development of all initiatives. As part of the Full Electric project, 40 new electric buses went into service in 2024, while 51 diesel buses were decommissioned. At the end of the year, ATM's fleet had a total of 280 electric buses in circulation, representing 24% of the entire urban fleet. At the same time, the installation of online charging systems and the electrical conversion of the depots in Via Giambellino, Via Palmanova, Viale Sarca and San Donato continued. As a result of these measures, the number of fully electric bus lines has risen to 24, with a 25% increase in electric mileage compared to 2023 (by the end of the year, 28% of city bus kilometres were covered by electric vehicles). In addition, 299 new electric buses were purchased in 2024 and will be delivered from 2025. The goal is to reach a total of around 600 active buses by 2026, which is almost 50 per cent of the total fleet. In order to ensure the punctual development of the Full Electric plan, however, the construction of the two new depots planned in Viale Triboniano and Viale Toscana is essential: in fact, the size and shape of the depots currently serving the road transport network are not sufficient to meet the needs of a fully electric fleet. The construction of the new full-electric depots is slowing down compared to the initial forecasts due to complications related to the administrative and authorisation processes of the bodies involved.

On the front of business expansion, ATM officially announced the opening of a branch in France, "ATM France", continuing to participate in tenders for the awarding of public transport service contracts in the region, some of which to be awarded starting in 2025. In parallel, the company took part in further national and international tenders. In August, ATM took over the management of the historic Argegno-Pigra funicular railway, consolidating its expertise in the management of cableway installations.

The company continued to implement the other initiatives of the Strategic Plan, with a particular focus on digitisation. During the year, ATM extended the installation of credit card readers throughout its fleet in the metropolitan area, improving the interoperability of the system, thereby fostering integration between the Milan and Monza networks. As part of the initiatives to combat fare evasion, the first new-generation turnstiles are being tested in 6 metro stations. In parallel, major renovations of escalators and lifts in metro stations were started. The completion of these works within the city is planned before the 2026 Winter Olympics, with the aim of ensuring full service functionality for all metro lines.

Among the various communication initiatives are campaigns on Diversity & Inclusion and against gender-based violence. In addition, ATM held its first exhibition open to the public, ATM MANIFESTO, dedicated to its historical archive at the ADI Design Museum, which attracted over 55,000 visitors in 50 days. As evidence of the company's historical value for Milan, a Carrelli tram has been exhibited, and will be permanently exhibited, at the National Museum of Science and Technology.

The development of the People and Culture pillar is also progressing on schedule, confirming ATM's commitment to the development of its people. In 2024, the ATM Job Tour was also launched, an initiative to promote the company in the territory and to directly search for key figures, such as drivers, maintenance workers, technicians and engineers, who are essential for the expansion of the public transport service.

Despite the structural shortage of key profiles in the sector, such as drivers, maintenance workers and engineers, and the increasing difficulty in finding adequate economic resources to cover the higher costs, ATM continues to work to guarantee the best possible service to citizens, optimising available resources and keeping in line with the shareholder's strategy. In this delicate context, the Company would like to express its sincere thanks to all the staff, with special recognition to those who, with great dedication, worked overtime shifts to make up for the staff shortage.

The Chairperson

Gioia Maria Ghezzi

## 1.2 The ATM Group

### 1.2.1 Mission and Values

Since 1931, the Azienda Trasporti Milanesi S.p.A. ("ATM" or the "Company" or the "Parent Company"), the Parent Company of the ATM Group (the "Group") established in 2006, has been striving to be a point of reference and a key actor in the integrated mobility system, and in particular it aims to:

- be a nationally and internationally recognised excellence in sustainable integrated mobility management, through a consumer-centric, technologically advanced, efficient and resilient service;
- become a promoter of change and reaffirmation of Milan into a more liveable, sustainable, safe and smart city;
- promote the development of its people and its assets through the development of skills, the attraction of new talent and the dissemination of an inclusive culture.

The Group's daily operations are guided by the following System of Values:

- **quality of life of the community:** continuous improvement of the quality of life of those who live and move in the area where the Group operates;
- **professional growth:** possibility for everyone in the Group to be fulfilled in their job through continuous professional and personal growth;
- **ethics, transparency and fairness:** activities within and outside the Group that are founded on the principles of legality, transparency, fairness and loyalty;
- **continuous pursuit of excellence:** attitude open to change, discussion and personal and professional improvement.

### 1.2.2 The main services offered

The ATM Group has always been committed to meeting the needs of the public transport sector by readily understanding citizens' demand through the intermodality of the transport services, which include metro, bus, tram and trolleybus services. The solutions offered cover the entire public mobility value chain and by combining advanced technologies, such as automatic metros, with smart mobility initiatives, ATM is able to promote and make public transport a sustainable choice.

The ATM Group's more than 10,000 employees guarantee the daily operation of a complex transport system that serves a territory of more than 3.3 million inhabitants, and includes the city of Milan and 97 municipalities in Lombardy.

The Milan metro network consists of five lines, stretching for approximately 112 km and with 134 stations.

Line	Route	Year	Length	Stations
<b>M1</b>	Sesto 1° Maggio FS ↔ Rho Fieramilano/Bisceglie	1964	26.70 km	38
<b>M2</b>	P.za Abbiategrasso Chiesa Rossa/Assago Milanofiori Forum ↔ Cologno Nord/Gessate	1969	39.88 km	35
<b>M3</b>	San Donato ↔ Comasina	1990	17.31 km	21
<b>M4</b>	Linate Airport ↔ San Cristoforo	2022	15.55 km	21
<b>M5</b>	Bignami Parco Nord ↔ San Siro Stadium	2013	12.88 km	19
		<b>Total</b>	<b>112.32 km</b>	<b>134</b>

In addition to the metro lines, the Group operates 17 tram lines covering 157 km, 136 bus lines and four trolleybus lines covering approximately 1,500 km.

The current configuration of the above-ground network is as follows:

Type	Number of lines	Notes
Car network	81 urban 54 suburban 24 provincial	Including neighbourhood bus services (active in 15 suburban districts) and 4 lines related to the night metro replacement service
Tram network	17 urban lines	
Trolleybus network	4 urban lines	

All transport networks are integrated with Trenord's railway line, completing an integrated system that allows customers to move around the territory easily by public transport.

In addition, the ATM Group operates:

- the light rail, specially designed for patients, staff and students, which connects the Cascina Gobba station (on Line 2) to the San Raffaele Hospital by automatic metro line;
- the Como-Brunate funicular railway, which has been the fastest way to connect the two towns since 1894;
- the Varese-Santa Maria del Monte funicular railway;
- the Argegno-Pigra cable car;
- the BikeMi bike sharing service in the city of Milan;
- 23 car parks in the city of Milan, offering car and motorbike parking spaces for the public, equipped with parking control and payment systems, with the aim of improving traffic flow in the city and encouraging the use of public transport;
- DRT;



- ancillary activities: such as the distribution of tickets, the provision of information to customers and the control of fare evasion;
- the payment and control system of Area C, the congestion charge introduced in the centre of Milan, which involves the management of purchase transactions and daily accesses;
- the control system and the adaptation of the computerised transit management system for Area B, a restricted traffic zone with a ban on the access and circulation of the most polluting vehicles, active since 2019.
- the vehicle removal and storage service and special and tourist services including the ATMosfera restaurant tram;
- the local public transport service, with 24 bus lines, within the Milan Metropolitan City and in the provinces of Monza (including the hinterland) and Brianza as well as in some municipalities in the provinces of Bergamo and Lecco.

The ATM Group is also active abroad: since 2008, through its subsidiary Metro Service A/S, it operates four metro lines in the city of Copenhagen, with a total length of approximately 44 km and 46 stations. Metro Service A/S has also been awarded the operation of the new Greater Copenhagen Light Rail line, which will provide transport services for the suburban area to the west of the city, scheduled to start in the third quarter of 2025.

Line	Route	Year	Length	Stations
M1	Vanløse ↔ Vestamager	2008	21 km	22
M2	Vanløse ↔ Lufthavnen			
M3	København H ↔ Enghave Plads	2019	15.5 km	17
M4	OrientKaj ↔ Ny Ellebjerg	2020	7.5 km	7
<b>TOTAL</b>			<b>44</b>	<b>46</b>



Finally, on 30 November 2024, the basic section of the Thessaloniki metro in Greece was opened. It is 8.1 km long and includes 13 stations, and is managed by the subsidiary THEMA S.A. In the fourth quarter of 2025, the extension to Kalamaria is scheduled to open for a further 4.6 km and 5 stations.

Line	Route	Year	Length	Stations
Line 1	New Railway Station ↔ Nea Elvetia	2024	8.1 km	13



The ATM Group's activities are summarised by territorial areas and by services below:

BUSINESS AREA	Local public transport management	Activities ancillary and complementary to LPT	Other
ITALY	<ul style="list-style-type: none"> <li>➤ LPT in Milan and urban area and LPT cars in the Municipality of Monza, Province of Monza-Brianza, Bergamo, Lecco</li> <li>➤ Milan metro lines 4 and 5</li> <li>➤ DRT services</li> <li>➤ Funicular railways (Como-Brunate, Varese-Santa Maria del Monte) and Argegno-Pigra cable car</li> </ul>	<ul style="list-style-type: none"> <li>➤ Roadside paying parking and in the 23 interchange car parks inside and outside of Milan</li> <li>➤ Removal and storage of vehicles on municipal territory</li> <li>➤ Area B and C</li> <li>➤ Traffic and Territory Control System</li> <li>➤ Bike Sharing</li> <li>➤ Ticketing Systems</li> </ul>	<ul style="list-style-type: none"> <li>➤ S5 loop</li> <li>➤ Tram restaurant and tram hire</li> <li>➤ Planning for sustainable, inclusive and innovative mobility.</li> <li>➤ Maintenance and integrated diagnostics of metro and tramway control systems and installations</li> <li>➤ Insurance claims management</li> <li>➤ Retail and Advertising Management</li> </ul>
ABROAD	<ul style="list-style-type: none"> <li>➤ Copenhagen and Thessaloniki metros</li> </ul>		

### 1.2.3 The value creation model

Thanks to its role as a key actor in national and international public transport, the ATM Group, through its activities, is able to generate great value for the metropolitan city in which it operates, for the various surrounding communities and also for the entire country system, in a perspective that is evolving more and more every day towards a sustainable intermodal system that is environmentally and people-friendly. The company's ultimate goal is to improve the quality of life for everyone, in the present but also in the medium to long term.

In addition to economic value, in fact, the Group creates value in the territory in which it operates by participating in projects, initiatives, partnerships and activities that have the widest possible social and environmental impact.

The value generated by the Group, described in the following pages, is measured not only on the basis of ATM's ability to achieve its strategic objectives, but also on the basis of the extent of the positive impact generated by its business activities on the outside world.

In wanting to create and share value, ATM engages different stakeholders with targeted objectives:

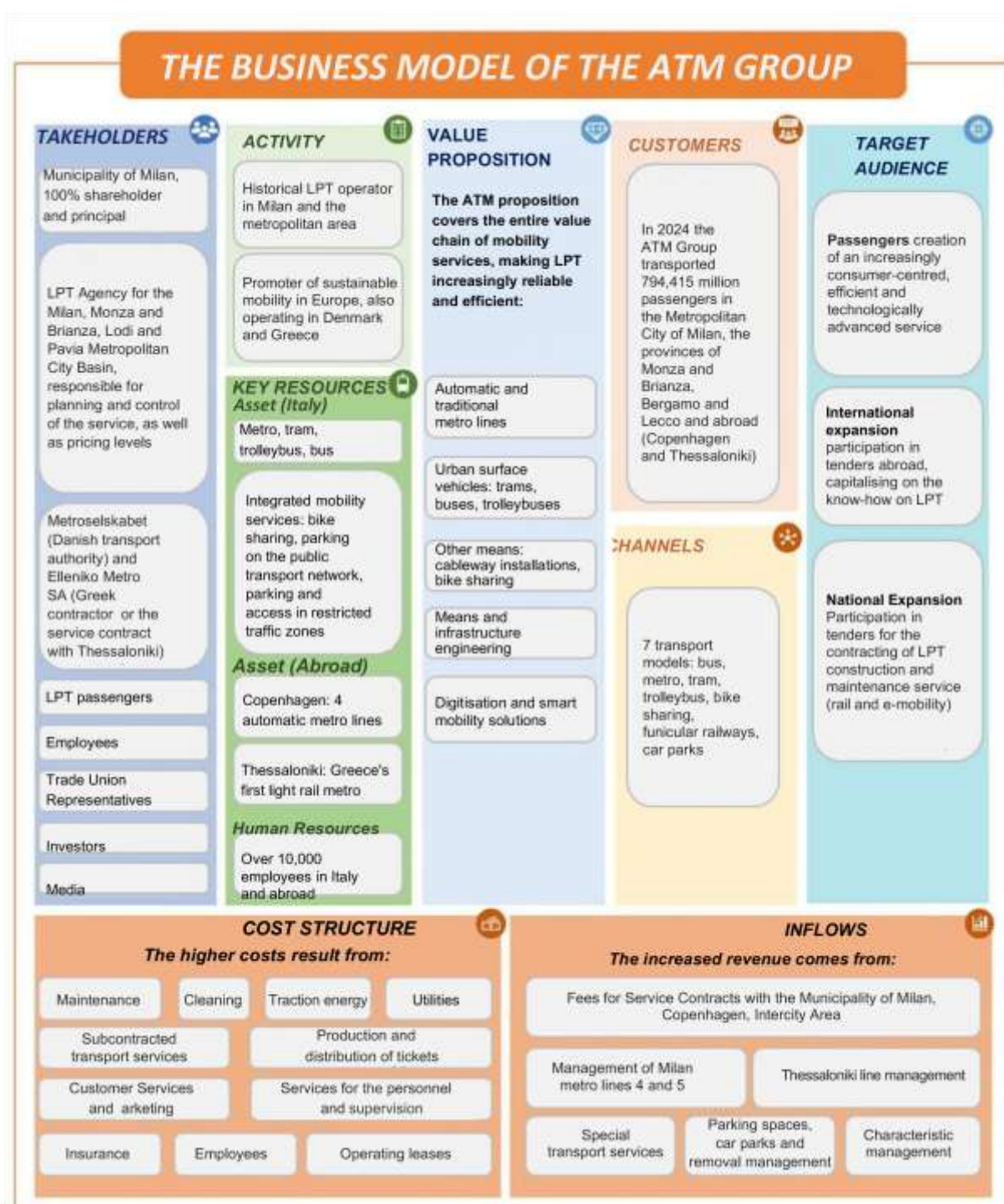
- **Passenger customers:** guaranteeing sustainable and efficient integrated mobility, in line with the company's sustainability strategies in Italy, Denmark and Greece, and with the aim of expanding business in other countries as well, to make the ATM Group competitive on a global scale.
- **Local authorities:** offering innovative and sustainable solutions for public transport, both in Italy and abroad.
- **LPT sector:** actively participating in tenders for the management of mobility services with a focus on sustainable infrastructure and low-emission transport.

In addition, ATM interacts with a diverse network of stakeholders including:

- **Municipality of Milan:** sole shareholder and guarantor of economic and social sustainability.
- **Local Public Transport Agency** of the Milan, Monza and Brianza, Lodi and Pavia Metropolitan City basin: strategic collaborator for sustainable mobility planning.
- **International bodies:** Metroselskabet (Denmark) and Elliniko Metro SA (Greece), holders of the service contract in Copenhagen and Thessaloniki.
- **Investors and media:** key actors in ensuring growth, transparency and dissemination of sustainable practices.

ATM continues to innovate its business model to align with European sustainability standards, increasingly focusing on electric mobility, digitising processes to improve operational efficiency and promoting a corporate culture focused on sustainability and social responsibility.

The introduction of the CSRD Directive on sustainability reporting represents an opportunity for the ATM Group to consolidate and communicate its role as a leader in sustainable mobility. Through an innovative and responsible business model, the company is not only able to meet regulatory requirements, but also actively contributes to the ecological transition, promoting a more sustainable future for all its *stakeholders*.



### 1.2.4 Our People

At ATM, people are one of the fundamental pillars of the sustainability policy which is an integral part of the company's business and at the heart of the mobility concept. The Company is strongly committed to promoting a positive working environment and building corporate policies that value the **individual** and **diversity**. The 2023- 2025 plan aims, in fact, at **developing new skills**, as well as strengthening the ability to attract talent and ensure its continued growth.

The ATM Group's workforce at 31 December 2024 totalled 10,623 employees (10,331 at 31 December 2023).

Type of contract	31.12.2023	New hires	Leavers	31.12.2024
Managers	38	10	(8)	40
Managers/middle managers	440	51	(26)	465
Office workers	1,010	156	(84)	1,082
Blue-collars	8,843	917	(724)	9,036
<b>Total</b>	<b>10,331</b>	<b>1,134</b>	<b>(842)</b>	<b>10,623</b>

During 2024, the ATM Group continued to invest in enhancing human capital through an intensive **recruitment programme**, with the aim of further increasing the overall value of the organisation and strengthening internal structures. More than 720 new employees were hired at the Group's Italian companies, the highest recruitment figure recorded in recent years, exceeded only in 2009.

Forty-five per cent of recruitments mainly concerned travelling personnel, more than half of which were line drivers, in response to the persistent shortage of drivers in the local public transport sector which also affected ATM. This shortage is particularly acute in urban areas and large centres, where the demand for public transport services is constantly increasing. On the other hand, about 25 per cent of the new hires were in the maintenance department, reflecting the continuous focus on improvement and operational efficiency.

Confirming the Group's commitment to ensuring the stability and professional growth of its people, more than 61% of recruitments were made under permanent contracts.

Finally, it should be noted that out of the total number of new hires, 17% are of the female gender, in line with the Group's commitment to promoting inclusiveness and gender equality.

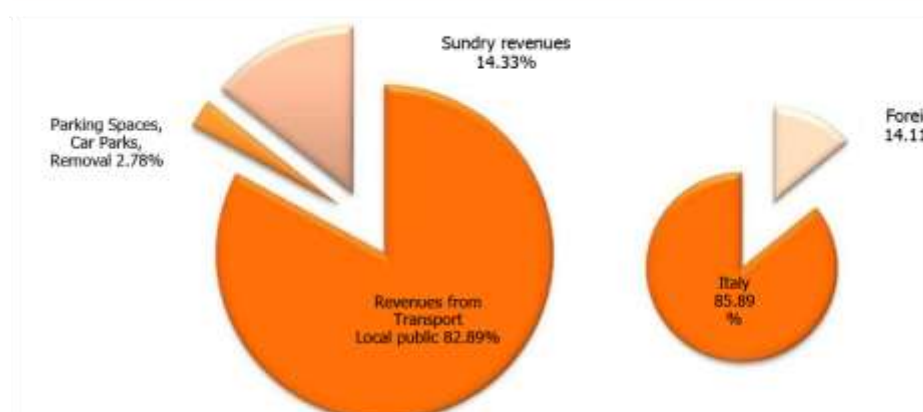


## 1.3 Main achievements in 2024

### 1.3.1 ATM Group's economic, capital and financial highlights

Main economic indicators (millions of euro)			
2024		2023	2022
Revenues and other operating income	1,161.3	1,097.3	1,091.5
Operating costs and other charges	(1,061.2)	(1,022.2)	(978.2)
EBITDA	100.1	75.1	113.3
% on "Revenues and other income"	9%	7%	10%
Operating result	14.9	(11.2)	31.0
% on "Revenues and other income"	1%	(1%)	3%
Net result	5.8	0.8	15.5
% on "Revenues and other income"	0.5%	0.1%	1%

Revenues 2024 - by nature and geographical area



Main balance sheet indicators (millions of euro)			
2024		2023	2022
Property, plant and equipment	1,126.2	1,160.4	1,205.9
Intangible assets			
Rights of use on leased assets			
Net equity	1,176.8	1,175.5	1,177.3
Net financial position	78.3	95.7	(36.8)
Investments	118.2	202.4	85.6

Main financial indicators (millions of euro)			
2024		2023	2022
ROI	1%	(0.8%)	2.2%
Net Invested Capital	1,545.2	1,486.9	1,378.6
Operating result	14.9	(11.2)	31.0
ROE	0.5%	0.1%	1.3%
Net equity	1,176.8	1,175.5	1,177.3
Net result	5.8	0.8	15.5

## **Comparability of data and alternative performance indicators and definitions**

### *Comparability of data*

As indicated in the Explanatory Notes to the Consolidated and Separate Financial Statements as of 31 December 2024, to which reference should be made, the estimation and valuation criteria are the same as those used for the Consolidated Financial Statements as at 31 December 2024, though adjusted and supplemented, where appropriate, with the new amendments and standards that came into effect in the period, as detailed in the specific paragraph of the Notes.

### *Alternative performance measures and definitions*

The Report on Operations and the annual consolidated and separate financial statements include economic and financial measures that are used by Management to monitor the Group's economic and financial performance. These measures are not defined or specified in the regulations on financial disclosure. Since the composition of these measures is not regulated by the applicable accounting standards, the criteria for their determination applied by Management may not be homogeneous with those adopted by other groups and therefore not comparable. The Alternative Performance Measures are constructed exclusively from historical accounting data and are determined in accordance with the Guidelines on Alternative Performance Measures issued by ESMA on 5 October 2015 (2015/1415) as per CONSOB Communication No. 92543 dated 3 December 2015 and the "ESMA Guidelines on Alternative Performance Measures (APMs)" dated 17 April 2020.

In this Report on Operations, the following Alternative Performance Measures are represented:

- **Gross Operating Margin (EBITDA):** it is equal to the difference between "*Total revenues and other operating income*" and "*Total expenses and other operating charges*" and can be directly inferred from the Consolidated Income Statement, supplemented by the Explanatory Note. However, this indicator is not defined by IFRS accounting standards; therefore, it may not be homogeneous and comparable with those reported by other groups.
- **GOP margin:** it is calculated as the ratio of GOP to total "*Revenues and Other Operating Income*".
- **Operating profit:** it represents the "*Operating profit*" that can be directly inferred from the Consolidated Income Statement.
- **Margin on Operating Profit:** it is calculated as the ratio of Operating Profit to total "*Revenues and Other Operating Income*".
- **Underlying Alternative Performance Measures:** the annual results and their comparison with the comparison year may include unusual elements (which will not be repeated in the future) or unrelated to operating performance, which significantly and



inconsistently affect the results of the Group and the Company ATM S.p.A over time, generating effects that may not allow for a correct interpretation of the Group and the Company's normalised profitability in the year, compared to its normalised profitability of the previous year and future years, thus limiting the informative value of the condensed consolidated comparative Income Statement and the consolidated comparative Income Statement prepared in accordance with IAS 1. These components are highlighted in the paragraphs *"Comments on the ATM Group's economic and financial results"* of this Report on Operations.

- Investments: they represent all the investments disclosed under *"Property, plant and equipment"* and *"Intangible assets"* of the annual Consolidated Financial Statements.
- Total Financial Debt: it is determined, as required by ESMA Guideline 32-382-1138, as the *sum of net current financial indebtedness and non-current financial indebtedness*, both including financial payables for leases under IFRS 16. *"Net current financial indebtedness"* is the algebraic sum of cash, cash equivalents, current financial assets (such as securities held for trading) and current financial debt.

### **Alternative performance measures**

The Issuer uses certain economic, financial and other indicators to assess the performance of the Group and the ATM S.p.A. Company. (*"Alternative Performance Measures"* or *"APM"*).

The Alternative Performance Measures identified by the management are described and defined below:

- Adjusted Profit/(Loss): this is an indicator of operating performance, calculated as adjusted Profit/(Loss) in presence, during the period under analysis, of certain special or one-off gains and losses (as described below). In the year under review, the special or one-off gains and losses that are excluded from the calculation of the adjusted Profit/(Loss) were taken from the Consolidated and Separate Income Statement and consist of certain non-recurring events that individually or collectively are considered as not representative of the Group's and ATM S.p.A.'s business performance;
- Adjusted EBITDA: is an indicator of operating performance, calculated as Profit/(Loss) for the year plus income taxes, net income of companies accounted for using the equity method, net financial Income (Expenses), depreciation and amortisation, impairment of property, plant and equipment, intangible assets and rights of use of leased assets, less capital grants for plant, adjusted for certain special or one-off gains and losses (as described below) for the reporting period;
- Adjusted EBITDA margin: this is calculated as the EBITDA adjusted for the reporting period and is divided by the revenues and other operating income for that period;
- Adjusted EBIT: an indicator of operating performance, calculated as Profit/(Loss) for the year plus income tax, net income of companies accounted for using the equity method and Net Financial Income (Expense), adjusted for certain special or one-off gains and losses (as described below), for the reporting period;

- Adjusted EBIT margin: calculated as EBIT adjusted for the reporting period divided by revenue and other operating income for the period;
- Investments: calculated as the aggregate increase in intangible assets and property, plant and equipment in the consolidated and separate financial statements. Management also monitors and analyses investments taking into account their purpose and specifically (i) cyclical maintenance of existing property, plant and equipment (fleet and premises) and (ii) capital expenditure related to product development (modernisation and upgrading of plant and infrastructure, new technologies for payments and information dissemination);
- Net financial debt: indicates the ability to meet obligations of a financial nature. It is calculated, as required by ESMA Guideline 32-382-1138, as the sum of the values for short-term and long-term financial debt items (gross financial debt, including financial debt for leasing contracts as per IFRS 16), net of cash and cash equivalents.

The above APM have been calculated and used in this document because the Group and ATM S.p.A. believe that:

- net financial debt provides a better assessment of the overall level of indebtedness, capital strength and debt repayment capacity;
- investments provide a better assessment of the overall level of investment;
- performance measures relating to adjusted EBITDA, adjusted EBITDA margin, adjusted EBIT, adjusted EBIT margin and adjusted Profit/(Loss), as well as adjusted configurations, analyse business performance and provide a better comparison of results; these indicators are also generally used for the evaluation of company performance.

An explanation of the relevance of each of the Alternative Performance Measures, as well as a reconciliation of them with more comparable indicators calculated and presented in accordance with IFRS, is provided in this document.

Management believes that APMs provide useful information for investors, as they facilitate the identification of significant operational trends and financial parameters.

For a correct understanding of APMs, please note the following:

- APMs are based on the historical data of the Group and of ATM S.p.A. (to 31 December 2024 and 31 December 2023);
- APMs are not derivatives of IFRS principles and, since they are derived from the Consolidated and Separate Financial Statements prepared in accordance with IFRS, are not subject to audit;
- APMs should not be considered as a substitute for the indicators required by IFRS;
- APMs must be read together with the financial information of the Group and ATM S.p.A. taken from the consolidated and separate financial statements for the years ending 31 December 2024 and 31 December 2023;

- since they are not derived from IFRS, the definitions used in relation to APMs may not be standardised with those adopted by other companies and are therefore not comparable;
- APMs and the definitions used herein are consistent and standardised for all periods for which financial information is included herein.

### 1.3.2 Operational Highlights – Italy

#### TOTAL NETWORK <sup>1</sup>

Territory served (km <sup>2</sup> )	656	Passengers carried (mln)	675.0
Municipalities served	46	Km travelled (mln vehicle*km)	153.6

#### METRO NETWORK

Number of lines	5	Vehicle fleet (tractors and carriages) <sup>4</sup>	947
Network length (km) <sup>2</sup>	111.3		
System length (km) <sup>3</sup>	245.4		

#### CAR NETWORK

Number of lines	137	Vehicle fleet <sup>4</sup>	1,236
Network length (km) <sup>2</sup>	1,165.9	Average age of fleet in use (years)	7.3

#### TRAM NETWORK

Number of lines	17	Vehicle fleet <sup>4</sup>	484
Network length (km) <sup>2</sup>	157.0		
System length (km) <sup>3</sup>	272.9		

#### TROLLEYBUS NETWORK

Number of lines	4	Vehicle fleet <sup>4</sup>	123
Network length (km) <sup>2</sup>	38.8		
System length (km) <sup>3</sup>	85.8		

*\*Data refer to the service provided by ATM in the Metropolitan City of Milan*

*2) Network length is defined as the sum of the lengths in the operating axle of individual lines*

*3) Kilometres of operational lines and overhead network are taken into account*

*4) Vehicles available*

**SERVICES SUPPLIED IN THE METROPOLITAN CITY OF MILAN, THE PROVINCES OF MONZA AND BRIANZA, BERGAMO AND LECCO**

Territory served ( <i>km</i> <sup>2</sup> )	655	Number of lines	24
Municipalities served	59	Network length ( <i>km</i> ) <sup>2</sup>	377.3
Passengers carried ( <i>mln</i> )	11.7	Vehicle fleet <sup>4</sup>	154
Km travelled ( <i>mln</i> )	7.7		

**CAR PARKS AND PARKING SPACES**

Car parks		Parking spaces	
Number	23	Parking spaces	110,771
Parking spaces	17,488		
Accesses	5,645,730		

**COMO - BRUNATE FUNICULAR RAILWAY**

Network length ( <i>km</i> )	1.1	Km travelled	50,420
Passengers carried ( <i>mln</i> )	1.3		

**CASCINA GOBBA - H. SAN RAFFAELE MINIMETRO\***

Network length ( <i>km</i> )	0.7	Km travelled	39,048
Passengers carried ( <i>mln</i> )	0.4		

**VARESE VELLONE - S. MARIA DEL MONTE FUNICULAR RAILWAY**

Network length ( <i>km</i> )	0.4	Km travelled	12,960
Passengers carried ( <i>mln</i> )	0.04		

**ARGEGNO-PIGRA CABLE CAR**

Network length ( <i>km</i> )	1.1	Km travelled	9,166
Passengers carried ( <i>mln</i> )	0.02		

### 1.3.3 Operational Highlights - Abroad

#### COPENHAGEN METRO

Territory served ( $km^2$ )	162	Number of lines	4
Municipalities served	3	Network length ( $km$ ) <sup>2</sup>	39.5
Passengers carried ( <i>mln</i> )	124.7	Vehicle fleet	82
Km travelled ( <i>mln</i> )	34.6		

#### THESSALONIKI METRO

Territory served ( $km^2$ )	19	Number of lines	1
Municipalities served	1	Network length ( $km$ ) <sup>2</sup>	8.1
Passengers carried ( <i>mln</i> )	1.3	Vehicle fleet	18
Km travelled ( <i>mln</i> )	0.7		

## 1.4 Company Structure as at 31 December 2024

ATM S.p.A. (hereinafter the “Company” or the “Parent Company”, wholly-owned subsidiary of the Municipality of Milan, it is the parent company of the Azienda Trasporti Milanesi Group



(the “Group” or the “ATM Group”) and manages and coordinates its subsidiaries pursuant to Article 2497 et seq. of the Italian Civil Code. The Company's registered office is at Foro Buonaparte 61, Milan. In this document, ATM Group, Group or ATM means the set of companies included in the scope of consolidation represented below:

### Subsidiaries and their activities:

- CityLink S.r.l.- Smart Mobility by ATM ("City Link"): incorporated on 9 October 2010 as ATM Servizi Diversificati S.r.l., in 2021, the Shareholders' Meeting changed its name to "CityLink S.r.l. - Smart Mobility by ATM" and changed its corporate purpose in order to reflect its new activity in the sector of Smart Mobility, dedicated to the development of solutions for an increasingly sustainable, inclusive and innovative mobility. At the same time, the governance was updated from a Sole Director to a Board of Directors. City Link is a wholly owned subsidiary of ATM S.p.A.
- GeSAM S.r.l. ("Gesam"): incorporated on 22 December 2005, it is a wholly-owned subsidiary of ATM S.p.A. and provides consultancy services in the insurance sector, including expert advice aimed at investigating and settling claims, excluding insurance brokerage.
- International Metro Service S.r.l. ("InMe"): incorporated on 12 April 2007, it is 51% owned by ATM S.p.A. It is engaged in the management of passenger and freight transport services, with related planning and operational organisation activities, for the performance of contracts for the operation and maintenance of metro systems. International Metro Service S.r.l. wholly owns Metro Service A/S, a company incorporated under Danish law that operates the Copenhagen Metro.
- Nord Est Trasporti S.r.l. ("NET"): incorporated on 5 December 2007, it is a wholly-owned subsidiary of ATM S.p.A. and operates passenger, goods and information transport services, with related planning and operational organisation activities, as well as transport and mobility services in the Metropolitan City of Milan, the Province of Monza and Brianza, Bergamo, Lecco and the Municipality of Monza.
- Rail Diagnostics S.p.A. ("Rail Diagnostics"): incorporated on 31 October 2006, it is 97.27% owned by ATM S.p.A. and is engaged in the design, construction, maintenance and integrated diagnostics of metro-tramway installations and control systems.
- THEMA S.A. ("Thema"): incorporated on 25 September 2023, it is 51% owned by ATM and 49% owned by Egis Project S.A.S. On 4 October 2023, THEMA S.A. signed with the contracting station ELLINIKO METRO S.A. the public-private partnership contract for the operation and maintenance of the Thessaloniki metro network awarded through the public tender<sup>1</sup> in which ATM participated together with Egis Project S.A.S. The duration of the contract is 11 years. The call for tenders required the creation of a special purpose vehicle in the legal form of a 'società anonima' (limited company) under Greek Law No. 4548/2018 corresponding to the 'società per azioni' (joint-stock company) under Italian law, endowed with legal personality and patrimonial autonomy vis-à-vis the shareholders.

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<sup>1</sup> *International Tender Based on the Open Procedure for the Conclusion of a PPP Contract concerning the Operation and Maintenance of Thessaloniki Metro Network*



#### Associated Companies:

- Co.Mo. Fun&Bus S.c.a r.l.: incorporated on 9 June 2006, ATM S.p.A. holds 20% of its share capital. The company supports the Local Public Transport service in the Municipality of Como and the management of the Como-Brunate funicular railway.
- Full Green Consortium: established on 5 August 2021, it promotes collaboration between consortium members to implement sustainable mobility and digitisation projects, focusing on the transition to zero-emission vehicle fleets, energy savings and efficiency, decarbonisation and improved air quality. On 4 October 2022, the Shareholders' Meeting approved the adhesion of Cotral S.p.A. and AMTS S.p.A., redefining ATM S.p.A.'s shareholding to 30% of the Consortium Fund.
- Consorzio S.B.E.: Established on 28 January 2015, ATM S.p.A. holds 45% of the share capital directly, and 2.6% indirectly through its subsidiary Nord Est Trasporti S.r.l. and 2.1% through its associated company Movibus S.r.l. The Consortium manages the central platform of the electronic ticketing system and the clearing of the accounting flows of tickets.
- Metrofil S.c.a r.l. in liquidation ("Metrofil"): incorporated on 2 April 2009, ATM S.p.A. holds 25.44% of the share capital. The company was established to fulfil the obligations arising from a contract for the design and construction of the trolleybus public transport system for the EUR-Tor de Cenci and EUR Laurentina-Tor Pagnotta corridor, entered into with Roma Metropolitane S.r.l. Having fulfilled its corporate purpose, the Company was put into liquidation as resolved by its shareholders' meeting on 18 May 2022.
- Metro 5 S.p.A. ('Metro 5' or 'M5'): established on 5 June 2006, ATM S.p.A. holds 20% of the share capital. The company is engaged in design, expropriation, works management, execution of civil works and technological works, supply of rolling stock and management of Metro line 5 and its possible extensions.
- Movibus S.r.l. ('Movibus'): incorporated on 15 May 2008, ATM S.p.A. holds 26.18% of the share capital. The company operates in the Local Public Transport sector where it operates Lot 6 of the Milan West provincial sub-network.
- SPVLinea M4 S.p.A. ("Metro 4 "or "M4"): incorporated on 16 December 2014, ATM holds 31.53% of the company's shares, purchased on 20 December 2023, in accordance with the Municipal Council Resolution of 14 December 2023 and based on the agreement with the company's private shareholders. The company's purpose, under concession from the Municipality of Milan, is the construction and maintenance of Milan's metro line 4 and the provision of related public transport services.

#### Share capital structure

ATM S.p.A.'s share capital of EUR 700,000,000 consists of 70,000,000 shares with a unit value of EUR 10 and is wholly owned by the Municipality of Milan.

### Changes in Group Structure

On 18 May 2022, the shareholders' meeting of Metrofil S.c.a r.l. in liquidation, a company in which ATM S.p.A. holds 25.44% of the share capital, resolved to definitively liquidate the company and agreed on the plan for the distribution and simultaneous reimbursement of its paid-up share capital. As at 31 December 2024, the company was still registered with the Chamber of Commerce.

## 1.5 The significant events of 2024

### Italy

#### Extension of services

- May - ATM introduces RicaricaMi, the new rechargeable ticket that will replace the old magnetic stripe tickets, usable until 30 June 2025. The new ticket allows up to 30 journeys to be recharged on a single medium at no extra cost, helping to reduce paper waste. To raise awareness, the 'Riduci. Riusa. RicaricaMi' (Reduce. Reuse. Recharge) campaign was created, which through a video tutorial and a leaflet, supports and informs customers about the new ticket.
- May - ChiamaBus is launched, the on-demand bus service created and managed by ATM which, on an experimental basis, the Agenzia per il Trasporto Pubblico Locale della Città Metropolitana di Milano, Monza e Brianza, Lodi e Pavia and the Municipality of Milan, in agreement with the Municipalities of Peschiera Borromeo, Segrate and Vimodrone, have decided to implement and integrate with the normal scheduled service in order to meet the needs of citizens and offer an increasingly widespread network. ChiamaBus, which can be booked via app and phone number, also operates at times not covered by regular buses, including weekends.
- October - The M4 automatic line (15 km) connecting Linate Airport to San Cristoforo station in 30 minutes comes into operation. It has 47 trains and offers 6 interchange stations with other metro lines and railways. The municipality, in agreement with the municipalities, has updated and extended the surface lines in order to create new correspondences with the stations. The opening of the new line was also possible thanks to the contribution of the ATM Group, which participated as a partner, generating positive effects for the entire Group and its *stakeholders*.
- December - inauguration of the first 3 Smart Hubs in Molino Dorino, Rogoredo and Cassiodoro. The new car parks offer greater usability and security and are equipped with additional features (e.g. lockers, micro-mobility, laundry, etc.) to increase the range of services offered to customers.

#### Infrastructure Renewal

During 2024, ATM continued with the renovation of its tram and metro infrastructure, especially in strategic areas of the city, also with the aim of increasing customer and public

satisfaction in Milan (e.g. through the installation of noise barriers on the M2 Cimiano-Crescenzago section). Throughout the course of the work, customers and passengers were always informed in good time and through numerous channels about any changes or substitutions of service.

### **Fleet renewal**

The first of 21 new energy-efficient trains for the M1 arrives at the Precotto depot: new design, total accessibility of carriages, video surveillance system with real-time image display from the operations room, silent running, LED lighting, air conditioning systems. The trainsets are bi-directional, consisting of six carriages that can carry up to 1,200 passengers, and have been designed with a particular focus on the environment, starting with the materials that ensure high levels of recyclability at the end of their life.

### **Customer initiatives**

The new Official ATM App went live, which, in addition to more user-friendly graphics and features, provides for digital subscription, usable by both new and old subscribers in possession of a physical card. The new app simplifies the use of the service for customers in an increasingly integrated and 'omnichannel' perspective.

### **Sustainable mobility**

Through the “Amo Troppo Milano” (I love Milan too much) campaign, ATM promotes the use of public transport for greater environmental sustainability and communicates its commitment to reducing pollution through its plan to renew its fleet with electric vehicles and to source energy from renewable sources. In May, ATM participated in the *NME Next Mobility Exhibition*, a biennial event dedicated to solutions, technologies, means and policies for an integrated, innovative and sustainable mobility system, to promote the company's expertise and know-how on the theme of electric and sustainable mobility.

### **Diversity & Inclusion**

The Gender Pay Gap was reduced to 3%, while with regard to the Gender Balance, women in the company in 2024 reached 10.5% (40% leadership team, 30% staff, 4% in the leadership staff): in 2002, it was 4%. In the last 10 years the number of women in companies has tripled and 1 in 5 hires is a woman.

ATM has also conducted a gap analysis on governance, policies, procedures, processes and measures required by international standards, in view of the UNI/PDR 125 Gender Equality

Certification that the company intends to obtain. The analysis also included the topic of Alias Careers.

### **Social sustainability and solidarity**

ATM is engaged in numerous activities with the aim of creating value for as many people as possible. Activities in 2024 included, for example, the 'Bus degli Angeli' (The Bus of Angels), initiative for the homeless in Milan, which offered hot meals, drinks, clothing, blankets and qualified assistance to the needy by bus on weekday evenings. Support continues to be given to the initiative 'Pari - insieme contro la violenza di genere' (Equal - together against gender violence), of which ATM is a founding partner, which aims to create a culture that prevents gender violence through the valorisation of corporate best practices and raising awareness on the issue. Finally, support for Ukraine continues through the donation of 37 buses to various Ukrainian local authorities.

### **Abroad**

#### **New metro openings**

**Copenhagen:** The extension of the self-driving M4 line is inaugurated with the opening of five new stations. It represents an important strategic junction that improves connections between the centre and the neighbourhoods, linking the south to the port in the northern part of the city. The transport service operated in Denmark confirms the company's role as the second largest public transport player in the country and the strategic importance of the Danish infrastructure in the Group's development plan.

**Thessaloniki:** Greece's first automatic metro was inaugurated, managed by the ATM Group through the company Thema. The line, 10 km long with 13 stations, connects the city from east to west in 18 minutes and is served by 18 trains with a frequency of about 3 minutes.

2

# Corporate Governance Report

## 2.1 Foreword

Given its nature as a fully public-controlled company and its role for all its stakeholders, ATM is subject to specific disclosure obligations as a result of it becoming a **Public Interest Entity** (PIE), as provided for under Article 123-bis of Legislative Decree no. 58/1998 (TUF-Consolidated Law on Finance) with regard only to the information required by paragraph 2 letter b), and avails itself of the option provided for in paragraph 5 of the same article. ATM became a Public Interest Entity (PIE) pursuant to Article 16 (1) (a) of Legislative Decree no. 39/2010, following the issuance of the bond and the listing of the related securities on Euronext Dublin in August 2017.

ATM's **Corporate Governance** structure concretely expresses the rules and methods by which the corporate strategy is defined, as well as the decision-making processes and means for achieving and measuring results against the objectives set for the pursuit of sustainable success. The system is based on a regulatory framework that integrates both the laws and regulations in force and the internal rules adopted by the Company, which can guarantee an effective balance between responsibilities and powers and a correct balance between management and control.

ATM's Corporate Governance Report is divided into **four sections**: a first section dedicated to the **Administration, Management and Control Bodies**; a second section dedicated to the **guiding principles** defined in ATM's Code of Ethics and Conduct Guidelines a third section dedicated to the **model of Corporate Governance**; a fourth section dedicated to the **Internal Control and Risk Management System**.

Please note, with reference to the entry into force of Legislative Decree no. 14 of 12 January 2019, namely the "*Corporate crisis and insolvency code*", it is underlined that ATM and its subsidiaries fall within the exclusion cases provided for by the Decree; however, in accordance with the obligations set forth in Article 2086 (2) of the Italian Civil Code introduced by the aforementioned Decree, it has activated a monitoring process for the prior identification of any economic - financial imbalances.

## 2.2 Management and Control Bodies

Board of Directors <sup>1</sup>	
➤ Chairperson	Gioia Maria Ghezzi
➤ Chief Executive Officer	Arrigo Giana
➤ Board members in office	Pietro Galli
	Alessia Maria Mosca
	Bruno Pavesi
	Alessandra Oppio
	Ottorino Passariello
Board of Statutory Auditors <sup>2</sup>	
➤ Chairperson	Salvatore Rino Messina
➤ Standing Auditors	Antonella Andreina Conti
	Stefano Brambilla
➤ Alternate Auditors	Monica Mannino
	Eleonora Jolanda Negruzzi
Auditing Company <sup>3</sup>	
	Deloitte & Touche S.p.A.

The current Board of Directors consists of seven members and remains in office until the approval of the Annual Report 2025. Five members were appointed at the Shareholders' Meeting on 27 April 2023 and two members at the Shareholders' Meeting on 18 September 2024.

1. The current Board of Statutory Auditors was appointed by the Shareholders' Meeting on 29 September 2022 and will remain in office until the approval of 2024 Financial Statements.
2. As a result of the organisation becoming a Public Interest Entity pursuant to Legislative Decree 39/2010, on 9 November 2017, the Shareholders' Meeting resolved to appoint

Deloitte & Touche S.p.A. for a nine-year term expiring upon approval of the 2025 Financial Statements.

3. As provided for in Article 16 of ATM S.p.A.'s Bylaws and pursuant to Article 2449 of the Italian Civil Code, the Municipality of Milan has the right to directly appoint a number of Directors proportional to its shareholding.

The appointment procedure is governed by the *"Regulation on the guidelines and procedures for the appointment, designation and revocation of the Municipality's representatives in bodies, companies, institutions and investee companies"*, approved by Municipal Council Resolution No. 11 of 29 March 2012 as subsequently amended and supplemented, to which reference is made. Moreover, with resolution no. 91 of 14 December 2023, the Municipal Council resolved to amend ATM S.p.A.'s Bylaws to ensure the better operation of its bodies and a more effective corporate action in the development of new corporate initiatives, both in Italy and abroad. The amendments to the Statute increased the number of board members from five to seven to facilitate more effective management and allow for the **establishment of internal board committees** providing proactive and advisory functions to assist the collegial body in specific areas of activity. On 18 September 2024, the Shareholders' Meeting appointed the directors Alessandra Oppio and Ottorino Passariello. Subsequently, on 19 December 2024, the Board of Directors established three Committees: **Audit, Risk Control, Governance and Related Party Transactions Committee**, the **Appointments and Remuneration Committee** and the **Sustainability Committee**.

Pursuant to Art. 15 of ATM S.p.A.'s Bylaws, the Shareholders' Meeting determines the **remuneration of the members of the Board of Directors** according to their institutional duties and responsibilities, such as not to affect their autonomy of judgement. Such a resolution is valid for the subsequent financial years until otherwise determined by the Shareholders' Meeting. The remuneration of Directors holding special offices in accordance with the Bylaws is determined by the Board of Directors. For more details, see note "39. Remuneration of Directors and Statutory Auditors" of ATM S.p.A.'s Explanatory Note.

With the exception of the Chief Executive Officer, the current Board of Directors of ATM S.p.A. is composed of three out of five independent directors, in addition to the Chairperson.

The Chairperson of the Board of Directors, Gioia Maria Ghezzi, also holds the following positions:

- *EDP Renewables*: Member of the Board of Directors;
- *Ternium S.a.*: Member of the Board of Directors;
- *Magic Land S.p.A.*: Member of the Board of Directors;
- *Sirti S.p.A.*: Member of the Strategic Committee.



Board members Alessia Maria Mosca, Pietro Galli and Bruno Pavesi, in addition to their current position at ATM, hold the following corporate offices:

- Director Alessia Maria Mosca is a member of the Board of Directors of Crédit Agricole Paris;
- Director Pietro Galli is a Managing Partner of the company Cinque G S.r.l., Vice-President of the company Uteco Converting S.p.A., Chief Executive Officer of the company T39 S.p.A., Managing Director of the company Isola Longa S.r.l., as well as a member of the Board of Directors of the companies Dea Capital Alternative Funds SGR S.p.A., Finalter Srl, Quaestio Holding S.a., Overit S.p.A., Engineering - Ingegneria Informatica S.p.A.;
- Board member Bruno Pavesi is a member of the Board of Directors of listed companies (SIT Group) and unlisted companies (De Cecco, Febo), the Chairperson of Ariston Cavi and the Director of Fondazione Accademia Teatro alla Scala.

The CEO of ATM S.p.A. is a member of the Board of Directors of ATAC S.p.A., Vice President of Agens S.p.A. and member of the Board of Directors of the *Full Green* Consortium.

## 2.3 Code of Ethics

Transparency, ethics/correctness, fairness, quality of community life and a continuous search for excellence are just some of the guiding principles considered by ATM in adopting a governance structure that is appropriate to its nature, size and operational structure. These principles are articulated in value areas aimed at guiding the actions of people working for ATM.

The values which the Group recognises as fundamental in the performance of its business and the conduct guidelines, and which it shares at all levels of the organisation, are set out in the **Charter of Values** and **Code of Ethics**, introduced in 2007, as harmonised in 2018 with the Group's **Anti-Corruption and Transparency Model** ("ACT Model"), voluntarily adopted by ATM.

The Code of Ethics sets out the relevant ethical and social responsibilities committing the Corporate Bodies, the *Management*, and all *stakeholders* of the Group. The Code applies to the parent company ATM S.p.A. and the Group companies subject to its management and coordination and constitutes a fundamental element of the Internal Control and Risk Management System together with the Group's Anti-Corruption and Transparency Model and the Organisation, Management and Control Models pursuant to Legislative Decree 231/2001 of the parent company and its direct subsidiaries incorporated under Italian law.

In 2024, the project continued to **update and harmonise** the entire **Code of Ethics**, which aims to:

- strengthen and enhance **corporate culture**;
- encourage the **alignment of behaviour** inside and outside the organisation with its **values and principles**;
- facilitate the **relationship with stakeholders** in order to better understand their expectations;
- create the conditions to contribute to **value creation** also through the management and reporting of ESG (Environmental, Social and Governance) and sustainability issues.

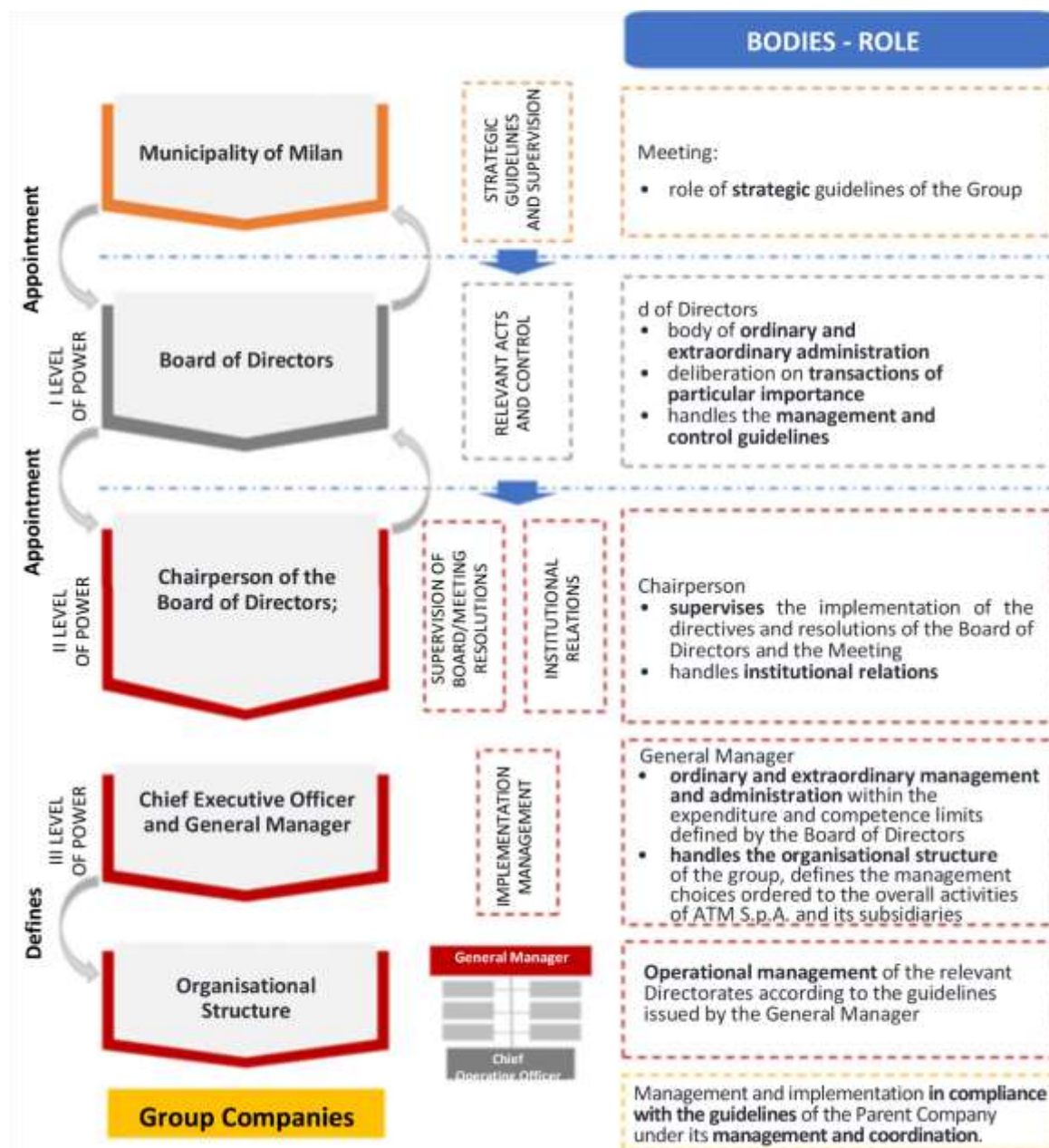
The project is based on the main regulations/guidelines, available standards, leading practices in the field of business ethics and Corporate Social Responsibility and its first phase led to the drafting of the ATM Group's "**Conduct Guidelines**" - operational as of July 2023 - supplementing and illustrating the Code of Ethics. These Guidelines, also through ethical dilemmas and practical cases, enable all recipients of the document to be aware of their obligations and prohibitions when carrying out their activities and relations with ATM.

The second phase of the project, started as early as 2023, (so-called "Code of Ethics 2023 project") ultimately aimed at harmonising the Code of Ethics with the "Conduct Guidelines" and other founding documents of the governance and internal control and risk management system.

Finally, 2024 saw the adoption and dissemination of ATM's **new Charter of Values**, founded on the principles of Passion, Care, Inclusion, Innovation and Sustainability. Various initiatives have been organised to publicise and assimilate the new values, including a dedicated campaign and mini-site, the *roadshow* at the company's premises, and the *ATM Awards*. In parallel, considerable efforts have also been devoted to *embedding*, i.e. the application of values and related behaviours to HR processes such as *recruiting*, *onboarding* and *learning*.

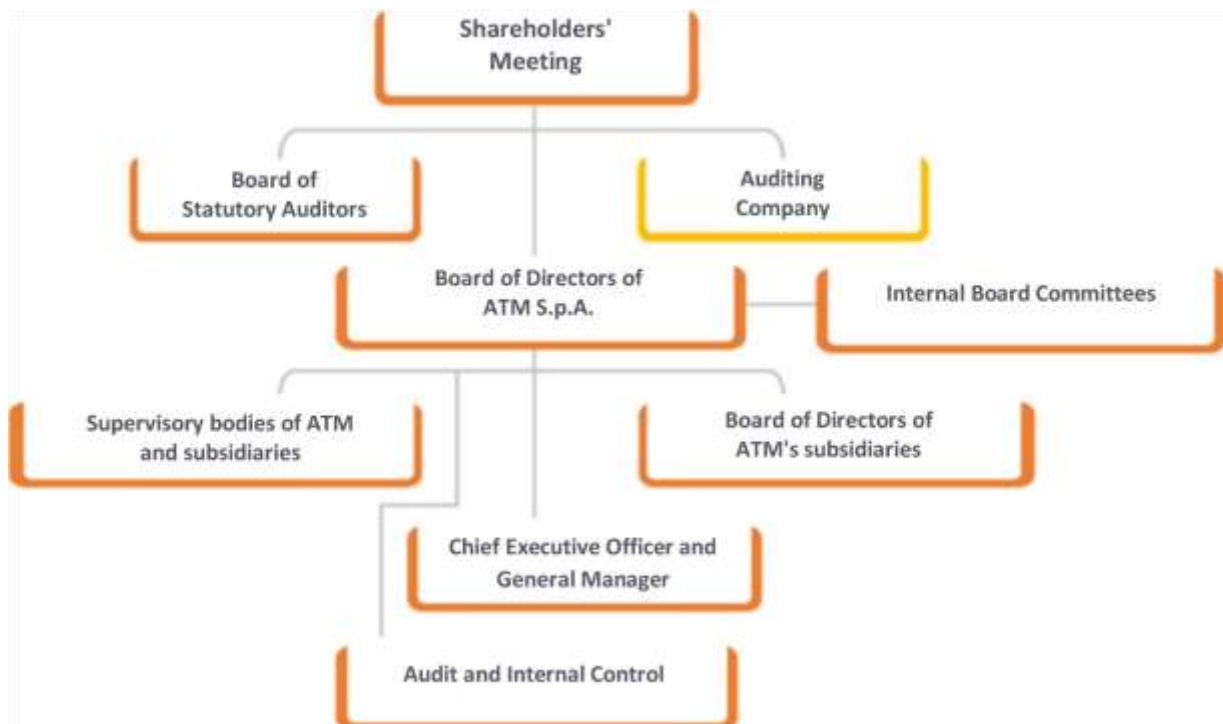
## 2.4 The Corporate Governance Model

ATM is committed to following corporate governance best practices, comparing its Corporate Governance model with the standards issued by major associations and represented in leading practices in the field, promoting an adequate, effective and efficient **Internal Control and Risk Management System (ICRMS)**, calibrated and proportional to its specificities and risk profile, in line with the Corporate Governance Code. Below is the structure of its governance bodies:



ATM's Corporate Governance system, based on the principles of **integrity, transparency and fairness**, defines clear rules for the implementation of strategic guidelines, thus supporting the relationship of trust with stakeholders and contributing to sustainable success.

Within this system, the Parent Company exercises management and coordination activities by pursuing - whilst fully respecting the management autonomy of each company - a unitary management policy, through the application and integration of the rules, principles and values that characterise the Group<sup>2</sup>.



The model, structured in the traditional form, attributes **strategic management** to the **Board of Directors** of ATM S.p.A.; in addition, the Board of Directors is entrusted with the performance of all appropriate actions for the implementation and achievement of the corporate purpose, excluding only those which the law reserves for the **Shareholders' Meeting**. The Board of Directors is then supported by the following Internal Board Committees mentioned above:

- **Audit, Risk Control, Governance and Related Party Transactions Committee**, providing proactive and advisory functions, in relation to the internal control and risk management system and the approval of periodic financial and non-financial reports;
- **Appointments and Remuneration Committee**, providing proactive and advising functions on appointments and remuneration matters;

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<sup>2</sup> These elements are duly regulated by the Group's Regulations.

- **Sustainability Committee** with investigative, advisory and proactive functions in the field of scenarios and sustainability by which the processes, initiatives and activities aimed at overseeing the Company's commitment to sustainable development along the value chain, aimed at the pursuit of sustainable success is meant.

ATM's Board of Directors has delegated part of its management responsibilities to the **Chief Executive Officer** and **General Manager**.

Table 1. The Board of Directors of ATM S.p.A. at 31.12.2024 <sup>3</sup>

Position	Name and Surname
Chairperson	Gioia Maria Ghezzi
Chief Executive Officer	Giana Arrigo
Board members in office	Galli Pietro
	Mosca Alessia Maria
	Oppio Alessandra
	Passariello Ottorino
	Pavesi Bruno

Table 2. Composition (%) of ATM S.p.A.'s Board of Directors at 31.12.2024, by gender and age

Age group	Men	Women	Total
30-50	0%	14%	14%
>50	57%	29%	86%
<b>Total</b>	<b>57%</b>	<b>43%</b>	<b>100%</b>

The **Board of Statutory Auditors** is ATM's controlling body and is responsible for supervising compliance with the law and the Bylaws as well as compliance with the principles of good governance and adequacy of the organisational structure.

<sup>3</sup> The Board of Directors in its five-member composition was appointed by the Shareholders' Meeting on 27 April 2023 and, on 18 September 2024, the Shareholders' Meeting increased the number of directors to seven with the appointment of directors Alessandra Oppio and Ottorino Passariello. All directors remain in office until the approval of the 2025 Financial Statements.

Statutory auditing functions were assigned to the Auditing Company Deloitte & Touche S.p.A. by the Shareholders' Meeting on 9 November 2017, for nine financial years from 2017 to 2025, having the Company become a Public Interest Entity (PIE).

The **Audit and Internal Control Department** (hereinafter also **DACI**) works within this corporate governance system. The DACI Director is not responsible for any operational area, and reports hierarchically and functionally to ATM S.p.A.'s Board of Directors, as well as administratively to ATM's Chairperson, maintaining a coordinating relationship with the CEO, *"in charge of establishing and maintaining the Internal Control and Risk Management System"* ("Director in charge of the ICRMS") in a context of direct and continuous collaboration with the *Senior Management* of the Group and its subsidiaries. At the same time, the DACI Department benefits from a direct communication channel with the Group's Boards of Statutory Auditors, and/or with the other Control Bodies of the Subsidiaries, and/or, where appointed, with the Supervisory Bodies ('SBs') of the Parent Company and the Subsidiaries, both nationally and internationally. This DACI organisational positioning ensures: (i) the **independence** of the activity of *audit* (from the definition of the areas to the performance of the interventions and the communication of the results); (ii) the **direct interaction** with the Chairperson, with the CEO and with each director, as well as the entire Board of Directors and with the Board of Statutory Auditors regarding areas of specific relevance, including issues of top management responsibility; (iii) the **guardianship** of the continuous **constructive and collaborative interaction** with the *Senior Management*; (iv) the **direct access** to persons, things, systems and company information, when relevant to one's own actions.

The DACI Department **verifies** the **suitability** and **operation** of the ATM Group's Internal Control and Risk Management System, both on an ongoing basis and in relation to specific needs, by implementing an Audit Risk-Based and Integrated Dynamic Plan, approved periodically by the Board of Directors of ATM S.p.A. for the Parent Company and its subsidiaries. The Administrative Bodies of the Subsidiaries may request any additions from the DACI Department, which DACI assesses and, if necessary, proposes updating the Plan to be submitted for discussion and new approval by the Parent Company's Board of Directors.

The DACI Department operates in accordance with the globally recognised professional standards set out in the International Professional Practices Framework - IPPF, issued by the Institute of Internal Auditors - IIA, with current legislation. Since 2019, DACI has implemented the QAIP Assurance and Quality Improvement Programme, defined within its own methodology and executed in accordance with the Standards, obtaining in 2023 the first certification of compliance through the external Management Assessment, to be carried out, according to the Standards, at least every five years.

In light of the update to the professional Framework and Standards of reference (“Framework”) of 9 January 2024, the DACI Department and its people worked, also through appropriate specific training, for a timely transition to the new Standards in force as of January 2025. To this end, DACI updated its internal documents between 2024 and 2025 and, in December 2024, the Board of Directors approved the new **Internal Audit Charter** in line with the new Standards.



Source 1: IIA IPPF

### INTERNAL AUDITING (See IIA IPPF, Glossary)

Internal Auditing is an independent and objective assurance and advisory activity, aimed at improving the effectiveness and efficiency of the organisation. It assists the organisation in the pursuit of its objectives through a systematic professional approach, which generates added value as it aims to assess and improve the processes of governance, risk management and control.



#### **PURPOSE (See IIA IPPF, Section I: Purpose of Internal Auditing)**

Internal Auditing enhances the organisation's ability to create value and maintain it over time by providing the Board and management assurance, advisory, insights and forecasts, in an independent, objective and risk-based manner.

*Internal Auditing* supports the organisation:

- in achieving their goals;
- in *governance, risk management* and control processes;
- in decision-making and supervisory processes;
- in building reputation and credibility with stakeholders;
- in the ability to serve the public interest.

*Internal Auditing* is most effective when:

- activities are performed by competent professionals, in accordance with the *Global Internal Audit Standards*, which are defined in the public interest;
- the Internal Audit function is independent and reports directly to the Board;
- the Internal Auditors are free from any conditioning and are committed to making objective assessments.

## **2.5 The Internal Control and Risk Management System**

The **Internal Control and Risk Management System** (ICRMS) adopted by ATM consists of a set of rules, procedures and organisational structures aimed at an effective and efficient identification, measurement, management, monitoring and reporting of the main corporate risks, in order to contribute to the sustainable success of the Group in the long term.

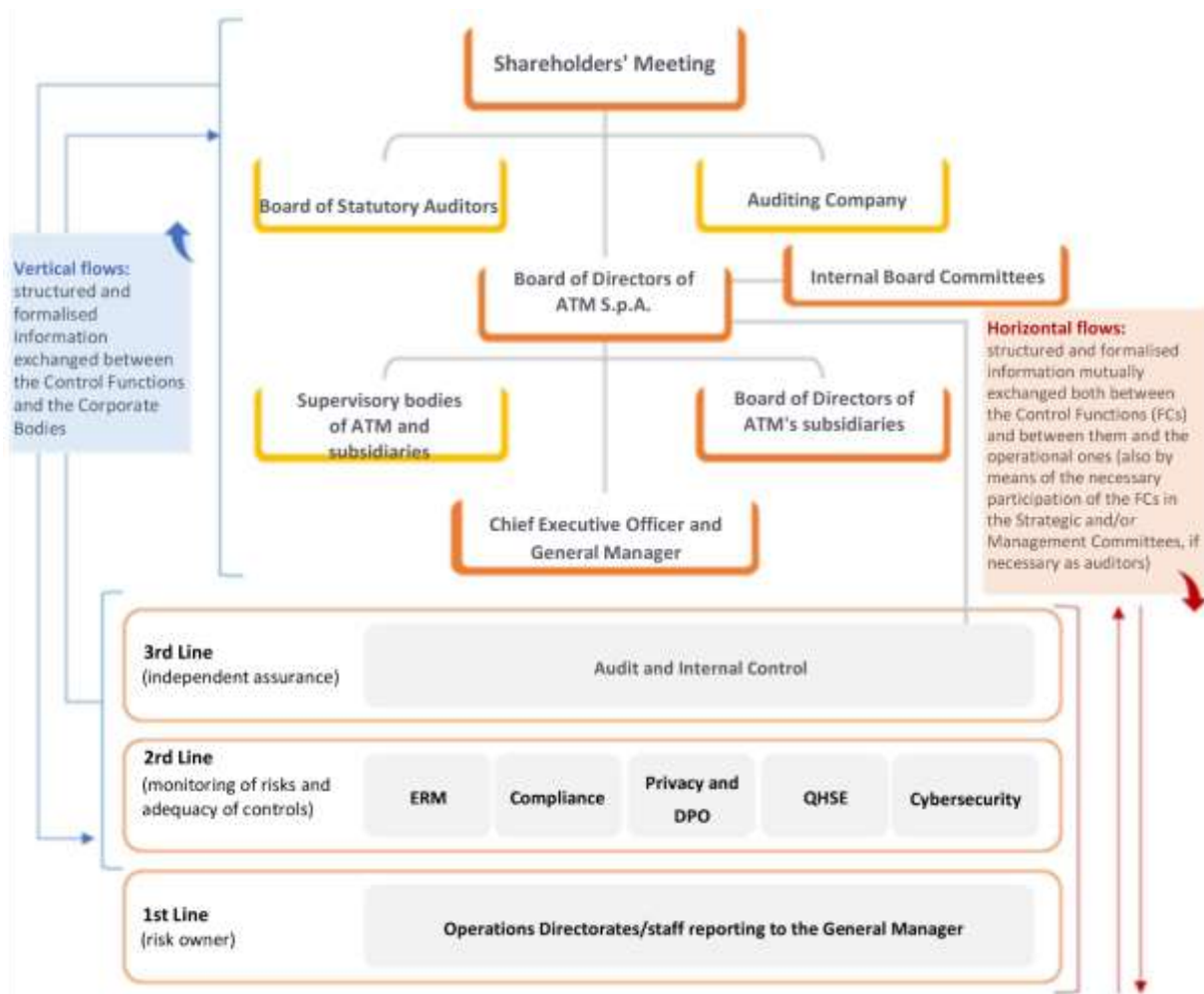
The ICRMS, which constitutes a fundamental and indispensable element of the ATM Group's Governance, guarantees management in line with the corporate objectives defined by the Board of Directors, the safeguarding of corporate assets, the effectiveness and efficiency of corporate processes, the reliability of information provided to corporate bodies and the market and compliance with laws, regulations and internal procedures.

This system is integrated into the more general organisational and corporate governance structures and consists of the following key elements:

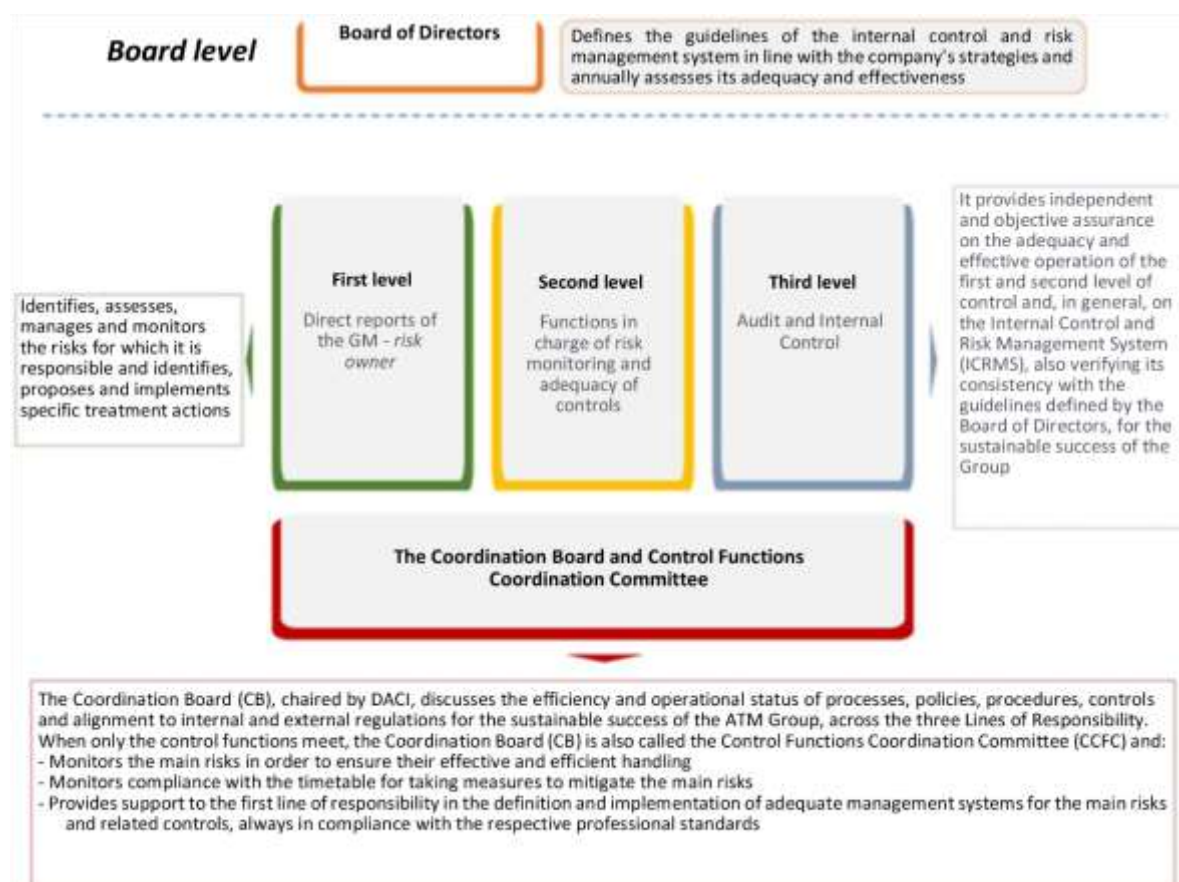


- Governance, including the design of the Internal Control and Risk Management System (ICRMS), and the evaluation of its adequacy, effectiveness and efficiency;
- actions and, therefore, the definition and periodic updating, implementation and monitoring of the System, which include:
  - the implementation of the guidelines of the Board of Directors;
  - the identification and management of business, process (including irregularities) and strategic project risks;
  - the definition and implementation of risk-mitigating controls on processes under the responsibility of the various Process Owners;
- Assurance, i.e. independent and professional Internal Control and Risk Management System audits conducted by the relevant control functions.

Each actor in the corporate governance structure has specific tasks and responsibilities relevant to the said System; indeed, all employees maintain their own level of responsibility for the adequacy, effectiveness and efficiency of the System in relation to their duties.



The System, in line with the applicable regulations and inspired by the leading practices in the field, assigns a clear position to all corporate functions within the three lines of responsibility, ensuring effective coordination, in order to maximise the efficiency of the system itself. The Audit and Internal Control, Enterprise Risk Management, Compliance and the other control functions (see table above), formally established and regulated, collaborate with the Auditing Company and the Supervisory Body to perform their duties, ensuring adequate policy sharing with the Board of Directors and the Board of Statutory Auditors.



### 2.5.1 Actors and tasks

The Parent Company's Board of Directors has defined the **Guidelines of the Internal Control and Risk Management System (ICRMS GL)**, last updated on 22 November 2021, which set out the principles on the coordination and information flows between the various parties involved in the internal control and risk management system, in order to maximise the efficiency of the system itself, avoid duplication of activities or possible omissions and ensure that the tasks of the control body are carried out effectively. The Guidelines also define the system's governance model, and in particular the main roles, duties and responsibilities of the Bodies

and Structures of the Parent Company and of the Group's Subsidiaries, as well as the methods of collaboration and coordination.

The **Board of Directors** annually assesses the adequacy and effectiveness of the System with respect to the company's characteristics and risk profile, and in 2024 considered the ATM Group's organisational, administrative and accounting structure to be adequate for its current size and business activities.

The **Chief Executive Officer** and **General Manager**, understood as the Body with a Management Function, is responsible for the establishment and maintenance of the Internal Control and Risk Management System and prepares measures to ensure and maintain the effectiveness and efficiency of the System, through the understanding and integrated management of all corporate risks. In particular, the Chief Executive Officer and General Manager, on the one hand, handles the identification of the main corporate risks, taking into account the characteristics of the activities carried out by the company and its Subsidiaries, and periodically submits them to the Board of Directors for examination; on the other hand, he/she implements the guidelines defined by the Board of Directors, taking care of the design, implementation and management of the Internal Control and Risk Management System and constantly verifying its adequacy and effectiveness.

The **Board of Statutory Auditors**, i.e. the body with control functions, also in its capacity as "Internal Control and Audit Committee" pursuant to Article 19 of Legislative Decree no. 39/2010, performs the tasks assigned to it by law, the Bylaws and internal regulations and monitors compliance with the law, regulations and the Bylaws, compliance with the principles of proper administration and the adequacy, functionality and reliability of the organisational, management and accounting structure.

The **Supervisory Body ("SB")** oversees the effectiveness and adequacy of the Organisation Model pursuant to Legislative Decree No. 231/2001 (hereinafter also "Model 231") adopted by the Parent Company, recommending necessary additions and/or adjustments to Top Management. The same applies to the Supervisory Bodies of directly controlled companies with their own Model under Decree 231.

Within the System, three lines of responsibility can be distinguished as follows:

- **Third line:** Audit and Internal Control
- **Second line:** *Enterprise Risk Management, Compliance, Privacy and Data Protection, Security Prevention and Environment and Quality, Cybersecurity;*
- **First line:** Operational business functions
- Second and third lines together represent the **Control Functions**.

### Third and second line: control functions

#### Audit and Internal Control

The Group's Internal Audit verifies, on the basis of an integrated risk-based audit plan approved periodically by the Board of Directors, that the internal control and risk management system is functional, adequate and consistent with the guidelines defined by the Board of Directors and the organisational development of the Group and the external regulatory framework.

In line with the Internal Audit Charter<sup>4</sup>, the Function operates in an **independent and objective** manner, in accordance with the Professional Standards of reference, monitoring the regular course of operations and the evolution of risks and assessing the completeness, adequacy, functionality and reliability of the organisational structure and the other components of the ICRMS and notifies the Corporate Bodies of possible and/or necessary improvements, also with regard to the Risk Appetite Framework ("RAF"), the risk management process as well as the tools for measuring and controlling risks. On the basis of the results of the checks carried out and of the information flows actually received, the Internal Audit formulates, if necessary, recommendations to the corporate structures, providing appropriate information to the Group's Corporate Bodies and Supervisory Bodies, in line with the regulations in force.

#### Enterprise Risk Management (ERM)

Within the framework of the Internal Control and Risk Management System, an Enterprise Risk Management system ("the ERM Model") has been adopted to foster and oversee the integrated corporate risk management process for all ATM Group companies - in line with national and international best practices, and in particular with the COSO<sup>5</sup> ERM Framework and ISO 31000 and the COSO ERM WBCSD<sup>6</sup> reference models, with reference to sustainability risks.

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*4The Internal Audit Charter, on the basis of the new Professional Standards of Internal Auditing, is a formal document, which includes the Internal Audit Function Mandate and its positioning within the organisation, the information flows, the scope of coverage, the types of activities and other specifications..*

*5 Committee of Sponsoring Organisations of the Treadway Commission*

*6 World Business Council for Sustainable Development*

The Risk Management function, reporting directly to the Chief Financial Officer, is responsible for the maintenance and continuous evolution of the Model, also in relation to the changing operating context as well as the continuous updating of the reference regulations/models. This integrated management and assessment process is governed by the **Enterprise Risk Management Guidelines (ERM Guidelines)**, approved by ATM's Board of Directors on 27 January 2020. The Guidelines apply to the ATM Parent Company and to the companies controlled by it and subject to its management and coordination, suitably adapted to the context of each of them. Moreover, complementary to the ERM Guidelines, the **Risk Appetite Framework Policy**, approved by the Board of Directors on 28 January 2021, defines the general principles of risk appetite, of risk response and the related escalation rules, representing a functional management tool for the pursuit of strategic and operational objectives.

Risk management is an essential aspect of ATM's Corporate Governance in order to identify, measure, manage and monitor significant risks so that they are compatible with the company's strategic objectives in a logic of value creation in the medium to long term. In this regard, ATM has adopted a structured and systematic approach to risk management based on the following principles to:

- promote and **disseminate ethical values and a culture** of correct and transparent risk management to all ATM personnel;
- conduct and manage all company activities with a view to **risk prevention**, where possible, in compliance with the law, the Code of Ethics and company policies and procedures;
- ensure **effective, efficient and consistent risk management** in all corporate processes, **in line with the company's strategic objectives** and the guidelines of the Internal Control and Risk Management System (ICRMS);
- ensure, by means of appropriate organisational, management and procedural systems, that risks are **effectively identified, assessed, managed**, periodically monitored and promptly reported;
- promote the **continuous improvement of the risk governance system** in accordance with the evolution of the external environment, corporate strategies, and the interests of stakeholders.

The Enterprise Risk Management (ERM) Model helps to improve the efficiency and effectiveness of business processes with the main objective of safeguarding corporate assets.

The ERM Model provides for an integrated, across-the-board and dynamic risk assessment that enhances existing management systems and supports the risk-based analyses required by specific reference standards and regulations.

The identification of the main risks and the safeguards put in place to manage them, the assessment of their adequacy, and the identification of further plans to improve the control system is carried out periodically. The **risk assessment process** is initiated and coordinated by the Parent Company's Risk Management function and envisages the involvement of all corporate structures through the Risk Owners who are responsible for identifying, assessing and updating risk scenarios. The results of the evaluation and monitoring activities and the related management strategies are periodically presented to the CEO and General Manager and, subsequently, to the Board of Directors and are shared with the Internal Audit function, which uses them when preparing the audit plan.



The most valuable features of the adopted model are:

- **the inherent and residual risk dimension** - Management involved in the ERM process, using a common method, assesses specific risk scenarios in terms of "Likelihood of occurrence" and "Impact" in an inherent and residual dimension following the performance of controls, mitigation actions and the assessment of their effectiveness.

- **the across-the-board nature of the assessment of impacts**, i.e. the assessment of multiple impacts related to economic-financial, health and safety, reputational, service disruption, operational efficiency, legal and Compliance issues, where applicable;
- **the integration with the Dual Materiality process**, comprising in turn the analysis of Impact Materiality and Financial Materiality.

In 2024, work continued on improving the ERM system through actions aimed at strengthening the periodic cross-functional sharing of mapped risks. These actions, also within the scope of managerial committees set up to share the results of ERM assessment processes, facilitate the sharing of information on specific risk factors, raise awareness and promote the dissemination at an organisational level of a risk-based culture in the management of business processes and projects.

In addition, in line with the company's corporate will and following the regulatory drive deriving from the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) the ATM Group has embarked on the evolution of its Framework of Enterprise Risk Management from an integrated perspective with respect to sustainability and Climate Change management. A **new process** of identifying, assessing and managing ESG impacts, risks and opportunities was defined, which took the form of the **Double Materiality** exercise, which was accompanied by the definition of a new governance structure and operating model, aimed at ensuring the smooth running of the process itself. In addition, work has begun on the implementation of the **Climate Change Risk Assessment** model for the analysis of potential **physical hazards and transition risks/opportunities**, derived from climate change, following the classifications and normative references of the main international bodies such as the IPCC and the guidelines provided by the TCFD.

Additionally, the Internal Control and Risk Management System was updated to include the identification of possible risks related to sustainability reporting activities. For more information on the identification of these risks and the activities put in place to guard against them, see the Sustainability Document.

Reference is also made to the Sustainability Document with regard to how the identified sustainability risks and opportunities are managed.

With regard to the risk areas identified and related to the Group's economic and financial performance, please refer to the information contained elsewhere in this document.

## Compliance

ATM's Compliance System is diffused and distributed among different actors, such as the specialised Compliance Functions and the Control Functions dedicated to specific regulatory

areas, including the Compliance Function which presides over and monitors certain regulatory areas and carries out an overall coordination activity. This System consists of various elements such as, for example, Compliance Governance, the legal inventory (inventory of relevant legislation), the risk assessment of Compliance, training, management of reports on potential cases of non-Compliance.

In particular, the Compliance Function supports the corporate structures in charge of supervising specific regulatory areas in the definition of regulatory monitoring and non-compliance risk assessment tools; it proposes and requests the adoption of suitable controls and/or organisational and procedural measures aimed at ensuring adequate monitoring of non-compliance risks; it verifies over time the effectiveness and correct application of the controls and organisational and procedural measures defined, also in connection with the development of special projects; it coordinates and supervises training and information initiatives in the field of regulatory compliance, also in order to disseminate a corporate culture based on the principles of honesty and fairness, and prepares adequate information flows to the corporate bodies of the company and the other structures involved.

### **Privacy and Data Protection**

The European Data Protection Regulation (GDPR - General Data Protection Regulation EU 2016/679), applicable since 2018, strengthened the management and protection of personal data acquired by companies. The GDPR has introduced the role of the Data Protection Officer (DPO), who supports the Data Controller and the Data Controller's delegates (Data Manager companies) in the management of data so that they are processed with full protection of the data subject (owner of the data) and in compliance with European and national privacy regulations.

For ATM, which aims to increasingly become a data-driven company, it is essential to constantly update processes, products and services in line with the changing regulatory environment in terms of privacy; for these reasons it is imperative to have an adequate structure in place to ensure the correct use of personal data, balancing individual privacy with the Group's business needs.

### **Safety Prevention and Environment and Quality**

The Safety Prevention and Environment and Quality function ensures the definition of quality, occupational health and safety and environmental guidelines, in tune with the Group's strategic guidelines and in full compliance with the mandatory standards and management systems implemented thereby (e.g. ISO 9001, ISO 14001, ISO 45001, etc.). It oversees the



activities delegated to the **Prevention and Protection Service Managers (RSPP)**, preparing health and safety and environmental risk assessment documents, collaborating in the identification of actions for the elimination or reduction of risk and the related training and information programmes.

The function ensures the maintenance of certifications related to the Quality, Health and Safety, Environment Management System and is responsible for planning and carrying out QHSE "internal system audits" and determining the legal requirements of the scope of responsibility. It also oversees, for the issues within its remit, all relations and communications with the Supervisory Authorities (e.g. ATS, ARPA, Region, Metropolitan City and Provinces, Municipalities, etc.) and the Workers' Safety Representatives and Certification Bodies.

### **Cybersecurity**

The *Cybersecurity* function defines cyber defence policies and in particular:

- detects and monitors cybersecurity maturity;
- outlines short- and long-term cybersecurity strategies and policies, starting from the detected state;
- implements programmes, conceives and implements processes to mitigate the so-called cyber risks detected and shared at company level.

### **First line: Operational business functions**

Operational structures are primarily responsible for the risk management and control process. These structures must, in the course of their daily operations, identify, evaluate, monitor (so-called "line monitoring"), mitigate and report risks arising from ordinary business activities, in accordance with the risk management process and in compliance with applicable laws, internal and external regulations, and the operating powers assigned to them, consistently with business objectives weighted by the level of risk deemed acceptable by the governing body.

### **2.5.2 Governance Tools**

In order to facilitate the proper implementation of its Corporate Governance system, as well as the control over it, ATM adopts a number of tools that collectively guarantee the effectiveness and efficiency of the System. In addition to the aforementioned ICRMS Guidelines and ERM Guidelines, other instruments adopted by the Group are listed below: Regulations, Policies and Operating Procedures

ATM's regulatory system consists of a set of regulations, policies and operating procedures, including:

- **the Group's Regulation**, which governs the Group's operating procedures and intra-group relations and was updated in 2018 as a result of the evolution of its organisational structure and of transparency and anti-corruption updates;
- **the Rules for contract award**, updated in June 2023, which govern the procedures for awarding works contracts, the procurement of goods and service contracts for all Group companies;
- **the sales regulation**, updated in December 2024, which governs the procedures relating to the sale of goods, materials and services and the awarding of contracts for the commercial exploitation of areas and spaces to ensure maximum economic return, with a view to rationalising and efficiently managing the company's resources and assets;
- **Policies** on taking specific business risks;
- **the procedures and operating instructions**, which describe and regulate the company's processes and which ensure, among other things, compliance with the Management System QHSE ISO 9001, 14001, 45001, the SA8000 Certification System and the Transport Safety Management System.

### The Coordination Board

The **Coordination Board** (hereinafter also referred to as "Board" or "CB") represents, within the Internal Control and Risk Management System, an institutional moment for the sharing and discussion of the main risk and control issues, areas of improvement and possible critical issues, according to the roles and responsibilities of each participant and the architecture and mapping of the Group's information flows in the Three Lines of Responsibility. As required, the Control Functions, the Top Managers of the ATM Parent company and of the subsidiaries, as well as other Directors and/or relevant persons for the topics specifically covered from time to time, take part in the Board.

Chaired by the Director of Audit and Internal Control, the Board operates as the Control Functions Coordination Committee (or 'CCFC') when meetings involve only the Control Functions.

The Coordination Board aims to:

- **Mitigate and manage the risk** of insufficient, partial or misaligned information;
- **Make systematic follow-ups** and make informed decisions based on correct information.

The coordination and exchange of reciprocal information flows between the various parties involved in the Internal Control and Risk Management System maximises the efficiency of the

system itself, avoids duplication and/or omission of activities and facilitates the effective performance of the duties of Corporate and Supervisory Bodies.

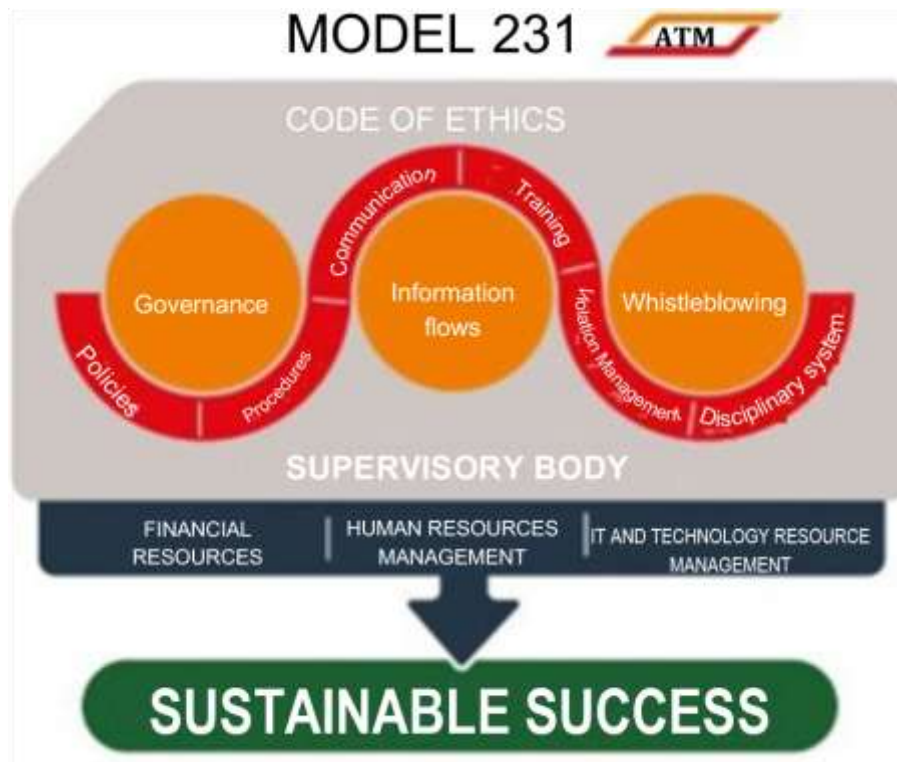
### **The Organisation, Management and Control Model pursuant to Leg. Decree 231/2001 and the Supervisory Body**

One of the main governance tools implemented by ATM is represented by the **Organisation, Management and Control Models pursuant to Legislative Decree No. 231/2001** (also 'Models 231' or 'Models'), adopted by the parent company ATM S.p.A in 2008 and, subsequently, by the subsidiaries Rail Diagnostics S.p.A. (2008) Nord Est Trasporti S.r.l. (2011), Gesam S.r.l. (2011), CityLink S.r.l. (2019) and International Metro Service S.r.l. (2019). These Models are periodically updated through risk assessment and gap analysis processes, in coordination with the evolution of the Group's Anti-Corruption and Transparency Model ("ACT").

The periodic updating of the Models 231 considers:

- regulatory changes and internal organisational developments;
- an integrated Risk Assessment under Legislative Decree No. 231/01 and Anti-Corruption, which identifies the company activities at greatest risk of the offences referred to in Legislative Decree no. 231/2001, describes the potential conduct at risk (including corruption) and prioritises the sensitive and instrumental activities identified. The Risk Assessment is also integrated into the Group's ERM process;
- the need to ensure that the Model is increasingly accessible to its recipients;
- the establishment of control standards in relation to sensitive activities identified;
- the process of identifying how to manage financial resources in such a way as to prevent offences;
- the management of information flows to and from the Supervisory Body and specific obligations to inform the latter;
- a disciplinary system to penalise the violation of the provisions contained in the Models;
- a training plan for employees and members of governance bodies (for Model 231, Anti-Corruption and Business Ethics);
- communications to employees and other persons interacting with the respective company.

The constituent elements of the ATM Group's Models 231 (represented below) are inspired by leading practice, the Confindustria Guidelines and the evolution of majority jurisprudence and are duly communicated both inside and outside the organisation in Models 231 - General Part.



The correct functioning of ATM's Model 231 is entrusted to **ATM S.p.A.'s Supervisory Board**, which has autonomous powers of initiative and control, currently in office since February 2019 and reconfirmed for the three-year period 2022/2024. ATM's Supervisory Body is made up of two members who are external to the company, chosen from academics and professionals with proven expertise and experience in the issues of Legislative Decree No. 231/2001 and 1 internal member, identified as the Director of Audit and Internal Control.

In addition to ATM S.p.A.'s Supervisory Board, the Parent Company's Board of Directors recommended the reconstitution of the Supervisory Boards of its Italian subsidiaries (Gesam S.r.l., Nord Est Trasporti S.r.l., Rail Diagnostics S.p.A., CityLink S.r.l. - formerly ATM Servizi Diversificati S.r.l. - and International Metro Service S.r.l.), which reconfirmed the previous composition for the three-year period 2022/2024.

With the support of external consultants and the DACI Department, all the Supervisory Bodies monitor the functioning of the respective 231 Models and, if necessary, recommend their updating, ensuring that the contents of the Models are adequately communicated and the subject of specific training. To this end, they use specific information flows and receive timely briefings on the reports received and handled under the Whistleblowing process, with respect to which they can ask for further details.

The Supervisory Bodies of the Parent Company and the directly controlled companies meet periodically with the Control Bodies and the Group's Sole Auditor, in addition to providing a

periodic report to their respective Management Bodies. They also approve, on an annual basis, a coordinated and risk-based programme of 231/Anti-corruption supervisory activities.

### **The Anti-Corruption and Transparency Model**

Since 2018, ATM has voluntarily adopted for itself and its subsidiaries a **Group Anti-Corruption and Transparency Model** (hereinafter also referred to as the "ACT Model"). The Parent Company identified the Anti-Corruption Representative ("ACR"), namely the Audit and Internal Control Director, who works for the Company and all the Group's subsidiaries.

The ACT Model aims to imbue the Group's operations with the principles inspiring the rules on transparency and anti-corruption and has the purpose of building a structured and organic system of principles and controls that repudiates and prevents any form of corruption, through the identification of specific and/or transversal activities exposed to the risk of corruption (or instrumental to the same) and the related mitigation.

The ACT Model enables its recipients to be aware of their obligations as to what should be done (compliance with procedures, reporting) and what should not be done (compliance with prohibitions). These obligations have legal force and the application of a **disciplinary and sanctioning system**, also specifically shared, is provided for in the case of non-compliance.

The ACT Model, in its latest version approved by the Board of Directors on 13 December 2021, is published on the Company's institutional website. Employees and collaborators are notified of the publication on the company intranet, so that they may take note of it and comply with its provisions. For those who do not have access to the intranet, the documentation is made available by alternative means and, upon request, by distribution by the hierarchical superior. The ACT Model is also given to new employees joining the ATM Group, for the purpose of acknowledgement and express acceptance of its contents.

The Group Anti-Corruption Contact Person works in synergy with the Supervisory Bodies and promotes the efficiency and coordination of activities, carrying out audits, always within their respective competences and from a third line perspective, within the framework of the Risk Based Integrated Audit Plan and on areas sensitive to corruption risks and related prevention protocols. Specifically, the ACR, through the structure (Audit and Internal Control - DACI Department):

- monitors the adoption and effective implementation of the ACT Model by all those involved in the Internal Control and Risk Management System through their respective internal regulatory instruments and key safeguards to mitigate the risk of corruption;

- promotes and supervises the training of the Group's personnel in ACT and monitors the adequacy of specific training activities for employees working in sectors that are particularly exposed to the risk of corruption;
- ensures, where necessary and in agreement with the Legal and Corporate Affairs Department and/or the Compliance Function, the constant monitoring of anti-corruption legislation and case law, the adoption of leading practices, promoting the adaptation, updating and improvement of this ACT Model;
- represents the focal point for any specialised anti-corruption assistance for employees of the Company and its Subsidiaries;
- promotes the review and possible updating of the ACT Model, recommending additions and/or adjustments to Top Management;
- submits a periodic report on his/her activities to the Board of Directors of ATM in the Annual Internal Audit Report.

Communication and training activities on the ACT Model are coordinated with those on Models 231 and Code of Ethics. It is differentiated according to the recipients to whom it is addressed and is based on the principles of completeness, clarity, accessibility and systematicity, to ensure that the various recipients fully understand the corporate provisions and the ethical standards to be observed.

The ACT Model also incorporates the disciplinary system already adopted in the Model under Decree 231.

### **The Whistleblowing System**

ATM has adopted an integrated and systematic approach to the **management of reports** of suspected/presumed violations and/or offences, following procedures and policies that are up-to-date and compliant with regulations. Legislative Decree no. 24 of 10 March 2023 transposed EU Directive No. 2019/1937, which considerably extended the scope of reporting beyond that of Decree 231/ACT/Code of Ethics, thus requiring a different reporting organisation, management and new skills.

For this reason, ATM traces and handles reports by adopting suitable and effective measures so that the identity of the person making the report or of the person who provides information useful for identifying non-compliant conduct is always ensured, using a special computerised tool compliant with current regulations.

3

# Reference Scenario

### 3.1 Macroeconomic Scenario

#### 3.1.1 Macroeconomic Framework

The global scenario during 2024 was characterised by generalised growth, but with different dynamics in the main economic areas. Compared to a year-on-year growth rate of 2.8% in the US (OECD estimates), growth in the Eurozone slowed down in the second half of the year, despite the gradual easing of monetary policy by the ECB, as a result of subdued consumption and investment, together with a reduction in exports. The OECD's end-of-year assessments indicate a **growth rate** of the **world economy** for 2024 at around **3.2%**, in line with the level estimated for 2025 (3.3%). According to Bankitalia data (see Boleco 1/2025), the volume of international trade slowed down in the latter part of 2024 to +2.8% compared to the previous year. For 2025, the trend will be conditioned by the introduction of trade tariffs by the new US administration.

The **EU economy** showed modest growth. According to the macroeconomic projections made by the ECB in December 2024, the area's GDP **grew by 0.7%** in the year, with projections for a further increase to 1.1% in 2025, and 1.4% in 2026. The value for 2024 was affected by subdued consumption and investment, held back by still restrictive financing conditions, despite the further reduction of the interest rate on deposits with the ECB to 3% in December 2024. The dynamics of credit to manufacturing companies remained weak. The latter part of the year was also affected by the weakness of manufacturing in Germany, which accounts for about one third of the region's total, and the crisis in the automotive sector, partly attributable to the regulatory uncertainty related to the transition to the production of purely electrically-powered vehicles. The **labour market** remained robust, however, with an **unemployment rate** in the area at **6.1%** (see European Commission Autumn 2024 Economic Forecast).



**GDP growth and macroeconomic scenarios***(percentage changes, unless otherwise specified)*

ITEMS	Growth			OECD Forecasts		Revisions (2)	
	2023	2024 Q2: (1)	2024 Q3: (1)	2024	2025	2024	2025
<b>World</b>	<b>3.2</b>	<b>-</b>	<b>-</b>	<b>3.2</b>	<b>3.3</b>	<b>0.1</b>	<b>0.1</b>
Japan	1.7	2.2	0.9	0.3	1.5	-0.2	0.1
United Kingdom	0.3	1.8	0.6	0.9	1.7	-0.2	0.5
United States	2.9	3.0	2.8	2.8	2.4	0.2	0.8
Brazil	3.2	3.3	4.0	3.2	2.3	0.3	-0.3
China	5.2	4.7	4.6	4.9	4.7	0.0	0.2
India (3)	7.8	6.7	5.4	6.8	6.9	0.1	0.1
Russia	3.7	4.1	3.1	3.9	1.1	0.2	0.0
Euro Area	0.5	0.2	0.4	0.8	1.3	0.1	0.0

*Source: for growth data, national statistics; for world GDP and forecasts, OECD, OECD Economic Outlook, December 2024.*

*(1) Quarterly data. For Japan, the United Kingdom and the United States, year-on-year and seasonally adjusted percentage changes over the previous period; for the other countries, changes over the corresponding period. - (2) Percentage points; revisions from OECD, OECD Economic Outlook, Interim Report, September 2024. - (3) Actual and forecast figures refer to the fiscal year beginning in April.*

*(Table source: Bank of Italy Economic Bulletin - January 2025)*

The generalised deflation process was confirmed, driven by the restrictive monetary policy actions taken by the Central Banks, in particular by the FED and ECB between the end of 2022 and the autumn of 2023. According to data collected in December 2024, consumer inflation in the US stood at 2.9% and in the Eurozone at 2.4%, down sharply from 5.4% in 2023, with expectations of a further decline to 2.1% in 2025 and 1.9% in 2026 (see European Commission Economic Forecast, Autumn 2024). This scenario has fuelled expectations of a gradual normalisation of monetary policies in 2025.

Energy commodity prices fluctuated in 2024. Oil prices exceeded US\$ 85/bbl in the second half of March, then fell over the summer, as a result of weaker than expected global demand, and returned to around US\$ 80/bbl in the autumn. The outcome of the US elections fuelled expectations of supply expansion, mitigating the potential price impact of OPEC+ countries' decisions to increase supply cuts. Natural gas also rose to around EUR 50 per MW/h, driven by demand factors and geopolitical tensions, including the interruption of Russian gas flows to Europe via Ukraine.



Source: LSEG.

(1) For spot prices, monthly averages until December 2024; the figure for January 2025 refers to the average of daily data from 1 to 10 January. For futures prices, quotations on 10 January 2025. - (2) Gas price traded on the TTF market in the Netherlands. - (3) Price of gas distributed through the Henry Hub in Louisiana (USA). Right-hand scale.

(Source of graphics: Bank of Italy Economic Bulletin - January 2025)

In 2024, the Italian economy showed stagnant growth at around 0.5% (see document Macroeconomic projections for the Italian economy, Bankitalia, December 2024), in line with the trend in the Eurozone, with forecasts of an average expansion at 1% for the three-year period 2025-2027, a figure that is, however, subject to possible effects of protectionist trade policies.

According to the "Survey on Inflation and Growth Expectations", conducted by Bankitalia on a quarterly basis, and the ISTAT forecasts, the assessments of the sample of companies interviewed between November and December 2024 (including ATM), point to a weakening of demand, with uncertain prospects, linked to still unchanged conditions of access to credit.

With regard to the employment rate, according to ISTAT estimates, the number of employed persons increased slightly in the autumn, driven by both the permanent and the self-employed component. The **unemployment rate** fell in November to **5.7%** (youth unemployment to 19.2%).

### 3.1.2 The Local Public Transport Sector

In 2024 the sector, at an aggregate level, has almost completely realigned itself to pre-pandemic demand levels, with a gap of around 3% compared to 2019 (see report *"The performance of local public transport companies 2024"* by Intesa Sanpaolo). The companies guaranteed similar levels of supply in order to ensure the right to mobility.

A further acceleration of **investment in environmentally friendly vehicles**, and technologically advanced, is estimated for 2025, using funds from the NRRP and the National Transport Fund.

The mobility of people will tend to be characterised by paradigm shifts in service provision, organisational systems and demand culture. In this sense, the development of digital platforms for the integration of new and traditional transport services can facilitate the evolution of mobility by exploiting the opportunities opened up by the ongoing technological and digital evolution.

## 3.2 The regulatory framework for the Local Public Transport sector

The year 2024 was characterised by the prolonged conflict between Russia and Ukraine and the conflict between Hamas and Israel, which also had indirect effects on the public transport sector. The Italian government, in order to allow LPT companies to continue normal operations, has deployed a series of measures, detailed below by homogeneous areas.

### 3.2.1 Diesel price increase subsidies

Starting in 2022, there have been numerous government measures to cope with diesel price increases. With Decree-Law No. 21/2022 *'Urgent measures to counter the economic and humanitarian effects of the Ukrainian crisis'* as amended, the excise duty on diesel used as fuel was temporarily reduced, with subsequent extensions until 31 December 2022 through the so-called *Aid Quater Decree* (Decree-Law No. 176/2022). With reference to the latter, it should be noted that the tax benefit provided for in point 4-bis of Table A, annexed to Legislative Decree No. 504/1995, has taken effect again. The standard diesel fuel rate was thus raised to EUR 467.40 per thousand litres above the rate for subsidised use (EUR 403.22 per thousand litres).

Of further importance were, on the one hand, Law Decree No. 115/2022, which established a fund of EUR 40 million to meet the cost of fuel and energy products incurred in the second quarter of 2022 for local and regional public transport vehicles. The fund was subsequently increased by EUR 100 million (Decree Law No. 144/2022) and then by a further EUR 320 million (Decree Law No. 176/2022).

On the other hand, Executive Decree No. 460/2022, authorised the commitment of EUR 40 million as a contribution for the increase in the cost of fuels incurred in the second quarter of 2022, for fuelling local and regional public transport vehicles in favour of the Regions, Autonomous Provinces, and companies operating public transport services. The Lombardy Region received EUR 4,594,688.49.

A further appropriation of EUR 80 million was authorised as an advance on the contribution to the increase in fuel costs incurred in the third quarter of 2022. The Lombardy Region's share was EUR 9,189,376.98.

In 2023, *Interministerial Decree No. 128* allocated EUR 80 million as an increase in the cost of fuel for the second quarter of 2022 to the competent territorial authorities and companies operating regional public transport services. The Lombardy Region was allocated EUR 7,351,501.59 as an advance in the amount of eighty per cent. Additionally, *Decree of the Ministry of Infrastructure and Transport No. 398/2023* authorised the payment of EUR 40 million as a contribution for the second quarter of 2022 to the Regions, Autonomous Provinces and companies operating LPT services. For the Lombardy Region, the authorised amount is EUR 4,594,688.49; The aforementioned decree also authorised the payment of EUR 78,966,368.12 for the third quarter of 2022. For the Lombardy Region, the authorised amount is EUR 9,189,376.98;

By *Interministerial Decree No. 335/2023*, a contribution of EUR 136,477,600.83 was allocated to the Regions, Autonomous Provinces and companies operating regional public transport services for the second quarter of 2022, and of EUR 96,807,703.33 for the third quarter of 2022. The amount allocated to the Lombardy Region was EUR 14,934,561.63 for the second quarter and EUR 11,789,912.32 for the third quarter.

Finally, the *Decree of the Ministry of Infrastructure and Transport No. 469/2023* authorised the payment, for Lombardy, of EUR 10,339,873.14 for the second quarter of 2022 and EUR 2,600,535.33 for the third quarter of 2022.

In 2024, the Lombardy Region allocated the funds received from the State for the **compensation of higher fuel and energy costs** for the **second and third quarters of 2022** through the following measures:

- Deliberation of the Regional Council no. XII/2818 of 2024, which allocated the amount of EUR 25,220,046.55 to Trenord S.r.l., to the LPT Agencies, to the Lake Basin Authority of lakes Iseo, Endine and Moro;
- Decree of the Directorate-General for Transport and Sustainable Mobility no. 11224 of 2024, which provided for the payment of EUR 12,342,088.75 to the Local Public

Transport Agency of the Milan, Monza and Brianza, Lodi and Pavia Metropolitan City Basin;

- Director Resolution no. 65 of 2024 of the Local Public Transport Agency of the Milan, Monza and Brianza, Lodi and Pavia Metropolitan City Basin with which state resources were paid to the Companies and Institutions.

### **3.2.2 Measures in favour of companies for the purchase of electricity**

The year 2024 was a continuation of 2023 and no further decrees with new resource allocations were issued. For further details, please refer to what has already been described in the ATM Group's Integrated Annual Report for the year 2023.

### **3.2.3 Measures in favour of companies connected with lower fare revenues in 2021-2022 due to Covid-19 restrictions**

With regard to information on regulatory measures and resources allocated and paid in the period prior to 1 January 2024, please refer to what is written in the Financial Report 2021, 2022 and 2023.

In 2024, Ministerial Decree No. 291/2024 was published, authorising the payment of EUR 156,865,998.97 to cover the integration of the advance allocated for the compensation of lower fare revenues 2021, pursuant to Ministerial Decree 169/2023 in favour of the Regions, Autonomous Provinces and companies operating public transport services.

We also report the publication of Interministerial Decree No. 329/2024 for the final allocation among the Regions, Autonomous Provinces, and companies operating LPT services, of the total resources allocated to compensate for the loss of fare revenues resulting from the COVID epidemic. It provided for the amount of EUR 878,445,049.85 as the maximum compensation recognisable to the Region of Lombardy. The decree then established that, downstream of the 'overcompensation' verifications after 30 September 2024, if there should turn out to be lower contributions to be allocated to the companies, compared to those calculated by the algorithm (for the Lombardy Region, the amount is equal to EUR 878,494,077.74), it will be the Region or the province concerned that will provide for the allocation of the contribution in the correct measure, recovering what is necessary.

### **3.2.4 Measures for the extraordinary maintenance of fixed-route mass rapid transport systems**

With Decree no. 443/2021 of the Ministry of Infrastructure and Sustainable Mobility, the loan to **Local Institutions for EUR 182.9 million** was ordered for the subsequent allocation to the entitled Companies, who had presented extraordinary maintenance projects and programmes for fire prevention in the metro lines.

To the Municipality of Milan and, consequently, to ATM, contributions amounting to **EUR 44.4 million** have been allocated for the following maintenance works:

- Underground Rolling Stock General Overhaul (26 Meneghino trains): EUR 20.8 million
- Underground Rolling Stock General Overhaul of bogies (26 Meneghino trains): EUR 15.6 million
- Underground Contact Line Renovation of 1500 V catenary traction equipment (13 km, including suspensions): EUR 8 million.

The deadlines originally set by Decree No. 443/2021 were rescheduled by Decree No. 343/2023, which waived the deadline for the completion of projects to 31 December 2025.

### 3.2.5 Regulatory measures for investments

Italy is one of the main beneficiaries of the **NextGenerationEU**, the European Union's economic recovery plan, which through the *Recovery and Resilience Facility* (RRF) makes available approximately **EUR 724 billion** in the form of grants and loans. In fact, in Italy, with a national plan called **NRRP (National Recovery and Resilience Plan)**, investments of **over EUR 191.5 billion** have been planned, supplemented by additional national and complementary resources. Next to the NRRP, the **REACT-EU** (*Recovery Assistance for Cohesion and the Territories of Europe*) programme provides additional funding for supporting territorial cohesion, strengthening health systems and revitalising the labour market.

The NRRP is developed around **seven strategic missions**, structured along **three main axes: digitalisation and innovation, ecological transition and social inclusion**. The latest mission, called **REPowerEU**, was introduced to strengthen energy independence and accelerate the transition to renewable sources. The implementation of the missions aims to improve the competitiveness of the Italian economic system and to foster sustainable and inclusive development, in line with the EU's long-term growth objectives. The measures are organised into reforms and investments that address the country's structural criticalities, with a focus on strengthening infrastructure and administrative capacity.

One of the central missions of the NRRP is **Mission 2: Green Revolution and Ecological Transition**, which benefits from a total allocation of approximately **EUR 59 billion**. The main objectives include promoting energy efficiency, reducing greenhouse gas emissions, increasing the use of renewable energy sources and developing a circular economy. Planned measures include making public and private buildings more efficient, enhancing infrastructure for sustainable mobility and strengthening green agricultural and industrial supply chains, thus contributing to the achievement of the European climate targets for 2030 and 2050.

As far as local transport is concerned, levers to increase its sustainability include the major obsolete **bus fleet renewal** towards low/zero emission solutions (e.g. renewal of the bus fleet of 5,540 vehicles and withdrawal of EURO 0, 1, 2 and some EURO 3 vehicles) and **green trains** for the accelerated development of green Local Public Transport.

Investment 4.4 of the aforementioned mission on the renewal of green bus and train fleets, amounting to EUR 3.64 billion (of which EUR 1.91 billion is dedicated to green buses), envisages the purchase of around 3,360 low-emission buses by 2026, with the mandatory intermediate step of at least 800 vehicles already by the end of 2024. In order to give a strong impetus to sustainable mobility and improve air quality in areas with higher levels of PM10 and nitrogen dioxide pollution, about one third of the resources are intended for major Italian cities including **Milan**, to which **EUR 249 million** have been allocated.

The funds made available by Ministerial Decree 530/2021 will be used within ATM's "**Full Electric**" plan to:

- replace 350 12- and 18-metre buses, of which 92 already replaced by 31 December 2024 and the remainder by the second quarter of 2026. This will complete the replacement of the entire Euro III and Euro V bus fleet;
- provide for the necessary infrastructural adaptation of existing depots (Palmanova, Giambellino, Sarca, San Donato);
- implement online fast charging points.

For both bus procurement and recharging infrastructure works, the procurement procedures have already been completed and deliveries are in progress, in line with the mission's timelines and targets. In particular, the first milestone envisaged by the Decree for the city of Milan was reached on 31 December 2024, when 92 vehicles were registered. ATM also contributes to the national target of supplying new buses under measure M2C2 4.4.1 with an additional 44 buses, financed with resources from Interministerial Decree 234/2020.

The ATM Group is working on the electrification of the local public transport (LPT) service also for the city of Monza. In December 2023, the Municipality of Monza, ATPL, NET S.r.l., ATM S.p.A. and Autoguidovie S.p.A. signed an agreement for the management of the public contributions of the NRRP (EUR 7.4 million, resources provided by Ministerial Decree 530/2021) and the PSNMS High Pollution (EUR 7.7 million made available by Interministerial Decree 234/2020). These funds are earmarked for the **renewal of the bus fleet** for the urban LPT service, as well as for the **realisation of recharging infrastructure**. As far as the NRRP contribution is concerned, foreseen by investment 4.4.1 and regulated by Ministerial Decree 530/2021, NET S.r.l. is responsible for the supply of electric buses, with a contribution of EUR 5.1 million, while ATM S.p.A. is involved in the **electrification of the Monza depot** in Via

Aspromonte, with a contribution of EUR 2.3 million. PSNMS High Pollution contributions are divided between NET S.r.l. (EUR 1.75 million for new electric buses), Autoguidovie S.p.A. (EUR 5.37 million for new electric buses) and ATM S.p.A. (EUR 600,000 for the electrification of the Monza depot in Via Aspromonte). The bus deliveries planned for the city of Monza, financed with Interministerial Decree 234/2020 resources, contribute to the achievement of the NRRP target of placing vehicles in service on 30 June 2026. However, with regard to the part of the work financed by the NRRP (funds from former Ministerial Decree 530/2021), some critical issues were reported in connection with the supply of buses in charge of NET S.r.l. due to the industrial crisis of the supplier Industria Italiana Autobus S.p.A. (now Menarini S.p.A.), resulting in delays in achieving the intermediate target of registration of three buses by 31 December 2024. The MIT's NRRP mission unit reported that the new range of vehicle delivery and registration timeframe, as of today, envisaged by the supplier, is in line with the EU assessment period envisaged for the target.

Also in relation to the second mission of the NRRP, measure 4.2 dedicated to the development of rapid mass transport is designed to reduce private car traffic by building **231 km of public transport infrastructure** that will have a positive effect on the demand for local collective mobility, with works focused on the metropolitan areas of Italy's largest cities to reduce the impact on the environment and road congestion.

Ministerial Decree 448/2021 allocated **EUR 156 million** to the Municipality of Milan. ATM is currently working on a number of projects involving the purchase of **14 new trams** and **10 trolleybuses** for more than EUR 60 million. For both projects, the tendering procedures have been carried out and supplies are in progress. The supply of trolleybuses will be completed by the first half of 2025, while the supply of trams is still ongoing.

A further NRRP-funded measure is aimed at promoting MaaS systems for the **digitisation of local transport** (M1C1 1.4.6: Mobility as a Service for Italy). Milan is the lead city for this experimentation worth a total of EUR 40 million. ATM is involved as a public transport operator in the implementation of MaaS systems as well as in LPT digitisation activities, such as the purchase of validators for the surface network, concluded in 2023. ATM is also making a contribution within the LivingLab project, financed by the same mission, which envisages the creation of a laboratory with infrastructures and services aimed at experimenting technologies and innovations related to connected and autonomous vehicles and advanced driver assistance systems (on-board units for trolleybuses, development of an app dedicated to the key users of the LivingLab experimentation, passenger counters installed on trolleybuses and further work on stops on the 90-91 route).



Furthermore, in order to reduce citizenship disparities, the NRRP, with mission M5C2, investment 2.2, made available EUR 2.49 billion to implement new services for citizens, upgrading logistics infrastructures, thus transforming the most vulnerable territories into smart cities and sustainable realities. In this context, for the development of the sub-project "Integrated Urban Plans", ATM is working together with the Municipality of Milan to **improve the accessibility** of the M1 and M2 metro stations.

Lastly, ATM, together with the Municipality of Milan, is implementing further works, financed with MIT (Italian Ministry of Transport) 2017 and 2018 funds for the purchase of new rolling stock (trolleybuses, trams and metro) and for the renewal of metro line installations, for a financed amount of more than EUR 900 million.

### **3.3 ATM's Contractual Framework**

#### **Management of public transport services**

The ways in which authorities entrust the management of Local Public Transport and related and complementary activities can be traced to two contractual forms:

- **Gross cost:** the industrial risk is borne by the operator while the commercial risk is borne by the entrusting entity, owner of the revenues from the sale of tickets. The operator receives a fee commensurate with the actual output of the service, revaluable from year to year on an inflationary basis. The fee is not influenced to any extent by the trend in revenue from the sale of tickets, the effects of any fare changes or changes in demand for mobility. As a result, it is necessary for the operator to continuously pursue operational efficiency objectives, based mainly on cost control.
- **Net cost:** both the industrial and the commercial risk are in the hands of the operator, which is the owner of the revenues from the sale of the tickets and receives from the entrusting body a fee calculated with reference to the theoretical non-coverage of the production costs by means of tickets.

#### **Existing contractual relationships**

The services covered by the Service Contract between ATM S.p.A. and the Municipality of Milan under the gross cost regime are the management of intermodal Local Public Transport (metro, tram, bus and trolleybus), transport on demand, ancillary activities such as the distribution of tickets, related customer information and fare evasion control. With regard to the risk of fare evasion, ATM, while not being directly affected by this as it is the manager of the service by virtue of a gross cost contract, deploys all measures to combat fare evasion in order to maximise revenue for the entrusting body.

The contract regulates the obligations and responsibilities of ATM S.p.A. and the Municipality of Milan:

- ATM S.p.A. is responsible for managing transport services and complementary services on the basis of the guidelines and directives of the Municipality of Milan, which is responsible for planning;
- the Municipality of Milan, owner of the revenue from the sale of tickets, is responsible for defining and articulating the fare system; in this context, ATM S.p.A. plays a strategic role as manager of the sales network on behalf of the Municipality. Investments for the development and maintenance of the public transport network and related infrastructure are the responsibility of the Municipality of Milan as owner.

In addition to transport services, ATM S.p.A. manages, by virtue of the same assignment, complementary services, such as Parking Spaces on the road and in facilities and the removal and custody of vehicles in accordance with the Highway Code. The pricing policy for Parking Spaces is the responsibility of the municipality, while revenues are the responsibility of ATM S.p.A., which pays a predetermined fee to the municipality. As of 2017, the allocation to the municipality of the portion of annual revenue attributable to the fare increase conventionally identified as those exceeding the level of EUR 18,490,000 annually was determined.

The operational management of the Service Contract is delegated to an equal-composition Technical Committee, which evaluates all aspects related to the management and execution of the Contract, such as monitoring contractual performance, determining bonuses and penalties, evaluating changes to services and contractual variants, and evaluating extraordinary maintenance work on municipal assets.

In addition, in the context of existing contractual relationships, the following are of particular relevance:

- the single management contract for the M5 underground line between ATM S.p.A. and the concessionaire company Metro 5 S.p.A. The contract, under the gross cost regime, regulates the management and related activities entrusted to ATM S.p.A. for the entire duration of the concession until 2040;
- the single management contract for the M4 underground line between ATM S.p.A. and the concessionaire company SPV Linea M4 S.p.A. The gross cost contract regulates the management and related activities entrusted to ATM S.p.A. for the entire duration of the concession until 2047;
- the Service Contracts, under the net cost regime, between the subsidiary Nord Est Trasporti S.r.l. and the Local Public Transport Agency of the Milan, Monza Brianza, Lodi and Pavia Metropolitan Area ("Agenzia del Territorio" or "Agenzia di Bacino") for the management of the non-urban auto service in force until 31 December 2025;
- the Service Contract entered into with Metroselskabet I/S, under the gross cost regime, for the management, through the Danish-registered subsidiary Metro Service

A/S, of the operation and maintenance of the M1 and M2 metro lines in Copenhagen, expiring on 29 September 2027;

- the Subcontract Agreement with Hitachi Rail STS, expiring on 29 September 2027, for the mobilisation, operation and maintenance of the M3 (Cityringen) and M4 metro lines in Copenhagen. Metro Service A/S has completed the mobilisation of the M3 (Cityringen) and M4 metro lines, and in 2019 inaugurated the commercial and operating activity for the M3 metro line, while the commercial and operating activity for the M4 metro line was inaugurated in 2020;
- the Contract with Hovedstadens Letbaneselskabet (The Greater Copenhagen Light Rail), where Metro Service A/S performs the mobilisation of the Greater Copenhagen Light Rail operations, a service for the suburban area west of Copenhagen. The 15-year gross cost operation and maintenance contract envisages that commercial and operational activities for the line begin in 2025, once the construction work is completed;
- the Contract, signed on 4 October 2023 under the gross cost regime and with a duration of 10 years (plus one year of pre-operation), in partnership with Egis Projects S.A.S., for the operation and maintenance, through its subsidiary THEMA S.A., of the automatic metro of the city of Thessaloniki;
- the Service Contract for the management of the Como-Brunate funicular railway signed in 2005 between the Municipality of Como and the temporary joint venture (set up between S.P.T LINEA S.R.L. and A.T.M. S.P.A. on 23 September 2004). SPT LINEA S.R.L. is entrusted with the entire car service (12 lines), and ATM with the Como - Brunate funicular railway. In 2006, ATI was transformed into Co.Mo. Fun&Bus Scarl, which manages the service contract with the Municipality of Como, and in 2007 SPT Linea S.R.L. changed its name to ASF Autolinee S.r.l. The contract was extended to 31 December 2025;
- the Service Contract for the management of the Varese Vellone - Santa Maria del Monte funicular railway signed in 2023 between the Agenzia per il Trasporto Pubblico Locale del Bacino di Como, Lecco e Varese and the RTI (set up between A.T.M. S.p.A. and A.V.T. S.r.l. on 31 July 2023) extended to expire on 30 June 2025;
- the Service Contract for the management of the Argegno-Pigra (CO) cable car signed in 2024 between Agenzia per il Trasporto Pubblico Locale del Bacino di Como, Lecco e Varese and A.T.M. S.p.A. extended to expire on 30 June 2025. Contract extensions

The Contract with the Municipality of Milan for the management of LPT and complementary services

The services performed by ATM S.p.A. for the Municipality of Milan are regulated by the *"Contract for the Local Public Transport service and related and complementary services"*, the original expiry date of which, initially set for 30 April 2017, has been extended until 31 December 2026.

With reference to the contracts for services related and complementary to the Local Public Transport service contract, the new contractual expiry dates following the latest extensions, signed on 29 December 2023, are shown below:

- Local Public Transport Service and related and complementary services: until 31 December 2026;
- Parking Spaces control, Car park management and vehicle removal service: until 31 December 2026;
- Service for the implementation and operation of the Bike Sharing sustainable mobility system: until 31 December 2026.

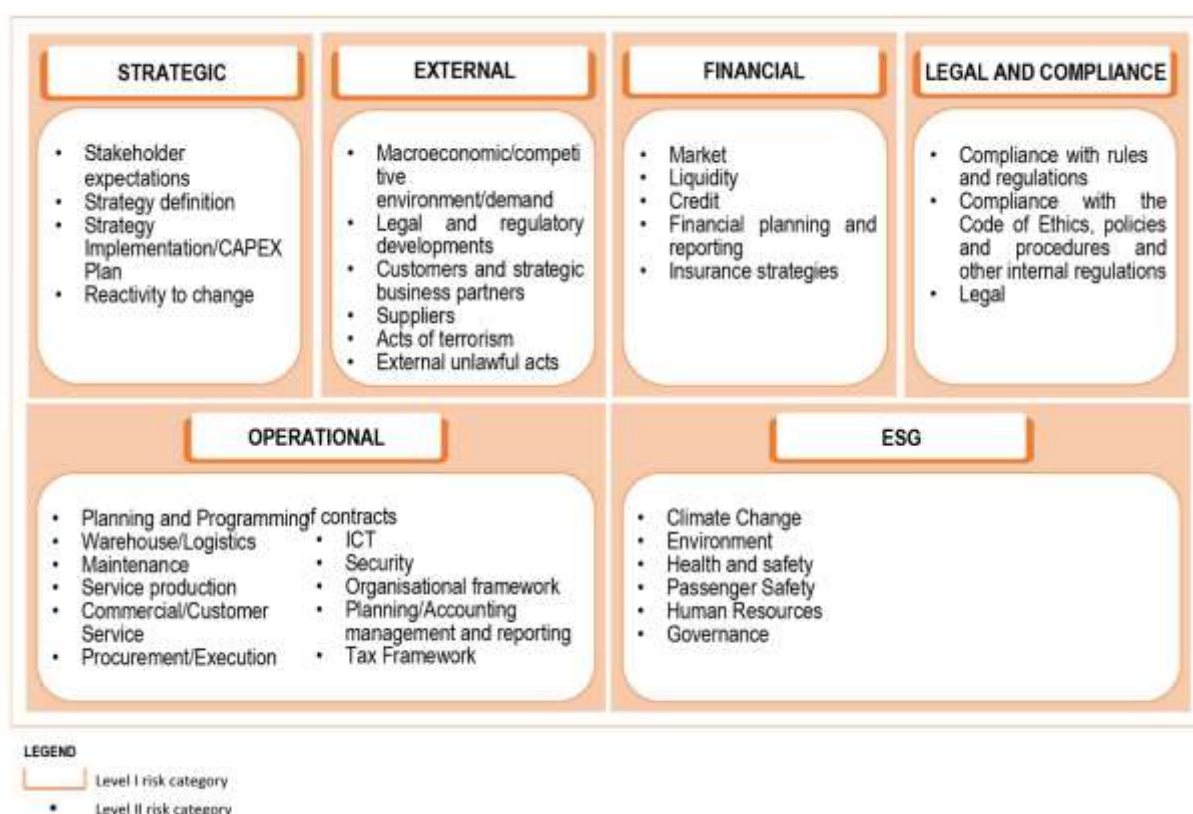
Lastly, on 12 January 2024, the Entity - Municipality of Milan and ATM S.p.A. signed the continuation deed for the contract "Management of payment channels and collection, on behalf of the Municipality of Milan, of revenues deriving from accesses to the L.T.Z. Cerchia dei Bastioni - "Area C" as well as back office, front office and call centre services dedicated to the management of the fulfilments required by the traffic regulations for L.T.Z. Cerchia dei Bastioni - "Area C" and "Area B": until 31 December 2026.

The activities related to the routine maintenance and management of the systems, technologies and equipment constituting the Integrated Traffic and Territorial Control System (SCTT) and the activity related to the management of the payment systems for access to the LTZ Cerchia dei Bastioni "Area C" and the subsequent adaptation of the computerised system for managing transit and the recording procedures, shall be included in the concession, by means of project financing pursuant to art. 183 - paragraph 15 of Legislative Decree no. 50/2016 as amended, for design, implementation and maintenance services of Smart City IT systems and applications for "Minnovo" security and mobility. The concessionaire of the agreement is the Temporary Grouping of Companies formed by A2A Smart City S.p.A. (agent) and ATM S.p.A. (principal). The agreement will be effective from 1 April 2024 and will last for twelve years.

### The Contract with the Agenzia di Bacino for the Management of Suburban Auto Services

The contract for the management of the services performed by Nord Est Trasporti S.r.l. for the Basin Agency, already extended to the end of 31 December 2023, has been further extended until 31 December 2025, in order to allow the necessary continuity of services in view of the new procedures for the awarding of services.

### 3.4 Risk factors and uncertainty



#### 3.4.1 Taxonomy of risks

The identification of risk scenarios is carried out using a unique risk taxonomy for the ATM Group, within which are found the main risks to which the company is exposed in the ordinary management of its activities.

Changes in the regulatory, operational and financial reference context are constantly monitored as part of a structured framework of risk management, which envisages the use of a plurality of organisational structures and tools useful for the correct identification and assessment of risks and the elaboration of the relative mitigation plans.

For an analysis of financial risks, see Note 6 to the consolidated financial statements and Note 5 to the separate financial statements.

Below is an analysis of non-financial risks and the resulting uncertainties

### **3.4.2 Risks linked to the external context**

#### **i) Risk of legislative and regulatory developments**

The new Public Contracts Code (Legislative Decree no. 36/2023) applies to all proceedings commenced on or after 1 July 2023. The new legislation has been implemented by the Company, which has adapted its internal procedures to ensure its regular application. On 31 December 2024, the corrigendum to the Procurement Code No. 36/2023 was promulgated: the legislation, as amended by the corrigendum, was implemented by the Company, adapting its procedures and acts, as of 2025.

#### **ii) Cybersecurity and Information technology**

The digital transformation of the transport sector, the evolution of Information and Communication Technology (ICT) systems, as well as the sophistication and proliferation of cyberthreats, also arising from the hybrid working mode, have broadened the attack scope by malicious actors with potential reverberations in terms of assets, reputation and business operations. Moreover, the ever-changing geopolitical framework and the growing need for interconnections and interdependencies between information systems, have redefined the technological risk scenario, confirming the need to implement a strategic information security risk management process, adapted to corporate business priorities and consistent with the potential related to the digitisation process.

Most of the cyberattacks observed in the Local Public Transport sector, such as against passenger systems, ticketing systems, web and mobile applications, on-board displays, were characterised by the common goal of rendering these systems unavailable, with consequent impacts on operations. To combat these attacks, ATM has implemented specific mitigation measures, adding solutions to its existing cyberdefence systems to absorb Distributed Denial of Service ("DDoS") attacks on different levels.

In order to reduce the attack surface as much as possible, the company has equipped itself with real time/near real-time monitoring systems to intercept any anomalies on the infrastructure. These proactive monitoring services are provided by the (cyber) Security Operation Centre with 24-hour coverage.

An additional aspect of the criticality in the ICT scene is the issue of obsolescence linked to the Operational Technologies (OT) context, mainly due to the time span of the life cycle of assets, which is much longer than in traditional ICT systems, which are increasingly interconnected, effectively exposing infrastructures to known vulnerabilities and threats.

In the implementation of cybersecurity controls, ATM is inspired by national and international industry best-practices, combining them with the principles of Security by design and Security by default, already from the technology demand processes. This is to enable its systems to respond from the outset to potential disruptions and, more generally, to any action that compromises and/or may compromise the confidentiality, integrity and availability of company data and information, strategic technology assets and intellectual property.

In line with the evolution of the ICT security framework, ATM has designed and developed - in coherence with the internal compliance system - processes that ensure an adequate level of physical, logical and organisational security, for which continuous monitoring, measurement and consequent reviews are foreseen. The company has therefore developed a **cybersecurity management strategy** according to a multi-level (operational, management and strategic) integrated approach for business continuity, information security and data protection. This new integrated management allows for guaranteeing, both at the governance level and at the level of operational management, all the necessary functional safeguards for an effective protection process of its IT and information assets.

The strengthening and improving of its cyber risk governance continued with the allocation of adequate resources in the Strategic Business Plan in addition to constant investments in maintenance to avoid obsolescence of systems and ensure their reliability, safety and efficiency. In particular, support was given to investments aimed at expanding system monitoring activities and additional resources were allocated to strengthen the capacity to respond to cyber security incidents. Further investments were also made in continuous training plans for internal skills enhancement.

To this end, in the area of cybersecurity awareness, awareness-raising and continuous training initiatives have been promoted, with periodic reviews, paying particular attention to the professional profiles most exposed to *cyber risk*.

### **3.4.3 Operational Risks**

#### **i) Risks related to the performance of the service**

The main risk factors, typical of its operations, can be traced back to the possible malfunctioning and unforeseen interruption of the service caused by accidental events and/or extreme weather events and/or extraordinary events; these situations could create damage to people and lead to a negative economic impact.

The infrastructure and facilities through which ATM provides the service are exposed to possible malfunctioning and/or failure, due to accidental and/or natural causes as well as acts

and damages of third parties against the company's assets. In order to make assets more resilient, attention is given to monitoring and maintenance implementation processes, with a view to guaranteeing system security and full availability, and Security protection is continuously active within the Security Function.

In order to mitigate and/or reduce the likelihood of malfunctions, including those related to obsolescence, the ATM Group is committed to specific **renewal, modernisation and enhancement plans**, also thanks to the resources made available by the National Recovery and Resilience Plan, in order to maintain and increase the efficiency of the performance of the assets required to provide the Local Public Transport service. The aforementioned activities are in turn subject to certain uncertainties regarding, for example, the time and cost of implementation, the efficiency, availability and operability of assets, as well as the authorisation processes of projects by the competent authorities, the recruitment and skills of personnel and the identification of suppliers.

For specific details on the modernisation actions undertaken during 2024, please refer to the chapter "Investments" in the Financial Report.

At the end of 2023, the regulatory framework issued by Ansvisa, "*Ansvisa Decrees*", (Decree 28 December 2023, Official Register Int.0081906, Decree 29 December 2023, Official Register Int.0082216, Executive Decree 07 December 2023, Official Register Int.0076655, as subsequently amended and supplemented), which by introducing new requirements, generates possible impacts on activities related to the provision of services on LRT systems (metro, tram, trolley bus, electric bus, cable car systems, lifts and escalators).

In order to manage the relevant risk areas, i.e. business continuity and safety, the Company is carrying out an Implementation Plan to achieve regulatory compliance that aims at a reorganisation of the processes supporting Operations & Maintenance activities, enhancing Design, Project Management and Training of operational staff, with a risk-based approach in order to make the decision-making process more and more conscious. In particular, the regulations require the implementation of a Transport Safety Management System (TMS) that provides evidence of ATM's ability to subject each project to a transport safety risk assessment and identify measures to control these risks.

### 3.4.4 Climate Change Risks

With a view to continuously improving its performance and with the ultimate objective of always guaranteeing an efficient Local Public Transport service, between 2024 and 2025, ATM launched a Climate Change Risk Assessment project in order to identify, in detail, the possible risks related to climate change (both physical and transitional) that could affect ATM's assets



and operations in the short, medium and long term. This process allows the Group to accurately identify possible climate risks and, consequently, take appropriate mitigation measures to prevent and/or remedy possible adverse effects. For more information on the climate risks identified in 2024 and how the Climate Change Risk Assessment was conducted, please refer to the Sustainability Document, within the Environmental Reporting, ESRS E1-1.

#### **3.4.5 Risks relating to environmental aspects, health and safety of workers**

Consistent with the QAS policy, the constant application of the **QHSE management systems ISO 9001, 14001 and 45001**, together with established training and education processes, allow for mitigating and minimising the major risk factors relating to environmental and occupational health and safety aspects. Maintaining effective and efficient QHSE management systems also allows for a rapid and effective assessment of potential risks arising from external contextual factors, specific company site, depot and location characteristics and changes in local, national and applicable voluntary international standards.

Audits by the control functions and those carried out by the certification companies help to maintain the effectiveness of mitigation measures and make it possible to identify any processes in need of improvement. Furthermore, efficient coordination between control functions allows these activities to be carried out with minimal impact on operational functions. This process, together with continuous training, and the allocation of adequate resources, has made it possible to achieve high levels of performance in the QHSE area, also positively assessed by external certification bodies, and to ensure the compliance of business processes.

For more information on the entire process of identifying, managing and mitigating risks concerning environmental aspects and workers' health and safety, please refer to the dedicated sections within the Sustainability Document.

In 2024, the approach described above was fully extended to the main subsidiaries, Rail Diagnostics spa and Net srl, with the maintenance of their ISO 9001, 14001 and 45001 QHSE system certifications.

#### **3.4.6 Legal and compliance risks**

In connection with the activity performed by the ATM Group, legal and compliance risks relate to the risk of incurring administrative, civil and criminal sanctions, and/or suffering losses or reputational damage as a result of non-compliance with directly applicable laws, regulations and European standards or supervisory authority measures, or self-regulatory standards; risk arising from unfavourable changes in the regulatory framework or case law.

This category includes the risks associated with the commission of the predicate offences set out in Legislative Decree No. 231/2001, which provides for the Company's liability for administrative offences in relation to certain expressly regulated cases. In this context, ATM and its Italian-registered subsidiaries have adopted their own Model 231, periodically and systematically updated with underlying risk assessment and gap analysis, in order to represent the system of control measures in place to prevent the commission of the regulated offences. Models 231 are harmonised with the Group Anti-Corruption Model ('ACT Model').

As far as environmental issues are concerned (Legislative Decree No. 152/2006 and other applicable legislation) and health and safety (Legislative Decree No. 81/2008 and other applicable regulations) ATM and its subsidiaries NET and Rail Diagnostics have adopted and maintain Environmental (ISO 14001) and Health and Safety (ISO 45001) management systems, all governed by ISO 9001 quality management systems certified and audited annually by an external body.

With regard to the protection and processing of personal data, ATM monitors regulatory developments (e.g. European Data Protection Reg. No. 679/2016, Personal Data Protection Code - Legislative Decree 101/2018 and Guidelines and Recommendations from national and European Supervisory Authorities - in particular from the European Data Protection Board), in order to adapt their processes, services and products. Compliance with these regulations has led ATM to implement a **personal data protection** system based on minimising processing, and thus the risk of breach, through data protection techniques by design, where possible with default settings. In addition, ATM has adopted **training plans** for the accountability of the data controller (principle of accountability) and routinely carries out impact assessments on the rights of individuals, for those processing operations that present high risks for the rights and freedoms of individuals.

In 2024, European Regulation No. 1689/2024 was approved, the so-called **AI ACT**, on Artificial Intelligence. ATM started the analysis for the provision of technical and organisational tools for the protection of individuals with regard to the use of 'AI' and its ethical and anthropocentric use, with a focus on regulatory developments and products and services on the market.

Finally, legal and compliance risks are related to the absence of or failure to comply with internal procedures and regulations. In this regard, ATM has adopted:

- the **Group Regulation**, which governs the Group's modus operandi and intra-group relations;
- the **Regulation for the Awarding of Contracts**, which governs the procedures for awarding contracts for works contracts, the purchase of goods and service contracts for all Group companies;

- the **Sales Regulation**, which governs the procedures relating to the sale of goods, materials and services and the awarding of contracts for the commercial use of areas and spaces;
- the **Operational Procedures and Instructions**, which describe and regulate business processes.

### 3.5 Main outstanding disputes

ATM is a party in criminal, administrative and civil proceedings, as well as in legal actions related to the normal performance of its activities. Below is a summary of the most important proceedings open before national authorities. Unless otherwise specified, in the pending litigations, no evidence has emerged to date that would suggest an exposure to probable liabilities or material losses that would have an appreciable impact on ATM's equity, economic and financial position.

#### Labour disputes

The following table shows the cases considered to generate probable liabilities and for which a specific provision for risks has been recognised under the item "*Provision for disputes and environmental risks*" and commented on in Note 26 "*Provisions for risks and charges*" of the Notes to these Consolidated Financial Statements:

- The number of newly opened disputes during 2024 was 79 (of which 4 NET). The most frequent requests relate to: i) termination of employment; ii) requests for the application of Royal Decree No. 8 of 8 January 1931, instead of Annex A; iii) requests relating to allowances not recognised during holidays; iv) requests relating to compensation for psychophysical wear and tear for overtime hours worked in excess of the legal limit; v) deskilling/demotion; vi) requests for shift changes linked to particular personal/family situations.
- The lawsuits concerning pay differences allegedly due during the holiday period taken by workers concern an issue that affects the entire ATM workforce. On 3 April 2023, an agreement was signed with the main trade unions, which determines the economic criteria for remuneration of this allowance for the period prior to 1 July 2022 (with the renewal of the National Collective Labour Agreement in 2022, a lump sum was established, recognised from 1 July 2022 as holiday pay). Since June 2023, the Company has implemented the procedure for signing minutes in a protected location in order to correct holiday pay with the entire company workforce according to the criteria of the above-mentioned agreement. At present, more than 90% of the workforce has endorsed the agreement. To date, there are still pending one dispute brought before the Court of Milan and one before the Court of Appeal of Milan on this issue (for a total of 11 workers), as well as two disputes brought before the Court of Monza by two NET employees.
- A case, instituted before 2023, concerning a work-related accident for which there was a compensation claim of approximately EUR 900 thousand with a high risk of

losing the case. With reference to the same event, criminal proceedings are also still pending before the Public Prosecutor's Office of Milan, at the preliminary investigation stage, registered against the Employer, against whom a request of end of investigations has been issued.

- The lawsuit challenging the dismissal of the former head of ATM Points, for which ATM decided to file a formal complaint-suit, was settled in favour of ATM in both the first instance and the appeal. The former employee sued before the Court of Cassation, with the first hearing pending. The latest lawsuit brought by the other former ATM Point employees who were involved in the same or similar facts ended with a favourable ruling for ATM.
- At the end of 2023, an appeal was filed by an employee of a contractor who, while carrying out cleaning work on the tram in April 2020, suffered a serious accident. ATM is sued as jointly and severally liable with the contractor for damages suffered by the worker. Given the severity of the injuries (a permanent disability of 75% was established), the counterparty's claim exceeds one million euros.
- In March 2024, two appeals were lodged by 14 workers claiming damages for psycho-physical wear and tear due to overtime hours worked in excess of the legal limits.
- The Court of Appeal of Milan in March 2024 reformed the first instance rulings concerning the request for application of the rules of the Royal Decree instead of Annex A to the 2000 National Collective Labour Agreement by employees employed as traffic wardens, parking attendants, ATM Point. The Company is appealing to the Court of Cassation against the above-mentioned judgements. At the same time, 9 separate appeals were served by special security guards requesting the application of the rules of the Royal Decree instead of Annex A. To date, 5 of the 9 appeals have been concluded with a favourable ruling for ATM and are now at the Appeal stage; 2 appeals have been accepted by the Court and ATM has appealed. The last two appeals are still pending at first instance.
- In July 2024, an action was filed by 72 workers, graduates of the 193-parameter exercise, who, since December 2022, have been assigned to perform duties pertaining to the 151-parameter, and they are requesting a finding of demotion with consequent compensation for damages. In another aspect, the workers demand that the non-payment of the so-called shift/autoradio/motoradio allowance and the so-called money handling allowance be established.
- 7 NET workers of the 193-parameter sued the employer, claiming recognition of their superior qualification, non-payment of overtime and indemnity benefits, and alleged differences in salary.

**Environmental Disputes**

No significant penalties were found in connection with environmental laws and regulations during 2024.

**Public Transport Service Disputes**

For all matters not expressed herein, reference should be made to the Annual Report, as at the end of the 2023 financial year, a special provision for risks had been set up as commented in Notes 26 and 24 "*Provisions for risks and charges*" of the Notes to the Consolidated Financial Statements and Separate Financial Statements.

- The dispute with Caronte S.r.l. is pending before the Court of Cassation. On 18 January 2024, the Court of Cassation discussed the case in Council Chamber and in April 2024 the case was remitted to another section of the same Court *ratione materiae* and a new hearing is awaited. Taking into account the strategy adopted by the Company to oppose and considering the probable risk of losing the case, it should be noted that adequate provisions for risks and charges have been set aside in previous years. For anything not mentioned here concerning the history and development of the case in question, please refer to the annual and semi-annual reports of previous years.
- In a judgement dated 9 April 2024, the Court of Monza declared the compulsory liquidation of the company CTP. The receiver initially proposed the admission of ATM's credit to the liquidation liabilities in the amount of EUR 6,642,592.37 as unsecured credit and EUR 5,497.66 as preferential credit, considering the sum of EUR 9,768.262.57 requested by way of default interest, subject to the settlement of the pending litigation before the Court of Cassation (RG 24517/2023 and 24579/2023), at the end of which the receivables would be offset against ATM's debts that also arose prior to the liquidation, for EUR 7,957,130 plus legal interest as ascertained by the Court of Appeal's ruling also appealed to the Court of Cassation. At the hearing of 25 June 2024, having regard to the receiver's proposal and ATM's objections, the Delegated Judge invited the parties to find a settlement solution and, at the subsequent hearing of 23 July, the receiver "proposed to settle the position and all outstanding disputes in the following terms: acceptance of the claim for EUR 785,625 including also the sum of EUR 50,000.00 offered as contribution to legal costs". Negotiations between the parties followed, as a result of which the settlement was entered into on 4-5 November 2024, whereby the parties agreed that:
  - once the statement of liabilities has become final, the procedure will pay ATM the sum of EUR 785,000;
  - payment will be made in the first repartition;
  - the liquidation of CTP waives the enforcement of its claim against ATM of EUR 9,238,121.89;
  - formally, ATM was admitted as a creditor in the bankruptcy proceedings for a total of EUR 5,497.66 on a preferential basis and EUR 15,781,468.40 on an

unsecured basis, subject to set-off against CTP's counterclaims at the outcome of the pending litigations;

- any further claims of ATM against the receiver will be waived after the agreed sum is collected;
- following payment, the parties will abandon all pending litigation between them, thus avoiding the risk of negative outcomes.

No oppositions to the statement of liabilities were filed and it became final. It is likely that the payment of the first instalments of the sums will take place around May/June 2025, after the deadline for filing late applications expires on 5 May 2025.

- ATM notified Caronte, Consorzio Trasporti Pubblici in liquidation, the Municipality of Cinisello Balsamo and the Municipality of Sesto San Giovanni of a writ of summons for negative assessment aimed at clarifying who and to what extent should proceed with the payment of sums in favour of Caronte in order to avoid ATM being in the position of making multiple payments for the same reason to different parties. Following CTP's declaration of judicial liquidation, the judge discontinued the proceedings which were then resumed by ATM against the receiver. The next hearing was set for 12 March 2025 for closing arguments.

Among the most significant causes of probable liabilities that have been recognised in a special provision for risks as commented in Note 26 "Provisions for risks and charges" of the Notes to the Consolidated Financial Statements, the following should be noted:

- ATM has filed an appeal before the administrative justice system against the Agenzia per la Coesione Territoriale (Agency for Territorial Cohesion) and the Ministry of Economy and Finance for the annulment of the measure of 6 April 2021 issued by the Agenzia per la Coesione Territoriale (Agency for Territorial Cohesion) by which the latter asked the Municipality of Milan, in its capacity as intermediate body, to revoke and recover the grant paid to Azienda Trasporti Milanesi S.p.A. for the project "PON Metro Milano 2014/2020. Operation MI2.2.4.b Areas for Bicycle Mobility" and the final report of the Audit carried out by the Ministry of Economy and Finance, State General Accounting Office.
- With its ruling of 14 June 2023, the Regional Administrative Court rejected both ATM's and the Municipality of Milan's appeal as it considered that the measure of the Agenzia per la Coesione Territoriale was legitimate, in relation to the alleged breach of Articles 20 and 57, letter a), of Legislative Decree no. 163/2006, insofar as the negotiated procedure without prior publication of a contract notice, carried out by ATM, contained transformed contractual conditions in relation to the essential element of the duration of the contract. ATM appealed the ruling within the legal deadlines and is awaiting the setting of the hearing by the Council of State. Given the outcome of the first instance proceedings, the risk of losing the case on appeal is likely. For anything not mentioned here concerning the history and development of the case in question, please refer to the annual and semi-annual reports of previous years.

With regard to disputes falling under the jurisdiction of civil courts (District Courts, Courts of Appeal, Justice of the Peace Offices), these take the form of both out-of-court and in-court disputes relating to ATM's role as Manager of the Local Public Transport service and related and complementary activities (by way of example, but not limited to claims for damages for transport; claims for damages due to the interruption of public services; credit recovery; lease relationships, vitiated contracts). In 2024, 811 civil law positions were dealt with (both in and out of court). The most significant updates of the most significant causes are outlined, referring for anything not expressed here to the annual report of previous years:

- On 3 December 2021, ATM was served a writ of summons with which Bluestone Verona S.r.l. and Bluestone Holding S.r.l. requested that ATM's pre-contractual and contractual liability be ascertained and that it be ordered to pay the sum of EUR 3,039,444.52 by way of compensation for damages suffered by the plaintiff companies for higher direct and indirect costs for clearance of war devices, the removal of unmarked tanks, the reworking of the construction plan and for the increased costs of raw materials and the price offered in the tender, in addition to the damage to their image quantified at EUR 1,000,000.00. In addition, the plaintiffs reserved the right to demand further sums to be paid by the purchasers for cancellations due to the accumulated delay, with the obligation to return double the deposit. On 21 April 2024, the Court of Milan pronounced its ruling with which, on the one hand, it upheld ATM's preliminary objections regarding the lack of active legitimacy of the plaintiffs and, on the other hand, it rejected the opposing claims on the merits, considering them unfounded. Bluestone Verona S.r.l. and Bluestone Holding S.r.l. appealed against the judgement before the Court of Appeal of Milan, which set the final hearing for the clarification of the conclusions for 5 February 2025. For anything not mentioned here, please refer to the annual and half-yearly reports of previous years.
- By certified e-mail communication dated 11 November 2021, the bankrupt Olicar Gestione S.r.l., through its counsel, requested payment of the sum of EUR 998,636.41 by reason of invoices Nos. 102949 dated 30 June 2019, 103557 dated 29 August 2019, 103990 dated 23 September 2019, 104301 dated 21 October 2019 and 104728 dated 31 December 2019. In addition to the foregoing, the bankrupt company claims the additional sum of EUR 507,695.24 for services rendered by the bankrupt company in the period from October 2019 to February 2020: this amount is being invoiced and has been quantified by taking as a reference the average of the amounts invoiced by Olicar Gestione in the year 2019.
- ATM suspended payments following the notification of third-party seizures against Olicar for approximately EUR 380,655.85: to date, ATM has paid the sum of EUR 49,738.63 following an order to assign sums, and no news has been received for the other enforcement procedures, which in any case became ineffective following Olicar's declaration of bankruptcy.
- Invoice no. 104728 of 2019 for EUR 509,218.90 including VAT was formally rejected by ATM in a letter dated January 2020, as the amount is not due and is not pertinent to the object of the contract and the manner of invoicing fees, as set forth in the

Integrated Energy and Heat Service contract: following this rejection, ATM requested, to no avail, the issuance of a credit note for the same amount. As for the rest, the claims of the insolvency procedure are rejected by the competent Technical Directorate on the grounds that, during the performance of the contract, Olicar was in breach of numerous contractual obligations but continued to charge ATM the relevant consideration. ATM therefore turned to third-party suppliers to obtain services not rendered by Olicar and bore the associated costs. After reconstructing the accounting position and taking into account the works carried out by third parties, although included in the fees invoiced by Olicar, a receivable in favour of ATM of EUR 1,096,969.08 accrued before the declaration of bankruptcy and of EUR 420,256.04 accrued thereafter, against a payable quantified to date by the bankruptcy into EUR 1,506,058.65.

- By certified e-mail of 22 December 2021, ATM therefore set off against the claim claimed by the bankruptcy its own claim as quantified above. On 14 September 2022, ATM received a new request for payment for the same amounts, to which ATM responded by reiterating the objections already formulated. ATM recently received a request from BFF (Banca FarmaFactoring) for information on Olicar's claim in the context of due diligence for the purpose of acquiring the claim. On 15 May 2023, ATM replied that the claim did not exist because ATM had offset the sums owed by Olicar as compensation for damages suffered by the company.
- With contract no. 3000109764 of 10 December 2021, ATM has entrusted the company Galassia S.r.l. with the full service maintenance and vandalism and/or accident repair services on 125 Solaris buses, for a duration of four years starting from January 2022 and with the right, at ATM's sole discretion, to extend the service for a further three years. Galassia complains that during the performance of the contract, circumstances occurred that led to a significant alteration of the contractual synergies, including the contractual amendment made by ATM to the Service Control Plan (PCS) and the progressive decrease in the mileage of buses to be serviced. Not having found satisfaction of the requests made in the out-of-court proceedings, with a writ of summons dated 14 June 2024, Galassia S.r.l. sued ATM to ascertain and declare its serious breach of contract and, consequently, to order ATM to pay damages quantified at EUR 1,235,016.80. ATM entered an appearance contesting the opposing claims. In the meantime, ATM terminated the contract due to Galassia's non-performance and applied penalties amounting to approximately EUR 393,000 by offsetting them against Galassia's still open invoices. In addition, it demanded the enforcement of the sureties for the recovery of the contract advance of EUR 212,500 and for the coverage of costs of EUR 300,000 for the contractor's breach of contract. In response, Galassia brought the urgency judgement to avoid the enforcement of the sureties. The judge rejected Galassia's claims. The case on the merits was called for 28 March 2025 for the examination of the admitted witnesses. Given the overall situation, in the absence of any settlement agreement, it is likely that the judge may grant part of the plaintiff's claims. The risk of disbursement can conservatively be quantified at EUR 500,000.
- With contract no. 3000118596 NET - as second-tier implementing party on behalf of the Municipality of Monza - entrusted Industria Italiana Autobus S.p.a. - today Menarini



S.p.a. - the supply of 10 electric buses. The purchase is financed under the project *Next Generation EU* - EU Regulation 2021/241- NRRP - Measure M2C2 investment. In order to obtain the first part of the funding, according to Ministerial Decree 530/2021, the registration of the first three buses should have taken place by 31 December 2024. However, the supplier announced that the delivery of the three buses would not take place before February 2025. Considering that this situation of delay is also common to other Italian LPT companies that have supply contracts with Menarini S.p.a. and that the situation is known to MIMS, the latter is preparing amendments to the decree in order to reshape the timeline for the allocation of funding. If the financing is not obtained, NET will bear the full cost of the buses, totalling EUR 1,404,000.

- In 2017, a girl was run over by a tram with serious physical consequences. As part of the criminal trial, the ATM driver was convicted of the offence of grievous bodily harm and ordered to pay a provisional compensation of approximately EUR 25,000. The judgement was appealed by Mr Favale and the Court of Appeal confirmed the ATM employee's liability, reducing the prison sentence. The injured girl's parents brought a civil action against Mr Favale and ATM without quantifying the claim for damages, which, however, will be significant given the girl's physical impairment. The case is at the pre-trial stage and is adjourned until 16 July 2025.
- In 2020, a lady was hit by a tram while crossing the tracks with fatal results. The criminal trial ended with the acquittal of the ATM driver because '*the fact does not constitute an offence*'. The deceased's father, mother and sister sued ATM and the tram driver to obtain damages for the loss of their relative in the amount of not less than EUR 855,046.00. The first hearing was set for 8 April 2025.
- On 5 September 2024, water leaking from manholes at street level during a heavy storm caused flooding of the -1 floor of the Romolo car park, damaging 123 cars. Pending the definition of the respective responsibilities for the incident between the Municipality of Milan, owner of the infrastructure, MM S.p.a., manager of the water network, and ATM, the company has paid each injured party the sum of EUR 3,000 for an outlay to date of EUR 354,000. Some owners of the damaged cars have asked ATM out-of-court for full compensation for the damages suffered and may take legal action. The Insurance Strategies Department estimated the total damage to cars at about 2,000,000.

### Civil litigation

In relation to disputes and lawsuits concerning civil liability (traffic accidents, transport accidents, liability for property in custody), the exposure and probable risk for the ATM Group appears to be largely covered by the "Provision for damages/claims" (Note 26 of the Notes to the Consolidated Financial Statements). The provision is estimated by the Insurance Strategies Department, which updates the economic risk of each case, originated out-of-court, also taking into account the trend of pending litigation. With regard to disputes of a different nature (debt collection, contract pathology, etc.), the Legal Department acts, on the basis of a constant flow of information, in synergy with the Departments concerned in order to quantify the risk, as the

case may be. These cases are covered by the "*Devaluation of Receivables Provisions*" disclosed in Note 19 of the Notes to the Financial Statements.

### **Criminal litigation**

As at 31 December 2024, ATM was a civil plaintiff in 25 criminal proceedings in order to obtain compensation for damages suffered as a result of offences committed by third parties, who were defendants in the aforementioned proceedings.

The company has also been held civilly liable in criminal proceedings in which an ATM employee is accused of the crime of road homicide.

The most significant criminal litigation cases are set out below:

- With regard to the complaint-suit filed by ATM concerning the facts related to the ATM Points for which the above-mentioned labour lawsuits are pending, two criminal proceedings have resulted. The first is against the former ATM Point manager sentenced in first instance for the crime of embezzlement to six years and ten months' imprisonment and declared perpetually banned from public office and from contracting with the public administration. The Court also ordered compulsory and disproportionate confiscation, and ordered the former manager to compensate the damage caused to ATM, to be settled in civil proceedings, and to pay the court costs incurred by the civil plaintiff. Finally, the former manager was ordered to pay a provisional compensation (immediately enforceable) to ATM in the amount of EUR 500,000. The counsel of the convicted woman have lodged an appeal.
- The second trial is against all other employees involved. ATM has also joined the civil action in this last case and the next preliminary hearing, scheduled for replies and reading of the decision, was set for 27 January 2025.
- Criminal proceedings are still in progress in connection with the emergency braking that has occurred on the M1 and M2 metro lines in recent years in order to establish the causes and possible responsibilities. Following the conclusion of the preliminary investigation against the top management of Alstom Ferroviaria S.p.A. and Engie Eps Italia S.r.l., the Public Prosecutor ordered additional investigations, which are still ongoing.
- Following the collapse of the crane on the metro tracks at the Bussero station on 30 August 2022, criminal proceedings were initiated for the offence of "Construction collapse or other malicious disaster", in which a former ATM official, among others, was implicated. The investigations ended with the issuance of the notice pursuant to Article 415-bis of the Italian Code of Criminal Procedure for some subjects and the request for dismissal for others. With regard to the position of the former ATM employee, a request for dismissal was issued by the public prosecutor. Negotiations are ongoing between the Company and the suspects for compensation for the damage caused to ATM as a result of the event.

- The preliminary investigation phase is currently underway in the so-called Subway investigation, in which ATM is a civil plaintiff. The next hearing before the Court in collegiate composition, 7th criminal branch, was scheduled for 18 February 2025.

To date, no criminal proceedings have been brought against ATM pursuant to Legislative Decree No. 231/2001 before the Court of Auditors or national or EU authorities.

### **Tax disputes**

ATM S.p.A. started the litigation process against tax assessments for the tax years 2015, 2016, 2017 and 2018, both for IRES and IRAP purposes. The subject of the claim relates to the tax treatment (deductibility for income tax and IRAP purposes) of the grant paid to Fondazione ATM for the tax years indicated.

IRES assessments, following the submission of the IPEC and IPEA forms, amounted to about EUR 200 thousand for tax and penalties, while IRAP assessments amounted to about EUR 1,600 thousand, again for tax and penalties, for a total of about EUR 1,800 thousand (for tax and penalties), plus interest by law.

Currently, the litigation is as follows:

- IRES 2015 and 2016 and IRAP 2015 lawsuits: the Company obtained a favourable judgement in the first instance and an unfavourable judgement in the second instance, so they are now pending before the Court of Cassation.
- IRAP case 2016: pending in the Court of Cassation, the Company having obtained an unfavourable judgement at both instances.
- IRAP case 2017: appealed in second instance.
- IRAP case 2018: appealed in the first instance.
- IRES cases 2017, 2018 and 2019: Inland Revenue accepts the IPEA model for full use of past tax losses (full deduction of the higher income assessed);
- IRES case 2017: appeal will be brought in the second instance;
- IRES case 2018: first instance appeal will be filed.
- Year 2019: both the IRAP and IRES schemes for which ATM has already filed counterclaims have been notified.

The risk of losing the case in connection with the above-mentioned assessments is currently deemed possible.

Three appeals regarding cadastral classification concerning the assignment of a different category by the Italian Revenue Agency Agenzia delle Entrate - Ufficio Provinciale di Milano/Territorio are also active. It is currently considered that the risk of losing is possible.

4

# Economic Financial Performance 2024

## 4.1 Commentary on the ATM Group's economic and financial results

The ATM Group's financial statements as at 31 December 2024 are prepared in accordance with IAS/IFRS.

Below are the comparative consolidated economic and financial results determined taking into account the foregoing:

- The 2024 operating profit was positive and amounted to EUR 14,933 thousand (negative and amounted to EUR 11,230 thousand as at 31 December 2023).
- The Group's profit for the year amounted to EUR 5,812 thousand (profit for the year of EUR 753 thousand as at 31 December 2023).
- Current assets increased from EUR 510,225 thousand at 31 December 2023 to EUR 536,836 thousand at 31 December 2024.
- Current liabilities decreased from EUR 478,950 thousand at 31 December 2023 to EUR 465,475 thousand at 31 December 2024.
- Net financial debt was negative, increasing by EUR 17,384 thousand to EUR 78,285 thousand at 31 December 2024, whereas it was negative and amounted to EUR 95,669 thousand last year.
- Net Invested Capital increased from EUR 1,517,431 thousand as at 31 December 2023 to EUR 1,537,312 thousand as at 31 December 2024 and is 76.16% covered by Equity.

## Income statement

	31.12.2024	31.12.2023	Change
<b>Revenues and other operating income</b>			
Revenues from core business	995,346	925,458	69,888
Revenues from Local Public Transport of which:	962,553	896,266	66,287
Municipality of Milan Service Contract Fee	724,416	693,567	30,849
Copenhagen Service Contract Fee	130,070	117,242	12,828
Regional Area Service Contract Fee	19,278	18,943	335
Line 5 management contract fee	30,154	28,868	1,286
Line 4 management contract fee	29,081	19,105	9,976
Thessaloniki line management contract fee	9,136	450	8,686
Fare income - Regional area	15,716	12,762	2,954
Special/dedicated transport services	4,702	5,329	(627)
Revenues from Parking Spaces management	18,441	15,876	2,565
Revenues from car park management	10,430	9,519	911
Revenues from car removal management	3,470	3,570	(100)
Other Revenues from core business	452	227	225
Other revenues	82,175	81,156	1,019
Other proceeds of which:	83,763	90,718	(6,955)
National Collective Labour Agreement contributions	50,190	50,190	-
<b>Total revenues and other operating income</b>	<b>1,161,284</b>	<b>1,097,332</b>	<b>63,952</b>
<b>Operating costs and other charges</b>			
Costs for the purchase of goods and changes in inventories	(74,824)	(86,756)	11,932
Costs for services	(351,300)	(360,341)	9,041
Maintenance and cleaning costs	(155,638)	(164,841)	9,203
Traction electricity	(74,669)	(83,415)	8,746
Subcontracted transport services	(26,154)	(25,173)	(981)
Utilities	(24,877)	(27,699)	2,822
Production and distribution of tickets	(6,767)	(8,212)	1,445
Insurance	(7,060)	(6,621)	(439)
Customer services, advertising and marketing	(6,343)	(5,734)	(609)
Services for employees	(8,178)	(5,367)	(2,811)
Various services	(12,723)	(11,368)	(1,355)
Professional services	(26,141)	(19,647)	(6,494)
Supervisory costs	(2,750)	(2,264)	(486)
Operating Leases Costs	(5,434)	(3,250)	(2,184)
Costs for employee benefits	(615,310)	(557,738)	(57,572)
Wages and salaries	(437,493)	(418,719)	(18,774)
Social security contributions	(116,093)	(111,810)	(4,283)
Charges for defined contribution plans	(23,967)	(24,948)	981
Other costs	(39,175)	(2,563)	(36,612)
Personnel costs for internal work	1,418	302	1,116
Other operating costs and charges	(14,319)	(14,144)	(175)
<b>Total operating costs and other charges</b>	<b>(1,061,187)</b>	<b>(1,022,229)</b>	<b>(38,958)</b>
<b>EBITDA</b>	<b>100,097</b>	<b>75,103</b>	<b>24,994</b>

**Table showing the ATM Group's profit or loss for the year, highlighting the impact of non-recurring economic effects in 2024 and 2023.**

The **2024 net profit** amounts to **€5.8 million**, which increases to **€9.1 million** in the **adjusted version**, excluding extraordinary components.

In **2023**, the net profit of **€753 thousand** turns into an **adjusted loss of €30.5 million**.

Adjustments include:

- Extraordinary contributions
- Personnel disputes
- Impairments
- Settlements of tax disputes

	31.12.2024	31.12.2023	Change
Amortisation, Depreciation and Impairment Losses	(85,164)	(86,333)	1,169
Depreciation - Property, plant and equipment	(129,230)	(126,976)	(2,254)
<i>Plant and machinery</i>	<i>(117,781)</i>	<i>(114,997)</i>	<i>(2,784)</i>
<i>Buildings</i>	<i>(4,786)</i>	<i>(5,469)</i>	<i>683</i>
<i>Industrial and commercial equipment</i>	<i>(3,529)</i>	<i>(3,222)</i>	<i>(307)</i>
<i>Other assets</i>	<i>(3,134)</i>	<i>(3,288)</i>	<i>154</i>
Equipment grants	49,346	44,850	4,496
Amortisation - Intangible assets	(1,541)	(1,473)	(68)
<i>Software licences</i>	<i>(1,541)</i>	<i>(1,473)</i>	<i>(68)</i>
<i>Amortisation of right of use for leased assets</i>	<i>(3,267)</i>	<i>(2,734)</i>	<i>(533)</i>
<i>Depreciation - Property, Plant and Equipment</i>	<i>(472)</i>	<i>-</i>	<i>(472)</i>
<b>Operating result</b>	<b>14,933</b>	<b>(11,230)</b>	<b>26,163</b>
<i>Financial income</i>	<i>17,846</i>	<i>13,460</i>	<i>4,386</i>
<i>Financial expenses</i>	<i>(16,257)</i>	<i>(9,176)</i>	<i>(7,081)</i>
<b>Net financial income (expense)</b>	<b>1,589</b>	<b>4,284</b>	<b>(2,695)</b>
Net result of companies accounted for using the equity method	(5,724)	4,477	(10,201)
<b>Profit before tax</b>	<b>10,798</b>	<b>(2,469)</b>	<b>13,267</b>
Income taxes	(4,986)	3,222	(8,208)
<b>Profit/(Loss) for the period</b>	<b>5,812</b>	<b>753</b>	<b>5,059</b>
<b>Profit/(Loss) for the period attributable to:</b>			
Shareholders of the parent company	931	(3,941)	4,872
Minority shareholdings (*)	4,881	4,694	187
<b>Total</b>	<b>5,812</b>	<b>753</b>	<b>5,059</b>

(\*) Values mainly attributable to the minority shareholder of the direct subsidiary International Metro Service S.r.l. and the indirect subsidiary Metro Service A/S.

For a better understanding of the economic trend and to allow the comparability of the 2024 and 2023 financial statements characterised by significant non-recurring economic effects, the Directors decided to highlight the non-recurring effects in the following table to allow the "normalised" trend of the economic result to be identified. As required by the ESMA Recommendation, guidance is provided related to the nature of the items considered in the reconciliation.

The impact of non-recurring effects is shown below:

	2024	2023
<b>Profit for the period</b>	<b>5,812</b>	<b>753</b>
Penalties <sup>(1)</sup>	-	552
Tax credits and contributions <sup>(2)</sup>	-	(6,199)
Ristori Decree fuel 2022 <sup>(3)</sup>	(7,819)	-
Provision for obsolescence <sup>(4)</sup>	-	1,750
Amortisation, Depreciation and Impairment Losses <sup>(5)</sup>	-	4,757
Non-Recurring Costs - Employees <sup>(6)</sup>	12,696	(20,512)
Investment grants from previous years <sup>(7)</sup>	(2,086)	-
Depreciation - Property, Plant and Equipment <sup>(8)</sup>	472	-
Settlement of disputes with Italian Revenue Agency <sup>(9)</sup>	-	(11,557)
<b>Total non-recurring effects</b>	<b>3,263</b>	<b>(31,209)</b>
<b>Adjusted (Loss)/Profit</b>	<b>9,075</b>	<b>(30,456)</b>

(1) The item for the year ended 31 December 2023 refers to non-recurring penalties for quality standards in the amount of EUR 552,000. This component is included in item "Revenues from core business" of the consolidated income statement.

(2) The item for the year ended 31 December 2023 includes the tax credit on electricity costs in the amount of EUR 6,199 thousand. This component is included in item "Other income" of the consolidated income statement.

(3) The item includes the collection of the contribution of the Ristoro Decree related to 2022 fuel, previously described in paragraph "3.2.1 Diesel price increase subsidies" for EUR 5,724 thousand referred to the Parent Company and for EUR 802 thousand referred to the subsidiary NET S.r.l. In addition, the item includes the contribution related to the loss of revenues for the years 2021 - 2022 for EUR 1,293 thousand related to the subsidiary NET S.r.l.

(4) The item for the year ended 31 December 2023 includes the provision for obsolescence accrued in the year 2023 in the amount of EUR 1,750,000, related to the inventory of materials



that have become obsolete following the revision of the useful life of 10 trams that became obsolete in the year 2023. This component is included in item "Costs for the purchase of goods and changes in inventories" of the consolidated income statement.

(5) The item for the year ended 31 December 2023 includes incremental depreciation related to 10 trams following the reduction of their economic and technical life. This component is included in item "Amortisation, Depreciation and impairment losses" of the consolidated income statement.

(6) The non-recurring personnel item for the year ended 31 December 2024 mainly includes the provision of EUR 10,808,000 made to cover risks related to a dispute with personnel concerning the performance of overtime. In addition, it includes the overall effect of the provision relating to the recognition of specific remuneration parameters during the holiday period and the provision relating to the recognition of specific remuneration parameters during the holiday period for fixed-term staff. These components are included in item "Costs for employee benefits" of the Consolidated Income Statement.

Non-recurring personnel items for the year ended 31 December 2023 include (i) the release of the provision for risks and charges related to disputes with personnel in the amount of EUR 24,037 thousand, which took place following the agreement signed on 3 April 2023 between the Group and the trade unions, and (ii) the provision accrued in the amount of EUR 3,525 thousand and related to the costs of redundancy incentives recognised to personnel nearing retirement. These components are included in item "Costs for employee benefits" of the Consolidated Income Statement.

(7) This item includes the receipt of investment grants pertaining to previous years. This component is included in item "Other income" of the consolidated income statement.

(8) The item for the year ended 31 December 2024 includes the EUR 472 thousand impairment of goodwill related to the subsidiary Rail Diagnostics S.p.A., which had been recognised in the consolidated financial statements at the time of the acquisition of this company. This component is included in item "Amortisation, Depreciation and impairment losses" of the consolidated income statement.

(9) The item for the year ended 31 December 2023 mainly includes the settlement of certain tax disputes with the Italian Revenue Agency relating to the calculation of IRAP for the years 2007, 2008, 2010 and 2012 relating to ATM S.p.A. and the refund for the years 2012, 2013 and 2014 relating to the subsidiary Net S.r.l. This component is included in the item "Income Taxes" of the consolidated income statement.

	2024	2023
<b>Profit for the period</b>	<b>5,812</b>	<b>753</b>
Income taxes	4,986	(3,222)
Net profit of companies accounted for using the equity method	5,724	(4,477)
Net financial income/(expense)	(1,589)	(4,284)
Depreciation - Property, plant and equipment	129,230	126,976
Amortisation - Intangible assets	1,541	1,473
Amortisation of right of use for leased assets	3,267	2,734
Penalties <sup>(1)</sup>	-	552
Tax credits and contributions <sup>(2)</sup>	-	(6,199)
Ristori Decree fuel 2022 <sup>(3)</sup>	(7,819)	-
Provision for obsolescence <sup>(4)</sup>	-	1,750
Capital grants <sup>(5)</sup>	(49,346)	(44,850)
Non-Recurring Costs - Employees <sup>(6)</sup>	12,696	(20,512)
Investment grants from previous years <sup>(7)</sup>	(2,086)	-
Depreciation - Property, Plant and Equipment <sup>(8)</sup>	472	-
<b>Adjusted EBITDA</b>	<b>102,416</b>	<b>50,694</b>
Adjusted EBITDA margin	8.82%	4.60%

(1) The item for the year ended 31 December 2023 refers to non-recurring penalties for quality standards in the amount of EUR 552,000. This component is included in item "Revenues from core business" of the consolidated income statement.

(2) The item for the year ended 31 December 2023 includes the tax credit on electricity costs in the amount of EUR 6,199 thousand. This component is included in item "Other income" of the consolidated income statement.

(3) The item includes the collection of the contribution of the Ristoro Decree related to 2022 fuel, previously described in paragraph "3.2.1 Diesel price increase subsidies" for EUR 5,724 thousand referred to the Parent Company and for EUR 802 thousand referred to the subsidiary NET S.r.l. In addition, the item includes the contribution related to the loss of revenues for the years 2021 - 2022 for EUR 1,293 thousand related to the subsidiary NET S.r.l.

(4) The item for the year ended 31 December 2023 includes the provision for obsolescence accrued in the year 2023 in the amount of EUR 1,750,000, related to the inventory of materials that have become obsolete following the revision of the useful life of 10 trams that became obsolete in the year 2023. This component is included in item "Costs for the purchase of goods and changes in inventories" of the consolidated income statement.

*(5) This item includes the deferral effect of the grant that has been classified as a reduction of capital expenditure in the consolidated balance sheet and as a reduction of depreciation in the consolidated income statement.*

*(6) The non-recurring personnel item for the year ended 31 December 2024 mainly includes the provision of EUR 10,808,000 made to cover risks related to a dispute with personnel concerning the performance of overtime. In addition, it includes the overall effect of the provision relating to the recognition of specific remuneration parameters during the holiday period and the provision relating to the recognition of specific remuneration parameters during the holiday period for fixed-term staff. These components are included in item "Costs for employee benefits" of the Consolidated Income Statement.*

*Non-recurring personnel items for the year ended 31 December 2023 include (i) the release of the provision for risks and charges related to disputes with personnel in the amount of EUR 24,037 thousand, which took place following the agreement signed on 3 April 2023 between the Group and the trade unions, and (ii) the provision accrued in the amount of EUR 3,525 thousand and related to the costs of redundancy incentives recognised to personnel nearing retirement. These components are included in item "Costs for employee benefits" of the Consolidated Income Statement.*

*(7) This item includes the receipt of investment grants pertaining to previous years. This component is included in item "Other income" of the consolidated income statement.*

*(8) The item for the year ended 31 December 2024 includes the EUR 472 thousand impairment of goodwill related to the subsidiary Rail Diagnostics S.p.A., which had been recognised in the consolidated financial statements at the time of the acquisition of this company. This component is included in item "Amortisation, Depreciation and impairment losses" of the consolidated income statement.*

	2024	2023
<b>Profit for the period</b>	<b>5,812</b>	<b>753</b>
Income taxes	4,986	(3,222)
Net profit of companies accounted for using the equity method	5,724	(4,477)
Net financial income/(expense)	(1,589)	(4,284)
Penalties <sup>(1)</sup>	-	552
Tax credits and contributions <sup>(2)</sup>	-	(6,199)
Ristori Decree fuel 2022 <sup>(3)</sup>	(7,819)	-
Provision for obsolescence <sup>(4)</sup>	-	1,750
<b>Amortisation, Depreciation and Impairment Losses <sup>(5)</sup></b>	<b>-</b>	<b>4,757</b>
Non-recurring costs - Employees <sup>(6)</sup>	12,696	(20,512)
Investment grants from previous years <sup>(7)</sup>	(2,086)	-
<b>Depreciation - Property, Plant and Equipment (8)</b>	<b>472</b>	<b>-</b>
<b>Adjusted EBIT</b>	<b>18,196</b>	<b>(30,882)</b>
Adjusted EBIT margin	1.6%	(2.8%)

(1) The item for the year ended 31 December 2023 refers to non-recurring penalties for quality standards in the amount of EUR 552,000. This component is included in item "Revenues from core business" of the consolidated income statement.

(2) The item for the year ended 31 December 2023 includes the tax credit on electricity costs in the amount of EUR 6,199 thousand. This component is included in item "Other income" of the consolidated income statement.

(3) The item includes the collection of the contribution of the Ristoro Decree related to 2022 fuel, previously described in paragraph "3.2.1 Diesel price increase subsidies" for EUR 5,724 thousand referred to the Parent Company and for EUR 802 thousand referred to the subsidiary NET S.r.l. In addition, the item includes the contribution related to the loss of revenues for the years 2021 - 2022 for EUR 1,293 thousand related to the subsidiary NET S.r.l.

(4) The item for the year ended 31 December 2023 includes the provision for obsolescence accrued in the year 2023 in the amount of EUR 1,750,000, related to the inventory of materials that have become obsolete following the revision of the useful life of 10 trams that became obsolete in the year 2023. This component is included in item "Costs for the purchase of goods and changes in inventories" of the consolidated income statement.

(5) The item for the year ended 31 December 2023 includes incremental depreciation related to 10 trams following the reduction of their economic and technical life. This component is

included in item "Amortisation, Depreciation and impairment losses" of the consolidated income statement.

(6) The non-recurring personnel item for the year ended 31 December 2024 mainly includes the provision of EUR 10,808,000 made to cover risks related to a dispute with personnel concerning the performance of overtime. In addition, it includes the overall effect of the provision relating to the recognition of specific remuneration parameters during the holiday period and the provision relating to the recognition of specific remuneration parameters during the holiday period for fixed-term staff. These components are included in item "Costs for employee benefits" of the Consolidated Income Statement. Non-recurring personnel items for the year ended 31 December 2023 include (i) the release of the provision for risks and charges related to disputes with personnel in the amount of EUR 24,037 thousand, which took place following the agreement signed on 3 April 2023 between the Group and the trade unions, and (ii) the provision accrued in the amount of EUR 3,525 thousand and related to the costs of redundancy incentives recognised to personnel nearing retirement. These components are included in item "Costs for employee benefits" of the Consolidated Income Statement.

(7) This item includes the receipt of investment grants pertaining to previous years. This component is included in item "Other income" of the consolidated income statement.

(8) The item for the year ended 31 December 2024 includes the EUR 472 thousand impairment of goodwill related to the subsidiary Rail Diagnostics S.p.A., which had been recognised in the consolidated financial statements at the time of the acquisition of this company. This component is included in item "Amortisation, Depreciation and impairment losses" of the consolidated income statement.

## **Revenues and other operating income**

"Revenues and other operating income" in 2024 amounted to EUR 1,161,284 thousand (EUR 1,097,332 thousand as at 31 December 2023) and increased by EUR 63,952 thousand. Total revenue includes "Revenues from core business" of EUR 995,346 thousand, "Other Revenues" of EUR 82,175 thousand and "Other Income" of EUR 83,763 thousand.

"Revenues from core business" amounted to EUR 995,346 thousand (EUR 925,458 thousand as at 31 December 2023) and increased by EUR 69,888 thousand. This is broken down as follows:

- The "Municipality of Milan Service Contract Fee" increased by EUR 30,849 thousand. The change is linked to contractual trends. The amount includes EUR 3,290,000 in penalties attributable to the non-achievement of KPIs related to quality standards;

- The "Copenhagen Service Contract Fee" increased compared to 2023 by EUR 12,828 thousand. The higher revenues are related to the inflation adjustment and the new contract for the operation of the new Light Rail line;
- The "Regional Area Service Contract Fee" increased by EUR 335 thousand compared to 2023 as the main consequence of the adjustment of the fee agreed with Agenzia di Bacino by the subsidiary NET S.r.l.;
- The "Line 5 Management Contract Fee" increased by EUR 1,286 thousand compared to last year. The increase is related both to the adjustment of the fee according to the change in the inflation rate and to the increase of the service due to more mileage travelled;
- "Line 4 Management Contract Fee" increased by EUR 9,976 thousand compared to 2023; The change is linked to both the full calendar year operation of the functional San Babila-Linate Aeroporto section and the opening to service of the last San Babila - San Cristoforo section on 12 October 2024;
- The "Thessaloniki management contract fee" increased by EUR 8,686 thousand and is related to the revenue recognised for the management of the Thessaloniki metro line, which commenced operations on 30 November 2024;
- "Fare income - Regional Area" increasing by EUR 2,954 thousands. The increase is due, as far as the subsidiary NET S.r.l. is concerned, to the higher income related to the increase in passengers, which led to a consequent increase in the fare income related to the STIBM share due to NET S.r.l. As far as the Parent Company is concerned, there were higher revenues from passenger traffic related to the management of the Como - Brunate, Varese - Sacro Monte and Argegno - Pigra funicular railways and higher revenues from fares deriving from adjustments referring to previous years;
- "Special/dedicated transport services" decreased by EUR 627 thousand. This change is mainly due to the reduction in additional services requested by the Awarding Bodies in the amount of EUR 421,000, partly offset by the activity of the Tram Ristorante, which increased by EUR 120,000 compared to the previous year;
- Services complementary to the Service Contract with the Municipality of Milan such as Parking Spaces, Car Parks, Removal and other core business revenues increased by a total of EUR 3,376 thousand. Specifically, "Revenues from parking spaces management" increased by EUR 2,565 thousand, "Revenues from car park management" increased by EUR 911 thousand, and "Revenues from car removal management" decreased by EUR 100 thousand.

"Other Revenues from core business" amounting to EUR 452 thousand (equal to EUR 227 thousand at 31 December 2023) refer to the reimbursement of the secondment of personnel from the ATM Group to other companies.

With regard to other operating income and proceeds, it should be noted that, "Other revenues" in 2024 amounted to EUR 82,175 thousand (EUR 81,156 thousand at 31 December 2023) and decreased by EUR 1,019 thousand. The increase in the item is attributable to the higher

*"Revenues for services rendered"* up by EUR 870 thousand compared to 2023 due to the higher services rendered by the Danish subsidiary Metro Service A/S in favour of the owner entity and to the higher *"Advertising and sponsorship revenues"* by EUR 2.244 thousand caused mainly by the higher fee paid to IGP Decaux in the amount of EUR 996 thousand and EUR 115 thousand by Findomestic's recognition of an advertising contribution. These increases were partially compensated by minor revenue for "Rental of commercial premises in metro stations" and "Other revenue", which decreased by EUR 721 thousand and EUR 1,374 thousand, respectively.

*"Other proceeds"* in 2024 amounted to EUR 83,763 thousand (EUR 90,718 thousand as at 31 December 2023) and decreased by EUR 6,955 thousand. The decrease in this item is mainly due to the item *"Contributions"*, which decreased by EUR 6,523 thousand. This includes: *i)* contributions for the production of electricity using photovoltaic systems and contributions for personnel training amounting to EUR 622 thousand and EUR 1,021 thousand, respectively; *ii)* EUR 50.190 thousand to the National Collective Labour Agreement contributions pertaining to the year, the amount of which is unchanged from the previous year, allocated by Law No. 47 of 27 February 2004 to cover the charges deriving from the renewal of the collective labour agreement for the two-year period 2002/2003, by Law No. 58 of 22 April 2005 to cover the charges deriving from the renewal of the National Collective Labour Agreement for the two-year period 2004/2005, and by Law No. 296 of 27 December 2006 (2007 Budget) to cover the charges deriving from the renewal of the National Collective Labour Agreement for the two-year period 2006/2007; *iii)* grants received for a total of EUR 609 thousand against the price compensation fund for the adjustment of maintenance costs; *iv)* grants for investments accrued in previous years for EUR 4.055 thousand.

Against the above decreases, the item *"Insurance Reimbursements and Costs Incurred on Behalf of Third Parties"* increased by EUR 1,059 thousand, due to the adjustments related to the STIBM fare adjustment referred to previous years for EUR 737 thousand.

### **Operating costs and other charges**

*"Operating costs and other operating expenses"* amounted to EUR 1,061,187 thousand (as at 31 December 2023, EUR 1,022,229 thousand) and increased by EUR 38,958 thousand.

The main changes relate to:

- *"Costs for the purchase of goods and changes in inventories"* amounted to EUR 74,824 thousand (EUR 86,756 thousand as at 31 December 2023), which decreased by EUR 11,932 thousand compared to 31 December 2023. The decrease for the period is related mainly to the item "Purchases of goods" due to lower purchases of materials

to meet maintenance requirements and the inventory dynamics of the related obsolescence provision. In addition, lower costs related to traction diesel fuel were incurred and the receipt of the state contribution related to the reimbursement of fuel purchase expenses incurred during 2022 occurred (the latter contributed positively to the cost reduction in the amount of EUR 5,724,000);

- "Service costs" amounted to EUR 351,300 thousand (EUR 360,341 thousand as at 31 December 2023), which decreased by EUR 9,041 thousand. The main entries are:
  - "*Maintenance and cleaning costs*" decreased by EUR 9,203 thousand. The decrease in maintenance costs incurred during the year, totalling EUR 8,697 thousand, is mainly related to: *i*) lower charges incurred for rolling stock maintenance activities totalling EUR 6,667 thousand; *ii*) lower charges for the period relating to maintenance work carried out on the rolling stock and infrastructure, totalling EUR 5.910 thousand; *iii*) higher positive adjustments relating to prior years of EUR 2,835 thousand, partly offset by higher charges relating to maintenance of *hardware and software* of EUR 1,828 thousand. Cleaning costs incurred during the year, totalling EUR 34,754,000, were in line with the previous year's figure of EUR 36,105,000. In 2024, the specific provision for environmental risks set up in previous years was used in the amount of EUR 446 thousand for specific maintenance work performed. EUR 5,174 thousand was set aside for the provision for restoration costs of the Danish subsidiary Metro Service A/S.
- "Electric traction energy", a decrease of Euro 8,746 thousand. The item discounts minor costs incurred in the period by both the parent company and the Danish subsidiary Metro Service A/S. The change from the same period last year shows the effect of the generalised decrease in raw material prices. There was also an increase in revenues from the hedging of traction electricity in the amount of EUR 9,856,000, obtained as a result of hedging transactions on forward purchase prices. In an effort to take all possible actions to mitigate the effects of the variability of electricity prices during 2024, the parent company continued monitoring the energy price per Mw/h. During this period, market benchmarks were below budgeted levels, so between March and April, three hedging transactions were concluded (using the so-called 'commodity swap') for the period April - December 2024 on a total reference quantity of 114,990.00 Mw/h;
- "Utilities" decreased compared to 2023 by EUR 2,822 thousand due to a decrease in costs related to "Gas and district heating" for EUR 1,913 thousand as well as an increase in revenue from the hedging of lighting electricity for EUR 2,324 thousand. This positive effect is partially adjusted by the increase in lighting costs, which rose by EUR 1,019,000;
- "Production and distribution of tickets" decreased by EUR 1,445 thousand, as a direct result of the ticket sales volumes;
- "Customer services, advertising and marketing" increased by EUR 609 thousand compared to 2023. The higher expenses incurred in 2024 mainly refer to new marketing



initiatives in the amount of EUR 641 thousand, offset by minor costs related to various advertising;

- "Services for employees" increased by EUR 2,811 thousand compared to 2023. The increase is attributable to training activities for employees, which increased by EUR 2,167 thousand, travel expenses, which increased by EUR 502 thousand compared to 2023, and medical expenses, which increased by EUR 80 thousand.
- "Miscellaneous services" increased by EUR 1,355 thousand compared to 2023; this refers to bank commission charges of EUR 7,761 thousand (EUR 6,475 thousand in 2023) and charges related to transport and material handling and waste disposal services of EUR 3,221 thousand (EUR 3,085 thousand in 2023).
- "Professional services" increased by EUR 6,494 thousand compared to 2023, the change is related to the greater number of assignments carried out in the period by the Parent Company and the Danish subsidiary Metro Service A/S in reference to the support requested from professionals for preliminary operations for the placement of the bond issue, participation in international tenders, the expansion of ATM S.p.A.'s business and IT services;
- "Subcontracted services" increased compared to 2023 by EUR 981 thousand, the adjustment compared to the previous year is mainly related to the ISTAT 2024 adjustment;
- "Operating lease costs" increased by EUR 2,184 thousand compared to the previous year;
- "Costs for Employee Benefits", which amounted to EUR 615,310 thousand (EUR 557,738 thousand as at 31 December 2023), increased by a total of EUR 57,572 thousand. This increase resulted from higher costs for "Wages and salaries" in the amount of EUR 18,774 thousand, higher "Social security charges" in the amount of EUR 4,283 thousand, and an increase in "Other costs" in the amount of EUR 36,612 thousand. Finally, the item was affected by the decrease in "Charges for defined contribution plans" by EUR 981 thousand and by the increase in recoveries for "Personnel costs for internal work" by EUR 1,116 thousand;
- The higher "Wages and salaries" are mainly related to the higher salaries of the employees of the Danish subsidiary Metro Service A/S and the Greek subsidiary Thema SA and, for the Parent Company, to the higher charges related to the second-level company agreements signed in May and November 2024, of EUR 500 and EUR 350 per person, respectively. The increase in the item "Other Costs" is related, for over EUR 20 million, to the release of provisions made in 2023 relative to disputes with personnel concerning the possible recognition of specific pay indemnities during the holiday period; also affecting the movement of the item is the amount of EUR 10,808 thousand related to the provision made to cover risks related to a dispute with personnel concerning the performance of overtime. Finally, with reference to item "Social Security Charges", this is affected by the contribution component linked to salary increases;

- "Other Operating Costs and Charges" which amounted to EUR 14,319 thousand (as at 31 December 2023 amounting to EUR 14,144 thousand) increased by EUR 175 thousand. The items that show the main changes refer to "Other Operating Charges", which increased by EUR 1,219 thousand, to the change in the provision for bad debts of EUR 499 thousand, and to lower provisions made to cover emerging risks of EUR 2,566 thousand. Included in this grouping are extraordinary contingent liabilities in the amount of EUR 1,415,000 referring to the analysis performed on credit and debit items for which the title of collectability and liquidity has ceased to exist;
- "Depreciation, amortisation and impairment losses" amounted to EUR 85,164 thousand (31 December 2023: EUR 86,333 thousand) and decreased by EUR 1,169 thousand. The decrease compared to 2023 is attributable to higher depreciation related to the revision of the useful lives of 10 Eurotrams carried out during the previous year for EUR 4,756,000.

"Net financial income (expenses)" were positive and amounted to EUR 1,589 thousand (as at 31 December 2023 positive and amounted to EUR 4,284 thousand) and decreased by EUR 2,695 thousand.

The item "*Financial income*", totalling EUR 17,846 thousand (EUR 13,460 thousand as at 31 December 2023), increased by EUR 4,386 thousand. This increase was mainly due to higher interest income of EUR 7,796,000, partially offset by other financial income, which decreased by EUR 4,117,000 compared to the previous year. In particular, with regard to "*Interest income*", the item that contributed most to the positive change is represented by "*Interest income on loans to associates*", which refer exclusively to interest accrued on the loan granted to SPV M4 S.p.A. These increased from the previous year because on 20 December 2023 ATM S.p.A. increased its stake in the company to 31.53%, becoming its second largest shareholder. On the other hand, the interest on the loan that had been granted to the company Metro 5 S.p.A. and that had been fully repaid on 29 April 2023 ceased to exist with respect to 2023.

The item "*Financial expenses*" totalled EUR 16,257 thousand (EUR 9,176 thousand as at 31 December 2023), an improvement of EUR 7,081 thousand compared to 2023. The change is mainly related to higher "*Interest expense on loans and bond issue*", which comprises not only interest expense recognised on the bond loan and financial payables for European Investment Bank disbursements totalling EUR 5,001 thousand (at 31 December 2023, EUR 4,334 thousand), but also interest expense accrued on credit lines totalling EUR 7,710 thousand, totally referring to interest accrued on the Bridge to Bond.

The "*Net result of companies valued using the equity method*", totalling EUR 5,724 thousand, includes the valuation of the companies Metro 5 S.p.A., SPV Linea M4 S.p.A. and Movibus S.r.l. The economic effect was negative on the whole, specifically: a positive net effect of EUR 3,978

thousand for Metro 5 S.p.A., a negative net effect of EUR 10,453 thousand for SPV M4 S.p.A., and a positive effect of EUR 751 thousand for Movibus S.r.l.

The item "*Income Taxes*" mainly include the release of deferred tax assets recognised against taxed provisions. Deferred tax assets and deferred tax liabilities transferred to the Income Statement amounted to EUR 2,183,000 and EUR 244,000, respectively. Current taxes mainly refer to Metro Service A/S for EUR 2,439 thousand.

The "*Profit for the Year*" was EUR 5,812 thousand, including the profit attributable to minority interests of EUR 4,881 thousand. The foreign subsidiary Metro Service A/S contributed a positive EUR 6,164,000 to the profit for the year, and the foreign subsidiary THEMA S.A. contributed a positive EUR 458,000.

### Reclassified Consolidated Statement of Financial Position

	31.12.2024	31.12.2023	Difference
<b>NET INVESTED CAPITAL</b>			
Property, plant and equipment	1,112,798	1,150,091	(37,293)
Intangible assets	4,830	4,163	667
Rights of use on leased assets	8,572	6,177	2,395
Financial fixed assets	285,670	286,234	(564)
Other receivables and non-current assets	54,081	39,491	14,590
<b>A. CAPITAL ASSETS</b>	<b>1,465,951</b>	<b>1,486,156</b>	<b>(20,205)</b>
Trade receivables	292,776	250,819	41,957
Other current assets	135,796	154,446	(18,650)
Inventories	108,264	104,960	3,304
<b>B. CURRENT ASSETS</b>	<b>536,836</b>	<b>510,225</b>	<b>26,611</b>
Trade payables	329,831	346,887	(17,056)
Other current liabilities	135,644	132,063	3,581
<b>C. CURRENT LIABILITIES</b>	<b>465,475</b>	<b>478,950</b>	<b>(13,475)</b>
<b>D. WORKING CAPITAL (D=B-C)</b>	<b>71,361</b>	<b>31,275</b>	<b>40,086</b>
<b>E. NET INVESTED CAPITAL (E=A+D)</b>	<b>1,537,312</b>	<b>1,517,431</b>	<b>19,881</b>
Non-continuous assets and liabilities	7,863	3,200	4,663
<b>TOTAL NET INVESTED CAPITAL AND NON-CONTINUOUS ASSETS AND LIABILITIES</b>	<b>1,545,175</b>	<b>1,520,631</b>	<b>24,544</b>

Total "*Net Invested Capital and Discontinued Assets and Liabilities*" as at 31 December 2024 amounted to EUR 1,545,175 thousand and increased by EUR 24,544 thousand compared to 31 December 2023.

"*Capital assets*" as at 31 December 2024 amounted to EUR 1,465,951 thousand. During the year, capital expenditure amounted to EUR 118,226 thousand (net of the increase in usage

rights recognised in accordance with IFRS 16 in the amount of EUR 1,633 thousand), while depreciation, amortisation and write-downs recognised in the income statement amounted to EUR 134,510 thousand (including the amortisation of usage rights in the amount of EUR 3,267 thousand) and gross of the effect of grants for plant and equipment amounting to EUR 49,346 thousand.

"*Current assets*" as at 31 December 2024 showed a positive balance of EUR 71,361 thousand, an improvement of EUR 40,086 thousand compared to 31 December 2023. The change is attributable to the increase in trade receivables. The dynamics of changes in the various components of Working Capital are better analysed in the Notes to the Financial Statements.

The Group's "*Net Financial Debt*" as of 31 December 2024 - determined in accordance with ESMA Recommendations 32-382-1138 - for the purposes of this Report on Operations taking into account bonds and UCITs held by the Group, was positive at EUR 78,285 thousand compared to the positive value of EUR 95,669 thousand as of 31 December 2023. The change compared to 31 December 2023 is mainly due to the bond issued by the Parent Company and changes in portfolio liquidity.

The balance of the loan with the European Investment Bank decreased due to the repayments made during the year in the amount of EUR 11,360 thousand.

Notes		31.12.2024	31.12.2023	Change
1	A) Cash and cash equivalents	(179,824)	(142,186)	(37,638)
2	C) Current financial assets	(145,750)	(170,281)	24,531
	<b>D) Liquidity (A+B+C)</b>	<b>(325,574)</b>	<b>(312,467)</b>	<b>(13,107)</b>
3	E) Current financial indebtedness (including debt instruments, but excluding the current portion of non-current financial indebtedness)	151,278	220,193	(68,915)
4	F) Current portion of non-current financial indebtedness	14,757	14,101	656
	<b>G) Current financial debt (E+F)</b>	<b>166,035</b>	<b>234,294</b>	<b>(68,259)</b>
	<b>H) Net current financial indebtedness (G+D)</b>	<b>(159,539)</b>	<b>(78,173)</b>	<b>(81,366)</b>
5	I) Non-current financial indebtedness (excluding current portion and debt instruments)	168,383	173,842	(5,459)
6	J) Debt instruments	69,441	-	69,441
	<b>L) Non-current financial indebtedness (I+J+K)</b>	<b>237,824</b>	<b>173,842</b>	<b>63,982</b>
	<b>Total financial indebtedness (H+L)</b>	<b>78,285</b>	<b>95,669</b>	<b>(17,384)</b>

- 1 - Includes the balance sheet item "Cash and cash equivalents" described in Note 21.
- 2 - Includes the balance sheet item "Current financial assets" described in Note 17.
- 3 - Includes the "Bridge to Bond" and the current portion of the bond. The items are recorded under the balance sheet item "Current Financial Liabilities" described in Note 24.
- 4 - Includes the current portion of the loan with the European Investment Bank, the current portion of the bond granted to the subsidiary THEMA SA and the current portion of lease liabilities, recognised in accordance with IFRS16. The items are recorded under the balance sheet item "Current Financial Liabilities" described in Note 24.
- 5 - Includes the non-current portion of the loan with the European Investment Bank, the non-current portion of the bond issue granted to the subsidiary Thema SA and the non-current portion of lease liabilities recognised in accordance with IFRS16, recorded under "Non-current financial liabilities" described in Note 24.
- 6 - Includes the non-current portion of the bond issue included in "Non-current financial liabilities" described in Note 24.

	31.12.2024	31.12.2023	Difference
<b>SOURCES OF FINANCING</b>			
Financial payables	403,859	408,136	(4,277)
Financial receivables	-	-	-
Cash and securities	(325,574)	(312,467)	(13,107)
<b>F. NET FINANCIAL DEBT</b>	<b>78,285</b>	<b>95,669</b>	<b>(17,384)</b>
Employee benefits	76,362	83,493	(7,131)
Other non-current liabilities	213,775	165,954	47,821
<b>G. NON-CURRENT LIABILITIES</b>	<b>290,137</b>	<b>249,447</b>	<b>40,690</b>
<b>H. NET EQUITY</b>	<b>1,151,074</b>	<b>1,150,798</b>	<b>276</b>
- Share Capital	700,000	700,000	-
- Reserves	381,802	393,474	(11,672)
- Profit/(Loss) carried forward	68,341	61,265	7,076
- Profit/(Loss) for the period	931	(3,941)	4,872
<b>I. MINORITY NET EQUITY</b>	<b>25,679</b>	<b>24,717</b>	<b>962</b>
<b>L. SOURCES OF FUNDING (L=F+G+H+I)</b>	<b>1,545,175</b>	<b>1,520,631</b>	<b>24,544</b>

The "Group Net Equity" as at 31 December 2024 amounted to EUR 1,151,074 thousand, an increase of EUR 276 thousand compared to the year 2023. The increase is attributable to the positive change in the item "*Gains/(Losses) carried forward*" in the amount of EUR 7,076 thousand, including the loss for the year of EUR 4,872 thousand and the negative change in the item "*Reserves*" in the amount of EUR 11,672 thousand. The latter is justified by the negative change of EUR 11,017 thousand to the allocation of the "*Loss for the Year*" 2023, the negative contribution of EUR 34 thousand to the statement of comprehensive income related to the valuation of the employee severance indemnity according to the actuarial method required by IAS 19, and the negative contribution of EUR 621 thousand to other positive changes in the statement of comprehensive income related to the valuation of the securities portfolio and the change in the "*Cash Flow Hedge Reserve*".

Reclassified Consolidated Cash Flow Statement	2024	2023	Change
<b>Profit/(Loss) for the period</b>	<b>5,812</b>	<b>753</b>	<b>5,059</b>
<i>Adjustments to bring net profit back into line with net cash flow from operations:</i>			
- depreciation, amortisation and consolidation adjustments	85,164	86,333	(1,169)
- net capital gains on asset disposals	(306)	(111)	(195)
- taxes, interest, dividends	3,382	(7,425)	10,807
- impairment on financial assets	15	(81)	96
- other non-monetary changes	(3,689)	(1,375)	(2,314)
Change in net working capital	(42,416)	87,883	(130,299)
Change in cash and cash equivalents provision	28	(72)	100
Non-current liabilities (change in provisions for risks and severance indemnities)	6,076	(26,335)	32,411
Interest paid on leased assets IFRS 16	(318)	(163)	(155)
Taxes paid, interest (paid) received, dividends received	(6,451)	(33)	(6,418)
<b>Consolidated cash flow from operations</b>	<b>47,298</b>	<b>139,375</b>	<b>(92,077)</b>
<b>Investments</b>			
Net investments in intangible and tangible assets	(118,226)	(202,409)	84,183
Realisation price of technical disinvestments	257	1,078	(821)
Changes in payables to suppliers for technical investments	156	(29,410)	29,566
Investments in financial assets	40,074	(224,233)	264,307
Changes in capital grants	82,700	178,430	(95,730)
<b>Consolidated free cash flow</b>	<b>52,259</b>	<b>(137,169)</b>	<b>189,428</b>
Change in current and non-current financial payables	(6,696)	103,278	(109,974)
Cash flow from equity (dividends paid)	(3,920)	(3,871)	(49)
Currency exchange effect	110	(125)	235
Repayment of principal on leased assets IFRS 16	(4,087)	(2,195)	(1,892)
<b>Consolidated net cash flow for the year</b>	<b>37,666</b>	<b>(40,082)</b>	<b>77,748</b>

The "Consolidated cash flow from operations" in 2024 was positive amounting to EUR 47,298 thousand, a decrease of EUR 92,077 thousand compared to 2023. The dynamics associated with Net Working Capital predominantly contributed to the result.

Consolidated "*Free cash flow*" was negative and amounted to EUR 52,259 thousand, mainly due to the dynamics associated with investments in financial assets, supplier payments for investments, and dynamics associated with technical investments in tangible and intangible assets net of grants for plants.

The "*Consolidated Net Cash Flow for the Year*" is positive and amounted to EUR 37,666 thousand and is affected not only by the dynamics related to the change in Net Working Capital, but also by the investment activities in tangible fixed assets and financial assets.

#### **4.2 Commentary on ATM S.p.A.'s financial results**

ATM S.p.A.'s financial statements at 31 December 2024 are prepared in accordance with IAS/IFRS.

Below are the comparative economic and financial results determined taking into account the foregoing:

- The 2024 operating profit was negative and amounted to EUR 2,328 thousand (negative and amounted to EUR 25,392 thousand as at 31 December 2023).
- The profit for the year was EUR 3,083 thousand (loss for the year was EUR 11,017 thousand as at 31 December 2023).
- Current assets were EUR 464,316 thousand (EUR 440,762 thousand as at 31 December 2023).
- Current liabilities amounted to EUR 422,565 thousand (EUR 430,978 thousand as at 31 December 2023).
- Current financial debt amounted to EUR 148,854 thousand (EUR 157,911 thousand as at 31 December 2023).
- Net Invested Capital increased from EUR 1,463,436 thousand as at 31 December 2023 to EUR 1,486,690 thousand as at 31 December 2024 and is 73% covered by Equity.



## Income statement

	31.12.2024	31.12.2023	Change
<b>Revenues and other operating income</b>			
Revenues from core business	835,390	790,151	45,239
Revenues from Local Public Transport of which:	795,887	754,983	40,904
Municipality of Milan Service Contract Fee	724,415	693,567	30,848
Regional Area Service Contract Fee	3,531	4,338	(807)
Line 5 management contract fee	30,153	28,867	1,286
Line 4 management contract fee	29,081	19,105	9,976
Fare income - Regional area	4,017	3,796	221
Special/dedicated transport services	4,690	5,310	(620)
Revenues from Parking Spaces, Car Parks and Removal management	32,341	28,965	3,376
Revenues for services rendered to Group companies	7,162	6,203	959
Other revenues	64,614	66,627	(2,013)
Other proceeds of which:	72,963	80,920	(7,957)
National Collective Labour Agreement contributions	48,644	48,644	-
<b>Total revenues and other operating income</b>	<b>972,967</b>	<b>937,698</b>	<b>35,269</b>
<b>Operating costs and other charges</b>			
Costs for the purchase of goods and changes in inventories	(61,712)	(74,085)	12,373
Costs for services	(292,997)	(310,229)	17,232
Maintenance and cleaning costs	(128,861)	(142,784)	13,923
Traction electricity	(56,937)	(65,243)	8,306
Subcontracted transport services	(21,216)	(20,408)	(808)
Utilities	(24,338)	(27,129)	2,791
Production and distribution of tickets	(6,768)	(8,212)	1,444
Insurance	(6,870)	(6,541)	(329)
Customer services, advertising and marketing	(6,150)	(5,555)	(595)
Services for employees	(6,042)	(4,409)	(1,633)
Various services	(12,074)	(10,825)	(1,249)
Professional services	(21,439)	(16,973)	(4,466)
Supervisory costs	(2,302)	(2,150)	(152)
Operating Leases Costs	(4,416)	(2,613)	(1,803)
Costs for employee benefits	(523,073)	(480,791)	(42,282)
Wages and salaries	(363,229)	(357,524)	(5,705)
Social security contributions	(108,035)	(104,091)	(3,944)
Charges for defined contribution plans	(23,104)	(24,103)	999
Other costs	(30,123)	4,625	(34,748)
Personnel costs for internal work	1,418	302	1,116
Other operating costs and charges	(12,100)	(12,967)	867
<b>Total operating costs and other charges</b>	<b>(894,298)</b>	<b>(880,685)</b>	<b>(13,613)</b>

<b>EBITDA</b>	<b>78,669</b>	<b>57,013</b>	<b>21,656</b>
Amortisation, Depreciation and Impairment Losses	(80,997)	(82,405)	1,408
Depreciation - Property, plant and equipment	(125,463)	(123,083)	(2,380)
<i>Plant and machinery</i>	(116,086)	(113,412)	(2,674)
<i>Buildings</i>	(4,758)	(5,425)	667
<i>Industrial and commercial equipment</i>	(2,434)	(2,484)	50
<i>Other assets</i>	(2,185)	(1,762)	(423)
Equipment grants	48,449	44,161	4,288
Amortisation - Intangible assets	(985)	(1,026)	41
<i>Software licences</i>	(985)	(1,026)	41
Amortisation of right of use for leased assets	(2,998)	(2,457)	(541)
<b>Operating result</b>	<b>(2,328)</b>	<b>(25,392)</b>	<b>23,064</b>
Financial income	24,114	18,116	5,998
Financial expenses	(16,624)	(9,636)	(6,988)
<b>Net financial income (expense)</b>	<b>7,490</b>	<b>8,480</b>	<b>(990)</b>
Profit before tax	5,162	(16,912)	22,074
<b>Income taxes</b>	<b>(2,079)</b>	<b>5,895</b>	<b>(7,974)</b>
<b>Profit/(Loss) for the period</b>	<b>3,083</b>	<b>(11,017)</b>	<b>14,100</b>

For a better understanding of the economic trend and to allow the comparability of the 2024 and 2023 financial statements characterised by significant non-recurring economic effects, the Directors decided to highlight the non-recurring effects in the following table to allow the "normalised" trend of the economic result to be identified. As required by the ESMA Recommendation, guidance is provided related to the nature of the items considered in the reconciliation.

The impact of non-recurring effects is shown below:

	<b>2024</b>	<b>2023</b>
<b>(Loss)/Profit for the period</b>	<b>3,083</b>	<b>(11,017)</b>
Tax credits and contributions <sup>(1)</sup>	-	(6,199)
Ristori Decree fuel 2022 <sup>(2)</sup>	(5,724)	-
Provision for obsolescence <sup>(3)</sup>	-	1,750
Amortisation, Depreciation and Impairment Losses <sup>(4)</sup>	-	4,757
Non-recurring costs - Employees <sup>(5)</sup>	12,431	(20,096)
Investment grants from previous years <sup>(6)</sup>	(2,086)	-
Defining disputes with Italian Revenue Agency <sup>(7)</sup>	-	(10,913)
<b>Total non-recurring effects</b>	<b>4,622</b>	<b>(30,701)</b>
<b>Adjusted (Loss)/Profit</b>	<b>7,705</b>	<b>(41,718)</b>

*(1) The item for the year ended 31 December 2023 includes the tax credit on electricity costs in the amount of EUR 6,199,000. This component is included in item "Other income" of the income statement.*

*(2) This item includes the collection of the contribution from the Ristoro Decree related to 2022 fuel, previously described in paragraph "3.2.1 Diesel price increase subsidies" for EUR 5,724 thousand. This component is included in item "Costs for the purchase of goods and changes in inventories" of the income statement.*

*(3) The item for the year ended 31 December 2023 includes the provision for obsolescence accrued in the year 2023 in the amount of EUR 1,750,000, related to the inventory of materials that have become obsolete following the revision of the useful life of 10 trams that became obsolete in the year 2023. This component is included in item "Costs for the purchase of goods and changes in inventories" of the income statement.*

*(4) The item for the year ended 31 December 2023 includes incremental depreciation related to 10 trams following the reduction of their economic and technical life. This component is included in item "Amortisation, Depreciation and impairment losses" of the income statement.*

*(5) The non-recurring personnel item for the year ended 31 December 2024 mainly includes the provision of EUR 10,808,000 made to cover risks related to a dispute with personnel concerning the performance of overtime. In addition, it includes the overall effect of the provision relating to the recognition of specific remuneration parameters during the holiday period and the provision relating to the recognition of specific remuneration parameters during the holiday period for fixed-term staff. These components are included in item "Costs for employee benefits" of the Income Statement.*

*Non-recurring personnel items for the year ended 31 December 2023 include (i) the release of the provision for risks and charges related to disputes with personnel in the amount of EUR 23,435 thousand, which took place as a result of the agreement signed on 3 April 2023 between the Company and the trade unions, and (ii) the provision set aside in the amount of EUR 3,339 thousand and related to the costs of redundancy incentives recognised to personnel nearing retirement. These components are included in the item "Costs for employee benefits" of the Income Statement.*

*(6) This item includes the receipt of investment grants pertaining to previous years. This component is included in item "Other income" of the income statement.*

*(7) The item for the year ended 31 December 2023 mainly includes the settlement of certain tax disputes with the Italian Revenue Agency related to the calculation of IRAP for the years 2007,*

2008, 2010 and 2012 relating to ATM S.p.A. This component is included in the item "income tax" of the income statement.

	2024	2023
<b>(Loss)/Profit for the period</b>	<b>3,083</b>	<b>(11,017)</b>
income taxes	2,079	(5,895)
Net financial income/(expense)	(7,490)	(8,480)
Depreciation - Property, plant and equipment	125,463	123,083
Amortisation - Intangible assets	985	1,026
Amortisation of right of use for leased assets	2,998	2,457
Tax credits and contributions <sup>(1)</sup>	-	(6,199)
Ristori Decree fuel 2022 <sup>(2)</sup>	(5,724)	-
Provision for obsolescence <sup>(3)</sup>	-	1,750
Capital grants <sup>(4)</sup>	(48,449)	(44,161)
Non-recurring costs - Employees <sup>(5)</sup>	12,431	(20,096)
Investment grants from previous years <sup>(6)</sup>	(2,086)	-
<b>Adjusted EBITDA</b>	<b>83,290</b>	<b>32,468</b>
<i>Adjusted EBITDA margin</i>	<i>8.6%</i>	<i>3.5%</i>

<sup>(1)</sup> The item for the year ended 31 December 2023 includes the tax credit on electricity costs in the amount of EUR 6,199 thousand. This component is included in item "Other income" of the income statement.

<sup>(2)</sup> This item includes the collection of the contribution from the Ristoro Decree related to 2022 fuel, previously described in paragraph "3.2.1 Diesel price increase subsidies" for EUR 5,724 thousand. This component is included in item "Costs for the purchase of goods and changes in inventories" of the income statement.

<sup>(3)</sup> The item for the year ended 31 December 2023 includes the provision for obsolescence accrued in the year 2023 in the amount of EUR 1,750,000, related to the inventory of materials that have become obsolete following the revision of the useful life of 10 trams that became obsolete in the year 2023. This component is included in item "Costs for the purchase of goods and changes in inventories" of the income statement.

<sup>(4)</sup> This item includes the deferral effect of the grant, which has been classified as a reduction of capital expenditure in the balance sheet and as a reduction of depreciation in the income statement.

<sup>(5)</sup> The non-recurring personnel item for the year ended 31 December 2024 mainly includes the provision of EUR 10,808,000 made to cover risks related to a dispute with personnel concerning the performance of overtime. In addition, it includes the overall effect of the provision relating

to the recognition of specific remuneration parameters during the holiday period and the provision relating to the recognition of specific remuneration parameters during the holiday period for fixed-term staff. These components are included in item "Costs for employee benefits" of the Income Statement.

Non-recurring personnel items for the year ended 31 December 2023 include (i) the release of the provision for risks and charges related to disputes with personnel in the amount of EUR 23,435 thousand, which took place as a result of the agreement signed on 3 April 2023 between the Company and the trade unions, and (ii) the provision set aside in the amount of EUR 3,339 thousand and related to the costs of redundancy incentives recognised to personnel nearing retirement. These components are included in the item "Costs for employee benefits" of the Income Statement.

(6) This item includes the receipt of investment grants pertaining to previous years. This component is included in item "Other income" of the income statement.

	2024	2023
<b>(Loss)/Profit for the period</b>	<b>3,083</b>	<b>(11,017)</b>
Income taxes	2,079	(5,895)
Net financial income/(expense)	(7,490)	(8,480)
Tax credits and contributions <sup>(1)</sup>	-	(6,199)
Ristori Decree fuel 2022 <sup>(2)</sup>	(5,724)	-
Provision for obsolescence <sup>(3)</sup>	-	1,750
Amortisation, Depreciation and Impairment Losses <sup>(4)</sup>	-	4,757
Non-recurring costs - Employees <sup>(5)</sup>	12,431	(20,096)
Investment grants from previous years <sup>(6)</sup>	(2,086)	-
<b>Adjusted EBIT</b>	<b>2,293</b>	<b>(45,180)</b>
<i>Adjusted EBIT margin</i>	<i>0.2%</i>	<i>(4.8%)</i>

<sup>(1)</sup> The item for the year ended 31 December 2023 includes the tax credit on electricity costs in the amount of EUR 6,199 thousand. This component is included in item "Other income" of the income statement.

<sup>(2)</sup> This item includes the collection of the contribution from the Ristoro Decree related to 2022 fuel, previously described in paragraph "3.2.1 Diesel price increase subsidies" for EUR 5,724 thousand. This component is included in item "Costs for the purchase of goods and changes in inventories" of the income statement.

(3) The item for the year ended 31 December 2023 includes the provision for obsolescence accrued in the year 2023 in the amount of EUR 1,750,000, related to the inventory of materials that have become obsolete following the revision of the useful life of 10 trams that became obsolete in the year 2023. This component is included in item "Costs for the purchase of goods and changes in inventories" of the income statement.

(4) The item for the year ended 31 December 2023 includes incremental depreciation related to 10 trams following the reduction of their economic and technical life. This component is included in item "Amortisation, Depreciation and impairment losses" of the income statement.

(5) The non-recurring personnel item for the year ended 31 December 2024 mainly includes the provision of EUR 10,808,000 made to cover risks related to a dispute with personnel concerning the performance of overtime. In addition, it includes the overall effect of the provision relating to the recognition of specific remuneration parameters during the holiday period and the provision relating to the recognition of specific remuneration parameters during the holiday period for fixed-term staff. These components are included in the item "Costs for employee benefits" of the Income Statement.

Non-recurring personnel items for the year ended 31 December 2023 include (i) the release of the provision for risks and charges related to disputes with personnel in the amount of EUR 23,435 thousand, which took place as a result of the agreement signed on 3 April 2023 between the Company and the trade unions, and (ii) the provision set aside in the amount of EUR 3,339 thousand and related to the costs of redundancy incentives recognised to personnel nearing retirement. These components are included in the item "Costs for employee benefits" of the Income Statement.

(6) This item includes the receipt of investment grants pertaining to previous years. This component is included in item "Other income" of the income statement.

For the further benefit of a better understanding of the Income Statement, the main components of revenues, expenses, income and charges are analysed below.

### **Revenues and other operating income**

"Revenues and other operating income" in 2024 amounted to EUR 972,967 thousand (EUR 937,698 thousand as at 31 December 2023) and increased by EUR 35,269 thousand. Contributing to this change were increases in "Revenues from core business" in the amount of EUR 45,239 thousand and decreases in "Other Revenues" in the amount of EUR 2,013 thousand and "Other Income" in the amount of EUR 7,957 thousand.

"Revenues from core business" amounted to EUR 835,390 thousand (EUR 790,151 thousand as at 31 December 2023) and increased by EUR 45,239 thousand. The item "Revenues from LPT" increased by EUR 40,904 thousand, the determinants of which are as follows:

- The "Municipality of Milan Service Contract Fee" increased by EUR 30,848 thousand. The change is linked to contractual trends. The amount includes EUR 3,290,000 in penalties attributable to the non-achievement of KPIs related to quality standards;
- The "Line 5 Management Contract Fee" increased by EUR 1,286 thousand compared to last year. The increase is related both to the adjustment of the fee according to the change in the inflation rate and to the increase of the service due to more mileage travelled;
- The "Line 4 management contract fee" increased by EUR 9,976 thousand compared to 2023. The increase is linked to both the full calendar year operation of the functional San Babila-Linate Aeroporto section and the opening of the last San Babila - San Cristoforo section to service on 12 October 2024;
- "Fare Income - Regional Area" increasing by EUR 221 thousands. The increase is mainly due to higher revenues from passenger traffic related to the management of the Como - Brunate and Varese - Sacro Monte funicular railways and to higher fare revenues from adjustments referring to previous years;
- Special/dedicated transport services decreased by EUR 620 thousand. This change is mainly related to the reduction in additional services requested by the Awarding Bodies, partly offset by the activity of the Tram Ristorante, which increased compared to the previous year;
- Services complementary to the service contract with the Municipality of Milan such as Parking Spaces, Car Parks, Car Removal increased by a total of EUR 3,376 thousand. Specifically, "Revenues from parking management" increased by EUR 2,565 thousand, "Revenues from car park management" increased by EUR 911 thousand, and "Revenues from car removal management" decreased by EUR 100 thousand.
- Finally, the item "Revenues for services rendered to Group companies" increased by a total of EUR 959 thousand mainly due to personnel seconded by the Company to the Greek subsidiary THEMA S.A.

With regard to other operating income and revenues, it should be noted that, "Other Revenues" amounted to EUR 64,614 thousand (EUR 66,627 thousand as at 31 December 2023) and decreased by EUR 2,013 thousand. The decrease is related for EUR 2,116 thousand to lower "Revenues for services rendered" due to fewer services rendered referring to maintenance activities on municipal-owned infrastructures, to the Area B and C payment system, to the Traffic and Territory Control system and consulting activity to third parties.

In addition, the items "Metro Station Commercial Premises Rentals" decreased by EUR 722 thousand and "Other Revenues" by EUR 1,433 thousand. The decrease is mainly related to lower revenues from the sale of operating materials, revenues from the disposal of inventory

materials, and to a residual extent to lower revenues from the sale of magnetic cards. Lastly, increases related to advertising revenue of EUR 2,259,000 should be noted.

"*Other proceeds*" in 2024 amounted to EUR 72,963 thousand (EUR 80,920 thousand as at 31 December 2023) and decreased by EUR 7,957 thousand. The item "*Contributions*" refers for EUR 48,644 thousand to the National Collective Labour Agreement contributions pertaining to the year and whose amount is unchanged from the previous year, allocated by Law No. 47 of 27 February 2004 to cover the charges deriving from the renewal of the collective labour agreement for the two-year period 2002/2003, by Law No. 58 of 22 April 2005 to cover the charges deriving from the renewal of the National Collective Labour Agreement for the two-year period 2004/2005, and by Law No. 296 of 27 December 2006 (2007 Budget) to cover the charges for the renewal of the National Collective Labour Agreement for the two-year period 2006/2007. In addition, contributions received against the price compensation fund for the adjustment of maintenance costs totalled EUR 609,000. During the year under review, EUR 1,960,000 of investment grants pertaining to previous years were received. In addition, in 2023, the collection of EUR 6,199,000 related to the energy tax credit Decree Law 21/2022 Article 3, which did not occur during the year under review.

Finally, there was a decrease in the items "*Income from penalties invoiced to suppliers*" in the amount of EUR 1,584 thousand and "*Gains on disposal of property, plant and equipment*" in the amount of EUR 408 thousand.

### **Operating costs and other charges**

"*Costs and other operating expenses*" amounted to EUR 894,298 thousand (EUR 880,685 thousand as at 31 December 2023) and increased by EUR 13,613 thousand.

The main changes relate to:

- "*Costs for the purchase of goods and changes in inventories*" amounted to EUR 61,712 thousand (EUR 74,085 thousand as at 31 December 2023), which decreased by EUR 12,373 thousand compared to 31 December 2023.  
The component on which there is an overall reduction in costs is "*Purchase of goods*" due to the effect of the collection, which occurred during the year 2024, of the government grant related to the reimbursement of fuel purchase expenses incurred during 2022 and due to the general reduction in costs for the purchase of materials. This is partially due to the reimbursement of excise duty on diesel in 2024 amounting to EUR 3,207 thousand, a decrease of EUR 443 thousand compared to 2023;
- "*Service costs*" amounted to EUR 292,997 thousand (EUR 310,229 thousand as at 31 December 2023), which decreased by EUR 17,232 thousand.



The main items, which show a decrease compared to 31 December 2023, are:

- "Maintenance and cleaning costs" decreased by EUR 13,923 thousand. The decrease in maintenance costs incurred during the year, totalling EUR 12,492 thousand, is related to the following: i) lower charges incurred for rolling stock maintenance activities totalling EUR 7,930 thousand; ii) lower charges for the period relating to maintenance work carried out on the rolling stock and infrastructure, totalling EUR 5.599 thousand; iii) higher positive adjustments relating to prior years of EUR 2,833 thousand, partly offset by higher charges relating to maintenance of hardware and software of EUR 1,460 thousand.

Cleaning, which decreased by EUR 1,431,000 compared to 2023, was mainly affected by the reduction in costs related to vehicle cleaning;

- "Electric traction energy", a decrease of Euro 8,306 thousand. The change from the same period last year reflects the effect of the generalised decrease in raw material prices. There was also an increase in revenue from the hedging of traction electricity in the amount of EUR 9,856,000, obtained as a result of hedging transactions on forward purchase prices;
- "Utilities" decreased by EUR 2,791 thousand over 2023. This change is mainly due to lower charges for "Gas and district heating" of EUR 1,913 thousand as well as an increase in revenue from the hedging of lighting electricity in the amount of EUR 2,323 thousand. This positive effect is partially adjusted by the increase in lighting costs of EUR 1,018,000;
- "Production and distribution of tickets" decreased by EUR 1,444 thousand, as a direct result of the ticket sales volumes;

The main cost items showing an increase are:

- "Customer services, advertising and marketing" increased by EUR 595 thousand, due to higher charges incurred for comarketing initiatives, offset by lower costs related to various publications;
- "Services for employees" increased by EUR 1,633 thousand, due primarily to the increase in training activities for employees and travel expenses;
- "Miscellaneous services" increased compared to 2023 by EUR 1,249 thousand. The item mainly refers to bank commission charges of EUR 7,735,000 and transport services for material handling and waste disposal of EUR 2,250,000;
- "Professional Services" increased by EUR 4,466 thousand. The increase is related to the higher number of contracts awarded during the period by the Company in relation to the support requested from professionals for preliminary operations for the bond issue, participation in international tenders, the expansion of ATM S.p.A.'s business and IT services;
- "Subcontracted transport services" increased by EUR 808 thousand, the change is related to the ISTAT 2024 adjustment.

- "Operating lease costs" increased by EUR 1,803,000 compared to the previous year due to the increase in costs related to rent payable and the rental of plant, equipment and vehicles.
- "Costs for employee benefits", which amounted to EUR 523,073 thousand (EUR 480,791 thousand as at 31 December 2023), increased by a total of EUR 42,282 thousand. This item includes costs incurred for wages and social security contributions, provisions by law and pursuant to industry agreements, as well as costs for accrued but unused holiday and paid time off. The increase is the result of higher "Wages and salaries" in the amount of EUR 5,705 thousand, higher "Social security charges" in the amount of EUR 3,944 thousand and higher "Other costs" in the amount of EUR 34,748 thousand. Finally, the item was affected by the decrease in "Charges for defined contribution plans" by EUR 999 thousand and the increase in recoveries for "Personnel costs for internal work" by EUR 1,116 thousand.

The increase in the item *"Wages and salaries"* is due to the higher wages and salaries of ATM S.p.A.'s personnel related to the higher charges following the second-level company agreements signed in May and November 2024 of EUR 500 and EUR 350 per person, respectively. The increase in the item *"Other Costs"* is related, for over EUR 20 million, to the release of provisions made in 2023 relative to disputes with personnel concerning the possible recognition of specific pay indemnities during the holiday period; also affecting the movement of the item is the amount of EUR 10,808 thousand related to the provision made to cover risks related to a dispute with personnel concerning the performance of overtime. Finally, with reference to the item *"Social Charges"*, this is affected by the contribution component linked to salary increases.

Costs are recognised net of capitalised personnel costs for internal work in the amount of EUR 1,418 thousand (EUR 302 thousand in 2023) and refer to the portion of capitalised personnel costs for extraordinary maintenance work carried out on the metro train fleet and trams.

- "Other Operating Costs and Charges" which totalled EUR 12,100 thousand (EUR 12,967 thousand as at 31 December 2023) and decreased by EUR 867 thousand.

The decrease with respect to 2023 was mainly due to the change in the provision for bad debts, which decreased in the period by EUR 441 thousand due to releases made during the year, partly offset by higher provisions made to meet emerging risks in the amount of EUR 2,248 thousand.

*Amortisation, depreciation and impairment losses* amounted to a total of EUR 80,997 thousand (EUR 82,405 thousand as at 31 December 2023) and decreased by EUR 1,408 thousand. No write-downs were recorded for the period under review.

During the financial year 2023, the useful life of 10 Eurotrams had been revised as a result of the revision of the operating schedules, the increased depreciation recognised to the income statement following the change in useful life totalled EUR 4,756,000.

"*Net financial income (expenses)*" were positive and amounted to EUR 7,490 thousand (as at 31 December 2023 positive and amounted to EUR 8,480 thousand) and decreased by EUR 990 thousand. The item "*Financial income*", totalling EUR 24,114 thousand (EUR 18,116 thousand as at 31 December 2023), increased by EUR 5,998 thousand. The increase is mainly related to the item "*Interest income on loans to associates*", which includes interest accrued on the loan granted to SPV M4 S.p.A. This item increased because on 20 December 2023, ATM S.p.A. increased its stake in the company to 31.53%, becoming its second largest shareholder.

On the other hand, the interest on the loan that had been granted to the company Metro 5 S.p.A. and that had been fully repaid on 29 April 2023 ceased to exist with respect to 2023.

The item "*Others*" of EUR 7,351 thousand mainly refers to dividends received from the subsidiary International Metro Service S.r.l. in the amount of EUR 4,080 thousand, from the associated company Metro 5 S.p.A. in the amount of EUR 2,000 thousand, and EUR 785 thousand from the associated company Movibus S.r.l. The item includes miscellaneous financial income in the amount of EUR 15 thousand, which decreased compared to last year as 2023 also included interest on arrears accrued on the amounts paid by the Italian Revenue Agency following the sentences issued by the Court of Cassation, as well as income related to the amortised cost valuation of HTC&S designated securities in the amount of EUR 226 thousand.

The item "*Financial expenses*" totalled EUR 16,624 thousand (EUR 9,636 thousand as at 31 December 2023), an improvement of EUR 6,988 thousand compared to 2023. This development was mainly due to higher interest on loans and bonds (increased by EUR 7,338,000 compared to 2023). In addition to the interest expense recognised on the bond issue and financial payables for European Investment Bank disbursements totalling EUR 4,972 thousand (as at 31 December 2023, EUR 4,334 thousand) and increasing by EUR 639 thousand compared to 2023, this item also includes interest expense accrued on the Bridge to Bond totalling EUR 7,710 thousand.

The item "*Income Taxes*" mainly include the release of deferred tax assets recognised against taxed provisions. Deferred tax assets and deferred tax liabilities transferred to the Income Statement amounted to EUR 2,987,000 and EUR 230,000, respectively. Deferred tax assets mainly refer to the release of deferred tax assets on provisions for risks in the amount of EUR

2,743. Lastly, the item includes income from the settlement of certain disputes with the tax authorities for a total of EUR 24 thousand.

The "*Profit for the year*" totalled EUR 3,083 thousand.

### Balance sheet and financial situation

	31.12.2024	31.12.2023	Change
<b>NET INVESTED CAPITAL</b>			
Property, plant and equipment	1,095,325	1,136,076	(40,751)
Intangible assets	3,242	2,689	553
Rights of use on leased assets	8,023	5,465	2,558
Financial fixed assets	284,268	269,931	14,337
Other receivables and non-current assets	54,081	39,491	14,590
<b>A. CAPITAL ASSETS</b>	<b>1,444,939</b>	<b>1,453,652</b>	<b>(8,713)</b>
Trade receivables	255,994	214,817	41,177
Other current assets	122,870	140,668	(17,798)
Inventories	85,452	85,277	175
<b>B. CURRENT ASSETS</b>	<b>464,316</b>	<b>440,762</b>	<b>23,554</b>
Trade payables	301,034	319,660	(18,626)
Other current liabilities	121,531	111,318	10,213
<b>C. CURRENT LIABILITIES</b>	<b>422,565</b>	<b>430,978</b>	<b>(8,413)</b>
<b>D. WORKING CAPITAL (D=B-C)</b>	<b>41,751</b>	<b>9,784</b>	<b>31,967</b>
<b>E. NET INVESTED CAPITAL (E=A+D)</b>	<b>1,486,690</b>	<b>1,463,436</b>	<b>23,254</b>
Non-continuous assets and liabilities	4,663	-	4,663
<b>TOTAL NET INVESTED CAPITAL AND NON-CONTINUOUS ASSETS AND LIABILITIES</b>	<b>1,491,353</b>	<b>1,463,436</b>	<b>27,917</b>

Total "*Net Invested Capital and Discontinued Assets and Liabilities*" amounted to EUR 1,491,353 thousand and increased by EUR 27,917 thousand compared to 31 December 2023. The "*Fixed assets*" as at 31 December 2024 amounted to EUR 1,444,939 thousand. During the year, capital expenditure amounted to EUR 106,342 thousand (net of the increase in usage rights recognised in accordance with IFRS 16 in the amount of EUR 5,556 thousand), while amortisation, depreciation and write-downs recognised in the income statement amounted to EUR 129,446 thousand, including the amortisation of usage rights in the amount of EUR 2,998 thousand, and gross of the effect of grants for plants and equipment amounting to EUR 48,449 thousand.

"Working capital" as at 31 December 2024 showed a positive balance and amounted to EUR 41,751 thousand, an increase of EUR 31,967 thousand compared to 31 December 2023. The change is attributable to the increase in trade receivables. The dynamics of changes in the

various components of Working Capital are better analysed in the Notes to the Financial Statements.

Notes		31.12.2024	31.12.2023	Change
1	A) Cash and cash equivalents	(141,597)	(109,159)	(32,438)
	B) Cash equivalents	-	-	-
2	C) Current financial assets	(133,266)	(163,878)	30,612
	<b>D) Liquidity (A+B+C)</b>	<b>(274,863)</b>	<b>(273,037)</b>	<b>(1,826)</b>
3	E) Current financial indebtedness (including debt instruments, but excluding the current portion of non-current financial indebtedness)	176,915	243,797	(66,882)
4	F) Current portion of non-current financial indebtedness	13,163	13,833	(670)
	<b>G) Current financial debt (E+F)</b>	<b>190,078</b>	<b>257,630</b>	<b>(67,552)</b>
	<b>H) Net current financial indebtedness (G+D)</b>	<b>(84,785)</b>	<b>(15,407)</b>	<b>(69,378)</b>
5	I) Non-current financial indebtedness (excluding current portion and debt instruments)	164,198	173,318	(9,120)
6	J) Debt instruments	69,441	-	69,441
	K) Trade payables and other non-current payables	-	-	-
	<b>L) Non-current financial indebtedness (I+J+K)</b>	<b>233,639</b>	<b>173,318</b>	<b>60,321</b>
	<b>Total financial indebtedness (H+L)</b>	<b>148,854</b>	<b>157,911</b>	<b>(9,057)</b>

**Notes:**

1 - Includes the balance sheet item "Cash and cash equivalents" described in Note 21.

2 - Includes the balance sheet item "Current financial assets" described in Note 17.

3 - Includes the "Bridge to Bond", the payables from cash pooling and the current portion of the bond. The item is recorded under the balance sheet item "Current Financial Liabilities" described in Note 24.

4 - Includes the current portion of the loan with the European Investment Bank, the current portion of the Bond and the current portion of lease liabilities, recognised in accordance with IFRS16. The items are recorded under the balance sheet item "Current Financial Liabilities" described in Note 24.

5 - Includes the non-current portion of the loan with the European Investment Bank and the non-current portion of lease liabilities recognised in accordance with IFRS 16, recorded under "Non-current financial liabilities" described in Note 24.

6 - Includes the non-current portion of the bond issue included in "Non-current financial liabilities" described in Note 24.

The Company's "*Net Financial Debt*" as of 31 December 2024 - determined in accordance with ESMA Recommendations 32-382-1138 - determined for the purposes of this Report on Operations taking into account bonds and UCITs held by the Company - was positive at EUR 148,854 thousand, an increase of EUR 9,057 thousand compared to 31 December 2023. The change compared to 31 December 2023 is mainly due to the bond issued by the Parent Company and changes in portfolio liquidity. Also contributing to the balance is the financial payable from cash pooling to subsidiaries in the amount of EUR 25,114 thousand (EUR 23,604 thousand at 31 December 2023).

	31.12.2024	31.12.2023	Change
<b>SOURCES OF FINANCING</b>			
Financial payables	423,717	430,948	(7,231)
Financial receivables	-	(81)	81
Cash and securities	(274,863)	(272,956)	(1,907)
<b>F. NET FINANCIAL DEBT</b>	<b>148,854</b>	<b>157,911</b>	<b>(9,057)</b>
Employee benefits	73,316	80,244	(6,928)
Other non-current liabilities	183,510	143,575	39,935
<b>G. NON-CURRENT LIABILITIES</b>	<b>256,826</b>	<b>223,819</b>	<b>33,007</b>
<b>H. NET EQUITY</b>	<b>1,085,673</b>	<b>1,081,706</b>	<b>3,967</b>
- Share Capital	700,000	700,000	-
- Reserves	382,590	392,723	(10,133)
- Profit/(Loss) carried forward	-	-	-
- Profit/(Loss) for the period	3,083	(11,017)	14,100
<b>I. MINORITY NET EQUITY</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>L. SOURCES OF FUNDING (L=F+G+H+I)</b>	<b>1,491,353</b>	<b>1,463,436</b>	<b>27,917</b>

*Equity* as at 31 December 2024 amounted to EUR 1,085,673 thousand. The increase is attributable to positive changes in the item Profit/Loss for the year for EUR 14,100 thousand and the negative changes in Reserves for EUR 10,133 thousand, of which EUR 11,017 thousand related to the allocation to the legal reserve of the 2023 loss and EUR 885 thousand to other changes in the statement of comprehensive income, mainly connected to the negative valuation of the staff severance fund according to the actuarial method required by IAS 19,

negative for EUR 23 thousand, and the positive valuation of the securities portfolio for EUR 908 thousand.

Reclassified Cash Flow Statement	2024	2023	Change
<b>Profit/(Loss) for the period</b>	<b>3,083</b>	<b>(11,017)</b>	<b>14,101</b>
<i>Adjustments to bring net profit back into line with net cash flow from operations:</i>			
- depreciation and value adjustments of fixed assets	80,997	82,405	(1,408)
- net capital gains on asset disposals	(273)	(357)	85
- taxes, interest, dividends	(5,422)	(14,315)	8,893
- impairment on financial assets	11	(60)	71
- other non-monetary changes	(2)	(43)	41
Change in net working capital	(32,306)	99,382	(131,688)
Change in cash and cash equivalents provision	20	(56)	76
Non-current liabilities (change in provisions for risks and severance indemnities)	(1,537)	(32,676)	31,139
Interest paid on leased assets IFRS 16	(301)	(141)	(160)
Taxes paid, interest (paid) received, dividends received	(3,655)	4,202	(7,857)
<b>Net cash flow from operations</b>	<b>40,616</b>	<b>127,324</b>	<b>(86,708)</b>
<b>Investments</b>			
Net investments in intangible and tangible assets	(106,342)	(195,826)	89,484
Realisation price of technical disinvestments	274	1,080	(807)
Changes in payables to suppliers for technical investments	1,529	(27,917)	29,446
Investments in financial assets	31,901	(226,298)	258,199
Change in grants	77,812	176,336	(98,524)
<b>Free Cash Flow</b>	<b>45,789</b>	<b>(145,300)</b>	<b>191,089</b>
Change in current and non-current financial payables	(9,768)	102,591	(112,359)
Cash flow from equity (dividends paid)	-	-	-
Currency exchange effect	202	(98)	300
Repayment of principal on leased assets IFRS 16	(3,764)	(1,920)	(1,845)
<b>Net cash flow for the year</b>	<b>32,459</b>	<b>(44,727)</b>	<b>77,186</b>

Referring to the Statement of Cash Flows for a detailed analysis of cash flows, it is noted here that the "*Net cash flow from operations*" in 2024 is positive and amounts to EUR 40,616 thousand. The dynamics associated with Net Working Capital predominantly contributed to the result.

The "*Net Cash Flow for the Year*" is positive and amounted to EUR 32,459 thousand; as can be deduced from the table above, it is affected not only by the dynamics linked to the change in Net Working Capital, but also by investment activities in tangible assets and financial assets.

The value of cash and cash equivalents increased to EUR 141,597 thousand from EUR 109,159 thousand as at 31 December 2023, gross of the related write-down provision.



5

Operational  
management,  
strategic  
initiatives and  
investments

## 5.1 Activities in Italy

The event that marked ATM's operational management in 2024 was the opening of the entire Line 4 on 12 October, with the activation of the last section from San Babila to the San Cristoforo terminus. This has led to the reorganisation of the layout of some surface lines, in order to favour the adduction to the new metropolitan route, reduce service overlaps and strengthen the modal integration between the various mobility systems, ensuring greater efficiency, effectiveness and connectivity across the territory.

Service on the M4 line is provided by **31 trains**, with a frequency of 2-3 minutes, Monday to Friday (3-6 minutes on Saturday and Sunday). Following the opening of the new route, maintenance activities on the fleet of rolling stock, previously carried out at Linate, were transferred to the San Cristoforo depot/workshop. The opening of the functional section has led to **significant works** on the surface lines and in particular, some retraction has been carried out to reduce metro-surface overlaps by means of line routing at the stations of the new M4 crossed along the route, and other network modifications have been introduced involving almost all the lines serving the eastern quadrant of the city. Among the projects with the greatest impact is the elimination and replacement of line 73 with the new line 973, initially serving the suburban section between Linate airport and the municipalities outside and subsequently modified to improve penetration into Milan, in response to citizens' requests to restore the direct connection to the city centre. The extra-urban lines serving the Municipality of Peschiera Borromeo have been rescheduled in function of the interchange with the new M4 line at Linate Airport, rationalising the service offered within the municipal territory.

At the same time, a number of network modifications were made in the south-eastern suburban area aimed at **improving the capillarity of the service** through the rationalisation and streamlining of the local public transport service, which in the short to medium term should also affect other areas of the city. The measures implemented concerned the revision of line routes, but also the adjustment of service levels for the purpose of rebalancing the public transport supply/demand ratio - altered by the changes in mobility induced by the emergency management period linked to the COVID-19 pandemic - and also that of promoting the economic sustainability of the service, which has suffered not only from the effects linked to the pandemic but also the increase in energy costs linked to the conflicts currently underway.

To ensure a minimum level of service on the entire network, in terms of frequency and transport capacity, a revision of weekday timetables from 30 January 2023 has been implemented through the introduction of the so-called "**intermediate**" **timetable** to replace

the winter timetable on a set of surface lines (-3% of travel on the network as a whole) and **reshaping frequencies on the metro as well**, in line with the quantitative data available on train occupancy levels and the number of passengers passing through turnstiles. During the year, further adjustments were made to address critical service issues due to staff shortages/unavailability. This situation called for a timely remodelling of the operating schedules of most of the urban surface lines, with an initial action implemented as early as November 2023, in order to provide users with a more regular service and to contain the lengthening of waiting times at stops.

As part of the '*Full Electric*' renewal plan, the programme to **introduce electric buses into service continues in accordance with the gradual increase of the fleet, the adaptation of depots and the number of charging points**. By the end of 2024, 23 urban and suburban lines will be operated entirely with electric buses. The operating plan, which has been adapted to the specific needs of the vehicles, whose productivity is dependent on the capacity of the batteries or the possibility of charging points, can therefore be considered further consolidated.

Finally, ATM was entrusted with the operation of the **Argegno - Pigra funicular railway**, whose service to the public started in August 2024.

The **internalisation of maintenance activities** for the new trains continued, and the *full service* of the last 12 'Leonardo' model trains will also end during 2025. This internalisation phase resulted in a new way of managing maintenance and engineering processes, adapted to the advanced technology of the new trains. The direction taken is to carry out all maintenance activities internally, both ordinary and extraordinary, turning to third parties if the activities do not provide any particular return on experience for the company's core business (including if the specific technology is covered by a patent) or if there are work peaks to be managed.

As part of the work on installations and infrastructures, **sealing work** is being carried out on some sections affected by infiltration on Line M2, and on the roofing of the Molino Dorino underground station on Line M1, with the aim of permanently resolving water infiltration. Construction is scheduled to be completed in 2025.

During the year, ATM continued its **programme to improve the accessibility of stations** on the M1, M2 and M3 metro lines. More specifically:

- On the M1 line, work is in progress to install lifts in the stations of Sesto Rondò, Turro, Uruguay, S. Leonardo, De Angeli, Bande Nere and Inganni;
- On the M2 line, work is underway to install lifts in the stations of Lanza, Moscovia, C.na Gobba, S. Agostino and Lambrate, and work scheduled for 2025 started on the stations

of Piola, P.ta Genova and Sant'Ambrogio. Also in 2025, work began on the contract to upgrade and overcome architectural barriers in the stations of the Gessate branch (Cimiano, Cologno Sud, Cologno Centro, Cologno Nord, Cassina dei Pecchi, Gessate, Vimodrone, Crescenzago, Cascina Burrona, Cernusco, Villa Pompea);

- On the M3 line, work began on the Brenta, San Donato, Duomo and Sondrio stations. In addition, the contract for the replacement of escalators was started and work on the Centrale and Turati stations began in 2024;
- The contract for the installation of new stairlifts in the stations of Villa San Giovanni, Pasteur, Lima, Conciliazione, Buonarroti, QT8, Wagner, Primaticcio and Caiazzo has been launched.

On the urban tram network, as part of the work for the Municipality of Milan, **work continued on the renewal and technological upgrading of the infrastructure**, including the laying of new tracks and new exchanges, the application of a radio frequency switch control system and relative remote monitoring system, and finally a preventive maintenance programme, aimed at containing noise emissions and reducing wear and tear. The construction sites affected by these works were: C.so Colombo (section from P.ta Genova to V.le Coni Zugna), P.ta Genova, Via Palizzi - V.le Espinasse, P.le Santorre di Santarosa, Via Monte Altissimo - Via Console Marcello, Piazza VI Febbraio and Via Mambretti - Via Palizzi (partial, work completion scheduled for September 2025) for a total renewal of approximately 2,200 metres of track and 12 track sets. In P.ta Genova, P.le Santorre di Santarosa and Piazza VI Febbraio, the switch control systems were replaced with the less impactful 'Radio Frequency Systems' equipped with hydraulic dampers on the manoeuvring boxes.

As part of the general upgrading programme for the underground's infrastructure, ATM has continued the **extraordinary maintenance work** on the tunnel sections of the M2, taking care to minimise the impact on users, due to the necessary early interruption of train circulation, through the activation of replacement services on wheels.

Within the Full Green Consortium (implementation of sustainable mobility and digitisation projects, characterised, first, by the transition to fleets with zero emissions vehicles, energy savings and efficiency, decarbonisation and improved air quality), ATM has developed projects aimed at the electrification of bus depots for ATAC and ANM: with ANM, the activity was completed in 2023, while with ATAC, a third-party certifying organisation must still complete the project verification activities. Again with ATAC, a new project activity was started in 2024 aimed at the **revamping of substations and the underground electricity network** and the renovation of the Porta Maggiore depot.

ATM also provided support to COTRAL's technical offices for the project to purchase new trains.

## Urban Forestry Initiatives

ATM, as part of the "Full Electric" Plan, in addition to the conversion of its entire diesel fleet, plans to reconvert its depots and build **four new fully automated spaces** with advanced technologies. In this area, particular importance will be given to the space above, which will be exploited as a **place for forestation** and the use of greenery for the benefit of the neighbourhood and citizens.

In particular, within the framework of *Sustainable Development Goal 11 - Sustainable Cities and Communities*, and *13 - Climate Action*, ATM is carrying out the "**Green Depots**" project, whereby old depots will be converted to house the new buses and the necessary charging stations. The revamping of green spaces is also planned for them and in fact also involves the use of NBS (*Natural Based Solutions*) tools, which in addition to being solutions that help reduce Co2, can also be an element in the modernisation of sustainable mobility and integration of the city fabric.

In 2022, a Green Wall was built in the Giambellino depot, a 350 square metre work that is part of the European Horizon 2020 project within the Clever Cities plan and that saw the participation and contribution of the local community and the Milan Polytechnic. The Department of Architecture and Urban Studies of PoliMi and the Department of Earth, Environmental and Life Sciences of the University of Genoa have promoted studies that have proven the environmental benefits of the wall, such as the reduction of the average temperature, the reduction of the building's heat load, or the ability to collect fine dust.

## Smart Mobility initiatives

In the area of Smart Mobility, the following activities continued:

- realisation of a **new ATM App**, in a multi-service key to integrate public and private mobility services, for an increasingly accessible, inclusive and simple mobility;
- creation of **Smart Hubs**, car parks that are not just a place for vehicles to park but offer value-added services to improve the user experience;
- development of "**Sosta Smart**" to reduce the evasion rate by improving the control system through an increase in the number of Eagle Eye cars on the road and the development of new *hardware* and *software* solutions to manage the collected data and optimise the analysis processes. Five new cars were released in 2024.

## 5.2 Activities abroad

### Copenhagen

In 2024, the passengers carried on the M1 & M2 and M3 & M4 lines increased by 4% and 5% respectively compared to 2023.

The results of the operation of the M1, M2, M3 and M4 metro lines in Copenhagen have been outstanding. The service availability was 98.9% with a frequency of one train every 98 seconds at peak times for the M1 and M2 lines for the section shared between them, thanks to the operation of 34 trains at peak times to support the recorded passenger growth. For the M3 and M4 lines the service availability was 99.1% with a frequency of one train every 93 seconds at peak times for the shared section.

To further support the increasing use of rolling stock, the workshop for the M1 and M2 lines was expanded. For the M3 and M4 lines, the number of trains operating during peak hours was increased from 28 to 32 vehicles to support the extension of the M4 line with five new stations.

Finally, during 2024, Metro Service A/S achieved certification in the areas of Cybersecurity (ISO 27001) and Environment Management system (ISO 14001). The Asset Management (ISO 55001) certification will be achieved in the first quarter of 2025.

### **Thessaloniki**

In 2023, the ATM Group expanded following the establishment of the company TheMa S.A., 51 per cent owned by ATM and 49 per cent by Egis, which is in charge of starting up and managing the new **driverless metro in Thessaloniki**.

This metro is a strategic infrastructure for the city of Thessaloniki and the entire area of Macedonia, which hosts the largest port in the North Aegean Sea. With the new line, a better connection will be ensured, journey times will be reduced and it will be easier to move between different parts of the city, which today only has bus lines and a railway station.

The contract awarded by Elliniko Metro, a company of the Ministry of Economy, was signed on 4 October 2023 in the presence of the Greek prime minister.

Following the conclusion of the contract, the recruitment and training of operating personnel began, the first phase of which was completed on 30 November 2024 with the start of commercial operation of the base section.

### **5.3 Strategic Industrial Plan 2021 - 2025 and the "Milano Next" project**

ATM's Strategy is based on three main **strategic drivers**, namely **operational efficiency**, **business expansion** and **sustainability**. The implementation of these guidelines included the definition - within the framework of the Group's Strategic Industrial Plan - of specific strategic initiatives functional to the achievement of the challenging future objectives. In this regard, on 25 July 2024, the Board of Directors, also after an internal reorganisation which saw a

change in the Strategic Management and Commercial Development leadership, approved an **update**, especially on the issue of timing, of the **Industrial Strategic Plan** of the ATM Group.

The update stems from the need to focus on the areas of the Plan with the greatest economic and reputational impact and has identified three functional strands to achieve ATM's objectives:

- creation of a **Real Estate Directorate** with a plan based on the valorisation of ATM's real estate assets, the regularisation of assets under concession and the divestment of disused properties or industrial areas not functional to any of the Group's strategies;
- enhancement of commercial assets through **collaboration with commercial partners** to support ATM in **upgrading investments** in order to promote the image of the underground station and ensure a first class shopping experience for customers. From this need, the **Milano Metro Retail** project was established, which aims to completely refurbish 9 metro stations and modernise the main stations of the M1, M2 and M3 lines;
- promotion of change and evolution of the city, through the use of new technologies and investment in innovative smart mobility projects. The improvement of the mobility experience has driven the development of two key projects: the launch of the **new app**, to promote the digitisation of local public transport and the integration of new functionalities, and the 'Smart Hub' project, with the aim of transforming the car park from a simple parking area to a place of value, thanks to the activation of new services dedicated to users.

Among the strategic activities with the greatest impact on sustainability is the **Full Electric Project**: a plan to transition the entire bus fleet from diesel to electric, with the goal of avoiding emissions of 75K tonnes of CO<sub>2</sub> per year when fully operational.

Furthermore, in view of the expiration of the Service Contract with the Municipality of Milan scheduled for 31 December 2026, ATM is pursuing the implementation of the project financing called '**Milano Next**' adopted as an implementation tool for the initiatives of the 2019-2025 Strategic Industrial Plan. The objective of this project is the definition of infrastructural, environmental and safety measures, as well as the management of integrated mobility services in the Basin of the Metropolitan City of Milan, Monza and Brianza, Lodi and Pavia. Between the end of 2025 and the beginning of 2026, talks will be held with the main stakeholders to finalise the project.

## 5.4 Going concern

The global scenario is still characterised by high uncertainty, stemming both from the still unresolved conflict between Russia and Ukraine, and from the geopolitical choices of the new US administration, potentially affecting the global economy.

In this framework, the volatility of **energy commodity prices** may constitute a **risk factor** for the public transport sector, and therefore for ATM, also for the three-year period 2025 - 2027, considering the extension of the service contract with the Municipality of Milan under substantially unchanged conditions.

To cope with these risks and uncertainties, during 2024 the Company again entered into **commodity hedging** transactions on the price of electricity, due by 31 December 2024, seizing the opportunity represented by price levels recorded in the first part of the year, favourable compared to budget estimates.

Also after the end of the financial year, the monitoring of the prices of the underlying assets, in particular the price of energy per Mw/h, continued. In the first quarter of 2025, market levels were in line with or slightly higher than what was charged to budget, so on the one hand monitoring continued, and on the other hand operational lines were activated with another counterparty, also in order to benefit from the prices offered on a competitive basis should it be decided to finalise further hedging.

On the other hand, with regard to assets related to potential needs to optimise working capital, although not utilised, the so-called **RCF (Revolving Credit Facility)**, finalised in December 2023 and spread equally over four banks, remains active (for an amount of up to EUR 160 million). The RCF is in addition to those already in place as at 31 December 2024 of the Hot Money/Promiscuous type (short-term lines) for a total of EUR 47.5 million, and together they constitute an adequate available cash buffer.

In May 2024, ATM received a second explicit rating (equal to BBB with stable outlook) extended by Standard&Poor's. In the same month, a bond issue programme was signed, so-called EMTN (Euro Medium Term Notes), listed on the Dublin Stock Exchange, with a view to providing a flexible instrument capable of responding to possible fundraising needs in the international medium- and long-term capital markets. Together with the EMTN, ATM has set up the so-called "Green Financing Framework", a document summarising the principles and criteria for the issuance of Green bonds by the company, submitted for evaluation by Sustainalytics, a third-party certifying body that assessed and confirmed its consistency with the company's choices in the area of sustainability.

Lastly, in July 2024, a **bond issue** with a nominal value of **EUR 70 million** was placed with domestic and foreign investors in the format of a Green Private Placement maturing in July 2031, with the aim of refinancing the bond maturing in August 2024 and rescheduling the debt over medium/long-term maturities.



## 5.5 Investments

During 2024, the ATM Group made investments of approximately **EUR 118.2 million** (including investments by Metro Service A/S), of which approximately EUR 69.7 million was earmarked for fleet renewal, including extraordinary maintenance for the general overhaul of trams.

Below are the investments made in the three-year period, broken down by macro-category:

	2024	2023	2022
<i>Fleet renewal</i>	69.7	155.3	63.9
<i>Extraordinary building maintenance</i>	4.6	5.3	1.9
<i>Modernisation and upgrading of facilities and infrastructure</i>	21.4	24.7	11.6
<i>New technologies for payment and mobility info</i>	22.5	17.1	8.2
<b>Total</b>	<b>118.2</b>	<b>202.4</b>	<b>85.6</b>

The Group's investments are aimed at increasing the performance of transport services and strengthening vehicle safety levels. In addition, the Group aims at the constant improvement of the customer experience as well as the improvement of the environmental performance of its vehicles in order to favour the reduction of atmospheric emissions from fossil fuels.

Regarding the renewal of the metro fleet, in December 2024, the **first of the new trains** was delivered to ATM under contracts signed in 2022 with HITACHI RAIL. The supply, which is entirely financed by public funds, includes 46 new trains, of which 21 are destined for Line 1 (replacing "Revamping" trains) and 25 for Line 3 (21.5 replacing the older fleet and 3.5 increasing the equipment). The programme to purchase trains for the M3 metro line, which is also the subject of specific funding, is part of the broader project to upgrade the line, together with the new signalling system.

As part of the 'Full Electric' plan to renew the bus fleet, ATM signed a framework agreement in 2019 to supply electric vehicles. As of 31 December 2024, all the **254 planned vehicles** had been delivered. The agreement provides for the replacement of the supply batteries at about half of the vehicle's life.

Given the fleet evolution detailed above, as of December 2024, ATM S.p.A.'s urban bus fleet consists of: **51% diesel, 26% hybrid, 23% electric**<sup>7</sup>. The goal is to have, when fully operational, a total of **1,200 electric vehicles**, so as to create a 'Zero Emission Zone' that will allow, on the

<sup>7</sup>The percentages are calculated with reference to the vehicle supply (including vehicles not yet available for operation).

one hand, the reduction of diesel consumption by 30 million litres per year and, on the other hand, the reduction of CO2 emissions by approximately 75 thousand tonnes per year. As of December 2024, there are 23 lines operated entirely with electric buses.

Following the allocation of NRRP funds (measure M2C2 - 4.4.1 Renewal of green bus and train fleets - BUS sub-investment), the Municipality of Milan started in the second half of 2022 the procedures for **the acquisition of additional electric buses**, 12 and 18 metres, with deliveries starting in December 2024.

At the same time, adjustments are being made to the spaces and infrastructure for depots and recharging electric vehicles. To this end, a five-year framework agreement was signed for the installation of charging stations at the Sarca, Giambellino and San Donato depots, as well as the installation of *opportunity chargers* at the main terminals of the automobile service and inside ATM depots. In the course of 2024, 50 pantographs and 2 fast recharging stations were activated in Palmanova. In addition, the awarded company continues the development of construction projects for the first expansion of the Sarca and Giambellino depots, with activities already started at the Sarca depot. Moreover, a framework agreement was signed for the further extension of the Sarca, Giambellino and San Donato depots, also activating the first application contract on the latter depot.

The railcar fleet is also the subject of a significant **modernisation project**. Against the framework agreement for the supply of 80 18-metre vehicles (of which 30 will be delivered between 2019 and 2020), a second application contract for a further 50 trolleybuses was signed in 2021, all of which have been delivered at 31 December 2024. The supply is covered by funding from the Ministry of Infrastructure and Transport allocated to the Municipality of Milan. In December 2022, with further NRRP funding (measure M2C2 - 4.2 Mass rapid transport development) granted by the Ministry of Infrastructure and Transport to the Municipality of Milan, a third application contract was signed for the supply of a further 10 trolleybuses, with delivery started in the second half of 2024 and concluded in early 2025.

With these investments and the concomitant decommissioning of all old 12- and 18-metre vehicles, the average age of ATM's trolleybus fleet will drop to around four years.

As part of the **renewal of the tram fleet**, a framework agreement is in place for the supply of 80 bi-directional 25-metre trams for use on the urban and Regional network. In this context, a first application contract was concluded for 30 trams (of which 12 have already been delivered and are currently being tested and fine-tuned), a second application contract for 10 trams with deliveries from mid-2026, and a third application contract for 20 trams with deliveries from 2027. The investment is co-financed by the Ministry of Infrastructure and

Transport. Finally, in mid 2023, following a call for tenders, a new contract was signed for the purchase of an additional fourteen 35 m trams, fully financed with NRRP funds (measure M2C2 - 4.2 Development of mass rapid transport), to serve the future "interperipheral northern" line (line 7).

In 2024, the **Restyling of the Eurotram fleet**, carried out internally in the ATM Workshop, was initiated, as a result of which the fleet will return to service with a significantly improved appearance compared to its current condition. As part of the renewal of the vehicle fleet and with a view to sustainability, the replacement of diesel service cars with electric rental cars continues. As at 30 June 2024, the fleet consisted of 116 cars.

ATM also carries out, on behalf of the Municipality of Milan, a series of works on municipal-owned infrastructures including:

- The **complete overhaul of the signalling systems on the M2 line** aims to ensure a safer and more efficient operation of the service, to allow an increase in the frequency of trains passing through and, consequently, to increase the transport capacity of the line. The works are fully financed by ministerial contributions and by the Municipality of Milan; at the end of 2024 the verification phase of the Executive Project is underway for this work.
- The **track renewal works for the M2 line**, which began in the summer of 2021, are aimed at renovating certain sections of the line in which the mechanical components have deteriorated in performance or have been built with technical solutions that do not allow the planned increase in speed from 70 km/h to 85 km/h. The work is almost entirely financed by ministerial contributions and the City of Milan. During 2024, the renewal of the Loreto-Caiazzo section was completed.
- **Renewal and replacement of tram infrastructure** at various locations, aimed at continuously improving safety and running conditions.

Finally, ATM is carrying out a complete **overhaul of the signalling systems on the M3 metro line**, awarded in April 2022. In May of the same year, the urgent start of the works was realised to allow the development of the design activities by the Contractor, and in September 2022, the signing of the contract with the Contractor took place. At the end of 2024, the project phase was completed and the Technical Clearance is awaited from the relevant control bodies. The work is fully financed by the Ministry of Infrastructure and Transport.

In 2023, the design phase for the **overhaul of the fire-fighting systems** in the tunnels and stations of the M1 and M2 metro lines was also completed. The purpose of these works is to adapt the installations to fire prevention requirements, as identified by Ministerial Decree 21/10/2015. ATM was in charge of coordinating all phases of the activity, from the executive and construction design to the supply of materials and the execution of the works. At the end of 2024, the so-called "Phase 1" of the works is underway, which specifically concerns: the

renovation of the fire detection and signalling systems; the construction of the water systems installed in the stations and tunnels; the upgrading of the lighting and socket systems; the construction of the civil works necessary for the fire compartmentation and resistance of the M1 stations between Molino D./Inganni and Sesto FS and the M2 stations between Romolo and Crescenzago; the laying of new fire-resistant fibre optic cables in a redundant solution; the modernisation of the sound systems.

The above-mentioned works are included within the agreement signed between the MIT and the Municipality of Milan regulating the financing referred to in Ministerial Decree No. 360 of 6 August 2018 for the realisation of certain works in the sector of mass rapid transport systems, to be implemented using the resources of the Fund for the financing of investments and the infrastructural development of the country. The subsequent Ministerial Decree No. 191/2023 then allocated EUR 70 million for works related to the **Mass Rapid Transit (MRT)**, including works related to the fire prevention adaptations of the underground line M3 as well as further works related to the M1 and M2 lines (so-called "*Phase 2 Works*"), currently under design development.

In the area of equipment investments, we report:

- The project for the **renewal and upgrading of the metro train wheel reprofiling facilities**, which requires specific design and major civil works for the installation of machinery in the processing pits. The project started with the installation of a new wheel-turning station at the Gallarate M1 depot, followed by the completion of work at the Gorgonzola M2 depot in 2024. Work is in progress to replace the system at the San Donato M3 depot. For the latter two depots, the technical choice fell on machines capable of reprofiling the four wheels of a bogie simultaneously, a feature that will guarantee double the productivity compared to previous lathes. The project will be completed in the next few years with the replacement of the system at the Precotto M1 depot, the last of the old generation.
- As part of the **renewal of the fleet of operating machines**, the contract for the purchase of 7 battery-operated electric shunting locomotives to be used for the movement of underground trains within depots and between workshops and depots in the absence of power supply to the lines was signed in late 2024 and following the tender procedure. In line with the Full Green transition project, these vehicles will replace the traditional diesel shunting locomotives. The adoption of such locomotives represents an absolute novelty in the Italian panorama in both the LPT and railway sectors. The subsidiary Rail Diagnostics also started a similar procedure for the acquisition of a vehicle, identical to its predecessors, for the handling needs of the railway wagons used for track maintenance activities.
- The signing of a contract for the design, supply and installation of **measuring systems known as "wayside"** to monitor the condition of railway wheels and brake discs on metro trains during regular service, without the need to stop them. These devices,

which reflect the latest *industry standards* in diagnostics, will improve the quality of wheel maintenance, enabling timely service at the onset of defects that exceed the reference thresholds.

In 2024, the subsidiary NET introduced **22 new hybrid buses**. Furthermore, thanks to the availability of public funding under the NRRP and the National Strategic Plan for Sustainable Mobility, a framework agreement was signed in November 2023 for the **supply of 30 electric vehicles**; at the same time, the first two application contracts were also signed for the purchase of 15 electric buses, whose delivery is expected to start in late 2025, representing the company's first step towards **conversion to electric engines**.

As part of the activities to strengthen business continuity, work began in 2024 at the San Donato depot on the preparation of technical premises to support the backup of the metro and surface operations rooms operating at the Monte Rosa site. It is estimated that the work will be completed by the end of 2025.

As part of the fight against the technological obsolescence of information systems supporting operational activities, development work continued in 2024 on the new supervision and control system for the operations room of the M1, M2 and M3 metro lines. The first tests of this system are planned for the second quarter of 2025.

Finally, during 2024, **activities continued for the installation and technological renewal of ticket issuing and validation devices** on both the underground and surface networks (10,000 approx.). The new validation devices allow access to the public transport service by means of electronic *closed loop*, credit and debit cards, rechargeable electronic tickets, dynamic QR codes, digital tickets on smartphones readable with NFC and BLE technologies

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## Events and other informations

## **6.1 Events after the end of the financial year**

### **Activities in Italy**

#### **Business Expansion**

14 March 2025 - The Province of Como, in its capacity as Contracting Authority, has notified the grouping led by ATM of the awarding of the seven-year contract for the management of the fixed installations (cable cars and funicular railways) under the responsibility of the Local Public Transport Agency of the Como, Lecco and Varese Basin.

#### **Infrastructure Renewal**

15 January - 14 April 2025 - Tramway renewal work continues with the laying of new tracks in Piazza Oberdan and at the junction of Viale Piave and Via Bixio. The Company provides information about changes to the service through the website, the app and posts on its X page.

#### **Trade union agreements**

20 March 2025 - At the Ministry of Infrastructure and Transport, the National Secretariats and the sector's Employers' Associations signed a Memorandum of Understanding that makes the renewal of the National Collective Labour Agreement for Road Transport Operators - Internavigators immediately enforceable.

#### **Activities to improve transport accessibility**

January 2025 - Work continues as part of the plan to replace the lifts on the M3 and from 14 January work will begin on the Porta Romana station and from 21 January at Porto di Mare. The company informs customers about ongoing construction sites and publishes a calendar of system closures. As part of the plan to build new lifts, work on the M2 line at the Gioia station started on 14 January.

### **Activities Abroad**

#### **Business Expansion**

25 March 2025 - the contracting authority Île-de-France Mobilités published a statement announcing that it will propose the award of four bus management lots to the next Board of Directors meeting on 10 April, one of which will be to ATM S.p.A. (lot No. 40 - Croix du Sud sector).

## 6.2 Foreseeable Business Outlook and Business Development

The year 2024 saw an improvement over the year 2023. The EBIT of the parent company ATM is negative and amounted to EUR 2.3 million, compared to the previous year when it was negative and amounted to EUR 25.4 million.

This result was achieved thanks to the hoped-for increase in the marginality of the Service Contract with the Municipality of Milan, linked to an adjustment of the same, as well as to the reduction in the cost of electricity: during 2024, the Company once again put in place commodity hedging transactions on the price of electricity, seizing the opportunity represented by the price levels recorded in the first part of the year, favourable compared to the budget estimates.

The year 2024 saw a further increase in margins related to the full opening of the M4 line, an event that will bring benefits in the long-term perspective.

ATM aims to constantly improve the offer of its services with a view to sustainability, efficiency and technological innovation, as well as to expand its business, both in Italy and abroad, on the strength of the experience now gained with its Danish subsidiary Metro Service A/S and thanks to the recently opened automatic metro in Greece. Indeed, 2024 was a crucial year for ATM's development abroad as on 30 November **the first automatic metro line was inaugurated in the city of Thessaloniki**, Greece's second largest city by population. It is managed by NewCo Thema (a company owned 51% by ATM and 49% by Egis, a French infrastructure engineering group). The new metro is the most modern public work in the Hellenic Republic and the only driverless line. With an extension of almost 15 kilometres, it will become the main junction for internal travel within the city, which is also strategic for connections with the rest of the country.

Also in 2024, ATM continued to participate in various procedures for the awarding of road services in the first urban districts of Paris, currently managed by RATP. The three tenders in which ATM participated, which started between the end of 2022 and the beginning of 2023, were concluded in 2024.

In addition to the French market, ATM has initiated projects to participate in tenders for rail transport in Ireland and road transport in Greece and is exploring opportunities for mobility projects in the Middle East area in order to further strengthen its international presence.

In Italy, ATM participated, as part of a Temporary Grouping of Companies (RTI), in the tender for the assignment of the service of all Local Public Transport (LPT) cableways in the provinces of Como, Lecco and Varese.



Furthermore, in December 2024 ATM presented, together with another Local Public Transport operator, a *Project Financing* to promote a mobility project in the North East area of the metropolitan city of Milan. On 14 March 2025, the Province of Como, in its capacity as Contracting Authority, notified the Grouping led by ATM of the **award of the Contract** for the management of the fixed installations (cable cars and funicular railways) falling under the jurisdiction of the Local Public Transport Agency of the Como, Lecco and Varese Basin, with a duration of seven years.

In 2024, there was a partial restart of competitive procedures in some Italian regions, notably Sicily, Umbria and Piedmont, after the stop imposed by the 2020-2022 health emergency. It is expected that in 2025 there will be an acceleration in the issuing of calls for tenders for the operation and maintenance of urban and suburban networks, which will foster greater competitiveness and innovation in the sector.

### **6.3 Other information**

#### ***Other communications Pursuant to Article 40 of Legislative Decree No. 127/91***

In compliance with the requirements of Art. 40 of Legislative Decree No. 127/91 the following is hereby notified:

- Due to the nature of its business, the Group did not carry out any research and development activities in 2025;
- no ATM Group company owns or has purchased or sold own treasury shares or those of the parent company, not even through trustees or intermediaries;
- In 2025, the Group made use of derivative financial instruments aimed merely at hedging the variability of electricity prices.

#### **Information on intra-group and related party transactions**

The ATM Group, which is wholly controlled by the Municipality of Milan, carries out operations for its Shareholder regulated by the Service Contract that concern the management of intermodal Local Public Transport (metro, tram, bus and trolleybus), as well as all related and complementary activities as more fully described in Chapter 3, section "ATM Contractual Framework".

ATM S.p.A., as parent company, carries out transactions with its subsidiaries that essentially concern the provision of services and the provision and use of financial resources. Transactions are strictly of a commercial and financial nature, so they do not include any atypical and/or unusual transactions and are governed by arm's length contracts.

ATM S.p.A. participates in the Tax Consolidation Agreement for IRES purposes together with the following subsidiaries: CityLink S.r.l., GeSAM S.r.l., International Metro Service S.r.l., Nord Est Trasporti S.r.l., Rail Diagnostics S.p.A.

The agreement provides that, in the event of a transfer of positive taxable income, the consolidated company will owe the consolidating company an amount equal to the results of applying the IRES rate to the transferred taxable income. Conversely, in the case of a transfer of negative taxable income, it will be the consolidating company that will owe the consolidated company an amount equal to the results of applying the IRES rate to the transferred tax loss, if utilised.

ATM also adhered to the VAT group application option with the following subsidiaries: CityLink S.r.l., GeSAM S.r.l., Nord Est Trasporti S.r.l., Rail Diagnostics S.p.A.

This agreement provides for the transfer of the monthly VAT balance to the Parent Company, which is therefore the only debtor/creditor company vis-à-vis the Treasury, while the subsidiaries record the credit/debit relations with the Parent Company in their financial statements.

Note 44 of the Notes to the Consolidated Financial Statements and Note 41 of the Notes to the ATM S.p.A. Financial Statements provide information on related parties based on the nature of the service.

Milan, 31 March 2025

For the Board of Directors

The Chairperson

Gioia Maria Ghezzi



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# Sustainability Reporting

## List of relevant Disclosure Requirements (ESRS 2 IRO-2 par. 56)

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## 7. 1 General Information

### ESRS 2 General information

#### Preparation criteria

#### BP-1 General basis for preparation of sustainability statements

*(BP-1 5.a, 5.b i)* This Report included in the Integrated Annual Report constitutes the Sustainability Document (hereinafter also referred to as "Report" or "SD") of the ATM S.p.A. Group, consisting of the Parent Company Azienda Trasporti Milanese S.p.A. (hereinafter also "ATM S.p.A.") and its subsidiaries as at 31 December 2024. This Report is the disclosure document that ATM S.p.A. prepares in order to comply with the obligations set forth in Article 2 of Legislative Decree no. 125 of 6 September 2024, the Italian transposition of European Directive 2022/2464/EU.

In line with the provisions of the Decree, in order to ensure an understanding of the Group's activities, its performance, results and impact, it should be noted that the scope of the economic data is the same as that of the Group's Consolidated Financial Statements as at 31 December 2024. It should also be noted that the scope of the social environmental and governance disclosures and data in the Report refers to the Parent Company and its subsidiaries as of 31 December 2024, consolidated on a line-by-line basis. Scope limitations

with respect to what is reported, if any, are expressly indicated in the text. Finally, it should be noted that all ATM Group companies included in the consolidation scope are not obliged to prepare individual sustainability reports.

*(BP-1 5.b ii)* All subsidiaries of the ATM Group included in the scope of consolidation are exempt from individual sustainability reporting pursuant to Article 19a(9) of Directive 2013/34/EU. For further details on the companies included in the scope of consolidation, see section “1.4. The Corporate Structure as at 31 December 2024”, contained in Chapter 1. Introduction of the Report on Operations.

*(BP-1 5.c)* The Sustainability Disclosure **covers the entire value chain** of the ATM S.p.A. Group, as the Dual Materiality analysis identified impacts, risks and opportunities (IROs) both in ATM's operations and along the value chain, identifying how they affect the Group's upstream, downstream and direct operations. The analysis performed took into account the different value chains and business relationships. For the Group, the value chain extends upstream to include: suppliers of products (such as fuel, energy, components, maintenance equipment and manufacturers of transport equipment), service providers (including IT and maintenance), and agencies and institutions. Downstream, the value chain includes customers, passengers and citizens.

This approach ensured an **integrated and comprehensive assessment**, in line with business operations and the context of *business relations*.

The extent to which policies, actions, metrics and objectives extend beyond the direct operations of the Group depends on the nature of the topics covered. This approach will be clearly outlined in the specific ESRS themes.

*(BP-1 5.d)* In accordance with reporting regulations, the choice was made not to omit specific information on intellectual property, know-how and innovation results.

*(BP-1 5.e)* In addition, in line with the Member State's regulatory requirements, information on upcoming developments and negotiations has been withheld to protect confidentiality and corporate strategy, avoiding premature disclosures that could harm the company or its stakeholders.

## **BP-2 Disclosures in relation to specific circumstances**

*(BP -2 9.a, 9.b)* The time horizons outlined by the ATM S.p.A. Group are in line with those defined by the Group's ERM system, particularly for the short and medium-term horizons. Instead, the long-term time horizon is in line with that defined by the CSRD regulation,



specifically in ESRS 1, section 6.4. Therefore, the Group has defined the time horizons for the assessment of impacts, risks and opportunities as follows:

- Short and medium-term horizon: one to five years,
- Long-term horizon: longer than five years.

*(BP-2 10.a, 10.b, 10.c, 10.d)* As part of the **value chain**, the quantitative data that the ATM Group has committed to reporting are those related to the **Scope 3 Greenhouse Gas Emissions** for each significant category identified. However, due to the complexity of finding information along the value chain, the *Scope 3* emission data were estimated in accordance with internationally recognised *framework* and *standards* to ensure accuracy and transparency of the calculations. These estimates were made using globally established methodologies, in line with industry best practices, specifically:

- The Greenhouse Gas Protocol - A Corporate Accounting and Reporting Standard,
- The Greenhouse Gas Protocol - Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

For the calculation of greenhouse gas emissions, the ATM Group referred to emission factors provided by the International Energy Agency (IEA), the Department for Environment, Food & Rural Affairs (DEFRA), Klimakompasset and Ecoinvent to ensure accuracy and compliance with internationally recognised methodologies. The only quantitative data points that also include value chain data are those related to GHG Scope 3 emissions, reported in DR E1-6. For this KPI, indirect sources of calculation were used, Scope 3 emissions were calculated through a spend-based approach using sectoral emission factors.

The criteria used for the calculation and the related estimates are described in detail in the specific ESRS (E1-6).

With a view to continuous improvement, the ATM Group is committed to improving data reporting.

*(BP-2 11. a, 11.b.i, 11.b.ii)* In the context of this Sustainability Report, it should be noted that the values for waste generated (E5-5), energy consumption (E1-5) and CO<sub>2</sub> emissions (E1-6), at the time of closing the document, are subject to a slight margin of uncertainty. Therefore, these amounts should not be considered final and may be subject to later revision or updating, following further verification or the collection of more precise data. In particular, the values for waste are not final because, according to current legislation, the recipient of the waste, i.e. the facility responsible for waste treatment and management, provides more precise and up-to-date information on the final destination of waste on a quarterly basis. Therefore, the

data for the months of October, November and December could still be considered as non-final, as they have not yet been validated and finalised by the recipient of the waste.

As far as energy consumption is concerned, the values reported are not definitive as the final figures for the energy supply for the month of December are missing, though they refer to small amounts (a few hundred euro). It is expected that the finalised data will be updated once the final calculations are received from the suppliers.

Furthermore, in this Sustainability Report, it is pointed out that the hours worked by non-employees (S1-14) are estimated. The methodology used for the estimate consists in calculating the average hours actually worked by the ATM Group's *Staff* for the year 2024, then multiplied by the number of non-employee workers present at 31 December 2024. It should be noted that, for the purpose of calculating the average hours worked by the Group, rest periods, holidays and other types of absence have not been taken into account.

The Group is committed to **continually improving** its monitoring and reporting processes to reduce the uncertainty associated with these metrics and provide more accurate and reliable information in the future.

**(BP-2 13,14)** The Sustainability Disclosures, contained in this Report, have been significantly expanded to **comply with the** CSRD regulations and the *ESRS standards* for the first time in 2024. Therefore, the Group adopted a phase-in approach for the integration of comparative data. Any discrepancies or errors found in the data will be addressed and corrected in future reporting, ensuring continuous improvement in the accuracy and reliability of the reported information. ***Causes of uncertainty in estimates and results.***

In order to ensure the reliability of the information reported, the use of estimates has been limited as much as possible. Any estimates are based on the best available information or sample-based surveys. In reporting forward-looking information - including future targets and objectives - uncertainties are inherent and, therefore, such information may be subject to change. For each of these cases, information is given on the causes of uncertainty, assumptions and approximations made.

**(BP-2 15)** It should also be noted that the Group is obliged to include in the Report, starting with publications occurring after 1 January 2022, the disclosure required by the regulations on the "EU Taxonomy" in relation to the environmentally sustainable activities conducted by the Group, in respect of which please refer to the "European Taxonomy" section.

The ATM Group does not adopt any additional sustainability reporting principles or regulations.

**(BP-2 RA 2)** The document, as provided for in Article 8 of D. Legislative Decree 125/2024, is subjected to **Limited Assurance engagement** ("*Limited Assurance engagement*" according to the criteria indicated in ISAE 3000 *Revised*) by the auditing firm Deloitte & Touche S.p.A. The audit was carried out according to the procedures set out in the "Independent Auditor Report" provided at the end of the document. The Group has also adopted and implemented management systems compliant with international standards ISO 9001, ISO 14001, ISO 45001 and UNI EN 13816, thus guaranteeing excellence in quality, environmental management, occupational safety and the quality of public transport services. These management systems are regularly subjected to internal and external audits in order to ensure continuous compliance with international standards and constant improvement of the company's performance in all areas involved.

**(BP-2 17)** Not applicable for the ATM Group.

## Governance

## GOV-1– The role of the administrative, management and supervisory bodies

(GOV-1 21.a, 21.b, 21.c, 21.d, 21.e)	Number				
	Men	Women	Other	Not communicated	Total
Members of the administrative, management and supervisory bodies	20	12	0	0	32
21. a) Executive members	7	6	0	0	13
21. a) Non-executive members	12	7	0	0	19
Independent Board Members	4	3	0	0	7
21. b) Members representing employees and other workers	3	0	0	0	3
21. c) Members who have experience related to the company's sectors, products and geographical areas	20	12	0	0	32
21. d) Gender diversity/age group					
<b>TOTAL</b>	<b>20</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>32</b>
1. <30	0	0	0	0	0
2. 30 - 50	3	2	0	0	5
3. > 50	17	10	0	0	27
<b>21. d) Percentage</b>					
Members of the administrative, management and supervisory bodies	62.50%	37.50%	0.00%	0.00%	100.00%
Executive Members	21.88%	18.75%	0.00%	0.00%	40.63%
Non-executive members	37.50%	21.88%	0.00%	0.00%	59.38%
21. e) Independent Board Members	57.14%	42.86%	0.00%	0.00%	100.00%

Members representing employees and other workers	100.00%	0.00%	0.00%	0.00%	100.00%
Members who have experience related to the company's sectors, products and geographical areas	62.50%	37.50%	0.00%	0.00%	100.00%
21. d) Gender diversity/age group					
<b>TOTAL</b>	<b>62.50%</b>	<b>37.50%</b>	<b>0%</b>	<b>0%</b>	<b>100%</b>
<b>1. &lt;30</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
<b>2. 30 - 50</b>	<b>9.38%</b>	<b>6.25%</b>	<b>0%</b>	<b>0%</b>	<b>15.63%</b>
<b>3. &gt; 50</b>	<b>53.13%</b>	<b>31.25%</b>	<b>0%</b>	<b>0%</b>	<b>84.38%</b>

(GOV-1 22.a, 22.b) The **Board of Directors** of ATM S.p.A. is composed, at the date of preparation of this Sustainability Report 2024, of seven members, including the Chairman and the Chief Executive Officer; the **Board of Statutory Auditors** is instead composed of three regular members, one of whom is the Chairman, plus two alternate members.

The model, structured in the traditional form, attributes ordinary and extraordinary management to the Board of Directors of ATM S.p.A.; in addition, the Board of Directors is entrusted with the performance of all appropriate actions for the implementation and achievement of the corporate purpose, excluding only those which the law or the Articles of Association reserves for the Shareholders' Meeting. ATM's Board of Directors has delegated part of its management responsibilities to the Chief Executive Officer and General Manager.

In line with the recommendations of the Code of *Corporate Governance* and international *best practices*, on 19 December 2024, three **board committees** consisting of three directors each were formed. A member of the Board of Auditors also participates in committee meetings.

- **The Audit, Risk Control, Governance and Related Party Transactions Committee**, with the task of supporting the Board of Directors' assessments and decisions relating to the internal control and risk management system and the approval of periodic financial and non-financial reports, with the role of making proposals to and advising the Board. In carrying out its work on sustainability reporting, the Committee coordinates with the Sustainability Committee, with which it maintains a direct relationship and ensures an effective exchange of information. This committee also expresses opinions on specific aspects relating to the identification of the main corporate risks and supporting the Board of Directors' assessments and decisions relating to the management of risks arising from prejudicial events of which the latter has become aware.

- **Sustainability Committee**, with investigative, advisory and proposal-making functions vis-à-vis the Board of Directors in the field of scenarios and sustainability, meaning the processes, initiatives and activities aimed at overseeing the ATM Group's commitment to sustainable development along the value chain, aimed at the pursuit of sustainable success, with particular reference to issues of climate change, emissions reduction, rational use of environmental resources, anti-corruption, respect for and protection of human rights; integrity and transparency; and Diversity and Inclusion.
- **Appointments and Remuneration Committee**, with functions of making proposals to and advising the Board of Directors on appointments and remuneration matters.

The competences and operating rules of each committee are regulated in their respective regulations. Where deemed appropriate and within the limits of their own budget, committees may seek the assistance of external consultants.

The Parent Company's Board of Directors, supported by the Administration, Finance and Control and Strategy and Business Development Departments, within whose scope falls the governance of the integrated Double Materiality process, is therefore responsible for approving and monitoring sustainability strategies, including ESG (environmental, social and governance) risk assessments, as well as the results and effectiveness of the policies, actions, metrics and targets adopted to address them.

(GOV-1 22.c) The Group has a Governance System comprising 18 Committees<sup>14</sup> with different purposes, including, in particular, the Managerial Risk Committee and Sustainability Policy Committee.

### **Managerial Risk Committee**

It is coordinated by the Director of Administration, Finance and Control and is composed of the heads of the following Departments: Risk Management, Rolling Stock and Engineering Maintenance, Infrastructure Maintenance, Operations, Business Development, Information Systems, Purchasing and Procurement, Audit and Internal Control. (Information Systems, Purchasing and Procurement, Audit and Internal Control, are optional members on call)

The main responsibilities entrusted to this committee are:

- sharing the findings of ERM assessment processes, facilitating the sharing of information on specific risk factors,

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<sup>14</sup> Coordination Table; Control Functions Coordination Committee; GDPR Committee; Risk Committee; Whistleblowing Committee; Executive Committee; Management Committee; Crisis Committee; Procurement Committee; Investment Committee; Operations Committee; Sustainability Committee; Business Development Core Committee; IT Core Committee; Management Committees; Cybersecurity Committee; Deposit Operations Team; Unrecoverable Receivables Assessment Committee.

- monitoring the processes of identifying, measuring and mitigating risks.

The objective of the Managerial Risk Committee, which meets bimonthly, is to facilitate the sharing of information on specific risk factors in a top-down perspective and to ensure the management, monitoring and escalation of critical factors in a bottom-up approach, to raise awareness and promote the dissemination of a risk-based culture in the management of corporate processes and projects at organisational level.

### Sustainability Policies Committee

Newly established and meeting for the first time in May 2024, it is coordinated by the head of the Sustainability department and is composed of the heads of the following departments: Strategy and Business Development who is the Chairman, Audit and Internal Control, Purchasing and Procurement, Administration, Finance and Control, Human Resources and QHSE.

The main objective is to support the **definition of corporate policies and strategies** that take into account sustainability policy and objectives, integrating environmental, social, business ethics and economic considerations into decision-making processes, as well as ensuring that the organisation keeps up with evolving sustainability regulations.

It meets monthly.

Article 12 of Legislative Decree No. 125 of 6 September 2024 made an amendment to Article 154-bis paragraph 5 of the Consolidated Law on Finance (TUF) at Letter e. Specifically, current legislation requires the Reporting Manager to certify - by means of a special certificate issued according to the template established by Consob regulation - that the Sustainability Report included in the Report on Operations has been prepared in accordance with the *accounting standards* applied pursuant to European legislation and the new Decree, and with the specifications set forth in Article 8 of EU Regulation 2020/852 on Taxonomy. However, the same Article 154-bis, paragraph 1 of the Consolidated Law on Finance states that “*The articles of association of listed issuers having Italy as their home Member State shall provide for the requirements of professionalism and the procedures for the appointment of a manager in charge of drafting corporate accounting documents, subject to the mandatory opinion of the control body*”. Therefore, since the ATM S.p.A. Group is not an issuing company, it is not subject, neither for the Financial Statements nor for the Sustainability Report, to the regulations of Article 154-bis of the Consolidated Law on Finance, paragraph 5, i.e. the professional figure of the financial reporting officer.

(GOV-1 22.d) The publication of these Consolidated Financial Statements was authorised by the Directors on 27 March 2025 and the same will be submitted to the Shareholders' Meeting for approval and subsequent filing, within the terms provided by law.

(GOV-1 23.a, 23.b) The members of the ATM Group's bodies directly possess sustainability, managerial and economic expertise. This expertise ensures the strategic support and development of the Group, in line with impacts, risks and opportunities.

The experience board members have gained experience in the fields of operational and strategic management of large organisations, finance and technological innovation enables effective **monitoring** of sustainability and business development issues. Expertise in data analysis, process management and optimisation of company resources ensures a structured and evidence-based approach so as to meet the challenges of sustainable mobility.

The presence of professionals with experience in governance, diversity and official relations enables effective management of dialogue with stakeholders and the development of inclusive and sustainable strategies. Participation on the boards of directors of leading industrial and financial companies, combined with academic and research activities on sustainable development and innovation policies, enhances the ability to **analyse risks and opportunities** related to infrastructure investments and urban transformation projects.

The skills gained in Private Equity and in the management of industrial assets enable the development of strategies for growth and sustainability, with a focus on digitisation and energy efficiency. Experience in leading public transport companies and managing fleet electrification and decarbonisation projects contributes to an innovative and environmentally friendly mobility model.

The skills acquired and applied by the members of the management and control bodies enable them to deal in a structured manner with the most relevant risks and opportunities for the ATM Group:

- expertise in financial analysis and industrial asset management supports the economic resilience of the Group, mitigating the risks associated with infrastructure investments and the costs of ecological transition,
- in-depth knowledge of legislation and governance enables one to meet regulatory challenges and ensure compliance with environmental and social standards,
- expertise in the economic and financial evaluation of infrastructure and urban regeneration projects ensures effective management of resources, optimising public and private investments,



- expertise in urban and spatial planning, environmental sustainability and multidimensional impact assessment allow integrating innovation into business strategies, maximising economic, environmental and social benefits.

In summary, these competencies guarantee an effective **strategic oversight**, enabling the boards of directors to assess and manage in a structured manner the impacts, risks and opportunities relevant to the ATM Group, with a vision oriented towards innovation, sustainability and long-term growth.

Some directors are directly involved in sustainability and risk management issues through dedicated board committees.

### **GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies**

*(GOV-2 26.a)* The Board of Directors, on an annual basis, assesses the appropriateness and proceeds to approve the Group's list of impacts, risks and opportunities.

The Parent Company's Board of Directors, supported by the Administration, Finance and Control and Strategy and Business Development Departments, within whose scope falls the governance of the integrated Double Materiality process, is therefore responsible for approving and monitoring sustainability strategies, including ESG (environmental, social and governance) risk assessments, as well as the results and effectiveness of the policies, actions, metrics and targets adopted to address them.

*(GOV-2 26.b)* The Board of Directors, in approving the results of the Double Materiality process, ensures their alignment with the corporate strategy as well as the objectives and the business model.

The strategy in the Strategic Industrial Plan 2021-2025, shared and approved by the Parent Company's Board of Directors, was developed in line with its own peculiarities, as well as in consideration of the evolution of market trends.

With a view to responsible management with its Stakeholders, ATM strives to be the reference point and decisive factor in the integrated mobility system for quality, safety and competitiveness, fully respecting the environment and in step with continuous social and territorial changes. ATM's strategic vision focuses on achieving the goals set by the 2030 Agenda and moves along the lines identified in the 2021-2025 Strategic Plan: **sustainability, innovation and empowerment of people**. As far as sustainability is concerned, the ATM Group has determined its pillars, taking into account all operational, official, social and

environmental aspects in relation to its core business and its involvement in the context in which it operates. The six pillars defined by ATM's Board of Directors are:

- Zero-emission transport,
- Responsible consumption,
- Sustainable Supply Chain,
- Inclusive mobility,
- Great Workplace,
- Responsible Governance.

Each of them has an internal or external field of competence in which the Company operates and is accompanied by performance indicators (KPIs) defined by the Board of Directors, which allow for the measurement and progressive verification of sustainable growth on the basis of objectives defined within the Sustainability Policy, with results that can also be certified and which, together with other significant indicators, have been included among the Highlights of the Sustainability Policy.

*(GOV-2 26.c)* Please refer to ESRS IRO 1 for specifics with reference to the list of relevant impacts, risks and opportunities.

### **GOV-3– Integration of sustainability-related performance into incentive schemes**

*(GOV-3 29.a, 29.b)* The annual short-term incentive policy applies to the company's managerial population (executive officers and General Manager) and is set within the context of the Group's Business Plan. In addition to economic result values, it also refers to other result areas, including sustainability. It is defined and approved by the Board of Directors at the beginning of the year and therein approved and finalised at the end of the year.

The characteristics of the incentive policy are set out below:

- ensure fair remuneration of all employees, in relation to the skills daily expressed in the achievement of their respective professional goals,
- attract, retain and motivate highly qualified employees who can provide decisive support in maintaining and improving the group's operational standards,
- ensure sustainable performance over the long term;
- create a working environment that is inclusive of all forms of diversity and fosters the expression of individual potential.

For the entire corporate population of ATM S.p.A. and its Italian subsidiaries, MBO is defined each year for the Sustainability area, which accounts for 10% of the result. In particular, for 2024 this objective was linked to the topic of Conduct Guidelines. Whereas for MetroService to date, MBOs are not linked to ESG targets.

(GOV-3 29.c) The Chief Executive Officer's **sustainability goals** represent **10% of the total goals**. Every year they are updated and verified by the Business Plan and approved by the Board of Directors.

The incentive system is governed by a specific document that determines the criteria, tools and actions necessary for the implementation of the remuneration policy and management of the MBO incentive system.

In addition, a guideline document is drawn up each year, attached to each MBO allocation form, in which the specific MBO structure for the year is outlined, as well as details of the timeframe and criteria for the finalisation of MBOs that will only be valid for the performance year of reference.

(GOV-3 29.d) Within the aforementioned MBO, 10% of the result is linked to sustainability goals.

(GOV-3 29.e) The terms and conditions of the incentive schemes are approved and updated by the Board of Directors.

#### **GOV-4– Statement on sustainability due diligence**

(GOV-4 30) In order to prepare the Sustainability Report, the ATM Group mapped the information on existing *Due Diligence* practices, despite the fact that no formal, structured process is in place to date.

As a basis for the integration of responsibility with respect to social and environmental aspects, the ATM Group adopts the following policies, which are discussed in detail throughout this document:

- The Organisation, Management and Control Model pursuant to Leg. Decree 231/01 [Governance],
- Code of Ethics [Governance].

In the table below are references to the **safeguards to mitigate** the negative environmental, social and governance impacts that the ATM group causes or could cause to date.

Basic elements of due diligence	Sustainability Reporting Paragraphs
<b>a) Integrating the duty of care into governance, strategy and business model</b>	<p>ESRS 2 - General Information   GOV-1 The role of the administrative, management and supervisory bodies</p> <p>ESRS 2 - General Information   GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies</p> <p>-</p> <p>ESRS 2 - General Information   SBM-1 - Strategy, business model and value chain</p>
<b>b) Engaging with affected stakeholders in all key steps of the due diligence</b>	<p>ESRS 2 - General Information   SMB-2 Interests and views of stakeholders</p> <p>ESRS 2 - General Information   IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities</p> <p>ESRS S1 - Own workforce   Processes for engaging with own workers and workers' representatives about impacts</p> <p>ESRS S2 - Workers in the value chain   Processes for engaging with value chain workers about impacts</p> <p>ESRS S3-2 - Affected communities   Processes for engaging with affected communities about impacts</p> <p>ESRS S4 - Consumers and end-users   Processes for engaging consumers and end-users about impacts</p>
<b>c) Identifying and assessing negative impacts</b>	<p>ESRS 2 - General Information   SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model</p> <p>ESRS 2 - General Information   IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities</p>
<b>d) Taking action to address negative impacts</b>	<p>ESRS E1 - Actions and resources in relation to climate change policies</p> <p>ESRS E2 - Actions and resources related to pollution</p> <p>ESRS E5 - Actions and resources related to resource use and circular economy</p> <p>ESRS S1 - Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions</p> <p>ESRS S2 - Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action</p>
<b>e) Tracking the effectiveness of these efforts and communicating</b>	<p>ESRS E1 - Targets related to climate change mitigation and adaptation</p> <p>ESRS E5 - Targets related to resource use and circular economy</p> <p>ESRS S1 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities</p> <p>ESRS S2 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities</p> <p>ESRS S3 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities</p> <p>ESRS S4 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities</p>

## GOV-5 - Risk management and internal controls over sustainability reporting

*(GOV-5 36.a)* In 2024, the ATM Group launched the project initiative aimed at implementing the new European CSRD regulation by carrying out a **gap analysis** aimed at identifying any qualitative and quantitative information required by the new ESRS reporting standards and which had not been previously disclosed. The analysis involved the various contact persons responsible for the various ESG issues.

In addition, as part of its CSRD implementation activities, the ATM Group has started to strengthen its sustainability reporting system by computerising the data and information collection process with the support of the related data certification process. This activity is aimed at ensuring the reliability, accuracy and traceability of sustainability reporting.

*(GOV-5 36.b, 36.c, 36.d, 36.e)* Confirming the deep integration of ESG issues within the existing corporate Enterprise Risk Management process, and to ensure adequate control, management and monitoring of relevant risks, a governance structure and operating model is defined, describing the activities, operating rules, time lines and tools for the periodic performance of the process leading to sustainability reporting. As part of this process, the assessment and prioritisation of risks and the implementation of controls is carried out by involving the management responsible for operational processes and activities, the control implemented by the department responsible for sustainability reporting, adequately supported by a process of regulatory interpretation to meet the reporting requirements of the data, and by external consultants with expertise in the field. The collection, management and consolidation of sustainability data is performed through the Tagetik information system, which enables the alignment of the generation and consolidation processes of the ESRS reporting.

Furthermore, in order to oversee the accuracy of sustainability reporting and the reliability of business processes in producing correct data and information in compliance with ESRS reporting principles, activities are under way to define and strengthen a control system on non-financial reporting, in line with international best practices.

### Strategy

#### SBM1 – Strategy, Business model and value chain

*(SBM-1 40.a)* The ATM Group has historically been active in Local Public Transport (LPT) in Milan and the metropolitan area, with an active role in the **promotion of sustainable mobility** at a European level, extending its activities also to Denmark and Greece.

It generates value along the entire public transport chain, improving its reliability and efficiency through:

- Automatic and traditional subways,
- Urban surface transport (trams, trolleybuses, buses),
- Alternative mobility systems, such as cable cars and *bike sharing*,
- Engineering and innovation, with infrastructure development, digitisation and *smart mobility solutions*.

During the reporting period, there were no particular changes compared to the services offered in previous reporting years.

The ATM Group's customer and market groups can be divided into the following categories:

- Public Bodies and Local Administrations
- The ATM Group cooperates with public bodies and municipalities, providing public transport services, with the aim of improving the efficiency of public services and supporting the sustainable development of the area.
- Significant Customers: Passengers
- it is aimed at citizens, businesses and local authorities using public transport services, including buses, undergrounds and bike sharing.
- Significant Markets
- ATM's geographical presence is mainly concentrated in the city of Milan in Lombardy, in the city of Copenhagen in Denmark and in the city of Thessaloniki in Greece (on 30 November 2024, the first automatic underground in Thessaloniki has been opened). This makes it possible to focus on the specific needs of territories, developing targeted services to improve the quality of life of residents and promote sustainable development.

The Group's workforce as at 31 December 2024 consisted of **10,623 employees**, of which 9,684 employed in Italy, 715 in Denmark and 224 in Greece.

**(SBM-1 40.d)** The ATM Group also declares that it is not active in the fossil fuels (coal, oil and gas) sector, i.e., that it does not generate revenues from the exploration, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels as defined in Article 2(62) of Regulation (EU) 2018/1999 of the European Parliament and of the Council). Furthermore, the Group is not active in the manufacture of chemical products (covered by Division 20.2 of Annex I of EC Regulation No. 1893/2006), in the sector of controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) and is not active in the cultivation and production of tobacco.

**(SMB-1 40.e)** The ATM Group has set specific sustainability objectives integrated in its Sustainability Plan to 2030 (approved on 19 October 2019 by the Board of Directors), which

aims to ensure long-term value and continuity for the territories it serves, through initiatives dedicated to environmental, social and governance issues. The **Investment Plan** envisages a total amount of **EUR 1,078.9 million** over 3 years (2025-2027), with a 91% share complying with the Taxonomy. The value of projects linked to specific sustainable development objectives amounts to EUR 891.5 million (about 83% of the Plan's total).

The objectives concern significant service groups, and focus on the geographical areas where the group operates, for the benefit of local communities.

For further details on the individual corporate objectives, please refer to the relevant sections: E1-4, E2-4, E5-4, S1-4, S2-4, S3-4, S4-4

*(SMB-1 40.f)* Through its services, the Group is committed to achieving sustainability goals, such as reducing 72,000 tonnes of CO<sub>2</sub> emissions, which amounts to a 22% contribution to the achievement of the Milan Municipality's Air Climate Plan objectives. The strategy adopted also includes improving the quality of service through improved accessibility to vehicles and stations, improved certified travel comfort on all underground and surface lines, and a process of digitisation of tickets, constant customer focus and infrastructure improvements, ensuring that products and services meet the sustainability requirements demanded by customers and target markets.

*(SMB-1 40.g)* The ATM Group's business model integrates **sustainability as a strategic lever**, aiming to offer safe, reliable, accessible and efficient public mobility services, contributing to the reduction of environmental impact and the improvement of urban quality. The main challenges for the Group are the energy transition of transport (electrification, renewable energy), the digitisation of the network and the management of human capital in a changing technological and social environment. In order to meet these challenges, ATM has defined a number of strategic directions, which impact sustainability, and which favour the development of the automatic underground, investments in digitisation and the renewal of the fleet with low-emission solutions:

- **Digitisation** and **smart mobility**, to optimise service efficiency and promote integrated mobility solutions, reducing traffic and emissions,
- Expanding the **electrification of the LPT**, with investments in environmentally friendly vehicles and sustainable infrastructure,
- Promotion of **integrated mobility** (sharing, parking, restricted traffic zones), to reduce private car use,
- **International expansion** with sustainable know-how, exporting expertise in environmentally friendly LPT management (e.g. Copenhagen and Thessaloniki).



*(SMB-1 42.a)* Input and resource management approach

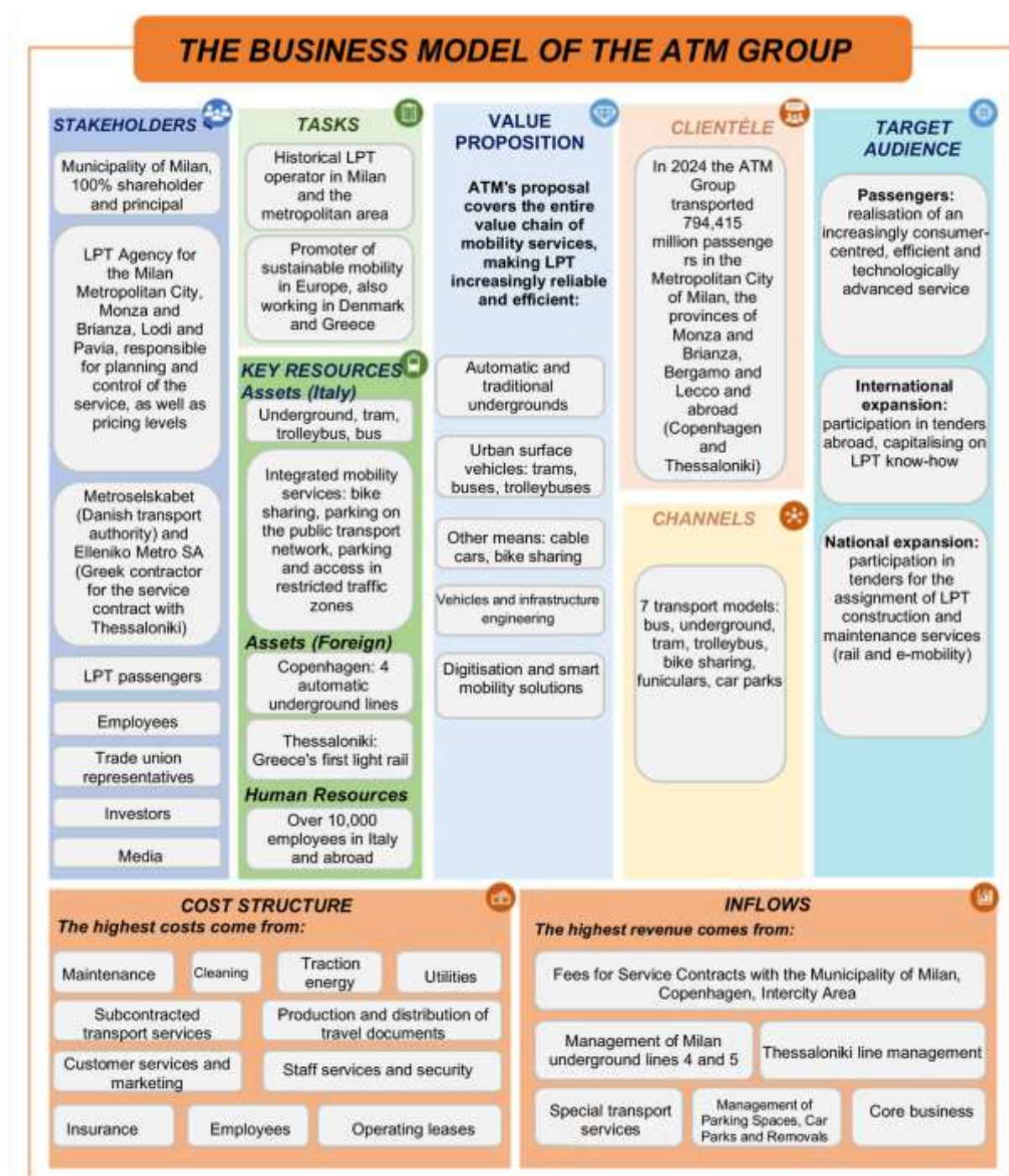
ATM's business model was formed by analysing the reference context with respect to the Milanese territory and hinterland, that of Copenhagen and the possible expansionist fabric of business. ATM focuses on sustainability, technological innovation and service quality to ensure efficient and integrated mobility across all its mobility services.

The Business model has focused on

- Operational data: information on passenger flows, transport utilisation, performance of integrated mobility services,
- Financial Data: balance sheets, operating costs, ticket and season ticket revenues, investments,
- Market Data: analysis of public transport demand, consumer preferences, and trends on urban mobility.

The methodology used, following a market benchmark analysis, sought to integrate strengths, weaknesses, opportunities and threats to identify areas for improvement and development, as well as to identify growth and development scenarios for the business and the impact of strategies in the short to medium term.





(SMB-1 42.b) The ATM Group provides a public transport service that is considered essential.

The Group's mission is based on the following ambitions:

- to be a nationally and internationally recognised excellence in **sustainable integrated mobility management**, through a consumer-centric, technologically advanced, efficient and resilient service,

- become a promoter of **change and revitalisation** in Milan, of its evolution into a more liveable, sustainable, safe and *smart* city,
- promote the **enhancement of its people and assets** through the development of new skills and the attraction and growth of talent by promoting a culture open to diversity and inclusion.

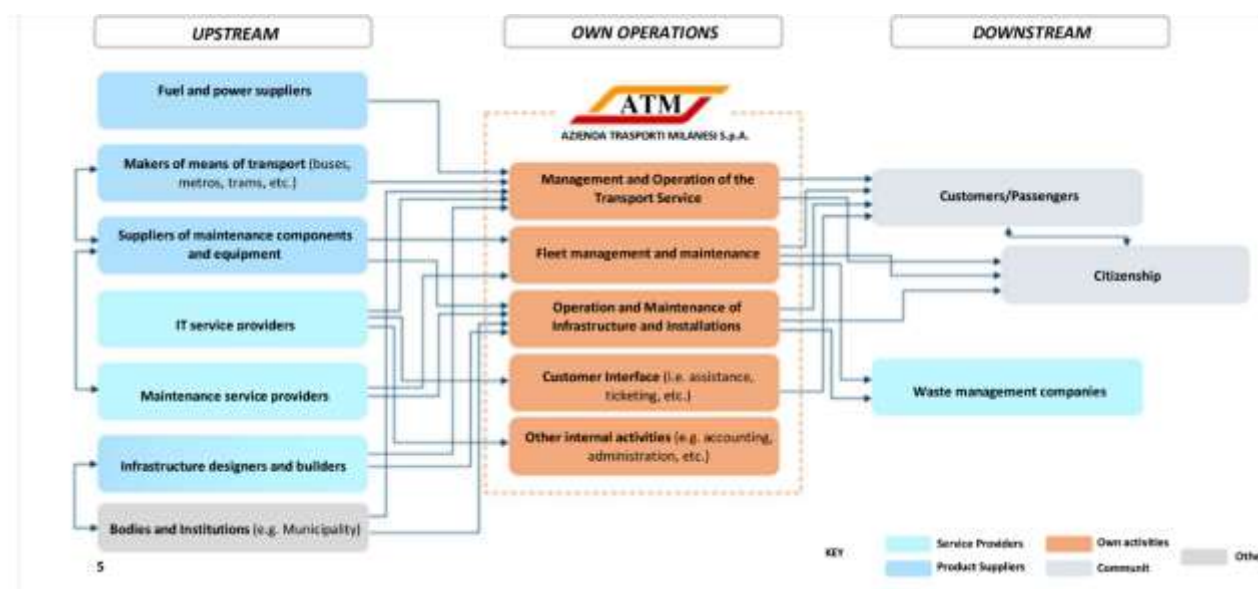
### Output and benefits for stakeholders

The outputs include:

- Local Public Transport services in Italy and European contexts (underground, tram, bus, bike sharing, etc.),
- Integrated urban mobility management: matching parking, removals, ZTL zones,
- Expected benefits:
  - For passengers: safe, punctual, accessible and technologically advanced transport,
  - For municipalities and public stakeholders: urban decongestion, emission reduction and support for sustainable mobility,
  - For investors and the community: growth in corporate value, positive social and environmental impact, creation of skilled employment.

*(SMB-1 42.c)* ATM plays a central role in the value chain, as a direct operator and integrator of public mobility, both as an operator and as a technological innovator.

The customers are the users of the integrated public transport service, which also includes services related to park-and-ride and bike sharing in Milan and the Hinterland, the Como-Brunate funicular, as well as passengers on the Copenhagen underground lines and the light rail in Thessaloniki. The Group's **supply system** comprises almost **2,300 entities**, all in Europe, and includes all categories of services related to the operation and maintenance of integrated public transport and all related activities (e.g. supply for company canteens, etc.). As part of the Double Materiality process, a mapping analysis of the ATM Group's value chain was carried out:



### Value chain: key players and positioning

- *Upstream:* suppliers of vehicles and technology components, energy, maintenance services, security and cleaning; management takes place through procurement and subcontracting in accordance with environmental and social criteria.
- *Downstream:* public bodies (municipalities and metropolitan cities) as main customers, citizens as end users, and key stakeholders such as trade unions, media and investors.
- Channels: ATM provides services through 7 operational models (bus, underground, tram, trolleybus, bike sharing, parking, removals).

### SBM-2 – Interests and views of stakeholders

(SBM-2 45.a, 45.d) The Double Materiality Analysis constitutes one of the main opportunities to engage with all stakeholders in order to identify issues relevant to the business and its stakeholders.

In 2024, the ATM Group involved all the Group's main stakeholders in the Double Materiality process via an online questionnaire:

- BoD and directors.
- Employees: The ATM Group's Management Team (268 Managers) has been involved in a training course that will also cover sustainability issues.
- Customers: a sample of 627 customers with whom ATM has a close relationship was involved, thanks to constant involvement through questionnaires and surveys.
- Entities and Institutions/Universities/Communities/Investors: 254 representatives of the local area as a whole were involved, in view of the greater involvement activity carried out with each of them.

- Suppliers: a group of 50 suppliers considered to be high-risk<sup>15</sup> (as defined by the Ecovadis platform) plus additional suppliers with whom ATM has a longer-standing relationship were selected, for a total of 178 suppliers involved.
- Trade Union Representatives: Both external and internal trade union representatives were involved, totalling 21 representatives.

At the end of the IRO evaluation process through the questionnaire, the answers of the stakeholders are collected, analysed and consolidated. Subsequently, the results of the dual materiality analysis are presented to the relevant committees and then submitted to the Board of Directors for formal approval.

In the normal course of its activities, the Group promotes the implementation of multiple initiatives of involvement and interaction with its stakeholders, maintaining relations based on the principles of transparency, listening and collaboration, which are better described in the table below showing the ATM Group's main stakeholders and the actions taken to involve them.

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<sup>15</sup> The risk calculation methodology includes a composition of 30% procurement risk and 70% carbon impact risk

Stakeholders	Main involvement actions
<b>Customers</b>	Customers have the opportunity to interact with the Group by forwarding their suggestions and complaints through the many channels, physical and digital, available to them. ATM considers the monitoring of perceived quality, through periodic customer satisfaction surveys, to be an important lever for listening to its customers in order to guarantee constant service improvement.
<b>Municipality of Milan and other PA institutions</b>	Multiple working tables ensure continuous discussion and cooperation between the ATM Group, the Municipality of Milan and other PA institutions.
<b>ATM Group employees and their families</b>	The multiple channels available ensure constant interaction between the Group and its employees, aimed at ensuring the analysis and resolution of employee-related problems. These channels include the whistleblowing channel and SA8000 reporting boxes for certified companies.
<b>Suppliers and business partners</b>	The involvement of suppliers is ensured in the course of normal business relations and with reference to the procedures identified by the SA8000 management system.
<b>Investors</b>	Investor relations are ensured through the normal channels set up by the Group for this purpose (e.g. <i>conference calls</i> , <i>web site</i> , periodic financial reports).
<b>Representatives of Research Centres and Universities</b>	ATM makes its know-how related to the management of Local Public Transport systems available to the various research centres and universities with which it collaborates through <i>partnerships</i> education, such as the course “ <i>Mobility: Infrastructures &amp; Services</i> ” in collaboration with the Politecnico di Milano and lectures and scholarships for the Master’s degree “Local Public Transport Management” at the Bicocca University. In addition, ATM collaborates with several universities for the activation of curricular and internship placements for students within the company.
<b>Media Representatives</b>	The media are involved through press conferences, company events and public and official meetings.
<b>Trade union representatives</b>	The involvement of trade union representatives is continuous and is developed in the context of normal relations with the trade unions within the ATM Group.
<b>Territory, local communities and NGOs</b>	Every year ATM organises initiatives aimed at involving local communities in the life of the company, stimulating dialogue between the organisation and the local area.

**(SBM-2 45.b)** For specific comments regarding the interests and opinions of the Group's key *stakeholders*, please refer to the IRO-1 & IRO-2 sections below.

**(SBM-2 45.c.i)** ATM’s Strategic Plan is currently being revised, also in light of the results of the Double Materiality Analysis, which highlighted priority issues for the Group and its stakeholders. It is scheduled to be updated in 2025.

**(SBM-2 45.c.ii.)** In 2025, the supply chain will be involved for the first time in achieving the company's decarbonisation targets through an assessment in cooperation with Ecovadis.



*(SBM-2 45.c.iii)* The ATM supply chain system will have to be increasingly sustainable from an ESG perspective and more and more performance parameters will be gradually required, in particular with regard to actions aimed at decarbonisation. Suppliers will then be progressively driven to join a system that will see them involved in improving their own sustainability performances.

**SBM-3 – Material impact, risks and opportunities and their interactions with strategy and business model**

*(SBM-3 48.a, 48.b, 48.c, 48.h)* Please refer to the table of IROs in the appendix on page 305.

*(SBM-3 48.f)* During 2024, the ATM Group integrated its ERM model through the development of a specific Climate Change Risk Management framework, to identify in more detail the risks and opportunities related to climate change and, consequently, to improve the management of their uncertainty, as well as to strengthen the Group's resilience. In line with the main references and standards in the field of climate risk (i.e. TCFD framework, European Taxonomy, CSRD, IPCC), during the year, physical risk and transition risk/opportunity assessments were carried out on a scope of strategic assets, taking into account three time horizons for assessing potential exposure and medium-long term scenario analyses. These analyses, which are being consolidated, shared and reported company-wide in the months to come, are an essential element in supporting analyses of the resilience of the company's strategy and model to impacts, risks and opportunities.

(SBM-3 48.d)

ESRS Topical Standard	Risk / Opportunity	IRO Description	Time horizon	Boundary	Notes Disclosure - Current Financial Effects	Anticipated Financial Effects
E1- Climate Change	Risk	- Interruption of electricity supply due to grid overloads related to extreme weather events (e.g. increased demand during heat waves), affecting the Group's operations	Short-Medium (1 to 5 years)	Own operations	With regard to current effects, no current risk impacts emerged in the context of the financial materiality assessment.	Phased in
S1- Own work force	Risk	- Attacks on ATM staff by customers and other third parties, resulting in reputational and economic damage due to refunds and possible service interruptions	Short-Medium (1 to 5 years)	Own operations	With regard to current effects, no current risk impacts emerged in the context of the financial materiality assessment.	Phased in
S1- Own work force	Risk	- Strike by ATM staff demanding better working conditions in terms of wages, safety and rights, with consequent impacts on service continuity and reputational damage	Short-Medium (1 to 5 years)	Own operations	With regard to current effects, no current risk impacts emerged in the context of the financial materiality assessment.	Phased in

S1- Own work force	Risk	- Evolution of the labour market leading to difficulties in finding skilful personnel, with consequent operational and reputational impacts due to service reduction and/or reshuffling and training costs	Short-Medium (1 to 5 years)	Own operations	The higher recruiting costs incurred in 2024 to cope with difficulties in finding skilful personnel amounted to more than EUR 404,000	Phased in
Economic, social and cultural rights of communities	Risk	- Negative media campaigns against the company, resulting in reputational damage and loss of revenue in the event of a reduction in the use of its services	Short-Medium (1 to 5 years)	Customers and Communities	With regard to current effects, no current risk impacts emerged in the context of the financial materiality assessment.	Phased in
S4- Consumers and End-Users	Risk	- Driver errors leading to accidents with consequent costs for compensation of personal injuries and repair/replacement of damaged assets	Short-Medium (1 to 5 years)	Own operations	The company incurred costs for claims that occurred during the year in excess of euro 552 thousand. In addition, the company made a provision during the year, net of releases, in the amount of approximately euro 584 thousand for claims that will see citations/appeals in 2024. Taking into account the claims that occurred in 2024, the amount of the 2024 provision is more than EUR 4 million. The company shows in	Phased in
					the financial statements a total fund for all claims, which have outstanding amounts of almost EUR 13 million. Claims costs in the current year	



					amounted to almost EUR 2.5 million. For this fund, the company had a cash flow of about EUR 2.4 million.	
G1-Business Conduct	Risk	- Disclosure of strategic Group information by a supplier resulting in loss of competitive advantage, reputational impacts and legal costs for litigation with the supplier	Short-Medium (1 to 5 years)	Supply chain	With regard to current effects, no current risk impacts emerged in the context of the financial materiality assessment.	Phased in
G1-Business Conduct	Risk	- Corrupt practices/collusion in the award and management of contracts and subcontracts, leading to penalties and reputational damage	Short-Medium (1 to 5 years)	Own operations	With regard to current effects, no current risk impacts emerged in the context of the financial materiality assessment.	Phased in
E1- Climate Change	Opportunities	- Access to public or private funding related to sustainability and climate change mitigation for the development of investments in green infrastructure and decarbonisation programmes, through collaboration with suppliers operating according to	Short-Medium (1 to 5 years)	Own operations	During 2024, three contributions were received in the amount of EUR 58 million. Accrued contributions expected to be collected in subsequent years amount to EUR 206m. The contributions only take into account electric buses, so they are only related to the	Phased in
		certified sustainability standards			two companies ATM and NET.	
E1- Climate Change	Opportunities	- Sourcing from suppliers that adopt low-emission production processes and/or means of transport, fostering sustainability in	Short-Medium (1 to 5 years)	Own operations	With regard to current effects, no current risk impacts emerged in the context of the financial materiality assessment.	Phased in

		the supply chain and consequently improving the Group's reputation				
E1- Climate Change	Opportunities	- Gradual reduction of diesel consumption in its operations and implementation of energy efficiency systems resulting in a reduction of the Group's cost/maintenance efficiency	Short-Medium (1 to 5 years)	Own operations	In 2024, consumption from electric buses amounted to a total cost of approximately EUR 2.3 million. The same distance travelled by conventional (hybrid/diesel) buses would have resulted in costs of around EUR 4.4 million (already net of excise refunds). The use of electric buses therefore allowed the Group a final net saving of EUR 2 million	Phased in
E5-Circular Economy	Opportunities	- Adoption of efficient practices for the management and disposal of post-maintenance waste, favouring recycling where possible, with the consequent possibility of reducing disposal costs due to the optimisation of resources	Short-Medium (1 to 5 years)	Own operations	With regard to current effects, no current risk impacts emerged in the context of the financial materiality assessment.	Phased in

S2-Workers in the value chain	Opportunities	- Adoption/strengthening of systems to monitor working conditions along the value chain, in line with Corporate Sustainability Due Diligence Directive (CSDD) requirements, with positive consequences in terms of reputational and operational efficiency	Short-Medium (1 to 5 years)	Own operations	With regard to current effects, no current risk impacts emerged in the context of the financial materiality assessment.	Phased in
E1- Climate Change	Risk	1. Extreme weather events (e.g. heat waves, frost, heavy downpours, tornadoes, tropical cyclones and floods) impacting the Group's assets with consequences on operations and generating extra costs for the restoration of vehicles and infrastructure	Long (over 5 years)	Own operations	With regard to current effects, no current risk impacts emerged in the context of the financial materiality assessment.	Phased in
E1- Climate Change	Opportunities	Investment in electric vehicles and their charging infrastructure through the use of funds allocated nationally	Long (over 5 years)	Own operations	During 2024, three contributions were received in the amount of EUR 58 million. Accrued contributions expected to be collected in subsequent years amount to EUR 206m. The contributions consider	Phased in
					exclusively electric buses; therefore they relate only to the two companies ATM and NET.	

E1- Climate Change	Opportunities	Increase in the supply of electric vehicles due to the introduction of European regulations requiring suppliers to prohibit the introduction of new combustion vehicles, thereby increasing the production of electric vehicles and reducing procurement costs for the Group	Long (over 5 years)	Own operations	With regard to current effects, no current risk impacts emerged in the context of the financial materiality assessment.	Phased in
G1- Conduct of Enterprises	Opportunities	Growth in promotion/influence in the real estate sector, with consequent economic and reputational benefits	Long (over 5 years)	Own operations	With regard to current effects, no current risk impacts emerged in the context of the financial materiality assessment.	Phased in

### Impact, risk and opportunity management

#### IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities

*(IRO -1 53.h)* Following the introduction of the CSRD (*Corporate Sustainability Reporting Directive*), transposed in Italy with Legislative Decree 125 of 06 September 2024, the ATM Group implemented the **Double Materiality Analysis** according to the methodology suggested by the new reporting standards, the *European Sustainability Reporting Standards (ESRS)*. Therefore, in 2024, the ATM Group developed a governance model and a company-wide integrated operational process for carrying out this analysis.

Dual Materiality is a concept that proposes to overcome the decoupled view of '*financial materiality*' and '*impact materiality*', introducing an integrated solution that recognises the added value of defining material issues by considering both perspectives, **Inside-Out** and **Outside-In**, in order to identify the material impacts, risks and opportunities (IROs) to be reported. Specifically:

- “*Impact materiality*” assesses the relevance of sustainability issues in terms of the impacts generated (positive and negative, actual and potential) on the economy, the

environment and people, including human rights impacts, related to business operations at the upstream and downstream value chain,

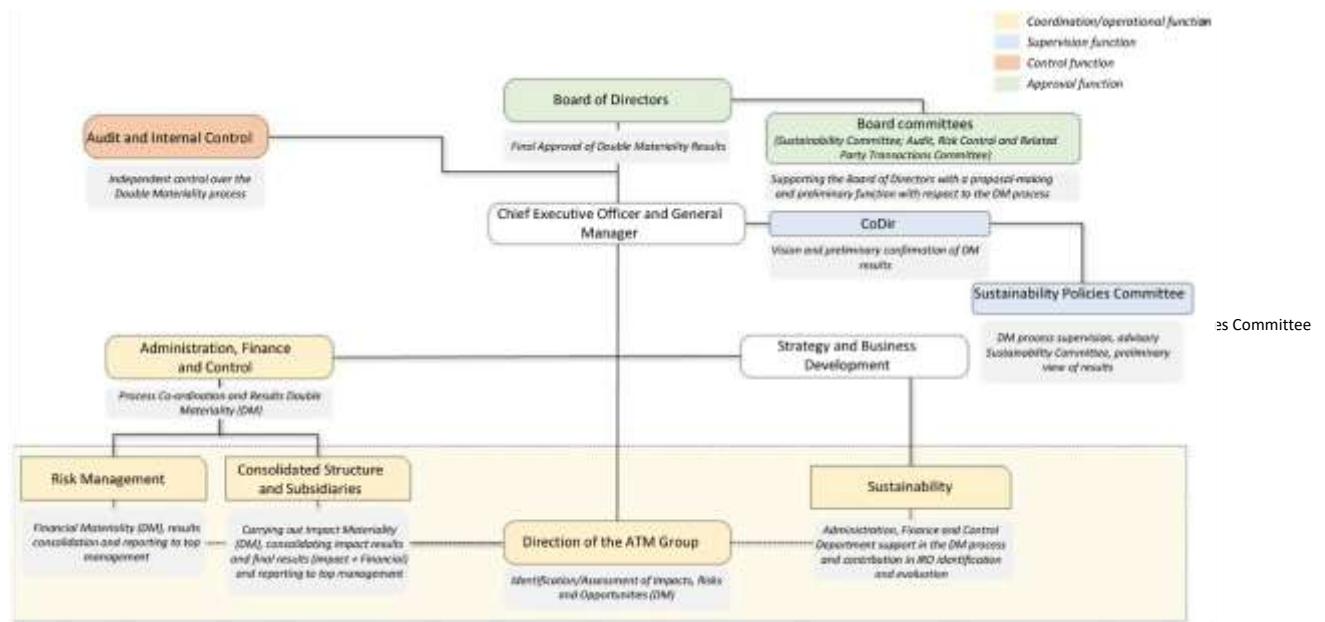
- “*financial materiality*” assesses sustainability aspects that generate risks or opportunities that have or can reasonably be expected to have a material influence on the company’s development, financial position, results of operations, cash flows, access to finance or cost of capital in the short, medium or long term.

The ATM S.p.A. Group’s Governance of the Double Materiality Analysis process provides for its **continuous updating and revision** in response to various factors affecting both the company and the external environment, in order to continuously ensure an up-to-date mapping of relevant impacts, risks and opportunities. These include regulatory changes, such as the introduction of new laws and regulations regarding sustainability and governance, which may require an adjustment of the analysis to ensure full compliance with current legal provisions. In addition, changes in corporate strategy, business models or the ATM S.p.A. Group’s priorities may determine the need for a revision to align the analysis with updated objectives. The emergence of new risks or opportunities related to environmental, social or governance (ESG) issues also requires an update of the analysis to ensure an appropriate response. In general, any change that impacts factors material to the ATM S.p.A. Group or that modifies its operating environment may justify a revision of the process.

The ATM Group’s dual materiality analysis was carried out following the guidelines of the Corporate Sustainability Reporting Directive (CSRD), ESRS 2, IRO-1, IRO-2 as well as the guidance provided in the EFRAG Implementation Guidance - Materiality Assessment.

*(IRO -1 53.e, 53.f)* In implementing the Dual Materiality process, the ATM Group took the opportunity to evolve its corporate business model and its Enterprise Risk Management (hereinafter also referred to as ‘ERM’) framework from an integrated sustainability perspective. In this context, a **new governance structure** was defined for the process of identifying and managing ESG impacts, risks and opportunities, which integrates with the company’s existing ERM process. This new structure and new operational model are designed to ensure the smooth running of the Dual Materiality process, in line with regulatory requirements.

Below is an overview of roles and responsibilities.



(IRO-1 53.d) The Administration, Finance and Control Department, supervised by the Sustainability Policies Committee<sup>16</sup> and the Audit and Internal Control Department,<sup>17</sup> coordinates the process and results of Double Materiality and, in particular:

- the *Risk Management* department carries out the *Financial Materiality* process, reviewing the processes, tools and methodologies for carrying out the latter (e.g. revision of the rating scales), updating the list of ESG risks and opportunities and coordinating the involvement of the corporate departments in the process of identifying and assessing Risks and Opportunities,
- the Consolidated, Structure and Subsidiaries function, supported by the Sustainability department, performs the *Impact Materiality* process, also reviewing the processes, tools and methodologies used (e.g. selection and methodology of *engagement of stakeholders*), updating the list of all impacts taking into account the evolution of the internal and external context (regulatory changes and/or *trends* in the sector), coordinating the involvement of *stakeholders* and, finally, consolidating the *Impact* and Financial Materiality data.

Once the Double Materiality data have been consolidated, the results are preliminarily reviewed by the Sustainability Policy Committee and, subsequently, by the CoDir, which views them and may, if necessary, request additions after sharing them with the Board of Directors.

The Board Committees support the Board of Directors in verifying the alignment of the results of the Dual Materiality process with the Group's ESG strategy and objectives, with a proactive

<sup>16</sup> Guarantees the correct implementation of the Double Materiality process at every stage.

<sup>17</sup> Verifies and ensures that the Dual Materiality process is carried out correctly with respect to regulatory requirements, reporting any irregularities encountered.

and investigative function. The final stage of the process is in the hands of the Board of Directors, which is responsible for the final approval of the results, ensuring their alignment with the corporate strategy, objectives and business model.

The process of identifying impacts, risks and opportunities related to environmental, social and *governance* (ESG) aspects is a key step in ensuring that the company operates in a sustainable and responsible manner, proactively addressing potential risks and seizing opportunities that may emerge from a changing environment.

*(IRO - 1 53.a, 53.g)* The Double Materiality process followed a path structured in 3 main steps, which allowed to ensure an accurate and complete assessment of the ATM S.p.A. Group and its business relationships, as well as to consider various aspects and dimensions of impacts, risks and opportunities. The analyses performed were as follows:

- **Analysis of the company's activities and its commercial relationships:** analysis of the *value chain* of the Group's upstream and downstream businesses makes it possible to identify the various types of business relationships undertaken and, therefore, provides an understanding of the nature of the operations that contribute to the production, distribution and consumption of the products or services offered by both suppliers and the Group, facilitating the identification of critical points where ESG factors (environmental, social and governance) may influence the company's activities.
- **Analysis of the ESG context**, with particular reference to the external context relevant to ATM's activities, in order to identify risks and opportunities related to environmental, social and governance issues that may affect business.
- **Mapping and prioritisation of *stakeholders*** in order to identify all the Group's *stakeholders*, understand their expectations and establish engagement strategies.

After analysing ATM's internal and external context and identifying the stakeholders to be involved in the Dual Materiality process, a preliminary list of sustainability issues, and related impacts, risks and opportunities (IROs), relevant to the business was defined. The identification of the *long list of impacts, risks and opportunities* (IROs) to be submitted to internal and external stakeholders for evaluation was carried out taking into consideration the:

- **internal context:** such as the Risk Register of the Group and Subsidiaries, the Group Sustainability Plan and previous materiality analyses,
- **external context:** such as national and international regulatory developments to identify possible obligations and opportunities with respect to new sustainability issues, *benchmark analysis of competitors*, changing conditions in the Group's target markets (influenced by the effects of climate change), list of the 10 ESRS *Topical*

*Standard* identified within AR 16 of ESRS 1 (in order to verify the coverage of all sustainability issues suggested by the CSRD standard).

The *Impact* Materiality process identifies, analyses and evaluates the significant impacts (positive or negative, actual or potential) that the ATM S.p.A. Group's activities may have on the external environmental and social context, including human rights. The first step in this process was to identify, on the basis of industry benchmark analyses, the list of possible impacts to be subsequently subjected to stakeholder evaluation.

The identified impacts were traced to the topics suggested by AR 16 of ESRS 1 and in particular to the Topical Standard, the Sub-Topics and the Sub-Sub Topics.

*(IRO-1 53.b.i-ii-iii-iv)* The assessment of impacts by internal and external stakeholders was carried out through the use of quantitative and qualitative scales that allowed for the assessment of the higher or lower magnitude of the individual impact. The identified scales covered two main spheres: environment (potential environmental damage) and society (worsening working conditions/violation of human rights/damage to the health and safety of customers/workers/affected communities).

For each impact, in addition to their nature (positive, negative) and type (actual, potential), the area along the value chain where the impact is generated was identified, whether in its own operations or whether in the upstream or downstream phase.

As mentioned above, the long list of impacts was submitted to internal and external stakeholders for evaluation, by sharing a questionnaire in which they were asked to rate the magnitude of the individual impact, taking into consideration their own relationship with ATM and their own sensitivity.

In particular, the analysis involved more than 1,365 external stakeholders, including customers, the Municipality of Milan and other Public Administration institutions, ATM Group employees and their families, suppliers and commercial partners, investors, representatives of research centres and universities, the media, trade union representatives and the territory, local communities and NGOs. It should be noted that a representative sample was selected for each category of stakeholders.

Once the stakeholder assessments were received, they were analysed and consolidated in order to identify which impacts, based on magnitude and likelihood of occurrence, were considered most relevant to the Group. The **prioritisation of impacts** was performed by conducting an initial exercise of voting on the actuality/potentiality of the impact, the time horizon in which the impact is most likely to occur, scoring of magnitude, extent and irreparability, and scoring of likelihood.



Specifically, the impact is assessed by multiplying the magnitude by the probability of occurrence where, with reference to current impacts, a probability of 4 has always been assigned while for potential impacts a scale of 1 to 4 has been assessed.

The magnitude was assessed on a scale of 1 to 4, based on the intensity of the damage/benefit that positive/negative impacts may generate for the environment and people in terms of scope (severity), magnitude (extent) and irreparability (for negative impacts only).

The results that emerged were subsequently analysed and consolidated using a weighting system of the participants' vote, based on the type of vote as well as the number of impacts that were assessed by each stakeholder. Therefore, an impact is material for the Group if it exceeds the materiality threshold outlined, which, moreover, is in line with the threshold adopted in ERM for the identification of critical risks for the ATM S.p.A. Group.

It should be noted that, at the end of the materiality analysis, the identified IROs were not prioritised for immediate handling. However, the Group is committed to taking this action in the coming year, with the aim of defining and implementing a structured management plan to address them effectively and in a timely manner.

At the same time as the impact analysis, the "Financial Materiality" took place, involving all ATM Group Departments, in order to ensure a comprehensive mapping of sustainability risks and opportunities relevant to the company. For each Directorate, ESG risks and opportunities were preliminarily identified for assessment by the Directors. The latter were involved in in-depth interviews during which they were invited to assess the risks and opportunities identified in the pre-assessment phase and, if necessary, to supplement the preliminary list if there were new risks and opportunities relevant to their management and to the ATM S.p.A. Group. Where it was possible to assess the economic and financial impact of the risks and opportunities considered, a quantitative evaluation was given by the Director involved in the interview.

*(IRO - 1 53.c.i)* The identification of the long list of risks and opportunities took into consideration the **connections and dependencies** existing; these and the impacts generated by the company, according to a cause-effect approach, based on the in-depth analysis of the specific contents of each sub-topic. This approach made it possible to map the interactions between IROs in a systematic way, highlighting how sustainability aspects influence each other and contributing to an overall picture that favours an integrated and coherent management of the issues.

(IRO - 1 53.c.ii) The **magnitude of risks** and the **benefit of opportunities** were assessed on a scale of 1 to 4, in line with the evaluation scales of the corporate ERM Model in use (suitably revised), according to the following dimensions:

- Risks: Economic-financial, Reputational, Legal and Compliance, Service Interruption, Operational Efficiency.
- Opportunities: Economic-financial, Reputational, Operational Efficiency.
- Probability was assessed on a scale of 1 to 4 and on the time horizon identified as most relevant between Short- and Medium-term (1 - 5 years) and Long-term (more than 5 years).

(IRO - 1 53.c.iii) Finally, the prioritisation methodology for sustainability risks is the same as that used for the prioritisation of other corporate risks in line with the ERM framework adopted by the Group. Specifically, this involves ranking by areas of criticality within a relevance matrix where the green area contains non-critical risks, the yellow area contains risks to be monitored continuously, the orange area contains critical risks and the red area contains very critical risks. For the Dual Materiality process, the materiality threshold identified for IROs, in line with the qualitative threshold adopted in ERM, coincides with the area of the materiality matrix identifying very critical risks.

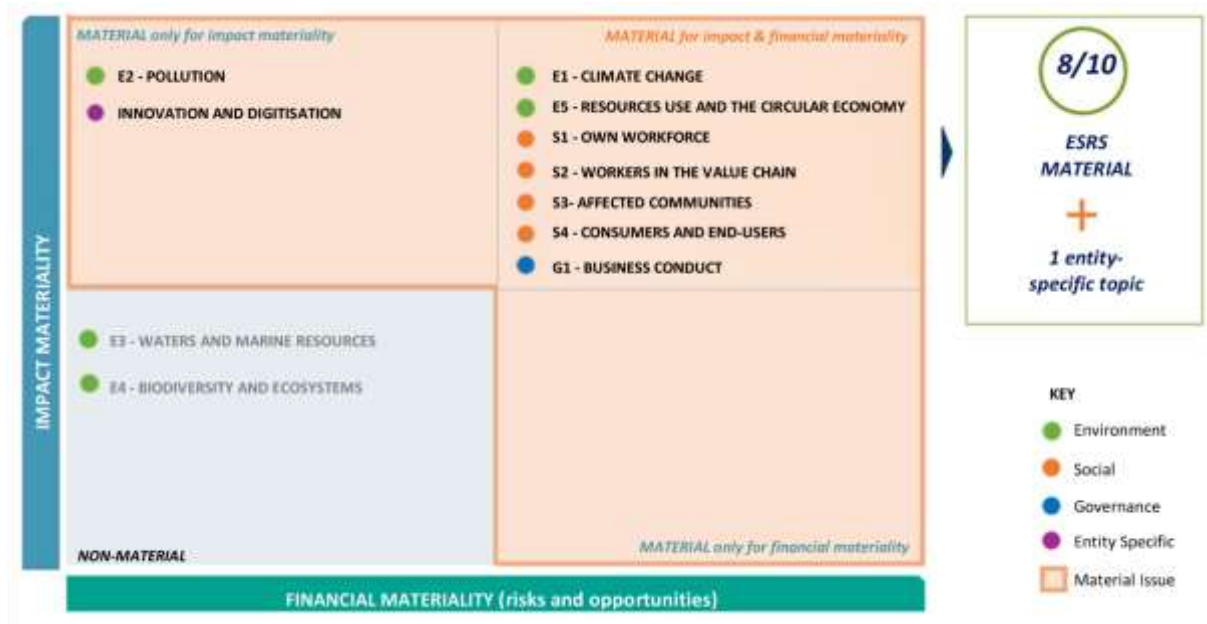
## **IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement**

(IRO-2 59) Once the results of the Impact and the Financial Materiality were defined, they were consolidated within a **Double Materiality Matrix**. It should be noted that a sustainability issue is material if the impacts, risks and opportunities (IROs) associated with it are material. IROs are material if they have exceeded the "**materiality threshold**" set by the ATM Group. This analysis resulted in eight material sustainability themes plus one entity specific topic concerning innovation and digitisation. The double materiality analysis was presented and approved by ATM S.p.A.'s Board of Directors on 19 December 2024.

In addition to dictating the Group's areas of action in the field of sustainability, the material issues revealed by the analysis described above are also the starting point for identifying the contents of this document and the foundation on which the Group has drawn up its sustainability plan.

Illustrated below is the 2024 Dual Materiality Matrix, which shows that the topics E2 - Pollution and the entity specific topic of Innovation and Digitalisation, were material for the Impact Materiality alone. While for both Impact and Financial Materiality the topics for which the ATM Group is committed to reporting are: E1 -Climate Change, E5 - Resources Use and

the Circular Economy, S1 - Own Workforce, S2 - Workers along the Value Chain, S3 - Affected Communities, S4 - Consumers and End-Users and G1 - Business Conduct.



(IRO-2 58) On the other hand, the topics concerning ESRS E3 - Water and Marine Resources and ESRS E4 - Biodiversity and Ecosystems were not relevant, as the IRO's associated with these topics did not exceed the materiality threshold. Considering all of the ATM S.p.A. Group's activities, there are no activities that could impact biodiversity and, therefore, no risks for ATM's business emerge, being totally unrelated to biodiversity.

(IRO-2 56)

**Appendix B to ESRS 2 (List of information elements referred to in the cross-cutting and topics principles stemming from other EU legislative acts).**

Disclosure requirement and related datapoint	SFDR Reference <sup>18</sup>	Pillar 3 Reference <sup>19</sup>	Benchmark regulation reference <sup>20</sup>	EU regulatory reference on climate <sup>21</sup>	Not relevant
ESRS 2 GOV-1 Board's gender diversity paragraph 21(d)	Annex I, Table 1, Indicator No. 13		Commission Delegated Regulation (EU) 2020/1816 <sup>(16)</sup> , Annex II		
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21(e)			Delegated Regulation (EU) 2020/1816, Annex II		
ESRS 2 GOV-4 Statement on due diligence, paragraph 30	Annex I, Table 3, Indicator No. 10				
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40(d)(i)	Annex I, Table 1, Indicator No. 4	Article 449a Regulation (EU) No 575/2013;   Commission Implementing Regulation (EU) 2022/2453 <sup>(17)</sup> Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		NOT RELEVANT
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40(d)(ii)(ii)	Annex I, Table 2, Indicator No. 9		Delegated Regulation (EU) 2020/1816, Annex II		NOT RELEVANT
ESRS 2 SBM-1 Participation in activities related to controversial weapons, para. 40(d)(iii)	Annex I, Table 1, Indicator No. 14		Article 12(1) Delegated Regulation (EU) 2020/1818 <sup>(18)</sup> , Annex II and Annex II of Delegated Regulation (EU) 2020/1816		NOT RELEVANT
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40(d)(iv)			Article 12(1) Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816		NOT RELEVANT
ESRS E1-1 Transition plan to achieve climate neutrality by 2050, paragraph 14				Article 2(1) of Regulation (EU) 2021/1119	

18. Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability reporting in the financial services sector (Regulation on sustainability reporting in the financial sector) (OJ L 317, 9.12.2019, p. 1).

19. Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and

*amending Regulation (EU) No 648/2012 (Capital Requirements Regulation "CRR") (OJ L 176 of 27.6.2013, p. 1).*

*20. Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 concerning indices used as benchmarks in the financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).*

*21. Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for the achievement of climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ("European Climate Law") (OJ L 243, 9.7.2021, p. 1).*

ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16(g)		Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Article 12(1)(d) to (g), and Article 12(2) of Delegated Regulation (EU) 2020/1818		
ESRS E1-4 GHG emission reduction targets paragraph 34	Annex I, Table 2, Indicator No. 4	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book - Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Annex I, Table 1, Indicator No. 5 and I, Table 2, Indicator No. 5				
ESRS E1-5 Energy consumption and mix paragraph 37	Annex I, Table 1, Indicator No. 5				
ESRS E1-5   Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Annex I, Table 1, Indicator No. 6				
ESRS E1-6   Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Annex I, Table 1, Indicators 1 and 2	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		
ESRS E1-6 Gross GHG emissions Intensity paragraphs 53 to 55	Annex I, Table 1, Indicator No. 3	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book - Climate change transition risk: alignment metrics	Article 8(1) of Delegated Regulation (EU) 2020/1818		
ESRS E1-7 GHG removals and carbon credits, paragraph 56				Article 2(1) of Regulation (EU) 2021/1119	NOT REPORTED

ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Phase-in
Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66(a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66(c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk			Phase-in
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67(c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Phase-in
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Phase-in
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex I Indicator number 2 Table #2 of Annex I Indicator number 1 Table #2 of Annex I Indicator number 3 Table #2 of Annex I				
ESRS E3-1 Water and marine resources paragraph 9	Annex I, Table 2, Indicator No. 7				NOT RELEVANT
ESRS E3-1 Dedicated policy paragraph 13	Annex I, Table 2, Indicator No. 8				NOT RELEVANT
ESRS E3-1 Sustainable oceans and seas paragraph 14	Annex I, Table 2, Indicator No. 12				NOT RELEVANT
ESRS E3-4 Total water recycled and reused paragraph 28(c)	Annex I, Table 2, Indicator No. 6.2				NOT RELEVANT
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Annex I, Table 2, Indicator No. 6.1				NOT RELEVANT
ESRS 2 SBM-3 - E4 paragraph 16(a)(i)	Annex I, Table 1, Indicator No. 7				NOT RELEVANT
ESRS 2 SBM-3 - E4 paragraph 16(b)	Annex I, Table 2, Indicator No. 10				NOT RELEVANT
ESRS 2 SBM-3 - E4 paragraph 16(c)	Annex I, Table 2, Indicator No. 14				NOT RELEVANT
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24(b)	Annex I, Table 2, Indicator No. 11				NOT RELEVANT
ESRS E4-2 Sustainable oceans / seas practices or policies	Annex I, Table 2, Indicator No. 12				NOT RELEVANT

paragraph 24(c)					
ESRS E4-2 Policies to address deforestation paragraph 24(d)	Annex I, Table 2, Indicator No. 15				NOT RELEVANT
ESRS E5-5 Non-recycled waste paragraph 37(d)	Annex I, Table 2, Indicator No. 13				
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Annex I, Table 1, Indicator No. 9				
ESRS 2 - SBM3 - S1 Risk of incidents of forced labour paragraph 14(f)	Annex I, Table 3, Indicator No. 13				
ESRS 2 - SBM3 - S1 Risk of incidents of child labour paragraph 14(g)	Annex I, Table 3, Indicator No. 12				
ESRS S1-1 Human rights policy commitments paragraph 20	Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11				
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Annex I, Table 3, Indicator No. 11				
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Annex I, Table 3, Indicator No. 1				
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32(c)	Annex I, Table 3, Indicator No. 5				
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88(b) and (c)	Annex I, Table 3, Indicator No. 2		Delegated Regulation (EU) 2020/1816, Annex II		
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88(e)	Annex I, Table 3, Indicator No. 3				
ESRS S1-16 Unadjusted gender pay gap paragraph 97(a)	Annex I, Table 1, Indicator No. 12		Delegated Regulation (EU) 2020/1816, Annex II		
ESRS S1-16 Excessive CEO pay ratio paragraph 97(b)	Annex I, Table 3, Indicator No. 8				
ESRS S1-17 Incidents of discrimination paragraph 103(a)	Annex I, Table 3, Indicator No. 7				
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Annex I, Table 1, Indicator No. 10 and Annex I, Table 3, Indicator No. 14		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		
ESRS 2 SBM-3 - S2 Significant risk of child labour or forced labour in the value chain paragraph 11(b)	Indicators number 12 and n. 13 Table #3 of Annex I				
ESRS S2-1 Human rights policy commitments paragraph 17	Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11				



ESRS S2-1 Policies related to value chain workers paragraph 18	Indicators number 11 and n. 4 Table #3 of Annex I				
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Annex I, Table 1, Indicator No. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Annex I, Table 3, Indicator No. 14				
ESRS S3-1 Human rights policy commitments paragraph 16	Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11				
ESRS S3-1 Non-compliance with UN Guiding Principles on Business and Human Rights, ILO principles or OECD Guidelines, para. 17	Annex I, Table 1, Indicator No. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		
ESRS S3-4 Human rights issues and incidents paragraph 36	Annex I, Table 3, Indicator No. 14				
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11				
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 17	Annex I, Table 1, Indicator No. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		
ESRS S4-4 Human rights issues and incidents paragraph 35	Annex I, Table 3, Indicator No. 14				
ESRS G1-1 United Nations Convention against Corruption paragraph 10(b)	Annex I, Table 3, Indicator No. 15				
ESRS G1-1 Protection of whistle-blowers paragraph 10(d)	Annex I, Table 3, Indicator No. 6				
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24(a)	Annex I, Table 3, Indicator No. 17		Delegated Regulation (EU) 2020/1816, Annex II		
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24(b)	Annex I, Table 3, Indicator No. 16				

## 7.2 Environmental Information

### Disclosure pursuant to Article 8 of regulations (EU) 2020/852 (Taxonomy Regulations)

Established by EU Regulation 2020/852 and with the aim of promoting investments with environmental and social objectives, the Taxonomy is a unified and formalised system for classifying sustainable economic activities in Europe. As a "Financial Undertaking", in the light of the provisions of the aforementioned Regulation (hereinafter also referred to as the "Taxonomy Regulation") and further related legislation, the ATM Group shall report for the financial year 2024 the portion of its turnover, capital expenditure and operating expenditure associated with economic activities considered environmentally sustainable in accordance with Articles 3 and 9 of the Taxonomy Regulation.

In particular, the Taxonomy now defines six environmental objectives:

- Climate change mitigation,
- Adaptation to climate change,
- Sustainable use and protection of water and marine resources,
- Transition to a circular economy,
- Pollution prevention and control,
- Protection and restoration of biodiversity and ecosystems.

With the publication in 2023 of the Delegated Acts of the EU Taxonomy, new activities were introduced concerning both the first two targets, already valid for 2022 reporting, and the remaining four environmental targets defined by Art. 9 of the Taxonomy Regulation.

The ATM Group then reviewed the list of economic activities included in the reference documentation. This process of analysis was carried out by comparing the activities carried out by the Group with those defined in the technical reference documentation, consistent with the list of NACE and ATECO codes to which they belong. Based on the developed interpretation and in continuity with last year's reporting, the activities that characterise the Group's operations are mainly attributable to the economic activities of "Urban and suburban passenger transport by road" and "Operational management of personal mobility devices" belonging to the first two climate change mitigation and adaptation objectives and identified in the respective codes 6.3 and 6.4 as per the reference regulations.

As a first step of analysis, the reference legislation requires the reporting of a series of information regarding the economic activities considered eligible<sup>18</sup> or ineligible<sup>19</sup> for the European Taxonomy (hereinafter also referred to as "Eligible" and "Ineligible" Activities). The notion of "*Eligibility*" refers to all activities included in the Delegated Acts on the objectives of the Taxonomy and only indicates that a given activity could potentially lead to a substantial contribution to one of the six environmental objectives of the Taxonomy, without also expounding on the concept of its sustainability. The regulations also specify that eligibility must be assessed and reported for activities belonging to all six environmental objectives.

The second *step* of analysis refers instead, within the framework of the "Eligible Activities", to the identification of activities aligned<sup>20</sup> or not aligned with the European Taxonomy (hereinafter also "Aligned" and "Not Aligned" Activities). In particular, the notion of alignment implies that an activity meets all the requirements specifically listed for it in the Taxonomy. Only when an activity fulfils the technical screening criteria, the Do Not Significant Harm criteria and compliance with the minimum safeguard criteria can it be defined as "Aligned".

### **Eligible Activities**

In light of these previous interpretations, and as described in more detail below, the Group has calculated the proportion of turnover, capital expenditure and operating expenditure related to economic activities currently considered eligible for Taxonomy with reference to the Climate Change Mitigation and Adaptation objectives, reserving the right to conduct more in-depth analyses for the additional four environmental objectives during the future reporting year. In particular, the following percentage values were found<sup>21</sup>:

<sup>18</sup> Economic activity described in the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) and 15(2) of Regulation (EU) 2020/852, irrespective of whether such economic activity meets any or all of the technical screening criteria set out in those delegated acts.

<sup>19</sup> Economic activity not described in the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) and 15(2) of Regulation (EU) 2020/852.

<sup>20</sup> Economic activities meeting all the requirements of Art. 3 of Reg. EU 2020/852.

<sup>21</sup> The analysis and calculation of the KPIs were carried out in the light of the Group's interpretation of the information defined in Annex I of the "Delegated Regulation (EU) 2021/2178 of the European Commission of 6 July 2021 supplementing Article 8 of Regulation (EU) 2020/852) and the document "Draft Commission notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation on the reporting of eligible economic activities and assets" of 2 February 2022. For the calculation of the KPIs, potential double counting in the allocation of Turnover, CapEx and OpEx to the numerator was avoided through the use of financial information as accounted for in the Consolidated Financial Statements as at 31 December 2024, subsequently linked to the economic activities referred to in the Climate Delegated Act.

KPIs	2024	
	Eligible	Non Eligible
Revenue	88.84%	11.16%
CapEx	98.85%	1.15%
OpEx	97.48%	2.52%

### Turnover Calculation Methodology

Consolidated net sales in accordance with IAS 1.82(a) were considered in the denominator.

With regard to the numerator, based on the interpretation of the Taxonomy Regulation, revenues from Parking Spaces, Car Parks and removals, advertising and space rental, vending machines in action at underground stations, management of Area B-C, SCTT [Sistema Integrato di Controllo del Traffico e del Territorio (Integrated Traffic and Territorial Control System)], sale of materials, contributions from the National Collective Agreement, deductions for employee services (e.g., day-care centres) and EU contributions for training courses were excluded. The financial data included in this KPI reflect what is reported in the Consolidated Financial Statements in relation to the composition of revenues and other operating income.

### CapEx Calculation Methodology

In the denominator, additions to tangible and intangible fixed assets for the year 2024 were considered, before depreciation, amortisation and any revaluations, including those resulting from restatements and reductions in value, excluding changes in fair value. The denominator includes, in particular, all investments in Tangible and Intangible Fixed Assets and Rights of Use.

For the calculation of the numerator, increases in fixed assets were considered permissible in line with the adopted interpretation of the Taxonomy Regulation and further normative references. In fact, increases in fixed assets related to the purchase of output from taxonomy-eligible economic activities and/or related to measures implemented to reduce atmospheric emissions were considered eligible. For this reason, consistent with the methodology adopted for turnover, investments in Parking Spaces, Car Parks and removal, advertising and space rental, AREA B-C and SCTT, and kindergarens were excluded. The financial data included in this KPI reflect the investments reported within the Consolidated Financial Statements, in the section Commentary on the ATM Group's Economic and Financial Performance.

### Methodology for calculating OpEx

In the denominator, non-capitalised direct costs related to research and development, building renovation measures, short-term rent and variable rents, maintenance and repair as well as any other direct expenditure related to the day-to-day maintenance of property, plant and equipment were taken into account. Expenditure on the day-to-day operation of property, plant and equipment has not been included.

In the numerator, costs included in the denominator relating to the purchase of output from taxonomy-eligible economic activities and/or relating to measures implemented to reduce atmospheric emissions were considered eligible: in particular, costs for Group maintenance labour, costs for material consumption and costs for services in connection with maintenance and leasing/short-term rental were included. Consequently, the remainder of the costs included in the denominator were considered ineligible. The figures considered in this KPI reflect the non-capitalised direct costs reported within the Consolidated Financial Statements, in the section Commentary on the ATM Group's Economic and Financial Results - Costs and Other Operating Charges.

### Aligned Activities

A business economic activity that complies with the minimum safeguards and contributes to at least one of the six environmental objectives set out in Article 9 of the Taxonomy Regulation and, does not harm the other five objectives considered by the same Regulation, can be considered an activity aligned to the EU Taxonomy.

Therefore, once the eligible economic activities were identified, the ATM Group undertook to verify that they were in line with the technical criteria set out in the Regulation. *Aligned* analyses were also conducted on the basis of the "*Climate Change Risk Assessment*" document, which aims to identify the exposure of the Group's activities and assets to climate change, in the short, medium and long term. The analysis also aims to assess the Group's resilience to relevant climate risks, identifying the measures and actions implemented to address the highlighted risks. Therefore, for the year 2024, the ATM Group conducted a more in-depth analysis and came up with Turnover, CapEx and OpEx percentages aligned to the Taxonomy.

### Turnover Calculation Methodology

All the *checklists* required by the Standard (minimum safeguards - technical screening criteria - DNSH) have been reviewed.

With regard to LPT activity 6.3, the turnover for the underground and Tram Service Contract was taken into account (as they are considered 100% environmentally friendly means of transport as they are electrically driven, as well as meeting the previous checklist).

Activity 6.4 *bike sharing* , on the other hand, was considered eligible and aligned at 100%, and its value was taken into account within the accounts 400106 and 400119.

### **CapEx Calculation Methodology**

All the *checklists* required by the Standard (minimum safeguards - technical screening criteria - DNSH) have been reviewed.

Investments in underground and tram projects were taken into account.

All interventions that, partially or totally, impact on the activities identified as the scope of analysis (trains+tram) were considered aligned with the Taxonomy. This category also includes, for example, interventions on ticketing, equipment or facilities, etc., whose (partial) impact on the activities mentioned above is calculated on the basis of drivers ad hoc, such as the passenger/km of trains and trams.

### **Methodology for calculating OpEx**

All the *checklists* required by the Standard (minimum safeguards - technical screening criteria - DNSH) have been reviewed.

All costs subject to analysis that impact on the activities identified as the scope of analysis (trains+tram) were considered aligned to the taxonomy. All analysed costs incurred by Metro Service, Thema and Rail Diagnostics S.p.A. fall into this category at 100%. As far as ATM S.p.A. is concerned, for each account subject to analysis, the specific share of overturning on the Tram and Train transport modes was considered.

Attached are the taxonomy tables.

## Annexes

Table 49: Turnover KPIs

Financial year 2024	2024	Substantial contribution criteria										DNHS criteria for 'do no significant harm' (b)													
Economic activities (1)	Code (4) (2)	Abbreviate turnover (3)	Share of turnover, 2024 (4)	Climate Change Mitigation		Climate Change Adaptation		Water, Marine and Resources (5)		Circular economy (6)		Pollution (7)		Biodiversity and ecosystems (10)		Climate change mitigation	Climate Change Adaptation	Water, Marine and Resources (11)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Regeneration (17)	Share of turnover aligned (A.1.) or eligible (A.2) to taxonomy year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
				Yes/No/ N/EL (8) (a)	Yes/No/ N/EL (9) (a)	Yes/No/ N/EL (10) (a)	Yes/No/ N/EL (11) (a)	Yes/No/ N/EL (12) (a)	Yes/No/ N/EL (13) (a)	Yes/No/ N/EL (14) (a)	Yes/No/ N/EL (15) (a)	Yes/No/ N/EL (16) (a)	Yes/No/ N/EL (17) (a)	Yes/No/ N/EL (18) (a)	Yes/No/ N/EL (19) (a)										
A. TAXONOMY-ELIGIBLE ACTIVITIES																									
A.1 Environmental sustainable activities (Taxonomy-aligned)																									
Urban and suburban transport, road passenger transport		CCM 6.3 /CCA 6.	649,690.17	55.95%	Yes	No	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.00%			
Management of personal mobility devices, cycling		CCM 6.4 /CCA 6.	976.32	0.08%	Yes	No	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.00%			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)			650,666.50	56.03%	%	%	%	%	%	%	%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.00%			
of which enabling				%	%	%	%	%	%	%	%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes				
of which transitional				%	%							Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes				
A.2 Taxonomy-eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (g)																									
					EL/ N/EL	EL/ N/EL	EL/ N/EL	EL/ N/EL	EL/ N/EL	EL/ N/EL	EL/ N/EL	Optional										%			
Urban and suburban transport, road passenger transport		CCM 6.3 /CCA 6.	880,985.851	32.81%	EL	EL	N/EL	N/EL	N/EL	N/EL	N/EL											100.00%			
Management of personal mobility devices, cycling		CCM 6.4 /CCA 6.	-	0.00%	EL	EL	N/EL	N/EL	N/EL	N/EL	N/EL											0.00%			
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)			880,985.85	32.81%	%	%	%	%	%	%	%											00.70%			
Total (A.1 + A.2)			1,031,652.34	88.84%	%	%	%	%	%	%	%														
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																									
Turnover from activities not eligible for taxonomy (B)			129,632	11.16%																					
Total (A + B)			1,161,284	100.00%																					

- a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.:

- Climate Change Mitigation: CCM,
- Climate Change Adaptation: CCA,
- Water and Marine Resources: WTR,
- Circular Economy: CE,
- Pollution Prevention and Control: PPC,
- Biodiversity and Ecosystems: BIO.

Yes - Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective

No - No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective

N/EL - not eligible, Taxonomy-non-eligible activity for the relevant environmental objective

Where an economic activity contributes substantially to multiple environmental objectives, non-financial undertakings shall indicate, in bold, the most relevant environmental objective for the purpose of computing the KPIs of financial undertakings while avoiding double counting. In their respective KPIs, where the use of proceeds from the financing is not known, financial undertakings shall compute the financing of economic activities contributing to multiple environmental objectives under the most relevant environmental objective that is reported in bold in this template by non-financial undertakings. An environmental objective may only be reported in bold once in one row to avoid double counting of economic activities in the KPIs of financial undertakings. This shall not apply to the computation of Taxonomy-alignment of economic activities for financial products defined in point (12) of Article 2 of Regulation (EU) 2019/2088. Non-financial undertakings shall also report the extent of eligibility and alignment per environmental objective, that includes alignment with each of environmental objectives for activities contributing substantially to several objectives, by using the template below:

	Share of turnover/total turnover	
	Aligned with taxonomy by objective	Eligible for Taxonomy by objective
CCM	56.03%	88.84%
CCA	%	%
WTS	%	%
CE	%	%
PPC	%	%
BIO	%	%

- a) An activity may align with only one or more environmental objectives for which it is eligible.
- b) An activity may be eligible and not aligned with the relevant environmental objectives.
- c) EL - Taxonomy eligible activity for the relevant objective  
N/EL - Taxonomy non-eligible activity for the relevant objective.
- d) Activities are only indicated in section A.2 of this template if they are not aligned with any environmental objective for which they are eligible. Activities that align with at least one environmental objective are indicated in section A.1 of this template.
- e) In order for an activity to be included in Section A.1, it must fulfil all DNSH criteria and the relevant minimum safeguards. For the activities listed in Section A.2, non-financial corporations may complete columns 5 to 17 on a voluntary basis. Non-financial enterprises may indicate in Section A.2 the substantive contribution and DNSH criteria met or not met, using: for substantive contribution - codes Yes/No and N/AM instead of AM and N/AM and for DNSH - codes Yes/No.



Table 50: CapEx KPIs

Financial year 2024	2024	Substantial contribution criteria										DNHS criteria for 'do no significant harm' (b)													
Economic activities (1)	Code (A) (2)	Absolute capital expenditure (3)	Capital expenditure from, per	Climate Change Mitigation	Climate Change Adaptation	Water and Marine Resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation	Climate Change Adaptation	Water and Marine Resources (11)	Circular economy (12)	Pollution (13)	Biodiversity and ecosystems (14)	Climate Change Mitigation	Climate Change Adaptation	Water and Marine Resources (15)	Circular economy (16)	Pollution (17)	Biodiversity and ecosystems (18)	Share of Optics aligned (A.1) or eligible (A.2) to taxation, Year N-1 (18)	Category enabling activity (129)	Category transitional activity (130)	
				Yes/No/ N/EL	Yes/No/ N/EL	Yes/No/ N/EL	Yes/No/ N/EL	Yes/No/ N/EL	Yes/No/ N/EL	Yes/No/ N/EL	Yes/No/ N/EL	Yes/No/ N/EL	Yes/No/ N/EL	Yes/No/ N/EL	Yes/No/ N/EL	Yes/No/ N/EL	Yes/No/ N/EL	Yes/No/ N/EL	Yes/No/ N/EL	Yes/No/ N/EL	Yes/No/ N/EL	%	A	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																									
A.1 Environmental sustainable activities (Taxonomy-aligned)																									
Urban and suburban transport, road passenger transport	CCM 6.3 /CCA 6	54,294.03	43.83%	Yes	No	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.00%			
Management of personal mobility devices, cycling	CCM 6.4 /CCA 6	-	0.00%	Yes	No	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.00%			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		54,294.03	43.83%	%	%	%	%	%	%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.00%			
of which enabling			%	%	%	%	%	%	%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes				
of which transitional			%	%						Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes				
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities)																									
				EL: N/EL	EL: N/EL	EL: N/EL	EL: N/EL	EL: N/EL	EL: N/EL	Optional											%				
Urban and suburban transport, road passenger transport	CCM 6.3 /CCA 6	68,164.671	55.02%	EL	EL	N/EL	N/EL	N/EL	N/EL													100.00%			
Management of personal mobility devices, cycling	CCM 6.4 /CCA 6	-	0.00%	EL	EL	N/EL	N/EL	N/EL	N/EL													0.00%			
Capital expenditure of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		68,164.67	55.02%	%	%	%	%	%	%													99.98%			
Total (A.1 + A.2)		122,458.70	98.85%	%	%	%	%	%	%													99.99%			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																									
Capital expenditure of activities not eligible for taxonomy (B)		3,428	2.15%																						
Total (A + B)		123,887	100.00%																						

The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.:

- Climate Change Mitigation: CCM,
  - Climate Change Adaptation: CCA,
  - Water and Marine Resources: WTR,
  - Circular Economy: CE,
  - Pollution Prevention and Control: PPC,
  - Biodiversity and Ecosystems: BIO.
- a) Yes - Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective  
 No - No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective  
 N/EL - not eligible, Taxonomy-non-eligible activity for the relevant environmental objective

Where an economic activity contributes substantially to multiple environmental objectives, non-financial undertakings shall indicate, in bold, the most relevant environmental objective for the purpose of computing the KPIs of financial undertakings while avoiding double counting. In their respective KPIs, where the use of proceeds from the financing is not known, financial undertakings shall compute the financing of economic activities contributing to multiple environmental objectives under the most relevant environmental objective that is reported in bold in this template by non-financial undertakings. An environmental objective may only be reported in bold once in one row to avoid double counting of economic activities in the KPIs of financial undertakings. This shall not apply to the computation of Taxonomy-alignment of economic activities for financial products defined in point (12) of Article 2 of Regulation (EU) 2019/2088.

Non-financial undertakings shall also report the extent of eligibility and alignment per environmental objective, that includes alignment with each of environmental objectives for activities contributing substantially to several objectives, by using the template below:

	Share of CapEx/total CapEx	
	Aligned with taxonomy by objective	Eligible for Taxonomy by objective
CCM	43.83%	98.85%
CCA	%	%
WTS	%	%
CE	%	%
PPC	%	%
BIO	%	%

- b) An activity may align with only one or more environmental objectives for which it is eligible.
- c) An activity may be eligible and not aligned with the relevant environmental objectives.
- d) EL - Taxonomy eligible activity for the relevant objective  
N/EL - Taxonomy non-eligible activity for the relevant objective
- e) Activities are only indicated in section A.2 of this template if they are not aligned with any environmental objective for which they are eligible. Activities that align with at least one environmental objective are indicated in section A.1 of this template.
- f) In order for an activity to be included in Section A.1, it must fulfil all DNSH criteria and the relevant minimum safeguards. For the activities listed in Section A.2, non-financial corporations may complete columns 5 to 17 on a voluntary basis. Non-financial enterprises may indicate in Section A.2 the substantive contribution and DNSH criteria met or not met, using: for substantive contribution - codes Yes/No and N/AM instead of AM and N/AM and for DNSH - codes Yes/No.

Table 51: OpEx KPIs

Financial year 2024	2024	Substantial contribution criteria										DNHS criteria for 'do no significant harm' (b)													
	Code (A.10)	Absolute operating expenses (1)	Allocation of Operating expenses, year 2024	Climate Change Mitigation	Climate Change Adaptation	Water and Marine Resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation	Climate Change Adaptation	Water and Marine Resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Climate Change Mitigation	Climate Change Adaptation	Water and Marine Resources (17)	Circular economy (18)	Pollution (19)	Biodiversity and ecosystems (20)	Share of OpEx aligned (A.1) or eligible (A.2) to transition Year N-1 (18)	Category enabling activity (120)	Category transitional activity (121)	
Economic activities (11)		€m	%	Yes; No; N/EL (21)	Yes; No; N/EL (22)	Yes; No; N/EL (23)	Yes; No; N/EL (24)	Yes; No; N/EL (25)	Yes; No; N/EL (26)	Yes; No; N/EL (27)	Yes; No; N/EL (28)	Yes; No; N/EL (29)	Yes; No; N/EL (30)	Yes; No; N/EL (31)	Yes; No; N/EL (32)	Yes; No; N/EL (33)	Yes; No; N/EL (34)	Yes; No; N/EL (35)	Yes; No; N/EL (36)	Yes; No; N/EL (37)	Yes; No; N/EL (38)	%	A	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																									
A.1 Environmental sustainable activities (Taxonomy-aligned)																									
Urban and suburban transport, road passenger transport	CCM 6.3 / CCA 6	253,540.70	80.04%	Yes	No	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.00%			
Management of personal mobility devices, cycling	CCM 6.4 / CCA 6	-	0.00%	Yes	No	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.00%			
Operating expenses of environmentally sustainable activities (Taxonomy-aligned) (A.1)		253,540.70	80.04%	%	%	%	%	%	%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.00%			
of which enabling			%	%	%	%	%	%	%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes				
of which transitional			%	%						Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes				
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities)																									
				EL: N/EL	EL: N/EL	EL: N/EL	EL: N/EL	EL: N/EL	EL: N/EL	Optional												%			
Urban and suburban transport, road passenger transport	CCM 6.3 / CCA 6	55,249.95	17.44%	EL	EL	N/EL	N/EL	N/EL	N/EL													100.00%			
Management of personal mobility devices, cycling	CCM 6.4 / CCA 6	-	0.00%	EL	EL	N/EL	N/EL	N/EL	N/EL													0.00%			
Operating expenses of taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		55,249.95	17.44%	%	%	%	%	%	%													99.82%			
Total (A.1 + A.2)		308,790.65	97.48%	%	%	%	%	%	%													99.82%			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																									
Operating expenses of activities not eligible for taxonomy (B)		7,982	2.52%																						
Total (A + B)		316,772	100.00%																						

The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.:

- Climate Change Mitigation: CCM,
  - Climate Change Adaptation: CCA,
  - Water and Marine Resources: WTR,
  - Circular Economy: CE,
  - Pollution Prevention and Control: PPC,
  - Biodiversity and Ecosystems: BIO.
- a) Yes - Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective  
 No - No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective  
 N/EL - not eligible, Taxonomy-non-eligible activity for the relevant environmental objective

Where an economic activity contributes substantially to multiple environmental objectives, non-financial undertakings shall indicate, in bold, the most relevant environmental objective for the purpose of computing the KPIs of financial undertakings while avoiding double counting. In their respective KPIs, where the use of proceeds from the financing is not known, financial undertakings shall compute the financing of economic activities contributing to multiple environmental objectives under the most relevant environmental objective that is reported in bold in this template by non-financial undertakings. An environmental objective may only be reported in bold once in one row to avoid double counting of economic activities in the KPIs of financial undertakings. This shall not apply to the computation of Taxonomy-alignment of economic activities for financial products defined in point (12) of Article 2 of Regulation (EU) 2019/2088. Non-financial undertakings shall also report the extent of eligibility and alignment per environmental objective, that includes alignment with each of environmental objectives for activities contributing substantially to several objectives, by using the template below:

	Share of OpEx/total OpEx	
	Aligned with taxonomy by objective	Eligible for taxonomy by objective
CCM	80.04%	97.48%
CCA	%	%
WTS	%	%
CE	%	%
PPC	%	%
BIO	%	%

An activity may align with only one or more environmental objectives for which it is eligible.

- An activity may be eligible and not aligned with the relevant environmental objectives.
- EL - Taxonomy eligible activity for the relevant objective
- N/EL - Taxonomy non-eligible activity for the relevant objective
- Activities are only indicated in section A.2 of this template if they are not aligned with any environmental objective for which they are eligible. Activities that align with at least one environmental objective are indicated in section A.1 of this template.
- In order for an activity to be included in Section A.1, it must fulfil all DNSH criteria and the relevant minimum safeguards. For the activities listed in Section A.2, non-financial corporations may complete columns 5 to 17 on a voluntary basis. Non-financial enterprises may indicate in Section A.2 the substantive contribution and DNSH criteria met or not met, using: for substantive contribution - codes Yes/No and N/AM instead of AM and N/AM and for DNSH - codes Yes/No.

## Annex XII - Turnover, OpEx, CaPeX

## Model 1 - Nuclear and Fossil Gas Activities

Line	Nuclear energy related activities	YN/
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
<b>Fossil gas related activities</b>		<b>YN/</b>
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

## ESRS E1 - Climate Change

### ESRS 2 GOV-3 – Integrazione delle prestazioni in termini di sostenibilità nei sistemi di incentivazione

#### Governance

**(GOV-3 13)** The ATM Group integrates climate considerations into the remuneration of members of the administrative, management and control bodies through specific performance objectives (MBOs). Amongst these, a common company-wide goal is the **reduction of CO<sub>2</sub> emissions** produced, with a focus on reducing greenhouse gas emissions from diesel consumption compared to the previous year. This objective contributes **10% to the calculation of the result bonus** destined for ATM S.p.A. executives, thus aligning their performance with the target of GHG emission reduction.

#### Strategy

##### E1-1 Transition Plan for climate change mitigation

**(E1-1 17)** At present, the ATM Group **does not have a Transition Plan** for climate change mitigation that conforms to the ESRS E1-1 standard. However, starting in 2025, the Group will initiate a gap analysis to define the Plan, with the aim of approving it by the end of 2026 and envisaging its implementation in 2027. This pathway lays the groundwork for the definition of a Transition Plan for climate change mitigation as defined by ESRS E1-1, for a longer-term commitment, with the goal of reaching even more ambitious targets by 2050 in order to achieve climate neutrality.

Despite the absence of a formalised plan, ATM has already developed a **Sustainability Policy**, approved by the Board of Directors and monitored annually through Key Performance Indicators (KPIs) to assess the achievement of objectives. This policy was drawn up on the basis of a series of strategic reference documents, including the C40 Paris Agreement, the PUMS (Sustainable Urban Mobility Plan), the PAES (Sustainable Energy Action Plan), the PAC (Climate Air Plan) and the PGT (Territorial Government Plan), all of the Milan City Council, as well as the Milan 2020 strategy (Urban Adaptation Strategy), the SDGs and the GRI indices.

This analysis led to the definition of the pillars of the Sustainability Policy, which include:

- Zero-emission transport,
- Responsible consumption,
- Inclusive mobility,
- Great Workplace,
- Sustainable Supply Chain,

- Responsible Governance (introduced in 2023 in line with the new ESG guidelines).

Two or three KPIs are associated with each pillar, with targets for progressive improvement in the respective subject areas.

As far as greenhouse gas (GHG) emissions are concerned, the ATM Group is committed, through the Zero Emission Transport pillar, to a gradual reduction of its Scope 1, 2 and 3 emissions. In particular, for Scope 1 emissions, the goal is to reach **Net Zero by 2030**. In conducting the analysis to identify targets, there is no evidence that the 1.5°C decarbonisation scenario was taken into account.

### Decarbonisation levers and main mitigation actions

The ATM Group has identified a number of concrete actions to reduce greenhouse gas emissions and mitigate climate change, including:

- Transition to zero-emission mobility
  - Fleet electrification: conversion of 1,200 buses from diesel to electric, which will significantly reduce direct emissions,
  - Energy efficiency of vehicles: implementation of braking energy recovery systems on trams and underground trains.
- Optimising energy consumption
  - 100% renewable energy: energy supply from certified green sources for business operations,
  - Photovoltaic panels on ATM premises: launch of building mapping to assess the technical and economic feasibility of installation,
  - Already equipped area: currently 11 m<sup>2</sup> of photovoltaic panels are operational.
- Integration of urban greenery for offsetting emissions
  - Tree planting: 400 trees have already been planted, with a target of 1,000 by 2030,
  - Installation of Green Walls: there are currently 350 m<sup>2</sup> of green walls, with a target of 1 km<sup>2</sup> by 2030.
- Sustainability in the value chain
  - Assessment of the supply chain: use of the EcoVadis methodology to assess carbon risk along the supply chain and with the aim of prioritising the most impactful suppliers.

These actions represent a concrete step towards the decarbonisation of business operations and the value chain, in line with GHG emission reduction targets and the ATM Group's sustainability commitments.

### Managing locked-in emissions

ATM S.p.A. is gradually replacing diesel vehicles with electric and hybrid vehicles as part of the Full Electric Plan, with the aim of **eliminating diesel vehicles completely by 2030** and drastically reducing CO<sub>2</sub> emissions.

However, 'locked-in' (*locked-in*) emissions could result from:

Vehicles still powered by diesel, which will remain in operation until the transition is completed,

Infrastructure not yet optimised for the large-scale adoption of electric vehicles, in particular the availability of new depots.

These emissions could be a critical factor in achieving the *Net Zero* targets by 2030, especially if there are delays in upgrading infrastructure and replacing vehicles.

### Alignment with Municipality of Milan strategies

ATM S.p.A., as a wholly owned subsidiary of the Municipality of Milan, is directly involved in the achievement of the energy transition goals defined by the Paris Agreement.

In 2017, during the C40 summit in Paris, the Mayor of Milan signed a commitment to a city with completely green mobility, stipulating that no more polluting vehicles would be purchased from 2025.

In line with this commitment, ATM launched **its Transition Plan** from diesel to electric in 2017, with the aim of gradually converting the entire fleet. The first electric vehicles have been in service since 2020, marking the concrete beginning of this transformation.

Finally, thanks to its Sustainability Policy and decarbonisation actions, the ATM Group has recorded a Step 1 reduction in emissions, from 76,186 tonnes of CO<sub>2</sub> in 2019 to 58,611 in 2024.

### ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

**(SBM-3 18)** Through Double Materiality Analysis (ref. ESRS 2, IRO - 1) it was possible to identify **three impacts, 2 risks and 5 opportunities** in the climate field, summarised below:

#### **Impacts:**

- Contribution to the reduction of emissions into the environment through the full electric transition to low- or zero-emission vehicles (positive potential),



- Negative contribution to climate change through the generation of direct and indirect GHG emissions (Scope 1, 2 and 3), caused by the Group's activities and products and services (potential negative),
- Positive contribution to the environment through the purchase of certified green energy and the adoption of self-generation of energy from renewable sources (positive potential).

The emissions caused by ATM's activities constitute a significant long-term impact, of which the company is aware and which it seeks to mitigate through, among others, the Full Electric Plan and other initiatives to reduce its environmental footprint. For more information on ATM issues, see ESRS E1-6.

#### **Risks:**

- The occurrence of extreme weather events (e.g. heat waves, frost, heavy downpours, tornadoes, tropical cyclones and floods) that may impact the Group's assets with consequences for operations and the generation of extra costs for recovery operations. This risk is identified as a physical risk related to climate change.
- The interruption of power supply by suppliers due to grid overloads related to extreme weather events (e.g. increased demand during heat waves), affecting the Group's operations. This risk is identified as a physical risk related to energy supply.

The Dual Materiality analysis process revealed that no significant transition risks emerged for ATM, either in its own operations or along the value chain.

It should be noted that with reference to physical risks, the preliminary results of the **Climate Change Risk Assessment** carried out by the Group, which were obtained considering the *Representative Concentration Pathways 8.5 (RCP 8.5)* scenario of the *Intergovernmental Panel on Climate Change* (IPCC), have confirmed a relevant exposure to extreme weather events in the long term. The *Climate Change Risk Assessment* activity, with reference to transition risks, analysed considering the *Net Zero Emission (NZE)* scenario of the *IEA (International Energy Agency)*, in its preliminary results confirms the absence of transition risks for the Group.

#### **Opportunities:**

- Access to public or private funding related to sustainability and climate change mitigation for the development of investments in green infrastructure and decarbonisation programmes, through collaboration with suppliers operating according to certified sustainability standards.
- **Investment in electric vehicles** and in **infrastructure** for their recharging through the use of nationally allocated funds (PNRR, PTE, etc.).
- **Sourcing** from suppliers that adopt **low-emission production processes and/or means of transport**, fostering sustainability in the supply chain and consequently improving the Group's reputation.

- **Increase in the supply of electric vehicles** due to the introduction of European regulations requiring suppliers to prohibit the introduction of new combustion vehicles, thereby increasing the production of electric vehicles and reducing procurement costs for the Group.
- Gradual reduction of diesel consumption in its operations and implementation of **energy efficiency** systems resulting in a reduction of the Group's cost/maintenance efficiency.

With reference to opportunities, it should be noted that the national and European orientation towards the decarbonisation of transport, in line with the *Net Zero Emissions (NZE)* scenario defined by the IEA (*International Energy Agency*), constitutes a great opportunity for ATM, in line with its Strategic Plan and Sustainability Policy, thanks also to the allocation of numerous funds for the electrification of its fleet, which ATM can also access in the medium term. On the other hand, the regulatory impositions on vehicle manufacturers, light or heavy, for the production of low-emission vehicles will also be an opportunity for ATM in terms of a possible reduction in the purchase costs of the assets needed to carry out its activities.

*(SMB-3 19)* As mentioned above, in early 2025 ATM initiated, for the first time, a *Climate Change Risk Assessment* process, in order to identify the **exposure of the Group's activities and assets** to climate change, in the short, medium and long term. The analysis also aims to assess the **Group's resilience** to relevant climate risks, identifying the measures and actions implemented to address the highlighted risks.

The analysis took into consideration the main *assets* considered strategic or particularly critical, representative of all the Group's *Business* activities and selected according to criteria of economic-financial relevance and operational utility of the Group. All selected *assets* are located within the Metropolitan City of Milan.

The analysis, conducted in early 2025, was carried out taking into account different climate scenarios, which are necessary to study the effects of climate change in the medium (2030) and long term (2050).

In particular, the analysis performed on physical risks considered the **Representative Concentration Pathways 8.5 (RCP 8.5)** scenario, one of the greenhouse gas emission scenarios proposed by the *Intergovernmental Panel on Climate Change* (IPCC). RCP 8.5 represents the *worst case scenario* in which greenhouse gas emissions continue to grow significantly, leading to an increase in global average temperatures of more than 4°C by the end of the century and serious climate impacts.

Instead, to assess the Group's impact on transition risks and opportunities, the **Net Zero Emissions (NZE)** scenario defined by the IEA (*International Energy Agency*) was considered; this outlines a global pathway to zero net CO<sub>2</sub> emissions by 2050 through radical

decarbonisation efforts. This scenario aims to limit the global average temperature increase to below 1.5°C compared to pre-industrial levels, in line with the Paris Agreement.

The preliminary analysis conducted highlights the attention placed by the Group on its assets with regard to extreme weather events, given their particular exposure to phenomena such as floods, hailstorms, tornadoes and heat waves. The Group's ability to strengthen its resilience is made possible through the implementation of **physical adaptation measures** on assets, the taking out of insurance coverage and the adoption of organisational solutions, including the establishment of replacement services in the event of infrastructure unavailability.

At the date of publication of this document, the *Climate Change Risk Assessment* is still in progress; the final results of the analysis will be shared with the 2025 Sustainability Document.

## **ESRS 2 IRO-1 - Description of the processes to identify and assess material climate-related impacts, risks and opportunities**

Relevant climate-related impacts, risks and opportunities were identified during the course of the Dual Materiality process (ref. ESRS 2, IRO - 1) and therefore through the involvement of internal and external *stakeholders*.

### **(IRO-1 20.a) The Impacts on Climate Change:**

With reference to climate change impacts, thanks to the involvement of a selected team of internal stakeholders and the involvement of a wide range of the Group's external stakeholders, it was possible to identify, and then assess, the magnitude and likelihood in the short, medium and long term of positive and negative, current and potential impacts caused by the Group.

For further details on the dual materiality process, please refer to ESRS 2 paragraph IRO-1.

### **(IRO-1 20.b, 20.c; 21) Climate-related physical and transition risks and opportunities:**

Risks, both physical and transitional, and opportunities related to climate change, were instead identified and assessed through the **direct involvement of the corporate Management** via detailed interviews, during which it was possible to assess the magnitude and likelihood of the risks and opportunities identified, in order to understand those relevant to ATM's business in the short, medium and long term.

With reference to physical risks, the analysis looked at the gross risks to the company, net of the mitigation measures taken, assessing the possible impacts in terms of **recovery costs and loss of revenue**. The latter can result either from direct operational interruptions caused by events, or from defaults by suppliers.

On the other hand, with regard to transition opportunities, potential **economic effects** resulting from cost reductions, e.g. due to the purchase of vehicles through the use of public funds, as well as potential revenue increases, e.g. resulting from positive reputational effects in the case of sourcing from suppliers with sustainable practices, were considered.

Finally, with regard to transition risks, similarly to what was done for opportunities, possible economic effects from cost increases and/or revenue reductions were considered.

Lastly, as mentioned above, it should be noted that ATM, as a complement to the Double Materiality process, is carrying out a *Climate Change Risk Assessment* analysis aimed at exploring the climate risks and opportunities to which the Group may be subjected, by the means of climate scenarios: *Representative Concentration Pathways 8.5 (RCP 8.5)* of the

*Intergovernmental Panel on Climate Change (IPCC)* and the *Net Zero Emissions (NZE)* scenario defined by the *IEA (International Energy Agency)* (ref. SBM-3 19).

## E1-2 Policies related to climate change mitigation and adaptation

(ESRS 2 62) Currently, the ATM Group does not have a specific formalised Policy for Climate Change Mitigation and Adaptation in relation to the Impacts, Risks and Opportunities (IRO) identified through the Dual Materiality Analysis.

The Group is committed to progressively integrating these issues into existing corporate policies, with the aim of developing a more structured approach in the coming reporting years.

However, the Group has defined its own **Sustainability Policy**, in line with the objectives of the Business Plan and with an approach geared towards competitiveness and sustainable growth. This policy consists of six strategic pillars, each of which is supported by KPIs approved by the Board of Directors and monitored annually:

- **Zero-emission transport:** reduction of greenhouse gas emissions and local pollutants through fleet electrification and offsetting actions.
- **Responsible consumption:** Minimisation of resources used through efficiency, recovery and recycling processes.
- **Sustainable Supply chain:** selection of suppliers who respect environmental, social and ethical criteria in line with ATM's values.
- **Inclusive mobility:** promotion of an accessible, multimodal transport system, with investment in innovation and digitisation.
- **Great Workplace:** creating a positive work environment, valuing diversity, equity and inclusion (DEI).
- **Responsible Governance:** adoption of a transparent and sustainable management model, oriented towards efficiency and respect for the environment.

The main objectives of the Sustainability Policy related to the Zero Emission Transport pillar include the reduction of CO2 emissions, through the Full Electric Plan, which includes the renewal of the fleet with electric vehicles and offsetting measures such as planting trees.

### Scope of the Sustainability Policy

In 2024, ATM initiated a supply chain assessment for all Group companies, with the aim of assessing the carbon risk of suppliers. This analysis led to the identification of 56 high-risk entities. The analysis is the result between the level of importance for ATM from a Procurement point of view and the supplier's category, which identifies possible issues by type of activity, geographic area and relevance. From 2025, these suppliers will be directly involved in the decarbonisation process.

## Governance and Responsibility for Sustainability Policy

The Board of Directors is responsible for the annual approval of the KPIs linked to the pillars of the Sustainability Policy, ensuring that progress is monitored and targets are updated.

As far as reducing emissions is concerned, ATM has set itself the goal of **Zero Emission Transport** through the progressive reduction of *Scope 1, 2 and 3 emissions*. ATM is committed to meeting the targets outlined in the Municipality of Milan's Climate Air Plan, which aims to make the city carbon neutral by 2050. ATM's contribution to this goal is significant, as the *Full Electric Plan* will reduce the city's total emissions by 22%.

ATM makes its Sustainability Policy and its environmental achievements public through a dedicated page on the corporate website and official presentations at relevant venues or upon request by stakeholders.

### (E1-2 25) Managing Climate Change in Sustainability Policy

The Sustainability Policy addresses several aspects related to climate change:

- Climate change mitigation: managed through the Responsible Consumption pillar,
- Adaptation to climate change: addressed through the Zero Emission Transport pillar,
- Energy efficiency: monitored by measuring Scope 2,
- Dissemination of renewable energy: not directly included in the Sustainability Policy, but supported through the procurement of energy from renewable sources.

This strategy allows ATM to integrate sustainability into its operations and to **actively contribute to the energy transition** of the city of Milan.

### E1-3 Actions and resources in relation to climate change policies

(E1-3 28.a) In 2024, the ATM Group continued the implementation of several strategic initiatives to reduce CO<sub>2</sub> emissions, make resources more efficient and disseminate a sustainability culture within the organisation. These actions are part of the six Pillars of the Group's Sustainability Policy, monitored through specific KPIs with targets set to 2030 and targets measured annually.

The first pillar, 'Zero Emission Transport', represents the Group's main commitment to decarbonising its activities. The goal is to achieve **carbon neutrality by 2030**, mainly through the evolution of the service towards *full electric* mode and, eventually, by considering the purchase of carbon credits.

In 2024, the activities of the *Full Electric* Plan continued, resulting in a reduction of diesel consumption and related Scope 1 CO<sub>2</sub> emissions by 89.4% compared to 2023 (from 65,537 tonnes in 2023 to 58,611 tonnes in 2024). The ultimate goal is zero emissions by 2030.

In parallel, the Group has launched urban forestation initiatives and the implementation of natural solutions for climate mitigation:

- At the San Donato depot, the planting of 100 trees is planned.
- A new green wall will be built at the Sarca depot. These interventions will generate a potential reduction of approximately 30 tonnes of CO<sub>2</sub> per year. The works started in 2024 and will be completed in 2025.

On the renewable energy front, a tender has been launched in 2024 for the construction of a photovoltaic plant at the San Donato depot, as well as a feasibility analysis for the installation of panels on the roofs of ATM premises.

The expected goal of these actions is not only the achievement of zero emissions, but also the complete electrification of the service provided. Currently, ATM S.p.A. already provides **74% of its service in electric mode**, while Metro Service operates entirely with electric vehicles.

*(E1-3 28.b)* The actions described transversally involve all ATM Group companies and the entire value chain, both upstream and downstream. The sustainability journey involves every area of the company, from top management to the purchasing function, right up to the specific training of drivers on the new electric vehicles.

The *stakeholders* involved include shareholders, investors and the entire supplier network, which also has a positive impact on ATM's perception and competitiveness at an international level, as demonstrated by the high scores obtained in international tenders in the sustainability sections.

Actions and projects are developed both at home (Italy) and in countries where the Group operates, such as Denmark and Greece.

*(E1-3 28.c)* The target time horizon for the completion of the core actions is 2030, in line with the Sustainability Policy goals. Operational objectives and intermediate results are set and monitored annually.

*(E1-3 28.e)* From 2019 to 2024, the ATM Group has achieved significant results in reducing its *Scope 1* emissions from 76,186 (2019) to 58,611 tonnes of CO<sub>2</sub> (2024).

With regard to urban greenery, forestation activities and the implementation of *green walls* led to the achievement of:



- 440 trees planted (from zero in 2019),
- 350 m2 of green walls installed (from zero in 2019).

(E1-3 29.a; 29.b) In 2024, the ATM Group pursued several concrete actions for climate change mitigation, acting on multiple decarbonisation levers, including nature-based solutions, with measurable results in terms of greenhouse gas emission reductions.

The main lever the Group is investing in is the transition of the corporate fleet towards full electrification. The Full Electric Plan is one of the cornerstone projects of this strategy and aims to progressively replace diesel-powered vehicles with zero-emission electric vehicles. By the end of 2024, ATM will have placed approximately 280 electric buses in service on 23 urban lines, alongside approximately 290 hybrid buses already in operation. This decarbonisation path has already avoided the emission of around 5,000 tonnes of CO<sub>2</sub> in the three-year period 2022-2024. The stated goal is to have 50 per cent of Milan's public transport bus fleet fully electric by 2026, thus contributing significantly to the reduction of climate-changing emissions generated by the transport service.

In parallel, the ATM Group has invested in nature-based solutions, recognising their value both in terms of CO<sub>2</sub> sequestration and overall environmental benefits. From 2022 to 2024, 440 trees were planted at the San Donato depot and a 350 m<sup>2</sup> green wall was built at the Giambellino depot. According to a study conducted by the University of Genoa, these interventions save an estimated 30 tonnes of CO<sub>2</sub> per year, as well as improving air quality and promoting urban biodiversity. In 2024, new measures have also been planned to reinforce this strategy: the construction of a new green wall at the Sarca depot and the planting of an additional 100 trees at the San Donato depot. The actions do not refer to the table of GHG emission reduction targets for 2030.

Finally, a further area of action concerns the digitisation of travel tickets, which results in a positive environmental impact through the reduction of materials used and related emissions. During 2024, more than 80% of tickets were purchased in digital format, marking a major step forward in the dematerialisation of physical media. The environmental impact of this choice is significant: a digital ticket emits 3,000 times less CO<sub>2</sub> than a traditional magnetic ticket. In line with this strategy, from March 2025 the magnetic ticket will be definitively discontinued, making way exclusively for digital solutions on a more sustainable and environmentally friendly "Chip on Paper" medium.

Through these three main levers - the electrification of the fleet, the enhancement of natural solutions and digitalisation - the ATM Group confirms its commitment to the fight against climate change, pursuing a concrete and measurable reduction in greenhouse gas emissions

and contributing to the environmental sustainability objectives of the city of Milan and the areas in which it operates.

*(E1-3 29.c)* For the current reporting year, it was not possible to correlate Capex and Opex for the actions detailed above. The ATM Group is committed to providing these data for future reporting.

## Metrics and Targets

### E1-4 Targets related to climate change mitigation and adaptation

*(E1-4 32.a)* The ATM Group, as part of its Sustainability Policy, has identified the 'Zero Emission Transport' pillar by defining KPIs aimed at reducing CO<sub>2</sub> emissions into the atmosphere, with the objective of reaching Net Zero by 2030. For the individual emission categories, related actions were defined, such as the definition of a Full Electric Plan to reduce Scope 1 emissions, the purchase of certified green energy and a feasibility plan for the installation of photovoltaic panels to reduce Scope 2 emissions, and finally, an assessment on suppliers with a high carbon risk related to Scope 3 emissions.

*(E1-4 32.b, 32.d, 32.e; 34.a, 34.b, 34.c, 34.d)* The identified targets have the ultimate goal of lowering Scope 1 and Scope 2 emissions so as to reach Net Zero by 2030. The ATM Group will proceed with the definition of the 2050 targets. The KPIs were monitored from 2019, when the emissions corresponded to:

- Scope 1: 76,186 tCO<sub>2</sub>
- Scope 2 location-based: 127,254 tCO<sub>2</sub>

The base year was defined as a consequence of the formalisation of the Full Electric Plan, not influenced by external factors.

KPIs are updated and monitored annually. Below are the relevant targets:

Type of emission	Year	KPI	Objective 2030
<b>Scope 1</b>	2020	70,992 tCO <sub>2</sub>	0 tCO <sub>2</sub>
	2021	70,453 tCO <sub>2</sub>	0 tCO <sub>2</sub>
	2022	70,500 tCO <sub>2</sub>	0 tCO <sub>2</sub>
	2023	66,500 tCO <sub>2</sub>	0 tCO <sub>2</sub>
	<b>2024</b>	<b>58,611 tCO<sub>2</sub></b>	<b>0 tCO<sub>2</sub></b>
<b>Scope 2 Location-based</b>	2020	116,939 tCO <sub>2</sub>	0 tCO <sub>2</sub>
	2021	110,192 tCO <sub>2</sub>	0 tCO <sub>2</sub>
	2022	108,830 tCO <sub>2</sub>	0 tCO <sub>2</sub>
	2023	109,196 tCO <sub>2</sub>	0 tCO <sub>2</sub>
	<b>2024</b>	<b>119,080 tCO<sub>2</sub></b>	<b>0 tCO<sub>2</sub></b>

(E1-4 32.f) The methodologies used to define the above objectives were:

- Scope 1: calculated on oil and gas consumption for heat with Defra indices,
- Scope 2: calculated on electricity consumption with Ispra documents, according to GHG Protocol.

The annually monitored targets based on the calculation of emissions and the consequent reduction of CO<sub>2</sub> produced, are closely linked to the increase in electric kilometres travelled, thanks to the transition of increasingly green means of transport.

(E1-4 32.c) The analysis for the identification of high carbon risk suppliers includes the entire supply chain and related suppliers of the ATM Group in Italy and Denmark.

The analysis of Scope 3 results for the entire value chain will be carried out in 2025, to understand where improvements can be made and where action can be taken to reduce CO<sub>2</sub> emissions.

For ATM S.p.A., the main activity relates to the diesel-electric transition in all corporate sectors, in close relation with the Municipality of Milan.

(E1-4 32.g; 34.e) When setting targets, the ATM Group did not consider the methodology related to the Science Based Target standards. Furthermore, compatibility with global warming limitation has not been verified. The compatibility of the targets with the 1.5°C decarbonisation scenario will be carried out from 2025 onwards.

(E1-4 32.h) The ATM Group did not directly involve the stakeholders in the definition of its objectives. The involvement of stakeholders was indirect, following the indications of

stakeholder implementation plans such as the Milan Municipality's Air Climate Plan and PUMS.

*(E1-4 32.i, 32.j)* To ensure the comparability of targets over time, the same methodologies and metrics were used; therefore, no changes were made in this regard by going in continuity with the planned plans. Reported metrics based on the GHG Protocol are subject to auditor control and certification.

*(E1-4 34.f)* The decarbonisation levers identified by the ATM Group's objectives are outlined below:

- Full Electric plan,
- Forestation,
- Photovoltaic panel installation.

#### E1-5 Energy consumption and mix

*(E1-5 37; 38.a, 38.b, 38.c, 38.d, 38.e)*

Energy consumption and mix (MWh)	31/12/2024
<b>Fossil sources (total)</b>	<b>302,426.88</b>
<i>Of which consumption of fuel from coal and coal products</i>	<i>0.00</i>
<i>Of which fuel consumption from crude oil and petroleum products</i>	<i>181,367.84</i>
<i>Of which fuel consumption from natural gas</i>	<i>62,500.00</i>
<i>Of which fuel consumption from other fossil sources</i>	<i>0.00</i>
<i>Of which consumption of electricity, heat, steam or cooling purchased or acquired from fossil sources</i>	<i>58,559.04</i>
<b>Share of consumption from fossil sources in total energy consumption (%)</b>	<b>27.92%</b>
<b>Nuclear sources</b>	<b>5,836.33</b>
<b>Share of consumption from nuclear sources in total energy consumption (%)</b>	<b>0.54%</b>
<b>Renewable sources (total)</b>	<b>775,001.26</b>
<i>Of which fuel consumption for renewables, including biomass</i>	<i>0.00</i>
<i>Of which electricity, heat, steam and cooling purchased or acquired from renewable sources.</i>	<i>771,598.48</i>
<i>Of which self-generated non-fuel renewable energy consumption</i>	<i>3,402.78</i>
<b>Share of consumption from renewable sources in total energy consumption (%)</b>	<b>71.54%</b>
<b>TOTAL ENERGY CONSUMPTION (MWH)</b>	<b>1,083,264.47</b>

*(E1-5 39)* The self-production is 3,402.78 MWh and is entirely produced by photovoltaics.

*(E1-5 40)* Total energy consumption (MWh) 1,083,264.47 / Net revenue EUR/000 (Group revenue from operations) 995,346.00 = 1.09

(E1-5 41) Total energy consumption (MWh) of the ATM Group in relation to the Group's revenues from operations.

(E1-5 42) The energy intensity was determined by taking as a reference the Transport sector in which the Group's business is concentrated.

(E1-5 43) We consider Net Revenues to be revenues from the Group's core business.

#### E1-6 - Gross Scopes 1, 2, 3 and Total GHG emissions

(E1-6 44)

(E1-6 48.a; 48.b)

Scope 1 Greenhouse gas emissions (tCO <sub>2</sub> eq)			
Scope 1	Comparative	N	% N/N-1
Gross direct GHG emissions Scope 1 (tCO <sub>2</sub> eq)	65,537	58,611	89.4%
Percentage of GHG emissions Scope 1 subject to regulated trading schemes (%)	0.00%	0.00%	0.00%

(E1-6 44)

(E1-6 49.a; 49.b)

Scope 2 Greenhouse gas emissions (tCO <sub>2</sub> eq)			
Scope 2	Comparative	N	% N/N-1
Gross GHG emissions Scope 2 - <i>location-based</i> (tCO <sub>2</sub> eq)	109,196	119,080	96.21%
Gross GHG emissions Scope 2 - <i>market-based</i> (tCO <sub>2</sub> eq)	30,099	7,752	100.85%

In 2024, the Scope 2 greenhouse gas emissions calculated according to the market-based approach amount to 7,752 tCO<sub>2</sub>eq. Of these, only 169 tCO<sub>2</sub>eq (referring to activities in Italy) are related to electricity purchased in conjunction with renewable origin traceability tools such as Guarantees of Origin (GO). Therefore, the remaining share of market-based emissions is attributable to energy purchased without association with such instruments.

(E1-6 44, 51)

Significant Scope 3 greenhouse gas emissions	N (tCO <sub>2</sub> eq)
<b>Total gross indirect GHG emissions (Scope 3) (tCO<sub>2</sub>eq)</b>	<b>209,244</b>
1. Purchased goods and services	124,994
1.1. <i>Cloud computing and data centre services</i>	N/A
2. Capital goods	17,943
3. Fuel and energy-related activities	49,351
4. Upstream transportation and distribution	115
5. Waste generated in operations	1,097
6. Business trips	715
7. Employee commuting	5,955
8. Leased assets upstream	4
9. Transport and downstream distribution	N/A
10. Processing of products sold	N/A
11. Use of products sold	N/A
12. End-of-life treatment of products sold	N/A
13. Downstream Leased goods	5,582
14. <i>Franchising</i>	N/A
15. Investments	3,489

(E1-6 45.a) Not applicable

(E1-6 45.b) Part of the Group's emissions, i.e. those related to Scope 2, derive from energy purchased by ATM and used mainly for the operation of electric vehicles. By 2024, only part of the energy purchased abroad is not certified green, so the remainder comes from renewable sources. This implies that ATM's use of this energy has indirect negative impacts on climate change, potentially slowing down the achievement of carbon neutrality goals.

To this end, in order to continually improve its performance, ATM is committed to adopting measures, such as green procurement, in order to mitigate the effect of its activities on climate change.

(E1-6 45.c) Total Scope 3 emissions for 2024 is 209,244 tonnes CO<sub>2</sub> and takes into account all categories except the following: 4 (Transport and upstream distribution), 9 (Transport and downstream distribution), 10 (Processing of products sold), 11 (Use of products sold), 12 (End-of-life treatment of products sold), 14 (Franchises).

(E1-6 45.d) The ATM Group's total emission is 386,935 considering for Scope 2 the location-based calculation. The highest CO<sub>2</sub> production thus derives from the Group's value chain, in particular for category 1 (The production of purchased or acquired goods and services) amounting to 124,994 tonnes. CO<sub>2</sub>.

(E1-6 46)

**For category 1 (Purchased goods and services):** Two calculation methodologies were used.

The first was applied to calculate the CO<sub>2</sub>eq emissions generated in the production and transport of paper tickets purchased by ATM in 2024. The number of paper tickets purchased was considered and emissions were calculated using the Product Carbon Footprint (PCF) presented in the study “Climate Footprint Assessment of the ATM Milan paper and digital ticket production chain”. The PCF includes the transport of tickets at ATM locations.

The second methodology was used to calculate the CO<sub>2</sub>eq emissions from all other goods and services purchased in 2024. In this methodology, the expenditure-based method was used to calculate emissions.

Method 1: number of paper tickets purchased

Method 2: amount spent on goods and services in 2024

Method 1: Carbon Footprint of the Product presented in the study “Climate Footprint Assessment of the ATM Milan paper and digital ticket production chain”

Method 2: Defra Supply Chain Emission Factors for Product Expenditure; available at [https://carbonsaver.org/tools/carbon\\_factors\\_database.php](https://carbonsaver.org/tools/carbon_factors_database.php)

Method 1 (paper tickets only): sum of paper tickets purchased \* product carbon footprint (gco<sub>2</sub>eq/paper ticket)

Method 2: sum of values spent per category of goods and services (EUR) \* emission factor of the good or service purchased per unit of economic value (kgco<sub>2</sub>eq/EUR)

The estimate is 124,994 CO<sub>2</sub>eq.

**For category 2 (Capital goods):** The expenditure-based method was used to calculate the CO<sub>2</sub>eq emissions of all capital goods purchased in 2024.

The scope of analysis is Italy and covers all orders signed in 2024, i.e. with all products, services and capital goods purchased in the reference year. To differentiate in categories 1 and 2, the codes distinguishing CapEx and OpEx were used.

The amount spent on capital goods in 2024.

Defra Supply Chain Emission Factors for Product Expenditure; available at [https://carbonsaver.org/tools/carbon\\_factors\\_database.php](https://carbonsaver.org/tools/carbon_factors_database.php) sum of values spent per category of capital goods (EUR) \* emission factor of purchased capital goods per unit of

economic value (kgco2eq/EUR)

The estimate is 17,943 CO2eq.

**For category 3 (Fuel and energy related activities - not included in 1 or 2):** To calculate the CO2eq emissions associated with the fuel value chain and the transport of electricity consumed in 2024, the consumption of 1 and 2 was used. ATM consumes 100% of its electricity from renewable sources.

Fuel, electricity and heating consumption in 2024. "Fuel and central heating: DEFRA emission factor

Electricity: IEA emission factor (total upstream + T&D)

Self-generated electricity: IEA emission factor (total upstream)"

Fuels: sum of consumption of different fuels reported for scope 1 calculation \* DEFRA emission factor (kgCO2eq/litre)

Electricity: sum of purchased electricity consumption reported for scope 2 calculation \* IEA emission factor (total upstream + T&D) (kgCO2eq/kWh)

Self-generated electricity: sum of consumption reported for scope 2 calculation \* IEA emission factor (total upstream)

Central heating: sum of purchased heating consumption reported for scope 2 calculation \* DEFRA emission factor (kgCO2eq/kWh)'

The estimate is 49,351CO2eq.

**For category 5 (Waste generated in operations):** CO2eq emissions associated with the treatment of waste generated by ATM operations were calculated from waste data and the final treatment given to this waste. ATM is able to trace and confirm that PET bottles are 100% recycled. However, it was not possible to trace the final treatment of the other waste, and therefore all waste is considered to be sent to landfill. To calculate the emissions in the PET bottle recycling process, an average weight of 14 grams per bottle was considered. Another source of emissions considered for this category are the end-of-life emissions of 66 buses that ATM sold to other companies in 2024. ATM has been using these buses in its operations for between 14 and 20 years. This period of use exceeds the lifespan considered for a bus (12-15 years). For this reason, and because it is an important asset in the company's operations, 100% of the buses' end-of-life emissions have been included in this category. To calculate the emissions, the main materials that make up a bus were considered on a weight basis.



Number of PET bottles

Weight of waste per category

Litres of waste water DEFRA 2024

PET bottles: number of PET bottles \* 14 grams per bottle \* emission factor (kgCO<sub>2</sub>eq/tonne)

Other waste: weight of waste per category \* emission factor (kgCO<sub>2</sub>eq/tonne)

Waste water: volume in million litres of waste water \* emission factor (kgCO<sub>2</sub>eq/million litres)

The estimate is 1,097 CO<sub>2</sub>eq.

**Category 6 (Business trips):** ATM employees travel for work using three different means of transport: air plane, train and car. To calculate the emissions, the distances travelled were estimated in kilometres, taking into account the origin and destination of the journey. When choosing emission factors, air travel was classified as short-haul and long-haul, and rail travel was classified as domestic and international (when the train travels through more than one country). For cars, since it is not possible to know the type of car used, an average emission factor was used.

Air travel: estimated distance travelled \* emission factor based on short or long haul (kgCO<sub>2</sub>eq/passenger.km)

Rail travel: estimated distance travelled \* emission factor by type - national or international - (kgCO<sub>2</sub>eq/passenger.km)

Car travel: estimated distance travelled \* average emission factor per car (kgCO<sub>2</sub>eq/km) The estimate is 715 CO<sub>2</sub>eq.

**Category 7 (Employee commuting):** We can consider two sources of emissions in this category: those occurring during the employees' commute to work, and emissions resulting from electricity and heating consumption when employees work from home. To calculate the emissions from these two sources, it was important to consider the number of days employees worked from home. ATM has a total of 74,312.5 days worked from home by its office employees. Operational employees and a small number of office employees (69) do not have a smart working policy and therefore 100% of the working days were considered as work at ATM facilities. Employee commuting: ATM shared the study 'Piano Degli Spostamenti Casa-Lavoro del personale dell'Azienda Trasporti Milanesi S.p.A.' (Home-Work Travel Plan for Azienda Trasporti Milanesi S.p.A. personnel), which was used to estimate the total distances travelled by the company's employees in their commuting. Work from home: In order to calculate the emissions from the use of electricity and heating by employees working from

home, the total number of hours worked was calculated considering 8 hours per working day. The total number of employees of the company in 2024 was 9,594, including 1,327 office employees and 8,267 operational employees.

Hours worked from home by office employees;

Distance travelled by means of transport (car, motorbike and train) DEFRA 2024;

Employee commuting: estimated distance travelled by means of transport (car, motorbike and train) \* emission factor (kgCO<sub>2</sub>eq/km or kgCO<sub>2</sub>eq/passenger.km for train);

Employees working from home: total hours worked from home \* emission factor (kgCO<sub>2</sub>eq/working hour);

The estimate is 5,955 CO<sub>2</sub>eq.

**Category 8 (Leased assets upstream):** The only upstream leasing asset identified were the 18 workstations used in a coworking space in Milan by CityLink employees. The total area used was estimated at 56 square metres. Based on these square metres, the electricity and heating consumption corresponding to the space used by CityLink was estimated. Natural gas was used as a heating fuel. CO<sub>2</sub>eq emissions were calculated using this estimated consumption.

Estimated consumption of electricity and heating in kWh.

Electricity: IEA emission factors

Natural gas: DEFRA 2024

Electricity: estimated electricity consumption \* emission factor (gCO<sub>2</sub>/kWh)

Heating: estimated heat consumption \* emission factor (kgCO<sub>2</sub>eq/kWh)

The estimate is 4 CO<sub>2</sub>eq.

**Category 13 (Downstream Leased Assets):** ATM leases buses to various companies. To calculate the CO<sub>2</sub>eq emissions, the total distances travelled during the year 2024 by these buses were used as data. In addition, an average occupancy of 11 persons per bus was considered (ratio of passengers\*km to Bus\*Km travelled per year by buses).

Distance travelled in km. DEFRA 2024

Distance travelled \* emission factor (kgCO<sub>2</sub>eq/passenger.km)

The estimate is 5,582 CO<sub>2</sub>eq.

**For Scope 3 category 15,** ATM has investments in four companies:

- Movibus S.r.l. whose emissions were estimated for the 2024 inventory, up to November 2024 (last available data), and amounted to 3,489.29 tonnes of CO<sub>2</sub>,
- The Full Green Consortium is considered irrelevant for this inventory as its economic influence on ATM's financial statements is minimal,
- The SBE Consortium is also considered irrelevant for this inventory as its economic influence on ATM's financial statements is minimal,
- Metrofil S.c.a.r.l. is in liquidation and is considered irrelevant to this inventory.

The emissions of Movibus were estimated on the basis of the company's turnover (EUR 25,424,541) and the industry sector to which it belongs (Road Transport Sector). Revenue for December was not available and was estimated on the basis of the average monthly revenue from January to November 2024. Only the GHG emissions corresponding to ATM's capital share (26.18%) were included in the 2024 GHG inventory.

*(E1-6 47)* As for the Scope 3, the first year to be calculated is 2023 and it is 279,380 ton CO<sub>2</sub>, declining to 196,820 (pending final figure) ton CO<sub>2</sub> in 2024.

*(E1-6 47)* With regard to the Scope 3, the first year to be calculated is 2023 and is 279,380 ton CO<sub>2</sub>, falling to 209,244 ton CO<sub>2</sub> in 2024.

*(E1-6 50.a, 52.a,b)*

Total greenhouse gas emissions	N (tCo <sub>2</sub> )
Scope 1 + Scope 2 location-based	163,665
Scope 1 + Scope 2 market-based	88,966
Scope 1 + Scope 2 location-based + Scope 3	360,485
Scope 1 + Scope 2 market-based + Scope 3	285,786

### GHG intensity based on net revenue

*(E1-6 53)* Total GHG emissions (location-based) (tCO<sub>2</sub>eq) 367,137.96 / Net revenue EUR/000 (Group revenue from operations) 995,346.00 = 0.37

Total GHG emissions (market-based) (tCO<sub>2</sub>eq) 292,438.96 / Net revenue EUR/000 (Group revenue from operations) 995,346.00 = 0.29

*(E1-6 54)* Total GHG emissions (location-based) (tCO<sub>2</sub>eq) of the ATM Group as a percentage of Group revenues from operations

Total GHG emissions (market-based) (tCO<sub>2</sub>eq) as a ratio of Group revenue from operations.

*(E1-6 55)* Net Revenues are considered to be the Group's core business revenues.

### **ESRS E1-7 GHG removals and GHG mitigation projects financed through carbon credits**

There are no CO<sub>2</sub> compensation credits credited. According to a study by the University of Genoa, the capacity of the green wall to absorb CO<sub>2</sub> is approximately 30 tonnes CO<sub>2</sub> per year, but this study does not count as compensatory credit, as there is still a lack of a legally recognised methodology in Italy. Therefore, ESRS E1-7 is not applicable for the ATM Group.

### **ESRS E2 Pollution**

#### **Impact, risk and opportunity management**

#### **ESRS 2 IRO-1 - Description of the processes to identify and assess material pollution-related impacts, risks and opportunities**

*(IRO-1 11.a; 11.b)* The Double Materiality analysis (ref. ESRS 2 - IRO 1, p. 161) resulted in the identification of 6 material impacts for the Group related to pollution, while no material risks or opportunities were identified for ATM.

In order to understand the relevance of each impact, risk or opportunity related to pollution, during the analysis the sites where ATM has, for example, offices, depots, warehouses, as well as the various activities carried out by ATM throughout its geographical perimeter of operations (Italy, Denmark, Greece) were taken into consideration, and the impacts resulting from the use of the various surface and non-surface vehicles, which can contribute to polluting the air, water and soil, were therefore considered. In addition, impacts, as well as risks, arising from maintenance activities along the supply chain were considered.

For the assessment of the impacts, representatives of the affected communities were involved; by sharing a questionnaire for their assessment, they were able to express the significance, in terms of magnitude and likelihood, of the impacts caused by ATM.

Furthermore, the communities concerned are constantly involved through periodic customer satisfaction surveys or working tables, which allow for continuous debate and collaboration with the Municipality of Milan and other Public Administration institutions, and with initiatives aimed at involving local communities by stimulating dialogue between the ATM Group and the territory.

#### **E2-1 - Policies related to pollution**

*(ESRS 2 62)* To date, the ATM Group does not have a specific policy dedicated to pollution, which complies with the requirements of ESRS 2 MDR-P. However, pollution-related issues are addressed within the Group's Quality, Environment and Safety Policy and Sustainability Policy.

The Quality, Environment and Safety Policy, approved by the Board of Directors on 26 July 2023, defines the company's strategic directions and macro-objectives. These include a commitment to environmental protection through the prevention of pollution, the reduction of atmospheric emissions and the containment of resource consumption.

Monitoring is done through a UNI EN ISO 9001 (Quality) and UNI EN ISO 14001 (Environment) certified Integrated Management System, with internal and external audits to verify the effectiveness of company policies and practices. In May 2024, ATM S.p.A. passed Certiquality's external audit for compliance monitoring. The policy is periodically updated and disseminated to all corporate levels and is also accessible to stakeholders. Impacts on air and water are monitored through periodic analytical checks in compliance with regulations.

The Sustainability Policy integrates environmental objectives with the Group's strategic vision, also involving the value chain. The main objectives include:

- Reduction of Emissions (CO<sub>2</sub> and air pollutants such as NO<sub>x</sub>, PM<sub>10</sub>, PM<sub>2.5</sub>, NH<sub>3</sub>, etc.) through fleet renewal and the Full Electric Plan,
- Use of waste water for washing vehicles.

The Board of Directors is the highest body responsible for the implementation of both policies and, in particular, monitors the sustainability policy annually through Key Performance Indicators (KPIs) to assess the achievement of objectives.

The Sustainability Policy is based on several strategic and regulatory documents including:

- C40 Paris Agreement,
- Sustainable Urban Mobility Plan,
- Sustainable Energy Action Plan,
- Climate Air Plan,
- Territorial Governance Plan,
- Milan 2020 Strategy,
- SDGs and GRI.

The policy is published and available in the dedicated section of ATM's official website where reference is also made to its objectives and achievements, and is therefore accessible to both internal and external stakeholders.

*(E2-1 15.a)* ATM expresses its commitment to mitigation of environmental impacts through its ISO 14001 certified Environmental Management System. Specific operational actions and instructions are provided for the management of normal, abnormal and emergency situations, including:

- Personnel training through emergency simulations,

- Reduction of discharged water volumes through the implementation of recirculation and purification plants,
- Revamping of machinery and facilities with the adoption of more efficient technologies and pollutant abatement systems,
- Replacement of outdated boilers with technologically advanced models equipped with more accurate and optimised combustion control systems.

The scope of the Sustainability Policy covers the ATM Group's internal consumption and the entire value chain.

Furthermore, ATM has several internal procedures aimed at monitoring and managing environmental risks related to pollution. More specifically:

- Management of anomalies and malfunctions of atmospheric emission abatement plants. The procedure provides operational guidance to managers of units on which installations with atmospheric emissions covered by Single Environmental Authorisations (SEAs) depend. It defines how abatement plant anomalies or malfunctions are managed and recorded, with the aim of reducing the risk of reoccurrence and activating the necessary control and maintenance plans. The procedure also regulates how events are reported down the line and, by SPQ Ambiente, to the relevant control bodies.
- Emergency management of spills. This operational instruction provides ATM and NET operators with instructions on how to operationally manage environmental emergencies resulting from spills of pollutants or slippery substances, both inside and outside company premises and sites, through dedicated drills. The document makes it possible to:
  - provide immediate operational guidance,
  - record incidents in order to analyse them later and reduce risks,
  - initiate remediation activities in a timely manner,
  - track all the exercises carried out.

Third-party companies operating on ATM sites are obliged to apply the provisions of the procedure.

The scenarios considered involve spills of:

- small size (approximately 1-9 litres),
- medium size (10-500 litres),
- large (over 500 litres approximately).

For safety purposes, any spillage that may pose a risk to the health or safety of operators is handled as a significant event.

- **Provision of chemicals and materials potentially containing MMVF (man-made vetrous fibres) and management of safety data sheets.** The procedure regulates the

procurement process of products and materials, assessing not only the required technical characteristics, but also the toxicological, environmental, chemical and physical aspects of the substances used. The aim is to ensure maximum safety for users and the lowest possible environmental impact. If there are alternatives, the choice should always go to the product with the least risk to health and the environment.

- **Environmental emergency management.** The procedure governs how environmental emergencies that may occur in the course of the activities of ATM Departments are identified, assessed and managed. The main objectives are:
  - preventing and mitigating potential environmental impacts,
  - defining ways to control and contain accidents in order to limit their effects on people, the environment and property,
  - establishing responsibilities and operational arrangements for implementing health and environmental protection measures,
  - ensuring proper information and communication to workers, emergency services and competent authorities,
  - defining the modalities of restoration and clean-up of sites affected by environmental accidents.

*(E2-1 15.b)* There is a chemical risk assessment already in place at the procurement stage, to avoid the introduction of hazardous substances and, where not avoidable, to take mitigation measures as per the above procedures.

*(E2-1 15.c)* The topic is not specifically addressed in the Sustainability Policy, as it is not considered relevant. Nevertheless, current regulations are followed by taking all necessary measures to avoid accidents and emergency situations that may impact people and the environment.

## **E2-2 Actions and resources related to pollution**

*(ESRS 2 62)* The ATM Group has not prepared an action plan in accordance with the requirements of ESRS 2 MDR-A. Despite this, during 2024 ATM continued various initiatives aimed at reducing pollution-related impacts, contributing to the objectives of its Sustainability Policy. The main actions include:

- c. Plan Full Electric: the transition of the bus fleet from diesel to electric continues, with around 280 e-buses in service on 23 routes and 290 hybrid buses already in operation. By 2026, 50% of Milan's bus fleet is expected to be electric. This project will allow an estimated annual reduction of 75,000 tonnes of CO<sub>2</sub>, with significant benefits also in terms of reducing emissions of NO<sub>x</sub> (from 900 t to 26.77 t), PM<sub>10</sub> (from 18.66 t to 7.09 t) and PM<sub>2</sub> (from 93.34 t to 27.40 t).
- d. Urban afforestation and green walls: Between 2022 and 2024, 440 trees will be planted at the San Donato depot and a 350 m<sup>2</sup> green wall will be created at the Giambellino depot. Such interventions generate an estimated 30 tonnes of CO<sub>2</sub> savings per year and contribute to air quality. The green wall also absorbs 0.17 t/year

of PM10 and 0.67 t/year of NO2. In 2024, a new green wall will be installed at the Sarca depot and an additional 100 trees will be planted.

- e. Recirculating washing systems: as at 31 December 2024, 12 out of 17 systems were installed, with 70% coverage. The plants allow the recovery and purification of water used for washing vehicles, reducing both water withdrawals and discharges into the sewerage system. The aim is to complete the installation on all sites by 2030.
- f. Revamping of heating plants: in 2024, the boilers of the Cascina Gobba, Palmanova, Leoncavallo and Precotto sites were replaced. At the same time, the Giambellino depot was connected to district heating, eliminating direct emissions in the urban area. Such interventions lead to a reduction in polluting emissions by switching to more efficient thermal power plants.

Finally, ATM applies an annual monitoring system, validated by the Board of Directors, to verify the effectiveness of actions and to promptly identify any anomalies and critical issues.

The pollution reduction actions concern the entire Lombardy region where ATM carries out its Local Public Transport activities.

The Full Electric Plan involves the non-guided surface fleet (buses), which accounts for approximately 30% of ATM's total service.

Recirculating washing plants affect all LPT activities, impacting about 70% of the operating sites, generating benefits along the value chain both upstream (reduced water consumption) and downstream (lower discharge volumes and reduced load on city sewage treatment plants).

The time horizon for the completion of the main planned actions is 2030.

As far as industrial discharges are concerned, there was a decrease from a value of 2,634 ml of H2O in discharge in 2022 to a value of 1,997 ml in 2023 to a final value of 2,051 in 2024. The trend is decreasing.

## Metrics and Targets

### E2-3 - Targets related to pollution

*(ESRS 2 81)* The ATM Group has not defined any specific pollution-related targets, other than compliance with current legislation.

ATM has a dedicated function for monitoring air emissions to ensure compliance with legal limits and prevent regulatory values from being exceeded. In particular, specific standards are applied for the management of fluorinated gases (FGAS), with the aim of mitigating the greenhouse effect. In addition, the presence of underground double-chambered tanks, which are subject to mandatory leak tests, prevents potential soil contamination. If anomalies are



detected, ATM promptly intervenes with clean-up operations, also carried out for past situations, even when the direct responsibility of the Group is not established.

There are no formalised specific targets on water emissions. However, operating instructions and internal procedures expressly prohibit actions that could compromise the quality of water discharges. A monitoring system is in place to detect any worsening of discharges and activate mitigation actions if necessary. In addition to internal controls, the network is subject to periodic sampling by MM (Metropolitana Milanese), which carries out frequent checks. Currently, no specific ecological thresholds have been identified for the soil. However, soil protection is ensured through operational procedures and instructions that prohibit the deposit of waste on bare ground and regulate maintenance activities to avoid environmental damage. In the case of spills on company or public land, precise operating procedures and prompt intervention by AMSA for clean-up are provided for. These events are also tracked and reported within the environmental management system. We emphasise that incidents such as the accidental impact of oil pans by screeders while vehicles are in motion are detected and handled in this manner.

*(E2-3 25)* The ATM Group has not defined any specific pollution-related targets, other than compliance with current legislation.

#### **E2-4 Air, water and soil pollution**

*(E2-4 28.a)*

Destination	UoM	Value	Notes
Air	Tonnes	234	Nox all other pollutants are below thresholds
Water	Tonnes	0	All estimated analytes are below thresholds

*(E2-4 28.b)* - Not applicable.

*(E2-4 29)* For the purposes of paragraph 28, the values are consolidated by including emissions from facilities over which the Group has financial and/or operational control, provided that such facilities exceed the thresholds set out in Annex II of Regulation (EC) No 166/2006 (PRTR register). Plants that do not exceed these thresholds, although falling under the Group's control, are not included in the scope of consolidation for this disclosure.

*(E2-4 30.a, 30.b, 30.c)*

ATM S.p.A and NET Srl take water directly from the public aqueduct in the municipalities where the various company plants are located for both human (canteens and changing rooms)

and industrial (washing company cars) purposes.

All types of water (civil, industrial and first and second rainwater) are discharged into public sewers except in the case of the Famagosta depot, where they are discharged into surface water bodies (Southern Lambro-Olona river). The analysis conducted relates exclusively to industrial-type effluents, the origin of which derives from the use of water for washing company vehicle fleets, for which a number of certified analytical reports are available, considered as input for the determination of pollutants discharged into public sewers or, where authorised, into surface water bodies.

That said, in order to assess the extent of these pollutants, the methodology adopted is as follows:

- all analytical evidence was collected for the industrial water samples at the ATM and NET sites concerned. The mapped parameters are as follows:
- pH, conductivity, total suspended materials, colour, COD (Chemical Oxygen Demand), BOD5 (Biochemical Oxygen Demand), ammoniacal nitrogen, nitric nitrogen, total phosphorus, chlorides, sulphates, total surfactants, aluminium, arsenic, cadmium, total chromium, hexavalent chromium, iron, manganese, nickel, lead, copper, zinc, total hydrocarbons, aromatic organic solvents and halogenated organic compounds,
- each substance is measured in specific units (e.g. mg/l),
- The concentration distribution of the pollutants measured in each sample was assumed to be representative of the trend over the reference period. Therefore, knowing the annual quantities of water discharged into the public sewerage system for each deposit, deduced from the annual declarations of industrial water discharges sent to the respective integrated water services managers, the share of the specific pollutant for each location was apportioned to the total volume discharged (in m<sup>3</sup>),
- the quantities per pollutant deposition per year were added up to obtain the total value of the specific pollutant for ATM and NET,
- the resulting values were compared with the limits in Annex II of Regulation EC 166/2006.

In analogy to what was carried out for the estimation of emissions into the atmosphere (see Section 1.4) for each individual pollutant, the total value obtained was compared with the relevant quantitative threshold for emissions into water, a threshold indicated in the list of pollutants to be quantified (see Article 28 of EU Delegated Regulation 2023/2772). Again, only for values above the threshold values does the reporting obligation (see Annex II of EC Regulation 166/2006) laid down in the EU Regulation apply.

### ***1.1 Estimation of emissions from stationary installations***

To estimate the quantities of pollutants emitted by stationary plants, in the form of ducted emissions, the calculation was based on the annual pollutant emission analyses prescribed by

the local AUAs (specifically, the company locations of Precotto, Molise, Teodosio and Gallarate). From these data, the following methodology was applied in the calculation process:

- the concentration of pollutants was multiplied by the flow rate (data extrapolated from official reports of analytical campaigns on atmospheric emissions) to obtain a mass flow,
- the mass flow was multiplied by the period of use (identified in excess of 4 hours per day for 250 working days during 2024) to obtain the annual quantity of pollutant (ton/year or kg/year) for the time period of interest (2024).

### ***1.2 Estimation of atmospheric emissions from the operation of surface vehicles***

The COPERT software, a calculation application for estimating emissions generated by vehicle traffic developed by the European Environment Agency EEA within the framework of the CORINAIR programme, was used to estimate the quantities of the main pollutants from emissions generated by the diesel and hybrid surface bus fleet. COPERT, an acronym for Computer Programme to calculate Emission from Road Traffic, applies a calculation methodology based on the contents of the EMEP/CORINAIR Emission Inventory Guidebook - 2007, available on the website of the European Environment Agency. The amount of substances emitted into the atmosphere by vehicles depends on many factors. In this specific case, the following software calculation parameters were entered into the input software for the required time frame year (2024) for the ATM Spa and NET Srl fleets:

- numbers and environmental classes of motorisation,
- driving conditions: average speed and kilometres driven by type of road,
- type of fuel,
- climatic conditions: minimum temperature and maximum monthly relative humidity (ARPA Viale Juvara station),
- road slope.

### ***1.3. Estimated emissions from thermal power plants***

The quantification of pollutants from thermal power plants in service at ATM Spa and NET Srl locations was based on emission factors proposed by MASE (Ministry of the Environment and Energy Security):

- g. The emission factors of the individual pollutants were extracted from the reference document,
- h. these were then multiplied by the methane consumption for the year 2024, providing an estimate of the amount of pollutants emitted per location.

### ***1.4. Comparison of Final Results with Threshold Values (Regulation (EC) 166/2006)***

Once the calculations detailed in paragraphs 1.1-1.2-1.3 above had been carried out, for each individual analyte the obtained sum of these values was compared with the relevant quantitative threshold for emissions to air, a threshold indicated in the list of pollutants to be quantified (see Article 28 of EU Delegated Regulation 2023/2772). It should be noted that only for values above the threshold values does the reporting obligation (see Annex II of Regulation EC 166/2006) set out in the EU Regulation apply.

## E2-5- Substances of Concern and Substances of Very High Concern

### (E2-5 34)

Total amount of substances of concern generated or used during production or purchased.

Risk class	UoM	Value	Notes
Risk class not specified	Tonnes	15,164	It is specified that 99% is the consumption of automotive diesel.

Total quantity of substances of concern leaving facilities in the form of emissions, products or parts of products or services.

Risk class	UoM	Value	Notes
Risk class not specified	Tonnes	71	It is specified that 96% is carbon monoxide emission (air matrix)
Risk class not specified	Kilograms	5	Water matrix

(E2-5 35) Total quantities of substances of very high concern leaving facilities in the form of emissions, products or parts of products or services, broken down by main hazard classes of substances of concern.

Risk class	UoM	Value	Notes
Carcinogenic substances category 1 and 2	Kilograms	6	Air matrix
Germ cell mutagenicity, categories 1 and 2	Kilograms	0	Air matrix
Toxicity for reproduction, categories 1 and 2	Kilograms	20	Air matrix
Carcinogenic substances category 1 and 2	Kilograms	0	Water matrix
Germ cell mutagenicity, categories 1 and 2	Kilograms	0	Water matrix
Toxicity for reproduction, categories 1 and 2	Kilograms	0	Water matrix
Endocrine alterations to human health	Kilograms	0	Water matrix
Endocrine disruptions to the environment	Kilograms	0	Water matrix
Persistent, Mobile and Toxic or Very Persistent, Very Mobile Properties	Kilograms	0	Water matrix
Persistent, Bioaccumulative and Toxic (PBT) Properties or Very Persistent, Very Bioaccumulative	Kilograms	0	Water matrix
Respiratory sensitisation, category 1	Kilograms	0	Water matrix
Skin sensitisation, category 1	Kilograms	1.974	Water matrix
Chronic danger to the aquatic environment, categories 1 to 4	Kilograms	439.259	Water matrix
Danger to the ozone layer	Kilograms	0	Water matrix
Specific target organ toxicity, repeated exposure, categories 1 and 2	Kilograms	0	Water matrix
Specific target organ toxicity, single exposure, categories 1 and 2	Kilograms	380.679	Water matrix

Total quantities of substances of very high concern generated or used during production or purchased; broken down by the main hazard classes of substances of concern.

Risk class	UoM	Value	Notes
Toxicity for reproduction, categories 1 and 2	Kilograms	44	Air matrix
Can interfere with the endocrine system in the environment	Kilograms	6	Air matrix
It accumulates in the environment and in living organisms, including humans (persistent, mobile and toxic or very persistent and very mobile properties)	Kilograms	23	Air matrix
Accumulates significantly in the environment and in living organisms, including humans (persistent, bioaccumulative and toxic or very persistent and very bioaccumulative properties) (air matrix)	Kilograms	11	Air matrix
Carcinogenic substances category 1 and 2	Kilograms	1.71	Water matrix
Germ cell mutagenicity, categories 1 and 2	Kilograms	0	Water matrix
Toxicity for reproduction, categories 1 and 2	Kilograms	20.67	Water matrix
Endocrine alterations to human health	Kilograms	0	Water matrix
Endocrine disruptions to the environment	Kilograms	0	Water matrix
Persistent, Mobile and Toxic or Very Persistent, Very Mobile Properties	Kilograms	0.0017	Water matrix
Persistent, Bioaccumulative and Toxic (PBT) Properties or Very Persistent, Very Bioaccumulative	Kilograms	0.0017	Water matrix
Respiratory sensitisation, category 1	Kilograms	23.58	Water matrix
Skin sensitisation, category 1	Kilograms	155.81	Water matrix
Chronic danger to the aquatic environment, categories 1 to 4	Kilograms	612.52	Water matrix
Danger to the ozone layer	Kilograms	0	Water matrix
Specific target organ toxicity, repeated exposure, categories 1 and 2	Kilograms	176.03	Water matrix
Specific target organ toxicity, single exposure, categories 1 and 2	Kilograms	202.42	Water matrix

## ESRS E5 Resources use and the circular economy

### Impact, risk and opportunity management

#### ESRS 2 IRO-1 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

*(IRO-1 11.a)* As part of the Dual Materiality process, the ATM Group has identified the following material IROs related to resource use and the circular economy:

#### Impacts

- Contribution to the recovery and recycling of materials through the adoption of a policy for the sustainable management of the disposal and recovery of all or part of the Group's operational vehicles at the end of their life cycle (Potential positive impact in the short to medium term involving the upstream and downstream value chain),
- High consumption of materials and resources, such as steel, aluminium and rare minerals, with indirect negative impacts on the environment and ecosystems caused by their extraction (current negative impact in the short to medium term involving both the Group's own operations and the upstream value chain).

## Opportunities

- Adoption of efficient practices for the management and disposal of post-maintenance waste, favouring recycling activities where possible, with consequent potential for reducing disposal costs through resource optimisation (Opportunities in the short to medium term involving the upstream and downstream value chain).

*(IRO-1 11.b)* For the assessment of IROs, especially with regard to impacts along the value chain, representatives of affected communities/suppliers were involved, who by sharing a questionnaire were able to express the significance of the impacts caused by ATM in terms of magnitude and likelihood.

### E5-1 Policies related to resource use and circular economy

*(ESRS 2 62)* The ATM Group does not have a specific policy dedicated to the use of resources and the circular economy in compliance with the requirements of ESRS 2 MDR-P. However, it pursues a strategic sustainability line integrated into its business model, setting itself as a benchmark in terms of official, operational (mobility services), economic, social and environmental sustainability.

This strategy is developed in the Strategic Industrial Plan 2021-2025 and implemented in the Sustainability Policy. The Policy outlines the sustainability commitments undertaken by the Group through six pillars of action:

- Zero-emission transport,
- Responsible consumption,
- Sustainable Supply Chain,
- Inclusive mobility,
- Great Workplace,
- Responsible Governance.

The pillar on Responsible Consumption aims to use the minimum indispensable resources by means of consumption efficiency processes and the recovery, reconditioning and recycling of used resources. Through its Sustainability Policy, the Group contributes positively to the achievement of the Sustainable Development Goals defined by the United Nations 2030 Agenda. Specifically, the Responsible Consumption pillar contributes to Goal 7 (Ensure access to affordable, reliable, sustainable and modern energy systems for all), Goal 11 (Make cities and human settlements inclusive, safe, secure, durable and sustainable) and Goal 13 (Promote action, at all levels, to combat climate change). The targets are for 2030, but each year the company sets annual targets that are constantly measured and reported to the Board of Directors.

The Board of Directors is involved in the validation of the annual results of the Sustainability Policy KPIs. Since December 2024, the Board Committee on Sustainability has also been operational, liaising with the Sustainability Policy Committee (operational and management body) to review sustainability policy and actions.

There are no references to specific regulations on the circular economy. However, for waste management the ATM Group:

- Complies with current regulations,
- It ensures transparency, efficiency and traceability in waste management,
- It annually prepares the **Single Environmental Declaration Form** to declare waste produced.

Although no specific policy on the circular economy is formalised, in 2024 ATM initiated a **supply chain assessment** (Italy and Denmark) using the Ecovadis method, which includes the use of raw materials and the circular economy of products among its evaluation criteria.

(E5-1 15.a, 15.b) Not having formalised a specific policy on resource use and the circular economy, the ATM Group does not address in detail the issues of the phasing out of virgin resources and the sustainable sourcing and use of renewable resources.

## **E5-2 Actions and resources related to resource use and circular economy**

(ESRS 2 62) The ATM Group has not taken any specific actions that can be attributed to a formalised policy on resource use and the circular economy. However, several initiatives have been implemented over time with the aim of reducing environmental impact, improving waste management and promoting resource recovery and recycling.

In particular, ATM favours the procurement of products and materials that are eco-friendly, biodegradable or characterised by high environmental performance. In waste management, the company adopts solutions that favour recovery and reuse over disposal. Waste assimilable to municipal waste is delivered to the municipal separate collection system, while industrial waste, solid and liquid, hazardous and non-hazardous, is handled through contracts with authorised companies. Other types of special waste, such as metals, batteries, oils and tyres, are mainly sent for recovery at specialised centres.

Below is a list of initiatives undertaken over the years:

### ***Sales regulations***

Among the main actions taken was the adoption of Sales Regulations aimed at promoting the reuse of materials and outgoing resources. This Regulation provides for the evaluation, by the managers and with the support of the Sustainability Unit, of the possible uses of materials,



giving priority to their second life within the company. If this is not possible, reconditioning is sought or the material is sold externally; only as a last resort is consideration given to recycling, in compliance with current environmental regulations (Leg. Decree No. 152/06) and corporate procedures on special waste management.

### ***Uni En Iso 14001:2015***

With regard to the Group's environmental impact management system, the companies ATM S.p.A., Rail Diagnostics S.p.A., and NET S.r.l. use an environmental management system that complies with the UNI EN ISO 14001:2015 environmental standard. In order to maintain this certification, companies adopt specific organisational documents (e.g. manuals, work instructions and procedures) relating to practices for the good management of environmental resources, the management of environmental emergencies and the assessment of the significance of environmental impacts.

### ***Eco-compactors***

Among specific actions already under way, since 2021, ATM has started a trial that will see the installation of the first two eco-compactors, for PET plastic recycling, within the company's Monte Rosa site and at the Cascina Gobba underground station. The operation of the eco-compactor is very simple: by inserting a plastic bottle of any size that has contained liquid foodstuffs, it will be recycled and used for the production of new bottles (bottle to bottle). In addition to environmental benefits, this operation also brings personal advantages. By logging in through the Coripet App, you can earn points for each recycled bottle. The prize list is constantly being updated. The initiative is in cooperation with CORIPET, a voluntary non-profit consortium recognised by the Ministry of the Environment. In October 2022, a third machine was placed at the Como-Brunate funicular station. From the start of the installations until the end of 2024, 83,323 bottles equivalent to **3.3 tonnes of recycled plastic** and a saving of more than **5.6 tonnes of CO<sub>2</sub>**.

### ***Water dispensers***

A further intervention concerns the installation of water dispensers at company premises and terminals, with the aim of reducing the use of plastic bottles. The initiative, which started in 2019, was accompanied by the distribution of branded water bottles to employees. The results of this activity have led to a progressive reduction in plastic consumption:

- **2022:** 3,415 bottles saved (~34 kg of plastic),
- **2023:** 4,206 bottles saved (~42 kg of plastic),
- **2024:** 2,446 bottles saved (~24.5 kg of plastic), a figure that is decreasing due to the temporary shutdown of a machine.

### Digitisation of tickets

In 2024, more than 80% of tickets were purchased in digital format, significantly reducing paper consumption.

### Recycling

In 2024, the provision of waste bins was implemented at all company desks.

### Metrics and Targets

#### E5-3 Targets related to resource use and circular economy

**(ESRS 2 80.a)** The ATM Group's main objective is to increase the percentage of waste recovered as a percentage of total waste produced, in line with the second pillar of its Sustainability Policy, dedicated to "**Responsible Consumption**". This objective reflects in a concrete and measurable way the Group's commitment to the efficient management of resources and the reduction of waste-related environmental impact.

KPI	Final Data						Objective
	2019	2022	2023	2023	2024	2030	
% of waste recovered on total - Italy	75%	58%	67%	61%* Target not achieved; new tender to be launched in 2024	52%	85%	
				with reward criteria for calculating Atm waste recovery			

**(ESRS 2 80.b)** The quantitative target set is to achieve a recovered waste percentage of 85% by 2030, with annual intermediate targets. The calculation is made considering the quantity and classification of waste produced by ATM according to CER codes.

**(ESRS 2 80.c)** The scope of the target concerns only the Italian territory and refers in particular to the **maintenance activities** of ATM and its Italian subsidiaries, such as Rail Diagnostics.

**(ESRS 2 80.d)** The baseline was set in 2019, when the **percentage of waste** recovered stood at 75%. The ultimate goal is to reach 85% by 2030.

**(ESRS 2 80.e)** The target is set at 2030, with **annual reviews** on the results achieved and with the possibility of updates or corrections during the course of the project.

**(ESRS 2 80.f)** No specific calculation methodologies or reference scenarios are applicable, as the measurement is directly related to the management of industrial waste according to current legislation.

**(ESRS 2 80.g, 80.h)** The objectives are not based on sound scientific data and there is no direct

involvement of the stakeholders in defining them.

*(ESRS 2 80.i)* To date, there have been no changes to the objectives, metrics or measurement methodologies adopted. The assumptions and data collection processes remain unchanged.

*(ESRS 2 80.j)* An annual monitoring of the results shows a **intermittent trend in the percentage** of waste recovered, closely linked to the type of maintenance work carried out in the different years. By way of example, in 2019 the decommissioning of underground trains allowed a significant portion of the materials to be sent to a second life, which had a positive impact on the recovery figure. On the contrary, in 2022 the replacement of tram tracks and sleepers led to an increase in materials that could not be recovered by law, causing the percentage to worsen.

A further critical element in the reporting of the data concerns the phase after the waste has been handed over to the disposal companies: Indeed, once ownership of the waste has been transferred, ATM is no longer able to trace the actual final fate of the waste, nor whether the part handed over as “disposed of” is then actually recovered by the operator. This dynamic leads to an underestimation of the actual recovery and for this reason, an internal analysis is currently under way to verify the possibility of improving the traceability of the supply chain, with particular attention to the share of waste that, although classified as disposed of, is subsequently sent for recovery.

*(E5-3 24 and 25)* The objective is closely linked to waste management and the maximisation of waste recovery, with particular reference to the European waste hierarchy that favours recovery over disposal. On the other hand, there are currently no specific targets for increasing the circular design of products, the use of secondary resources or the sustainable supply of renewable resources.

*(E5-3 27)* The targets set by the ATM Group on waste management and increasing the percentage of waste recovered are not mandatory by law, but are voluntary and optional targets defined within the Group's Sustainability Policy. These objectives represent ATM's commitment to a more responsible management of resources and the gradual integration of circular economy principles into its activities.

#### **E5-4 Resource inflows**

*(E5-4 30)* During 2024, the main material incoming resources for the ATM Group were represented by the new vehicles acquired for the Local Public Transport service, which are fundamental for the performance of ATM S.p.A. and NET.

Specifically, the following were delivered during the year:

- 1 underground train for the M1 line,
- 4 medium-capacity trams,
- 19 trolleybuses,
- 38 electric buses,
- 22 hybrid buses.

The total weight of the main incoming material resources is shown in the table below:

(E5-4 31.a)

Type of incoming resources <sup>26</sup>	UoM	2024 Total weight of products
Electric Buses	Tonnes	524
Hybrid buses	Tonnes	254
Trolleybus	Tonnes	523
Tram	Tonnes	148
Underground trains	Tonnes	183
<b>Total</b>	<b>Tonnes</b>	<b>1,633</b>

(E5-4 31.b and 31.c) There is currently no specific data available on the percentage of bio-materials from sustainable supply chains or the amount of secondary materials reused or recycled for the production or maintenance of vehicles and infrastructure.

(E5-4 32) The weight of vehicles is defined in data sheets detailing the vehicles purchased in the reporting year. For this reason, the methodology used for the calculation corresponds to the weight given in the cited documents.

## E5-5 Resource outflows

### Products and materials

(E5-5 35, 36.a, 36.b, 36.c) The ATM Group carries out the management of the Local Public Transport service and does not manufacture or design products or materials.

Therefore, the requested information on:

- design according to circular economy principles (durability, reusability, reparability, disassembly, remanufacturing, etc.),
- expected durability, reparability and recyclable content of products and packaging placed on the market.

In any case, the ATM Group is committed to promoting sustainability and the circular economy in its operational processes and purchases, favouring, where possible, materials and supplies with reusable and recyclable characteristics.

## Waste

(E5-5 37.a, 37.b, 37.c, 37.d)

Category	UoM	2024
<b>Total waste produced</b>	<b>Tonnes</b>	<b>6,817.17</b>
<i>of which hazardous</i>	Tonnes	776.56
<b>Total non-recycled waste</b>	Tonnes	3,653.19
	Percentage	53.59%
<b>Recovery operation</b>	<b>UoM</b>	<b>2024</b>
<b>Hazardous waste</b>	<b>Tonnes</b>	<b>533.74</b>
<i>Preparation for re-use</i>	Tonnes	0.05
<i>Recycling</i>	Tonnes	4.14
<i>Other recovery operations</i>	Tonnes	529.55
<b>Non-hazardous waste</b>	<b>Tonnes</b>	<b>2,646.10</b>
<i>Recycling</i>	Tonnes	135.19
<i>Other recovery operations</i>	Tonnes	2,510.91
<b>TOTAL</b>		<b>3,179.85</b>
<b>Disposal operation</b>	<b>UoM</b>	<b>2024</b>
<b>Hazardous waste</b>	<b>Tonnes</b>	<b>242.82</b>
<i>Other disposal operations</i>	Tonnes	242.82
<b>Non-hazardous waste</b>	<b>Tonnes</b>	<b>3,394.51</b>
<i>Incineration</i>	Tonnes	632.44
<i>Burial</i>	Tonnes	3.96
<i>Other disposal operations</i>	Tonnes	2758.108
<b>TOTAL</b>		<b>3,637.32</b>

(E5-5 38.a, 38.b) The ATM Group does not generate a prevailing and recurring type of waste, as the composition of waste depends on the activities carried out and the construction sites active from year to year. However, waste sources of potential relevance to the public transport sector include: waste from vehicle maintenance (e.g. used oils, tyres, batteries), metal waste from mechanical processing or parts replacement, electronic waste (WEEE) from the decommissioning of electronic devices, and assimilable municipal waste from the day-to-day activities of operating sites. Detailed information on the material composition of the waste (e.g. percentage of metals, plastics, biomass, etc.) is currently not available. The ATM Group is committed to strengthening its waste tracking and classification processes in order to improve the quality of environmental information made available in future reporting.

(E5-5 39) The total amount of hazardous waste generated by the ATM Group is shown in the table above and is **776.56** tonnes. The Group does not generate radioactive waste, as defined in Article 3(7) of Directive 2011/70/Euratom.

(E5-5 40) Please refer to chapter ESRS 2 General Information for waste calculation methodologies.

## 7.3 Social information

### ESRS S1 Own workforce

#### Strategy

#### ESRS 2 SBM-2 Interests and views of stakeholders

*(SBM 2 12)* Workers' opinions, interests and rights are integrated into the ATM Group's business strategy and model through specific engagement and dialogue. In particular, workers are involved both within the **Stakeholder Engagement** conducted during the Double Materiality Analysis and through further dedicated discussions and initiatives, as well as through various channels made available by the ATM Group, as detailed in paragraph S1-2 Involvement Processes.

The Board of Directors approves the results of the Dual Materiality process, ensuring its full alignment with the Group's corporate strategy, objectives and business model, while respecting human rights and workers' interests.

#### ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

*(SBM 3 13.a)* The ATM Group has also defined a business strategy that incorporates the principles of sustainability and allows it to create value for the Group and its stakeholders.

The ATM Group's strategy in the **Strategic Industrial Plan 2021-2025**, shared and approved by the Parent Company's Board of Directors, was developed in line with its own peculiarities, as well as in consideration of the evolution of market trends.

As a complement to the Industrial Plan, and in line with the "Milano Mix" environmental transition promoted by the Municipality of Milan, the Group has followed up on activities to refine its sustainability strategy, which is concretised in the Sustainability Policy.

The Policy outlines the sustainability commitments undertaken by the Group through various pillars of action. The fifth pillar, **Great Workplace**, aims to promote a positive working environment for all employees that attracts and enriches people and values diversity.

During the revision of the Strategic Industrial Plan, it was also decided to include a new pillar called **"People and Culture"** as evidence of the Group's commitment to putting its staff at the centre. The first actions implemented in this respect allowed the company to improve internal communications, strengthen Welfare, Diversity, Equity & Inclusion best practices, enhance employer branding and adopt new practices to improve the selection and recruitment of new talent.

**(SBM 3 14)** The disclosure on ESRS S1 - Own Workforce refers to all persons belonging to the different professional areas of the Own Workforce affected by the Group's operations, both upstream and downstream in the value chain.

**(SBM 3 14.a)** The ATM Group as at 31 December 2024 is composed of **10,623 employees**, who may be exposed to the various impacts, risks and opportunities listed below. The composition of the company's own workforce is of both permanent and fixed-term contract workers. In addition, there are 80 non-employed workers belonging to the following categories: contractors, consultants, trainees, professionals and extracurricular trainees.

The results emerging from the Dual Materiality process highlighted the following material impacts, risks and opportunities for the own workforce.

**(SBM 3 14.b)** The negative impacts identified as material, and reported below, relate to working conditions and equal treatment of employees and are generalised:

- Negative impact on the health and safety of employees and non-employees due to the failure to adopt or comply with safeguards at the Group's operating sites, with the possibility of accidents, occupational diseases or other incidents occurring in the workplace;
- Contribution to the occurrence of potential incidents of discrimination within ATM due to the absence of adequate prevention and mitigation policies.

**(SBM 3 14.c)** **Positive impacts** also relate to working conditions and equal opportunities, and derive from the training activities provided by the Group, the Health and Safety monitoring and the activities ATM puts in place to ensure an inclusive and peaceful environment:

- Creation of an inclusive working environment and development of welfare, via the promotion of corporate activities and initiatives that counteract discrimination by ATM;
- Development of training activities and implementation of employee health protection services aimed at promoting the psycho-physical well-being of workers beyond the compulsory measures provided by the applicable regulations;
- Contribution to the training and growth of employees, through the promotion of training activities and customised programmes (general and technical) with growth objectives.

The growth and development of ATM's people has always been a key element in achieving the Group's objectives. A concrete example is ATM's **People and Culture Manifesto**, which promotes inclusion by recognising that diversity provides a sense of organisational cohesion and a corporate culture in which diverse individual experiences are listened to and valued, and contributes to corporate well-being by improving the work environment through corporate well-being policies. The Group is therefore committed to offering its employees an

inclusive working environment that fosters a strong sense of belonging to the organisation's large community of professionals.

In line with the goals of the UN 2030 Agenda, the actions of ATM's Well-being and Diversity & Inclusion service are geared towards contributing concretely to the achievement of these ambitious goals. For several years now, the ATM Group's multidisciplinary team **Well-being, Diversity & Inclusion** has been playing a crucial role, generating benefits not only for its employees, but also for their families and the communities in which ATM operates with its public services.

It also introduced the **figure of the Trusted Adviser**, a specialised, external and impartial professional who actively participates in promoting and building an inclusive and non-discriminatory working environment. Behaviour Guidelines have been published, within which the Code of Conduct is included.

Below are some of the main initiatives promoted by ATM to ensure people empowerment and inclusion:

- Implementation of the Behaviour Guidelines and creation of training rooms for the dissemination of the topic,
- Charter of Corporate Values: a project that focuses on the company's values - passion, care, inclusion, innovation and sustainability - as ATM's distinctive elements,
- Creation of communities of Champions and Ambassadors, with the role of promoters of values and ethical behaviour,
- Project Decorum,
- Activation of a desk for counselling and post-traumatic support for extraordinary events,
- Reduction of the gender pay gap to 3%,
- Development of the digital platform 'We are ATM', to make all Well-being, Diversity & Inclusion services accessible and easily usable,
- Housing for new recruits,
- #RiParto Call.

Following the two-year period of activity of the Bando #Conciliamo, ATM has been awarded a new subsidised finance call, the RiParto Call - 'Corporate welfare paths to facilitate mothers' return to work, foster birth rates and work-life balance'. This project is aimed at supporting the return to work of working mothers and promoting the harmonisation of work and care time for the family.

The projects envisaged by the Call for Proposals include **support actions to assume the new parental role**, in a work-life balance perspective, and include psychological and physical support initiatives, economic incentives, training and refresher courses to accompany the



return to work after delivery or adoption. These initiatives are financed through the resources of the Family Policy Fund.

The other two impacts 'Promotion of employee health' and 'Contribution to employee training and development' are reflected:

- in the provision of safety training, in order to involve all personnel at different organisational levels, ensuring the highest levels of safety for the Group,
- through the promotion of training activities and customised programmes (general and technical) with growth objectives, the vision of training as a strategic lever is confirmed: guidelines and management are developed both at a central level, by the parent company ATM S.p.A. through a dedicated structure, and at a local level by its subsidiaries. Among the most significant activities are the education and training of incoming staff, through the implementation of personal training plans and diversified interventions according to their roles.

*(SBM 3 14.d)* The following are the risks that emerged from the Double Materiality process:

- **Strike by ATM staff** demanding better working conditions in terms of wages, safety and rights, with consequent impacts on service continuity and reputational damage,
- Evolution of the labour market leading to **difficulties in finding skilful personnel**, with consequent operational and reputational impacts due to service reduction and/or reshuffling and training costs,
- **Attacks on ATM staff** by customers and other third parties, resulting in reputational and economic damage due to refunds and possible service interruptions.

*(SBM 3 14.e)* The ATM Group has not identified any impact on its own workforce that may result from transition plans to reduce environmental impact.

*(SBM 3 14.f)* The ATM Group does not resort to or support the use of forced or compulsory labour as defined in ILO Convention 29; furthermore, it does not ask staff to pay bail or leave original identity documents with the company when they start work. ATM does not allow work to be obtained with a coercive threat.

In order to ensure the full voluntariness of any performance, it is committed to ensuring that all workers are fully aware of the rights and duties arising from their employment contract; in fact, all workers, upon being hired, receive and sign for acceptance the letter-contract, a compilation of the sector regulations and disciplinary rules to which they must refer.

The company does not grant loans to its employees but, in accordance with the laws and regulations in force, applies more favourable conditions to meet requests linked to special needs; these are analysed by a support committee which, when it deems it appropriate, may authorise an advance on severance pay.

In addition, the company has signed an agreement with a credit institution through which treasury functions are offered to employees with better conditions for maintaining current accounts than those reserved for private individuals, and an agreement with a financial institution for the granting of loans at subsidised rates.

*(SBM 3 14.g)* The ATM Group does not and does not intend to make use of or support work activities carried out by children or minors; to this end, it has prepared the "**PGD DRU 03 - Child Labour**" procedure included in the company's information system (called Hegel) for the management of cases in which a work situation is found that falls within the definition of child labour, for example in the supply chain. The procedure defines the actions that ATM takes to provide adequate support to children who may be involved in work activities, so that they may be enabled to attend and remain in school until the age required by law; it also manages the presence of any minors in the organisation, ensuring that children or young workers are not exposed to situations that are dangerous or harmful to their physical and mental health and development both inside and outside the workplace.

The ATM Group has maintained its commitment not to use child labour and to protect young workers (between 16 and 18 years of age) both within the Group and in the production chain.

ATM will continue to be committed to monitoring compliance with the principles by carrying out audits at the premises of suppliers and subcontractors and by collecting information that can give confidence to stakeholders and the certification body that the principles are being observed.

*(SBM 3 15)* The Group works to promote employee diversity and inclusion, establishing a sense of organisational cohesion and a corporate culture in which different individual experiences are listened to and valued. Below are the different ways in which ATM employees can be heard and initiatives to promote diversity and inclusion.

The needs and requirements of employees in terms of diversity and inclusion are listened to by the **Diversity Manager**, who oversees, coordinates and monitors projects and actions dedicated to the promotion of activities.

Moreover, the figure of the Trusted Adviser, as a specialised, external and impartial figure, participates in the promotion and construction of an inclusive and non-discriminatory working environment. Below are some of ATM's initiatives to ensure diversity and inclusion:

- **Welfare system:** ATM works to foster the inclusion and appreciation of diversity and to promote a culture of integration and organisational cohesion, including through its welfare offerings,
- ATM is also a signatory to the **Charter of Equal Opportunities and Equality** in the

workplace promoted by Assolombarda and Fondazione Sodalitas, with the support of a Trusted Adviser,

- **Guaranteed fair remuneration** of all employees, in relation to the skills daily expressed in the achievement of their respective professional goals.

In terms of occupational safety, the Group expresses its concrete and continuous commitment to the identification and assessment of possible **occupational health and safety risks**, adopting appropriate prevention and protection measures

*(SBM 3 16)* The above-mentioned risks that arise from the impacts and dependencies in terms of own workers concern the entire own workforce.

*(SBM 3 13.b)* The material risks identified in relation to the workforce (S1) derive mainly from exposure to the external environment in which the ATM Group operates, which may affect the well-being, safety and employment stability of staff. The link between risks and the business model is reflected in the centrality of personnel in the Group's activities: the quality and continuity of the public transport service depends on the availability, motivation and competence of the workforce.

## Impact, risk and opportunity management

### S1-1 Policies related to own workforce

*(ESRS 2 62)* The ATM Group does not have policies that fully meet the requirements of the legislation but nevertheless has several internal policies aimed at its own workforce that aim to create an ethical, inclusive and safe working environment for all employees:

- Code of Ethics,
- Charter of Values,
- Conduct Guidelines,
- SA 8000 Policy,
- Social Responsibility Policy,
- ATM Group's Integrated Quality, Environment and Safety Policy,
- Sustainability Policy.

### The Code of Ethics

The ATM Group's Code of Ethics constitutes the set of values and lines of conduct that make up the Group's 'identity'. The document is inspired by the contents of Legislative Decree No. 231/2001, the anti-corruption regulations governed by Law No. 190/2012, to the transparency regulations referred to in Legislative Decree No. 33/2013 as amended, the provisions of SA 8000, the international standards ISO 9001 and 14001.

Group companies recognise the **centrality of human resources**, committing to adequately and

periodically assessing and developing the skills and competencies of each employee through a system of recurrent training and offering all workers the same opportunities without any discrimination, ensuring the protection of health and safety at work and environmental protection. Each company expects employees, at every level, to cooperate in maintaining a climate of mutual respect for each other's dignity, honour and reputation. Furthermore, any form of unlawful employment and direct or indirect discrimination of any kind in labour relations is not tolerated. Each company is required to prevent and in any case prosecute mobbing and personal harassment of any kind. Group companies undertake to manage their activities in full compliance with current regulations on health and safety prevention and protection, pursuing the objective of continuous improvement of health and safety conditions at work, as well as environmental aspects.

### **The Charter of Values**

The ATM Group Charter of Values encapsulates and disseminates the Group's values among its employees, specifically:

- Passion,
- Care,
- Inclusion,
- Innovation,
- Sustainability.

Each of the above values is reflected in various behaviours such as responsibility and making a difference, customer focus and the importance of respect and listening, teamwork and openness. It also recognises the importance of market focus to think big and act change, with the positive contribution to sustainability in terms of impact on the local area and development to the well-being of the whole community, internal and external.

### **Conduct Guidelines**

The Conduct Guidelines bring together the principles of conduct defined by the ATM Group for its personnel, also regulating the sanctioning procedures in the event of violations, as well as a Code of Conduct.

The Code has been drafted in compliance with the principles contained in the Code of Ethics and the provisions of the Organisation, Management and Control Model adopted by the ATM Group, the provisions of SA8000 and the international standards ISO 9001, ISO 14001 and ISO 45001, as well as the current legal and contractual provisions applicable to the employment relationship of the recipients.

The principles of conduct contained in the Code are grouped into the following areas:

- Health and Safety,
- Mobbing and harassment,
- Protection of diversity, dignity and integrity of workers and equal opportunities,
- Regulations and discipline,
- Negotiating fairness,
- Anti-corruption and bribery,
- Conflict of interest,
- Privacy,
- Confidentiality and use of company assets/tools,
- Respect for the environment,
- Fairness in customer relations.

All sections outline principles, prohibitions and obligations governing the relationship between the ATM Group and its employees. In addition, to make these provisions clearer and more practical, ethical dilemmas are presented as practical example situations in which the worker might find himself. Each dilemma is then accompanied by an explanation of what to do.

(S1-1 24.a, 24.b, 24.c) All Group companies counteract the occurrence of cases of bullying at work, i.e. any form of moral and/or sexual harassment carried out in the workplace, and ensure that, in working relationships, the physical and psychological integrity of other workers is not violated in any way and that an intimidating, hostile, degrading, humiliating or offensive climate is not created. Furthermore, all Group companies recognise diversity as an added value and promote open and inclusive working environments, protecting workers' rights and freedoms, as well as equal opportunities among workers, including at the selection stage. The Group also opposes any form of discrimination, whether direct or indirect, and therefore any provision, act, practice or behaviour that discriminates against workers on the grounds of gender, ethnicity, trade union affiliation, religion, sexual orientation, personal or political beliefs, disability or age, as well as any treatment or modification of working conditions and working hours that, on account of gender, age, personal or family care needs, state of pregnancy or maternity or paternity, including adoption, places or may place workers at a disadvantage. The Conduct Guidelines outline specifically all those behaviours that fall within these cases.

**(S1-1, 24.d) The Code of Conduct** against violence and harassment in the workplace, as an appendix to the Conduct Guidelines, recalls the constitutionally enshrined principles of equality between men and women, protecting the person and the worker, EU and national legislation on the protection of the dignity of women and men in the workplace and on sexual harassment, the ATM Group's Code of Ethics and current collective bargaining. The aim of this document is to prevent and/or remove harmful conduct (discrimination, moral and/or sexual

harassment, mobbing). It is aimed at all those who, regardless of their type of employment relationship and professional classification, work within ATM Group companies.

The Code is available internally by being posted in a place accessible to all and published on the company intranet. The document remains deposited at each Company/Directorate/Secretary's Office, which will provide for the appropriate communication and dissemination of any amendments and additions that may be made, as well as deliver a copy of the updated text to interested parties who request it.

All those to whom the Code applies have the right/duty to contribute and to ensure a working environment in which the dignity of persons is respected, informing the Trustee(s) where appropriate. In addition, the heads of organisational units:

- have a duty to promote the prevention of harassment in the workplace where they perform their duties,
- are required to ensure compliance with the Code and to promote the dissemination of its contents,
- in the event of conduct amounting to the behaviour described in the Code, they are invited to inform the Trusted Advisor without delay, paying particular attention to restoring a working environment conducive to proper interpersonal relations.

In order to **ensure the effective application of the Code**, the figure of the Trusted Advisor is established, appointed by the ATM Group's General Manager, on the basis of proven moral qualities, experience and professional competence capable of carrying out the envisaged task in full autonomy. The Trusted Adviser, who comes from outside the company, acts autonomously, with fairness, impartiality and absolute confidentiality in the performance of her/his duties. Anyone who considers him/herself a victim of discrimination, harassment or mobbing may confidentially contact the Trusted Adviser, who will proceed, within the scope of his/her duties, to implement the necessary procedures, or directly to the Company (hierarchical manager and/or personnel manager) who will invite the person concerned to contact the Trusted Adviser.

As part of his/her function, the Trust Adviser may:

- listen to the person concerned in one or more interviews, giving him/her the necessary attention to adequately frame the problem and provide counselling by making the person aware of the paths to be taken,
- activate specialist consultations (e.g. legal or psychological) within the company or with private specialists, which may be necessary to resolve the case,
- suggest referral to anti-violence centres or centres for psychological support and/or structured mediation paths,

- obtain any witness testimony and access to administrative documents or records relating to the case,
- interview the person believed to be responsible for the offending or discriminatory behaviour,
- propose mediation meetings between the alleged offended person and the perpetrator of the alleged harassment or discrimination,
- conduct effective mediation between the parties,
- propose to the parties concerned and/or to the heads of management, unit or operational sector solutions aimed at putting an end to the reported conduct, removing its effects and preventing its recurrence,
- if the person concerned reports a situation of violence in the private sphere, listen and provide counselling, possibly activate specialist counselling (e.g. legal or psychological) with private specialists, suggest referral to anti-violence centres or centres for psychological support, as indicated in Article 10 of ILO Convention 190/2019.

The Trusted Adviser's action will be closed, barring impediment, no later than thirty days from the date of submission of the report. Depending on the positive or negative outcome, the necessary measures for the proper handling of the case will be implemented.

## SA 8000

*(S1-1 21)* The ATM Group considers social responsibility as a fundamental element in driving its corporate and social policies. Therefore, continuing its social and ethical commitment to all parties operating inside and outside the organisation, ATM and its Italian subsidiaries have adopted a social responsibility **management system consistent with the international standards SA 8000:2014 and UNI ISO 26000**. The SA 8000 standard was created as an aggregation of principles established by other international documents such as the UN Universal Declaration of Human Rights, the UN Convention on the Rights of the Child, the ILO (International Labour Organization) Conventions and Recommendations, and the UN Conventions with the aim of eliminating all forms of discrimination.

*(S1-1 20.a)* Its content requires compliance with national and international labour and work environment laws and compliance with ethical requirements, including freedom of association and the right to collective bargaining, requires avoiding forms of discrimination based on race, gender, religion, politics, disability, sex, age, ensuring equal opportunities, ensuring fair remuneration, and respecting appropriate working hours.

*(S1-1 22)* The SA 8000 standard includes the following requirements in relation to respect for human rights in the workplace:

- Not employ child labour or encourage its use,
- Not resort to or encourage the use of forced or compulsory labour,

- Ensure a safe and healthy workplace for all employees,
- Respect the right of workers to associate and join trade unions,
- Do not discriminate in any manner,
- Do not use or support disciplinary practices such as corporal punishment, physical or mental coercion, verbal abuse,
- Adjust working hours to the laws and agreements in force,
- Remunerate employees by respecting existing contracts,
- Implement and maintain an active Social Accountability Management System.

*(S1-1 20, 20.c)* Essential actions of the SA 8000 system are:

- definition of a Social Responsibility Policy and related commitments that the Group intends to implement,
- annual management review of the Management System,
- selection and control of social responsibility in the ATM Group's supply chain,
- handling of reports and appeals from both within the company and from interested parties,
- communication within and outside the organisation,
- periodic audits of the System.

All the requirements of the standard are monitored and managed through actions and procedures that are described in detail in the SA 8000 Annual Report, which also contains the relevant data for certified companies. In addition, periodic risk assessment and monitoring meetings on the correct and effective implementation of the policy are held throughout the year.

The reports of inconsistencies and/or violations of the principles of the SA 8000 standard, as well as any proposals for improvement received by ATM, are constantly recorded and monitored by the SA 8000 team, which interfaces with the appropriate company departments for investigation activities, in compliance with the principle of confidentiality. Employees who wish to submit reports and suggestions may do so via the methods described on the dedicated intranet page, anonymously or otherwise, and via the dedicated company e-mail address. In all company premises, near the notice boards or break rooms, there are boxes for collecting reports and suggestions, which are subject to periodic inspection and collection of the reports received.

*(S1-1, 20.b)* SA 8000 certification and the related management system are part of the Internal Control and Risk Management System: maintenance of the certification and **periodic evaluation** of the Company's performance in this area are promoted through continuous monitoring, internal audits of the various company functions and widespread verifications carried out by the Social Performance Team, a dedicated body made up equally of workers' and company representatives. In particular, workers have been involved through the wide



dissemination of material describing the SA 8000 standard, its requirements and its relevance to company life, and a training plan has also been implemented to gradually cover all Group employees. The trade unions, in turn, were made aware of SA 8000 and adhered to and supported the adaptation process of the company's activities. In addition, they actively participate in the process through the appointment of three Workers' Representatives who are involved in the Management System as members of the Social Performance Team.

### **Social Responsibility Policy**

Within the framework of the Social Accountability Management System consistent with SA8000:2014 and UNI ISO 26000 standards, the ATM Group has drawn up a Social Accountability Policy which expresses the Group's concrete commitment to the continuous improvement of its management system, through the annual review and monitoring of the same thanks also to specific tools such as periodically updated risk analyses and constant internal audits. The primary objectives are the protection of the working conditions of employees and the promotion of a positive working environment that is attractive and enriching through the company policies based on valuing individuals and diversity. Continuous adaptation to social and legislative requirements in the field of safety will also be ensured, as well as the monitoring of relations with suppliers/subcontractors, giving preference, where possible, to subjects attentive to environmental, social and ethical aspects that share the ATM Group's values and, last but not least, the communication of SA8000 principles outside the company through social initiatives. We also reaffirm the central role of the Social Performance Team as a committee that oversees the maintenance of compliance with the SA 8000 Standard and consolidates a corporate environment in which dialogue becomes a primary source of increasing cohesion and physical, mental and social well-being.

*(S1-1 21)* The ATM Group ensures that its workforce policies comply with internationally recognised instruments on human rights and working conditions. In particular, the Social Accountability management system adopted by the company since 2012 is aligned with the international standards SA8000:2014 and UNI ISO 26000, as well as with the Code of Corporate Responsibility Legislative under Legislative Decree No. 231/01, which are fundamental references for the Group's Code of Ethics and Rules.

ATM operates in compliance with the Universal Declaration of Human Rights, International Labour Organisation (ILO) and United Nations conventions, as well as national labour and workplace safety regulations.

Through the Social Performance Team, established in 2015, the Group oversees the compliance with the SA8000 standard and promotes a working environment based on

dialogue, cohesion and physical, mental and social well-being. In addition, ATM is committed to periodically reviewing its policies, continuously monitoring working conditions and carrying out internal audits to ensure the constant improvement of its social responsibility management system.

### **ATM Group's Integrated Quality, Environment and Safety Policy**

*(S1-1 23)* The ATM Group expresses its concrete commitment to the continuous improvement of its management systems in line with the values expressed in the Code of Ethics, in the Conduct Guidelines and in international standards such as ISO 9001, ISO 14001 and ISO 45001. In addition, it defines criteria for the identification and achievement of performance targets, among which are the prevention of work-related injuries and illnesses, effectiveness and efficiency in process control, proactive risk and opportunity management, organisational clarity, and full compliance with applicable environmental and safety regulations. The identification of health and safety hazards, as well as the assessment of any residual risks and the implementation of appropriate preventive measures, aimed at ensuring safe and healthy workplaces, is ongoing.

### **Sustainability Policy**

The Sustainability Policy outlines the sustainability commitments undertaken by the Group through six pillars of action associated with the Sustainable Development Goals defined by the United Nations 2030 Agenda:

1. Zero-emission transport,
2. Responsible consumption,
3. Sustainable Supply Chain,
4. Inclusive mobility,
5. Great Workplace,
6. Responsible organisation.

In the context of relations with its workers, ATM aims to promote a positive working environment that is attractive and enriching, developing corporate policies that value individuals and diversity. This pillar aims to contribute positively to the achievement of SDGs 3 (Reduce global maternal and child mortality rates, ensure health coverage for all, and decrease deaths related to smoking, alcohol and road traffic accidents), 5 (Achieve gender equality and empowerment - greater strength, self-esteem and awareness) of all women and girls, 8 (Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all), 10 (Reducing inequality within and between countries) and 16 (Promoting peaceful and inclusive societies geared towards sustainable development, ensuring access to justice for all and building effective, accountable and inclusive institutions

at all levels). With each SDG identified, a number of measurable targets have been identified, which will be explored in more detail in S1-5 - Targets related to managing relevant negative impacts, enhancing positive impacts and managing relevant risks and opportunities.

### **S1-2 Processes for engaging with own workers and workers' representatives about impacts**

*(S1-2 27.a, 27.b)* In conducting **stakeholder engagement** during 2024 for the Impact Materiality process, the ATM Group involved as a category of stakeholders its own Workforce, considered to be of particular relevance to the Group.

Specifically, in the second phase of the engagement process, customised questionnaires were sent out to employees based on the most relevant ESG impacts for their workforce. The Group has received the relevant assessments of the magnitude of impacts, positive or negative, over the identified time horizons.

*(S1-2 27.c)* The Administration, Finance and Control Department coordinates the process and results of Dual Materiality and it is therefore the responsibility of this corporate function to implement all actions for the involvement of stakeholders.

The results of the analyses are then preliminarily reviewed by the Sustainability Policy Committee and, subsequently, by the CoDir, which examined them and may, if necessary, request additions after sharing them with the Board of Directors.

The Board Committees support the Board of Directors in verifying the alignment of the results of the Dual Materiality process with the Group's ESG strategy and objectives. The final stage of the process is in the hands of the Board of Directors, which is responsible for the final approval of the results of the Double Materiality process, ensuring their alignment with the corporate strategy, objectives and business model.

### **S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns**

*(S1-3 32.a)* The ATM Group has adopted an integrated and systematic approach to the management of reports of suspected/presumed violations and/or offences. Specifically, ATM and its Subsidiaries have defined a process for tracking and managing all reports, understood as any information regarding alleged findings, irregularities, violations, reprehensible behaviour and facts or, in any case, any practice referable to employees, members of Corporate Bodies (Board of Directors, Board of Auditors) and/or other governance bodies (SB), independent auditors and third parties (partners, clients, suppliers, consultants, collaborators, etc.) which does not comply with the provisions of the Code of Ethics, Model 231, Models 231 of Subsidiaries and this ACT (Anti-Corruption and Transparency) Model or,

again, that may cause damage, including to the ATM Group's image; for further details, please refer to paragraph **(G1-110)** The whistleblowing system.

**Reports** to the ATM Group's Supervisory Bodies of conduct or events which may lead to a breach of Models 231 or which, more generally, are relevant for the purposes of Legislative Decree no. 231/01, may be forwarded according to the following procedures for the specific Group companies concerned:

- **through the information technology whistleblowing tool** set up for the parent company ATM S.p.A. and the directly controlled companies under Italian law (CityLink S.r.l., Gesam S.r.l., International Metro Service - IMS - S.r.l., Nord Est Trasporti - NET-S.r.l., Rail Diagnostics S.p.A.) also pursuant to Legislative Decree No. 24 of 10 March 2023 (Implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law and on provisions concerning the protection of persons who report breaches of national laws),
- **by ordinary mail:** RESERVED Supervisory Body (specify the reference company) c/o ATM S.p.A., DACI Secretariat, RESERVED - Foro Buonaparte 61, 20121 Milan.

*(S1-3 32.b)* The ATM Group provides multiple channels ensuring constant interaction between the Group and its employees, aimed at ensuring the analysis and resolution of employee-related problems.

In addition to the whistleblowing channel, further channels should be noted:

- **Collection boxes**, placed at each company site, for reports on the SA 8000 standard,
- **Online form** on the company's intranet and website through which it is possible to send ATM reports of inconsistencies with the principles of the SA 8000 standard,
- **Dedicated SA8000 mailbox.**

These channels are made available directly by the parent company ATM S.p.A.

*(S1-2 32.c)* Following a report, the ATM Group shall implement all appropriate and effective measures to ensure that the identity of the whistleblower or of any person who transmits information useful for identifying conduct that is not compliant with the provisions of the Group's whistleblowing management procedure and, in general, with the Group's SCIGR (Internal Control and Risk Management System), is always kept confidential, without prejudice to legal obligations and to the protection of the rights of ATM and its Subsidiaries and/or of any person wrongly accused and/or accused in bad faith.

The Whistleblowing Team defines the necessary communication flows within the organisation and/or to the Administration and Control Bodies. In the event of violations, the Group Anti-Bribery Contact Person will assess whether any revisions and amendments to the Model and

internal rules could help prevent the recurrence of the violation.

The handling of a complaint found to be a violation of the ACT Model by Group employees will result in disciplinary measures being taken by the Group company concerned. The Group will also ensure its full cooperation with the competent authorities. Any breach shall lead to the application of **appropriate and proportionate disciplinary penalties**, also taking into account any criminal relevance of the conduct. Violation by third parties of the principles or provisions of the ACT Model may result, on the basis of specific assessments by the Group Company concerned, in the non-establishment or termination of contractual relations.

*(S1-3 32.d)* The ATM Group informs all its employees of the **website section for reporting wrongdoing**, in which an online form is available, allowing them to send a report in complete confidentiality through the Whistleblowing software. Any employee or third party may use the Report Form to report alleged misconduct or concerns about alleged irregularities or violations of which he or she has become aware by reason of his or her employment relationship or role.

Furthermore, in order to ensure awareness of the channels mentioned above, it should be noted that ATM develops a three-year plan on 231, ACT and Business Ethics, including the updating of Models (MOG 231 of Group companies and Group Anti-Corruption Model). Such training, addressed to Corporate Bodies, Senior Management and Middle Management, is inspired by leading practices and is based on ethical dilemmas and practical cases, requiring the active involvement of each participant. Training in 2023 was delivered in person. Video tutorials were also used, including one specifically on Whistleblowing ("WB"). Training can be supplemented by asynchronous training pills. Therefore, training in the Decree 231, Anti-Corruption and Transparency and Business Ethics in the ATM Group is differentiated according to whether it is meant for Employees/Middle Management operating in specific risk areas, Executives, Corporate Bodies and the Technical Secretariat of the Supervisory Body/Audit and Internal Control Department. In the latter case, external specialised meetings were held in order to be continuously prepared to deal with the evolution of the list of offences falling under Decree 231 and related case law.

*(S1-3 32.e)* The control and monitoring of reports is carried out by the Whistleblowing Team, which ensures the effectiveness of the channels, defining continuous communication flows within the organisation and/or to the Administrative and Control Bodies.

*(S1-3 33)* As emphasised by the Group's 231 Model, in order to ensure effective and rational communication activities, ATM promotes knowledge of the contents and principles of the 231 Model and of the implementation procedures within the organisation that apply to them, with

the degree of detail varying according to the position and role held.

Employees, including those seconded to other companies or employees of other companies seconded to ATM, and new hires are given the **"Friendly Booklet 231: what you need to know"**, which collects and summarises, in a informative manner, the Organisational, Management and Control Models of the ATM parent company and its direct subsidiaries. They are required to sign a declaration of knowledge of and compliance with the principles of Model 231 described therein. For employees who do not have access to the intranet, such documentation is made available by alternative means such as company notice boards/totems.

The ATM Group guarantees the protection of whistleblowers, as specified by the Code of Ethics in CHAPTER V with reference to the appropriate and effective measures to **ensure that the identity of the whistleblower** or of the person transmitting useful information is always kept confidential, without prejudice to legal obligations and the protection of the rights of the Company or of persons wrongly accused and/or accused in bad faith. The proper fulfilment of the employee's obligation to provide information may not give rise to the application of disciplinary sanctions against them.

#### **S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions**

*(ESRS 2 62)* To date, the ATM Group does not have a specific action plan aimed at managing the relevant impacts, risks and opportunities identified through the analysis of Double Materiality, in compliance with ESRS 2 MDR-A. However, cross-sector initiatives have been implemented over time and are included in the Sustainability Plan and the Industrial Plan, contributing to the management of these issues, including through the SA8000:2014 certified Social Accountability Management System.

*(S1-4 38.a, 38.b, 38.c, 38.d)* Social responsibility is a guiding principle for ATM's corporate and social policies, as well as for the management of its business. Since 2012, the Group has adopted a management system for Social Responsibility, in line with the international standards SA8000:2014 and UNI ISO 26000, inspired by the principles of the Universal Declaration of Human Rights, the ILO and UN Conventions, as well as national labour and safety laws.

The SA8000 certification was reconfirmed three times: in 2015, 2018 and 2021 and, in 2023, the renewal of the certificates for ATM S.p.A., NET S.r.l., Gesam S.r.l. and Rail Diagnostics S.p.A., was successfully completed for the 2024-2027 three-year period. In 2024, the process

was further refined with fine-tuning based on the 2023 results, leading to the issuance of new certificates.

In addition, to ensure the elimination of harmful behaviour such as discrimination, harassment and mobbing, as of July 2022 ATM has established the position of Trusted Adviser, in accordance with ILO International Convention 190.

Following its own impact and risk materiality analysis, the ATM Group has prepared a series of actions and initiatives to manage its impacts, risks and opportunities in relation to its own workforce. With regard to the negative impact regarding potential incidents of discrimination, ATM carries out initiatives that strengthen the sense of belonging and improve the psycho-physical well-being of employees. In 2024, activities include:

- A “Uniting Uniform” campaign: distribution of commemorative pins and collection of photos of employees wearing the pin, published on the Intranet to strengthen the sense of community.
- Run for Inclusion: non-competitive sports event in the centre of Milan to promote messages of inclusion.
- Cultural activities:
  - “ATM Days at the Science Museum” and a visit to the ATM Manifesto exhibition at the ADI Museum.
  - New digital notice boards in 10 pilot depots to disseminate campaigns on welfare, corporate initiatives and internal surveys.

### Corporate Welfare and work-life balance

Other corporate welfare initiatives offered by the Group that have a positive impact on employees are:

- **Company crèches:** The crèches are a core project of the CARE area and are dedicated to the children or grandchildren of employees aged 0 to 3 years. In 2024, 94 employees used the service, including 1 grandmother, for a total of 105 children. The personnel who benefit most are the travelling and blue collar personnel. The customer satisfaction survey confirms the high overall satisfaction with the service at 97%.
- **Parenting support:** Through the Mastergenitori platform, in 2024, video courses were provided by gynaecologists, psychologists, paediatricians and coaches to accompany and support a total of 68 parents in the different stages of raising children.
- **Caregiver support service:** Coaching service to support caregivers. In 2024 it counted 30 people enrolled.
- **Financial Support and Development Committee:** The committee, appointed by the company and the trade unions, grants employees in situations of economic and financial need access to severance pay over and above the legal provisions. It also recognises study awards, according to a meritocratic model, for children of employees or student workers who achieve good results. In 2024, 16 requests for severance pay

were accepted for an amount of EUR 120,790.95, of which EUR 98,746.29 was paid out in 2024. A total of 930 study awards were granted, with a total value of EUR 455,917.80.

- **Education support:** The Education Support project is aimed at the children of ATM employees who express a need for educational support. To meet this need, a dedicated service was set up to deal with the school difficulties that children encounter on their way. The project consists of a programme of support courses for the 7-19 age group. In 2024, 110 children of employees were involved.
- **Parenting support:** New parents, in the early stages of caring for and raising their children, experience critical moments that present numerous challenges. To support them in their role, tools were made available to facilitate them in their journey. Through the opening of the Mastergenitori platform, video courses held by gynaecologists, psychologists, paediatricians and coaches were offered to accompany and support parents with children of all ages. In 2024, 68 employee families were supported.
- **Single parents time care:** In order to facilitate people with serious work-life balance difficulties, enabling them to continue working profitably while fulfilling their family responsibilities without burdening the service schedule, the Time care project continued for single parents (surface service) with children under 15 years of age, with the creation of ad hoc out-of-contract shifts (8.00/9.00 - 15.00/17.00 - for widows/widowers there is a fixed rest on Sundays). In 2024, 10 time cares were activated.
- **Jointly care:** support service for caregivers in finding guardianship, assistance/caregivers, facilities, etc.
- **Coaching and Counselling maternity staff and operations:** The project up to 2022 was aimed at female personnel going on maternity leave or returning after maternity leave, and provided for 4 to 5 meetings of individual coaching with objectives shared with the manager in order to better manage the departure and the subsequent resumption of work, thus strengthening the relationship and alliance between personnel and the company. During the meetings, issues related to family management in both the work and personal spheres are addressed with the search for solutions related to the activation of competences (soft skills) generated by motherhood. 2023 saw the planning and programming of a new formula involving both mothers and fathers. In 2024, there were 4 caregiver instances of coaching, of which 3 were male and 1 female.
- **Push to open:** Multimedia and interactive orientation programme that supports children and parents at crucial moments of the school career, facilitating informed choices. The project is dedicated to parents and children attending the second or third year of middle school (Junior Programme) or the fourth and fifth year of high school (Diploma Programme). So, 39 children and 14 employed parents participated in the junior programme; 14 children and 14 employed parents participated in the diploma programme. A total of 53 people participated in 2024.
- **Care manager:** This is an innovative project that aims to address, in a structured and organised manner, the increasing complexity arising from assaults and/or serious



incidents involving staff on duty. The Care Manager is in fact responsible for providing support in overcoming conditions of need, and psycho-emotional distress, resulting from the extraordinary event. ATM has also created a cross-functional team which supports the Care Manager in managing the care activities for employees affected by such events, and which meets periodically to assess the most useful actions to be taken. The Care Manager in 2024 managed and supported 80 cases.

- **Counselling service:** The service is provided by a multidisciplinary team (psychologist, counsellor, social worker) that works in synergy with public and private social services and is available to all employees facing both personal and professional difficulties, with the aim of helping employees in the effective management of their problems by reinforcing real and empowering personal and professional resources. The set of individual counselling carried out constitutes the matrix on which the actions, improvements and innovations of the corporate welfare system are developed, planned and implemented. In the year 2024, 245 people requested the service and there were 1,715 interventions and interviews in support of ATM staff. In 2024, 23 people were sent to the counselling service funded through Formawork.
- **Post-traumatic rehabilitation procedure:** Assaults and fatal or seriously injured accidents are potentially traumatic events that can have extremely damaging psychological and behavioural consequences, with serious repercussions at the professional level. Thanks to the procedure, in collaboration with Occupational Medicine, it is possible to intervene preventively by offering employees psychotherapy rehabilitation courses based on the use of the EMDR technique (Eye Movement Desensitisation and Reprocessing) at the ATM Foundation Outpatient Clinic. In 2024, 10 post-traumatic rehabilitation courses were requested and completed.
- **WHP certification + INAIL PREMIUM:** The initiative envisages a reduction in the average rate for virtuous companies that carry out interventions to improve wellness, safety and hygiene conditions, with a view to prevention. ATM, thanks to the welfare policies and positive actions implemented by all the sectors involved on this issue, also achieved the target of premium reduction in 2024. INAIL fee reduction based on ATM's virtuous practices: EUR 473,300.03.

**Fondazione ATM** is a non-profit organisation established in 1999 by ATM S.p.a. and the trade unions (FILT-CGIL, FIT-CISL, UILT-UIL). This entity generates concrete **solidarity between employees and pensioners**, pursuing welfare, human, social and cultural promotion, extracurricular training and psychophysical rehabilitation. It operates autonomously, thanks to the support of its members (ATM employees and ex-employees) and in synergy with the company.

Those enrolled as at 31/12/2024 amounted to **9,397**, of which 6,244 were employees (66%) and 3,153 were pensioners (34%).

The main activities of Fondazione ATM fall into four macro-categories:

- Supplementary Health Welfare,
- Social Welfare, with initiatives to support families, young people and the elderly,
- Psycho-physical recovery,
- Sports and cultural promotion.

In the field of health welfare, Fondazione ATM offers **free medical visits/examinations** to beneficiaries on the occasion of prevention campaigns organised every year; it gives the possibility to be reimbursed for healthcare expenses incurred, and has established agreements with leading healthcare facilities to give members access to high-level instrumental examinations at a low price.

In addition, Fondazione ATM has set up its own practice with over 23 different medical specialities, dental and orthodontic services, as well as physical therapy and rehabilitation clinics supported by modern medical equipment and devices.

With regard to Social Welfare, the Foundation provides highly professional figures (social worker, family mediator, psychologist-psychotherapist) to meet all the needs of its members. There are numerous family support services, such as free counters aimed at supporting family conflict, support in the event of disability and help with Specific Learning Disorders; support for the cost of school books for the youngest children or, in the event of bereavement, subsidies for health costs incurred; the possibility of a free meeting with professionals such as lawyers and notaries for advice; multidisciplinary support and accompaniment for the resolution of cases of serious indebtedness. In addition, for more than 10 years Fondazione ATM has had its own **Social Housing service**, which is particularly important in responding to the needs of families and workers in relation to the real difficulties of finding housing solutions at subsidised prices.

Fondazione ATM's approach has always been to offer concrete answers to real needs. The ATM Foundation's support reaches over **30,000 people** and in addition to the social aspect also involves the recreational aspect of holidays and leisure time. Every summer there is the possibility of staying in numerous hotels throughout Italy at reduced prices, as well as all year round in the two facilities managed directly by the Foundation, one the Casa per Ferie in Bordighera and the other the Hotel Milano in Trentino. Numerous spa stays are also available for therapeutic as well as recreational purposes. But holidays are not only for adults: educational holidays for children at the seaside and in the mountains, summer camps in the city and for teenagers study holidays to learn English abroad. In addition, in 2018, the **Polisportiva Fondazione ATM**, an amateur sports club, was established with the aim of managing amateur sports promotion with thirteen sports disciplines within it engaged in

competitions, championships and recreational activities.

### Training and professional development

ATM continues the evolution of training paths in line with the People Strategy, introducing innovative solutions for upskilling and reskilling. In 2024, a major development programme of the Management Team was initiated, which started with the Management Meeting in May, followed by discussion sessions called Workshops, dedicated to the growth of managerial skills.

### Staff Health and Safety

Actions related to the relevant negative impact: Lack of adequate supervision at the Group's operating sites that favour the occurrence of accidents, occupational diseases or other accidents in the workplace, with consequences for workers' health, (e.g. unhealthy or risky production processes and lack of attention to systems/procedures).

In 2024, there was the continuation of activities aimed at:

- **identifying and assessing any risks** to health and safety at work and taking appropriate prevention and protection measures,
- **enhancing safety training programmes** in order to involve all personnel at different organisational levels, ensuring that responsibilities and operational procedures are precisely defined, appropriately communicated and correctly applied,
- **communicating information regarding health, safety at work and the environment** to internal and external Stakeholders,
- **optimising resource consumption** in order to prevent pollution by monitoring and minimising the environmental impact of processes.

The Prevention and Protection Service, in addition to training personnel and providing the necessary support to the various corporate departments, has been involved in several improvement initiatives, such as:

- drafting new work procedures and operating instructions for the safe performance of activities in company and city contexts,
- verification of workplaces,
- updating of specific risk assessments,
- improvement projects on PPE, chemicals, clothing.

(S1-4 40.a, 40.b) The results of the Double Materiality process highlighted the risk of **aggressions against ATM staff** by customers and other third parties, resulting in reputational and economic damage due to refunds and possible service interruptions.

In recent years, ATM has planned **safety improvement** plans for its operations. This plan

involved a series of actions such as:

- complete check-up of underground network,
- complete check-up of the tram infrastructure,
- protection of reserved lanes with cameras,
- extraordinary recruitment and training of travelling and control personnel.

Infrastructure renewal, new operating regulations, new vehicles, and applied technology have brought extraordinary results in terms of operating safety, particularly with regard to tram traffic.

Passenger safety services are also carried out in cooperation with the Nucleo Tutela Trasporto Pubblico (Public Transport Protection Unit), a dedicated unit of the Local Police, and with the police forces present in the area, with a special focus on high-risk lines. In the underground, along the most critical sections, travelling ATM security teams are on duty.

To support staff and customers, ATM has a **safety network** comprising:

- video surveillance systems. The video surveillance system is part of the equipment of all newly acquired vehicles (trams, buses, trolley buses and trains) and the M1 trains undergoing revamping,
- SOS video intercoms installed in all underground stations,
- SOS intercoms on all trains through which the passenger can communicate directly with the Operations Room to the possibility for station staff and drivers to connect directly with the Operations Rooms of underground and surface lines.

Surface and underground traffic is constantly monitored by Operations Centres, whose systems provide real-time information on the location, spacing and loading of vehicles.

### **Other Social Risks**

To address risks related to the **development of the labour market**, which could lead to difficulties in finding qualified personnel with consequent operational, reputational and training costs impacts, and to the risk of **strikes by ATM staff** to improve working conditions in terms of wages, safety and rights, the company has strengthened its human resources management strategies.

In 2024, ATM intensified the investment it started in 2023 in the field of Employer Branding, directly participating in and organising events and initiatives, such as the Job Tour, to attract and recruit new talent. At the same time, the Group has strengthened its commitment to **continuous updating, training and the search for specialised professionals**, also through collaborations with the university world, with the aim of enhancing internal skills and guaranteeing the achievement of corporate objectives.

(S1-4 40.b) The Group did not identify opportunities in its own workforce in its Double Materiality analysis.

(S1-4 38.d, 39) The SA8000 management system and related social responsibility initiatives are part of the Internal Control and Risk Management System.

The effectiveness of company policies is monitored through:

- Regular internal audits to ensure compliance with SA8000 standards and labour and safety regulations.
- Ongoing audits conducted by the Social Performance Team, consisting of equal numbers of employee and company representatives. In 2024, the team was renewed to strengthen the monitoring of inclusion and welfare policies.

These tools make it possible to assess the impact of the initiatives taken and to implement any corrective actions to improve the well-being and safety of employees.

(S1-4 38.b) The Group will structure its actions in the coming years in relation to the management of its impacts, risks and opportunities.

(S1-4 41) The Group adopts policies and business practices to ensure that its activities do not generate negative impacts on the workforce. The SA8000 certification, the activity of the Trusted Adviser and the welfare and safety principals are the main safeguards in this respect. Tensions between the prevention of negative impacts and other business pressures are managed in accordance with the principles of social responsibility and workers' rights.

(S1-4 43) The ATM Group addresses its material impacts on the workforce through **information and training activities spread across the board**, aimed at raising awareness and involving staff on issues of health and safety, workers' rights, organisational well-being and social responsibility.

Such actions include:

- **Training courses** aimed at internal staff, with up-to-date content on compliance, occupational safety and ethical principles and conduct,
- **Regular communications** distributed through the company's internal communication channels (intranet, newsletters, digital notice boards, etc.), with the aim of promoting a shared and conscious organisational culture,
- The involvement of **specific dedicated corporate departments** (e.g. SA8000 team, Human Resources, Prevention and Protection) in the design and management of continuous improvement actions.

## Metrics and Targets

### S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

*(ESRS 2 81)* The ATM Group has not set targets in line with the ESRS MDR-T requirements, however, it monitors its progress as detailed below.

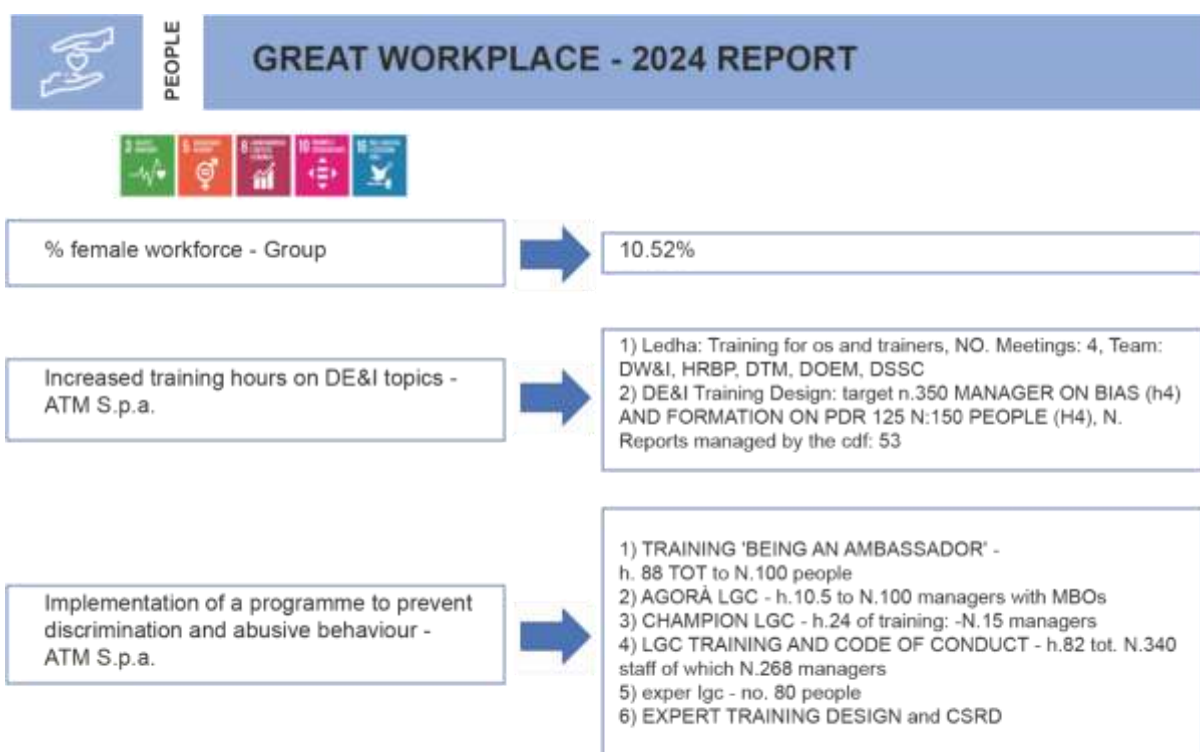
*(S1-5 47)* Within the scope of its Sustainability Policy and Strategic Plan, the ATM Group is evaluating the definition of a series of objectives with measurable targets to be proposed to the various subsidiaries, in order to create a virtuous system to circulate the culture of sustainability, creating a resilient, innovative reality capable of contributing positively to environmental and social well-being.

In line with the Sustainability Policy, the KPIs identified fall within the Great Workplace pillar.

The actions implemented to achieve the objectives are periodically monitored through a digital platform for measuring KPIs.

ATM Group KPIs	2019	Objective 2024	As at 2024	Objective 2030
% of female workforce - Group	8.9%	10.6%	11.8%	18%
Decreasing the Gender Pay Gap	n.a.	Maintenance, since KPI 2023 was zero and was achieved		Maintaining the Gap at 0
Number of health promotion initiatives / categories involved Italy	20/2	Objective achieved		22/6

Further KPIs, both at parent company level and at the level of individual subsidiaries within the Italy perimeter, were defined in 2024, but monitoring will take place from 2025. Therefore, these KPIs will be disclosed in the course of future reporting.



### S1-6 Characteristics of the undertaking's employees

S1-6 - Characteristics of the undertaking's employees (50. a, 50. b, 50. d, 50. e, 50. f, 52.)					
At 31 December 2024	Women	Men	Other	Not communicated	Total
50. a) Total employees	1,255	9,368	0	0	10,623
50. b) Open-ended employees	1,204	9,170	0	0	10,374
50. b) Fixed-term employees	51	198	0	0	249
50. b) Variable-hour employees	0	0	0	0	0

S1-6 - Characteristics of the undertaking's employees (50. c)	
Number of employees	10,623
50. c) Number of terminated employees	837
50. c) Employee turnover rate	7.9%

(S1-6 50.d) The number of employees of the Group was measured at the end of the reporting period, i.e. 31 December 2024.

The *Full-Time Equivalent* (FTE) metric was not used, but data on employees were entered using the *headcount* methodology; therefore, no weighting was applied on the basis of the contractual hours of employees (S1-6 50.f) In the Report on Operations paragraph 1.2.4 *Our people*.

### S1-7 - Characteristics of non-employee workers in the undertaking's own workforce

(S1-7 55.a, 56) The following categories of non-employee workers were considered: contractors, consultants, trainees, professionals and extracurricular trainees. The figures relate to all ATM Group companies.

S1-7 - Characteristics of non-employee workers in the undertaking's own workforce	
55. a) Total number of non-employees	77 <sup>21</sup>
55. a) of which number of self-employed persons	-
55. a) of which number of workers supplied by enterprises engaged in personnel recruitment, selection and supply	-

<sup>21</sup> This figure includes the companies ATM S.p.A and Thema. On the other hand, it does not include Gesam, Rail, CityLink, NET and Metro Service as they have no non-employees in their workforce. It should be noted that there are no employees with disabilities in the foreign companies Thema and Metro Service.

(S1-7 55.b) The number of non-employees was recognised at the end of the reporting period, i.e. 31 December 2024.

The *Full-Time Equivalent* (FTE) metric was not used, but data on non-employees were entered using the headcount methodology; therefore, no weighting was applied on the basis of the workers' contractual hours.

### S1-8 Collective bargaining coverage and social dialogue

S1-8 Collective bargaining coverage and social dialogue (60. A, 61., 62., 63. A, 63. B)	
Number of employees covered by collective bargaining agreements	10,460
Total number of employees	10,623
60. a) Percentage of total employees covered by collective agreements	98.5%
Number of employees covered by workers' representatives	10,416
63. a) Coverage of social dialogue	98.1%

(S1-8 60.a) At 31 December 2024, 98.5% of the ATM Group's employees (10,460 out of 10,623) were covered by collective bargaining agreements.

(S1-8 60.b) In the context of the European Economic Area (EEA), the ATM Group has **collective bargaining agreements** in countries where it has a significant presence (defined as at least 50 employees representing at least 10% of the total workforce). The coverage per country is as follows:

- Italy: 100% of employees covered by collective bargaining,



- Greece: 100% of employees covered by collective bargaining,
- Denmark: 77% of employees covered by collective bargaining. In particular, at the Danish company Metro Service, 163 employees (mainly *managers* and high-profile technical specialists) are subject to individual rather than collective agreements.

(S1-8 60.c) The ATM Group currently has no employees outside the European Economic Area, therefore this is not applicable.

(S1-8 61) For employees not covered by collective bargaining, working conditions and contractual terms are defined through **individual bargaining**, according to local regulations and company standards consistent with those provided for employees covered by collective agreements.

(S1-8 62) Target data on collective bargaining coverage for non-employee workers is not available. However, for contracted and subcontracted workers, ATM promotes compliance with the contractual standards laid down in the collective agreements of reference for the sector.

(S1-8 63.a) 98.1% of employees in the ATM Group are **represented by employee representatives** in social dialogue. This figure refers to countries with a significant presence within the EEA. Specifically:

- Italy: 99.5% employees covered by workers' representatives,
- Greece: 100% employees covered by workers' representatives,
- Denmark: 77% employees covered by workers' representatives.

(S1-8 63.b) There are currently no agreements in place with employees to form a European Works Council (EWC), a Societas Europaea (SE) Works Council or a Societas Cooperativa Europaea (SCE).

## S1-9 Diversity metrics

S1-9 - Diversity Metrics (66. A, RA 71.) - senior management by gender				
	66. a) Number	%		
Women	12	30%		
Men	28	70%		
Other	0	0%		
Not communicated	0	0%		
<b>Total number of employees</b>	<b>40</b>	<b>100%</b>		
RA 71. Communicating definition of senior management used		Senior management is defined by the ATM Group as individuals with a management contract		
S1-9 - Diversity Metrics (66. B) - employees by age group				
Number	<30 years	30-50 years	> 50 years old	Total
Managers	0	15	25	40
Officials	4	254	224	482
Financial year	401	3,398	2,104	5,903
Administration and services	175	523	397	1,095
Plant and workshop maintenance	355	965	775	2,095
Auxiliary services for mobility	55	451	502	1,008
<b>Total</b>	<b>990</b>	<b>5,606</b>	<b>4,027</b>	<b>10,623</b>
%	<30 years	30-50 years	> 50 years old	Total
Managers	-	0.27%	0.62%	0.38%
Officials	0.40%	4.53%	5.56%	4.54%
Financial year	40.51%	60.61%	52.25%	55.57%
Administration and services	17.68%	9.33%	9.86%	10.31%
Plant and workshop maintenance	35.86%	17.21%	19.25%	19.72%
Auxiliary services for mobility	5.56%	8.04%	12.47%	9.49%
<b>Total</b>	<b>9.32%</b>	<b>52.77%</b>	<b>37.91%</b>	<b>100.00%</b>

## S1-10 Adequate wages

(S1-10 69) The ATM Group, through its SA8000:2014 certified Social Accountability Management System, ensures the **respect of fundamental labour principles**, including the payment of wages in compliance with national legislation and applicable collective agreements. In line with the requirements of the *SA8000 standard* and the National Collective Bargaining Agreements (CCNL) for the sector, ATM guarantees that remuneration is always equal to or higher than the minimum wage. In addition, through second-level bargaining, the Group defines additional remuneration and corporate *welfare* measures aimed at improving the well-being of its workers. Compliance with these requirements is subject to periodic checks as part of internal *audits* and certification renewals.

### S1-11 Social protection

*(S1-11 74)* All employees of the ATM Group are covered by social protection systems provided for by national legislation in the countries where the Group operates. This cover provides **income protection in the event of major events** in working life, including: (a) illness, (b) unemployment since commencement of employment, (c) accidents at work and acquired disability, (d) parental leave, (e) retirement.

Therefore, the social protection of employees is ensured through mandatory public social security programmes, in line with the specific national legislation in force.

### S1-12 Persons with disabilities

S1-12 Persons with disabilities	Number	%
79. Persons with disabilities present among employees, subject to legal restrictions on data collection	253 <sup>22</sup>	2.4%-

<sup>22</sup> Please note that there are no employees with disabilities in the foreign companies Thema and Metro Service.

*(S1-12 RA 76)* The number corresponds to the number communicated annually to the competent bodies in the Disability Information Report. This documentation is a request based on Law 68/1999, which among the employer's obligations sets a percentage of disabled people according to the size of the workforce. A person is defined as disabled following a certification determining invalidity.

## S1-14 Health and safety metrics

S1-14 - Health and safety metrics	Employees	Non-employees	Total
88. a) Percentage of own workers covered by the company's health and safety management system according to legal requirements and/or recognised standards or guidelines	100%	n.a.	n.a.
88. b) Number of deaths due to work-related injuries and illnesses	0	n.a.	n.a.
88. c) Number of recordable occupational accidents	239	0	239
Hours worked	16,430,472.08	123832.50 <sup>23</sup>	16,554,304.58
88. c) Recordable occupational accident rate	0.00197%	0.00000%	0.00195%
	Employees	89. Optional - Non-employees	Total
88. d) Indicate the number of cases of work-related diseases that can be registered, subject to legal restrictions on data collection	6	-	-
88. e) Number of days lost due to work-related injuries, work-related illnesses and deaths resulting from illnesses	6,868	-	-

<sup>23</sup> The figure is only available for workers not employed by ATM S.p.A and therefore does not constitute Group data

**S1-15 Work-life balance metrics**

(S1-15 93,94) All employees of the ATM Group are legally and contractually **entitled to family leave**, in accordance with national legislation and applicable collective agreements.

S1-15 Work-life balance metrics	Women	Men	Other	Not communicated	Total
Number of employees entitled to take family leave	1,255	9,368	0	0	10,623
Number of eligible employees who took family leave	239	1,944	0	0	2,183
93. a) Percentage of employees entitled to take family leave	100%	100%	n.a.	n.a.	100%
93. b) Percentage of eligible employees who took family leave	19.04%	20.75%	n.a.	n.a.	20.55%

**S1-16 Compensation metrics (pay gap and total compensation)**

S1-16 - Remuneration metrics	Average gross hourly remuneration	
	Women	Men
<b>Total</b>	<b>25.76</b>	<b>25.41</b>
97. a) Gender pay gap	1.36%	
97. b) Ratio of the annual total remuneration of the person receiving the highest remuneration to the median annual total remuneration of all employees (excluding the aforementioned person)		15.97

## S1-17 Incidents, complaints and severe human rights impacts

S1-17 - Serious human rights incidents and complaints	
103. a) Number of incidents of employment-related discrimination reported in the reporting period:	78
<b>Total</b>	<b>78<sup>24</sup></b>
103. b) Number of complaints submitted through the channels set up for the company's own workers to raise concerns (including grievance mechanisms)	78
103. b) Number of complaints lodged with the national contact points for MNEs in the OECD, excluding incidents already reported under (a);	0
103. c) Total amount of fines, penalties and damages resulting from accidents and complaints	0
103. c) Reconciliation of the monetary amounts shown with the most relevant amount recognised in the balance sheet	0
104. a) Number of serious human rights incidents related to the enterprise's workforce during the reporting period:	0
Cases of non-compliance with the UN Guiding Principles on Business and Human Rights,	-
Cases of non-compliance with the ILO Declaration on Fundamental Principles and Rights at Work	-
Cases of non-compliance with the OECD Guidelines for Multinational Enterprises	-
<b>Total</b>	<b>0</b>
104. b) Total amount of fines, penalties and damages for accidents	0
104. b) Reconciliation of Monetary Amounts Indicated with the Most Relevant Amount on the Balance Sheet	0

## ESRS S2 Workers in the value chain

### Strategy

### ESRS 2 SBM-2 Interests and views of stakeholders

**(SBM-2 9)** The interests, opinions and rights of workers in the value chain are considered by the ATM Group through specific **involvement and monitoring activities**. In particular, suppliers (and indirectly their workers) are involved:

- as part of the Stakeholder Engagement conducted during the Double Materiality Analysis,
- in normal business relations,
- through the procedures laid down in the SA8000 management system, which guarantees attention to respect for human rights and working conditions along the value chain.

The Board of Directors approves the results of the Dual Materiality process, ensuring its consistency with the corporate strategy, objectives and *business model*, also in relation to potential impacts on suppliers' workers and respect for their rights.

## ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

*(SBM 3 11)* The disclosure on ESRS S2- Workers in the Value Chain refers to all types of Workers in the Value Chain affected by the Group's operations, both upstream and downstream in the value chain. In addition, suppliers of the ATM Group were involved in the Dual Materiality process.

*(SBM-3 11.a.i)* For the types of workers in the value chain subject to significant impacts caused by their own operations or along the value chain, it should be noted that the most impacted categories are the workers of supplier companies, in particular those involved in infrastructure and vehicle maintenance operations.

*(SBM-3 12)* In relation to the materiality assessment carried out according to ESRS 2 IRO-1, the ATM Group has identified that the workers most exposed to risks in the value chain are those employed in activities characterised by specific operational or environmental conditions. In particular, workers involved in:

- high-altitude activities,
- operations within pits and confined spaces,
- work on gangways and in environments with limited escape routes.

These activities involve high risks for the health and safety of workers, which ATM considers a priority in the **management of its value chain**. The understanding of these risks is achieved by assessing the operating conditions, the tasks performed and the contexts in which the activities are carried out, with particular attention to the protection of rights and the prevention of negative impacts on the most exposed workers.

*(SBM-3 11.b)* With regard to the geographical areas or commodities for which there is a significant risk of child labour, forced or compulsory labour, among workers in the Group's value chain, it should be noted that given the geographical areas with which ATM interacts, the risks indicated above do not exist. Furthermore, as a level of protection and control, all ATM Group suppliers must comply with the principles contained in the SA8000 policy.

*(SBM 3 11.c)* The Double Materiality process has shown the following negative material impact on workers in the value chain, which is generalised across the contexts in which the company operates:

- Negative impact on the health and safety conditions of workers along its supply chain, particularly in infrastructure and vehicle maintenance operations, due to inadequate oversight of health and safety policies adopted by suppliers.



(SBM-3 11.e) With reference to opportunities, the following was identified as material:

- Adoption/strengthening of systems to monitor working conditions along the value chain, in line with Corporate Sustainability Due Diligence Directive (CSDD) requirements, with positive consequences in terms of reputational and operational efficiency.

(SBM-3 13) The identified opportunity refers to all workers in the ATM Group's value chain.

## Impact, risk and opportunity management

### S2-1 Policies related to value chain workers

(ESRS 2 62) The ATM Group does not have policies that fully meet the requirements of the legislation but, despite this, it does have several internal policies applicable to workers in the value chain, which aim to create an ethical, inclusive and safe working environment for all workers:

- Social Responsibility Policy,
- SA 8000 Policy,
- Conduct Guidelines,
- Sustainability Policy,
- Code of Ethics.

(S2-1 17) The ATM Group has defined a Social Accountability Policy which expresses the company's concrete commitment to the continuous improvement of its management system, constituting the natural reference for the identification and review of objectives in line with the values expressed in the Code of Ethics, in the 231/2001 Models of ATM Group companies, in the international *standard* SA 8000 and in the UNI ISO 26000 guidelines.

(S2-1 17.a, 19) As stated in the **Policy for Social Responsibility** the organisation operates in compliance with the Universal Declaration of Human Rights, ILAs and U.N. conventions, as well as national labour and workplace safety laws.

Social responsibility is one of the guiding factors of ATM's corporate and social policies, which are structured with a view to continuous improvement, always referring to the relevant model and specific international recommendations. Therefore, pursuing its social and ethical commitment to all parties operating inside and outside the organisation, ATM has adopted, since 2012, a Social Accountability management system aligned with international standards SA 8000:2014 and UNI ISO 26000, which are inspired by and consistent with the Universal Declaration of Human Rights, ILO (International Labour Organization) Conventions *and U.N. conventions*, as well as national labour and occupational safety laws.



The SA 8000 certification was reconfirmed in 2015, in 2018 and in 2021; in 2023, the process of renewing the certificates of the ATM Group companies, i.e. ATM S.p.A., Nord Est Trasporti S.r.l., GeSAM S.r.l. and Rail Diagnostics S.p.A. for the period 2024-2027 was successfully completed with the issue of new certificates in May 2024. It should also be noted that Citylink was certified in December 2024. SA 8000 certification and the related management system are part of the Internal Control and Risk Management System: maintenance of the certification and periodic evaluation of the Company's performance in this area are promoted through continuous monitoring, internal audits of the various company functions and widespread verifications carried out by the Social Performance Team, a dedicated body made up equally of workers' and company representatives.

### **THE SA 8000 STANDARD**

*(S2-1 18)* The SA 8000 international standard, to which ATM has chosen to adhere, is aimed at improving working conditions and the quality standard of corporate procurement; it allows for the definition of a model relating to certain aspects of corporate management pertaining to corporate social responsibility; compliance with the standard is verified every six months by a certification body. It was created as an aggregation of principles established by other international documents such as the UN Universal Declaration of Human Rights, the UN Convention on the Rights of the Child, the ILO (International Labour Organization) Conventions and Recommendations, and the UN Conventions with the aim of eliminating all forms of discrimination. Its content requires compliance with national and international labour and work environment laws and compliance with ethical requirements, including freedom of association and the right to collective bargaining, requires avoiding forms of discrimination based on race, gender, religion, politics, disability, sex, age, ensuring equal opportunities, ensuring fair remuneration, and respecting appropriate working hours.

The SA 8000 standard supports the development, maintenance and application of socially acceptable behaviour in the workplace based on nine fundamental requirements:

**Requirement 1 Do not employ child labour or encourage its use**

**Requirement 2 Not resort to or encourage the use of forced or compulsory labour**

**Requirement 3 Ensure a safe and healthy workplace for all employees**

**Requirement 4**  
**Respect the right of workers to associate and join trade unions**

**Requirement 5 Do not discriminate in any manner**

**Requirement 6 Do not use or support disciplinary practices such as corporal punishment, physical or mental coercion, verbal abuse**

**Requirement 7 Adjust working hours to the laws and agreements in force**

**Requirement 8 Remunerate employees by respecting existing contracts**

**Requirement 9 Implement and maintain an active Social Accountability Management System**

#### **Requirement 1: Do not employ child labour or encourage its use**

The ATM Group does not and does not intend to make use of or support work activities carried out by children or minors; to this end, it has prepared the "PGD DRU 03 - Child Labour" procedure included in the company's information system (called Hegel) for the management of cases in which a work situation is found that falls within the definition of child labour, for example in the supply chain. The procedure defines the actions that ATM takes to provide **adequate support to children** who may be involved in work activities, so that they may be enabled to attend and remain in school until the age required by law; it also manages the presence of any minors in the organisation, ensuring that children or young workers are not exposed to situations that are dangerous or harmful to their physical and mental health and development both inside and outside the workplace. The ATM Group has maintained its commitment not to use child labour and to protect young workers between 16 and 18 years of age both within the Group and in the production chain. ATM will continue to be committed to monitoring compliance with the principles by carrying out audits at the premises of

suppliers and subcontractors and by collecting information that can give confidence to stakeholders and the certification body that the principles are being observed.

### **Requirement 2: Not resort to or encourage the use of forced or compulsory labour**

The ATM Group does not resort to or support the use of forced or compulsory labour as defined in ILO Convention 29; furthermore, it does not ask staff to pay bail or leave original identity documents with the company when they start work. ATM does not allow work to be obtained with a coercive threat. In order to ensure the full voluntariness of any performance, it is committed to ensuring that all **workers** are **fully aware of the rights and duties** arising from their employment contract; in fact, all workers, upon being hired, receive and sign for acceptance the letter-contract, a compilation of the sector regulations and disciplinary rules to which they must refer. The company does not grant loans to its employees but, in accordance with the laws and regulations in force, applies more favourable conditions to meet requests linked to special needs; these are analysed by a support committee which, when it deems it appropriate, may authorise an advance on severance pay. In addition, the company has signed an agreement with a credit institution through which treasury functions are offered to employees with better conditions for maintaining current accounts than those reserved for private individuals, and an agreement with a financial institution for the granting of loans at subsidised rates.

### **Conduct Guidelines**

The ATM Group does not have a formalised code of conduct for suppliers, but has outlined guidelines of conduct that apply to all suppliers, as specified below:

- Suppliers of the ATM Group are required to comply punctually with labour legislation, to respect equal opportunities and human rights and to fight discrimination.
- In the procurement of works and services, the ATM Group monitors the correct application of collective labour agreements by the supplier, as well as the strict observance of regulations on child labour, the employment of third-country nationals with a valid residence permit and the fulfilment of wage and contribution obligations.
- Suppliers of the ATM Group are required to comply exactly with labour legislation, to respect equal opportunities and human rights and to fight discrimination. In the procurement of works and services, the ATM Group monitors the correct application of collective labour agreements by the supplier, as well as the strict observance of regulations on child labour, the employment of third-country nationals with a valid residence permit and the fulfilment of wage and contribution obligations.
- Furthermore, the ATM Group ensures that the partner complies with environmental and health and safety regulations.

**(S2-1 17.b)** The ATM Group considers it of paramount importance to carry out **ongoing assessments and monitoring of suppliers** regarding their compliance with the SA 8000 principles and requirements. These dialogue and engagement initiatives aim to deepen several relevant topics such as Transparency and Fairness.

In order to continuously monitor the performance of SA 800023 certified companies, the Group uses multiple tools to ensure ethical business management throughout the value chain. In addition to the internal audits at its facilities, management systems have been adopted to deal with any cases of discrimination, harassment and stalking and with regard to suppliers; the Group has implemented selection criteria based on adherence to SA8000 requirements, also carrying out internal audits on a sample basis along the supply chain.

**(S1-2 17.c)** With regard to measures to remedy human rights impacts ATM requires **compliance with applicable regulations and the internationally recognised SA 8000** ethical principles on human and labour rights in relation to its contracts, including service contracts.

The Services Contract regulates Corporate Social Responsibility and defines the various commitments to which the company must undertake:

- not to use child labour and, in the case of employment of workers under the age of 18, to allow them to attend school and to ensure that the total between school hours and working hours does not exceed 10 hours per day and not to expose them to hazardous work,
- not to resort to forced labour of any kind,
- to comply with Italian regulations and laws on worker safety, in particular to respect the right of all staff to join trade unions and to comply with the relevant legal provisions, and not to apply discriminatory principles of any kind,
- not to apply disciplinary punishments, except those allowed by the Collective Bargaining Agreement for their sector,
- to comply with regulations on working hours, rest and holidays and the minimum wage defined by collective labour agreements,
- to do everything in its power to ensure that its subcontractors/sub-suppliers meet the SA 8000 standard requirements.

With a view to continuous comparison and improvement, the company authorises ATM to carry out, with its staff and in coordination with the company itself, any meetings and/or inspections in order to verify compliance with the social responsibility requirements of the SA 8000 standard and, in the event that points of improvement are found, undertakes to implement the necessary remedial actions agreed upon with ATM.

The company acknowledges that if serious Non-Compliances with respect to the requirements of the SA 8000 standard are found against it, even by third parties, ATM will immediately terminate all relations and the Contract will be automatically terminated.

### **Sustainability Policy**

The Sustainability Policy outlines the sustainability commitments undertaken by the Group through six pillars of action associated with the Sustainable Development Goals defined by the United Nations 2030 Agenda:

- Zero-emission transport,
- Responsible consumption,
- Sustainable Supply Chain,
- Inclusive mobility,
- *Great Workplace*,
- Responsible organisation.

In its relations with its suppliers, ATM aims to raise awareness and favour suppliers who are attentive to environmental, social and ethical aspects and who share the ATM Group's values. This pillar aims to contribute positively to the achievement of SDG's 5 (Achieve gender equality and empowerment - greater strength, self-esteem and awareness of all women and girls), 8 (Foster sustained economic growth inclusive and sustainable economic growth, full and productive employment and decent work for all), and 16 (Promoting peaceful and inclusive societies geared towards sustainable development, ensuring access to justice for all and building effective, accountable and inclusive institutions at all levels). With each SDG identified, a number of measurable *targets* have been identified, which will be explored in more detail in S2-5 - Targets related to managing relevant negative impacts, enhancing positive impacts and managing relevant risks and opportunities.

### **The Code of Ethics**

The ATM Group's Code of Ethics constitutes the set of values and lines of conduct that make up the ATM Group's identity. The document is inspired by the contents of Legislative Decree No. 231/2001, the anti-corruption regulations governed by Law No. 190/2012, to the transparency regulations referred to in Legislative Decree No. 33/2013 as amended, the provisions of SA 8000, the international standards ISO 9001 and 14001.

In the case of works and service contracts, the Group shall supervise and control the correct application by the contractor of collective labour agreements with particular attention to child labour, hygiene, occupational safety and environmental regulations, as well as the fulfilment

of wage and contribution obligations and the employment of illegally staying third-country nationals.

*(S2-1 19)* The Group in 2024 found no reports of instances of non-compliance with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines.

## **S2-2 Processes for engaging with value chain workers about impacts**

*(S2-2 22.a, 22.b)* In carrying out the stakeholder engagement during 2024 for the Impact Materiality process, the ATM Group has involved as a category of Stakeholders the suppliers as actors with knowledge of the situation of workers in the value chain, considering the relevance of this stakeholder for the Group.

Specifically, in the second phase of the engagement process, customised questionnaires were sent out to suppliers based on the most relevant ESG impacts for them. The Group then received the relevant assessments of the magnitude of the positive or negative impacts, over the identified time horizons.

*(S2-2 22.c)* The Administration, Finance and Control Department coordinates the process and results of Dual Materiality and it is therefore the responsibility of this corporate function to implement all actions for the involvement of stakeholders.

The results of the analyses are then preliminarily reviewed by the Sustainability Policy Committee and, subsequently, by the CoDir, which examined them and may, if necessary, request additions after sharing them with the Board of Directors.

The Board Committees support the Board of Directors in verifying the alignment of the results of the Dual Materiality process with the Group's ESG strategy and objectives. The final stage of the process is in the hands of the Board of Directors, which is responsible for the final approval of the results of the Double Materiality process, ensuring their alignment with the corporate strategy, objectives and business model.

## **S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns**

*(S2-3 27.a)* The ATM Group ensures that the suppliers it works with respect human rights and guarantee working conditions in compliance with the relevant regulations and expects compliance with the highest standards of health and safety prevention and control, in order to avoid any type of negligent or wilful behaviour that may cause damage to persons and/or

property, as outlined in the ATM Group's Conduct Guidelines dedicated to its suppliers and business partners.

The ATM Group also asks its suppliers to adopt adequate accident prevention tools in the workplace and to train and sensitise their employees for the adoption of safe behaviour and the correct use of protective equipment. The ATM Group considers compliance with the obligations and prohibitions set forth in the Code of Conduct to be essential and, to this end, has also adopted a specific system of penalties, the details of which are specified in the condition subsequent clause contained in existing contracts with ATM and/or ATM Group companies.

In the process of adapting to the SA 8000 standard, particular attention is paid to the ability of suppliers/subcontractors and sub-suppliers to comply with the requirements of the standard, with the aim of extending compliance with its principles to the various actors involved in the production chain. In order to ensure compliance with the standard, suppliers are selected on the basis of whether they are SA 8000 certified or sign a declaration of compliance with the principles of the standard, giving ATM the opportunity to subject them to an *audit* with any corrective actions to be implemented. Such *audits* are carried out in particular on suppliers with certain characteristics such as labour-intensive sectors or the previous existence of reports.

**(S2-3 28)** Documents regulating the rights of workers in the value chain, how they are reported and the protections provided for, are shared with suppliers and published on the ATM Group's website to ensure they are accessible to all workers concerned. The Group considers awareness of and trust in these instruments to be fundamental, which is why it promotes the transparency of procedures and ensures their visibility. It is not assessed whether workers in the value chain are aware of the existence of such structures or processes.

**(S2-3 27.b)** The ATM Group has set up several dedicated channels for reporting by workers in the value chain, including:

- an online **form** specifically for the SA 8000 standard,
- an **IT Whistleblowing tool**,
- **email addresses** for reporting violations of Model 231 to the Supervisory Board,
- the **whistleblowing channel** of the Municipality of Milan, highlighted by ATM for tenders financed by the Municipality.
- These channels allow you to receive assistance and report problems in a secure and confidential manner.

Reports on workers in the value chain are analysed, evaluated and handled like any other report received.

(S2-3 27.c) The Group also promotes and supports the adoption of communication channels at its suppliers' workplaces, particularly in the context of the SA 8000 standard. The company requires suppliers to adhere to standards that provide for dialogue, reporting and remediation mechanisms, including through audits and document requests. This process enables the company to stimulate the availability of channels even within the operating structures of suppliers.

(S2-3 27.d) The reports received, relating to the SA 8000 standard, are recorded and monitored by the SA 8000 team, which collaborates with the corporate functions to investigate the cases, while respecting confidentiality. With the support of the Information Systems Department, the ERP SAP was identified as the official tool for the centralised management of these reports and for the preparation of periodic reports. This makes it possible to monitor the progress of reports, assess their resolution and measure the effectiveness of the channels. Any violations by business partners or consultants are sanctioned through specific contractual clauses, in particular with reference to Model 231.

(S2-3 28) For more information on the Whistleblowing system and Model 231, as well as specific protections for whistleblowers, please refer to paragraph G1-1, while for more detailed information on the SA 8000 standard, please refer to paragraph S1 - own workforce.

#### **S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action**

(ESRS 2 62) The ATM Group has not prepared an action plan specifically addressing the MDR-A requirements. Nevertheless, it implements actions and initiatives related to its impacts, risks and opportunities as detailed below.

(S2-4 32.a) The ATM Group pursues a strategy of sustainable development that presupposes continuous improvement of the environmental, health and occupational safety aspects of its activities, focusing on all stakeholders, including the performance of its suppliers, and indeed these principles are intrinsic to the purchasing process of every Group company. Furthermore, in order to prevent possible negative impacts on workers in the value chain, it adopts **reward criteria** in the environmental, social and *governance* spheres when selecting suppliers. These criteria are included in tender notices according to the subject matter and nature of the tender.

Specifically in the social sphere, the ATM Group considers the LTIFR Index - *Lost Time Injury Frequency Rate* - and related company initiatives to promote the health of its employees.



The indicators proposed below can be considered individually, or can be added up to a maximum of 5 award points per tender.

The following are the various criteria:

ENVIRONMENTAL	SOCIAL	GOVERNANCE
CO2 reduction plan (e.g. Scope 1 calculation; carbon footprint)	Sustainable Procurement Criteria	ISO 14001
> 30% energy from renewable sources (verifiable from energy bills)	Corporate Diversity and Inclusion (DE&I) objectives	SA 8000
Accession to the Global Compact	Safety at Work (LTIFR Index - Lost Time Injury Frequency Rate)	ISO9001
Accession to the Science Based Targets (SBTi) initiative	Accession to the Human Rights Impact Assessment	ISO 50001
ISO 14001	SA8000	ISO14067
Electric/hybrid company fleet	>50% of employees receiving training and skills upgrading programmes	Sustainability Report/DNF/Integrated Balance Sheet
Documentable green projects (e.g. planting) (e.g. printing)	Corporate welfare system (e.g. insurance coverage/supplements)	
EMAS certification	Company initiatives to promote the health of its employees	
Ecolabel	Documentable work/life balance tools (e.g. company brochures)	
Premium CAM		

### *1. Certification system already present in the First KPI of the Supply Chain*

(S2-4 32.b) In the event of detection of actual negative impacts on workers in the value chain, the ATM Group plans to initiate audits on suppliers, with particular attention to those operating in labour-intensive sectors or already subject to reports. In the context of the SA 8000 standard, any non-conformities detected lead to a request for corrective action, with monitoring by the SA 8000 team in collaboration with the relevant corporate functions. The contractual clauses stipulated with suppliers also provide for **penalties in the event of violations**, including contract termination. The Group monitors any non-compliance/irregularities, reports them and recommends compliance with safety standards

(S2-4 32.d) The **monitoring of actions taken** is done via the SAP ERP system, which acts as a centralised repository for reports and suggestions received, enabling the production of periodic reports. Reports are analysed by the SA 8000 team, which liaises with corporate departments to assess the measures taken and the effectiveness of corrective actions, while respecting the principle of confidentiality. The company checks, also by means of inspections, whether the recommendations have been correctly followed.

(S2-4 33.a) The ATM Group assesses the necessity and appropriateness of an action based on the severity and nature of a report, the assessment of the potential or actual risk and the characteristics of the supplier. In the presence of critical elements, a dedicated audit may be arranged, followed by requests for **corrective action**, where necessary. In addition, laws define health and safety obligations and requirements.

(S2-4 33.b) In relation to specific negative impacts on workers, ATM may intervene through:

- audits on suppliers (particularly in the case of previously reported problems),
- request for adaptation to SA 8000 standards,
- application of contractual penalty clauses,
- and, where possible, encouragement of virtuous practices through rewarding criteria in procurement. These interventions are part of an integrated approach involving the relevant internal functions and entities in the value chain.

(S2-4 33.c) The Group ensures the availability and effectiveness of remedies through a variety of reporting channels (forms SA 8000, whistleblowing, e-mail addresses for the Supervisory Board, City of Milan channel). The monitoring of reports, analysis and management of responses ensure that remedies are concrete and traceable, with verification of implementation and results achieved.

(S2-4 34.b, 35) The ATM Group adopts **Responsible Practices** in its procurement processes, incorporating ESG criteria into tenders and selections. All information regarding the state of the workplaces is described in detail and provided both during the tender phase and before the start of any activity. These practices aim to avoid causing or contributing to negative impacts in the value chain, in particular with regard to health, safety and workers' rights, with positive consequences in terms of reputation and operational efficiency.

(S2-4 36) During the reporting period, no serious human rights problems and incidents related to the ATM Group's upstream and downstream value chain were reported.

(S2-4 38) The management of relevant impacts involves the SA 8000 team, which is responsible for monitoring, analysing reports and interacting with suppliers, and the Management team during the Double Materiality process, with regard to the definition of relevant impacts.

## Metrics and Targets

### S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

*(ESRS 2 81)* The ATM Group has not set targets in line with the ESRS MDR-T requirements, however, it monitors its progress as detailed below.

*(S2-5 42.a, 42.b, 42.c)* Within the scope of its Sustainability Policy and Strategic Plan, the ATM Group has defined a series of objectives with measurable targets for the various subsidiaries, in order to create a virtuous system to circulate the culture of sustainability, creating a resilient, innovative reality capable of contributing positively to environmental and social well-being.

In line with the Sustainability Policy, the identified KPIs refer to the Supply Chain Sustainable Pillar.

The actions implemented to achieve the objectives are periodically monitored through a digital platform for measuring KPIs.

ATM Group KPIs	Base Year	Objective 2024	As at 2024	Objective 2030
% of economically most advantageous tenders containing in the award criteria the evaluation of the possession of environmental and social certifications - Italy	2019- 7%	≥ 75%	84%	100%
% of companies awarded tenders with more than one ESG requirement - Italy	2022- 5%	30%	46.15%	100%

Further KPIs at the level of individual subsidiaries within Italy were defined during 2024, but monitoring will take place from 2025. Therefore, these KPIs will be disclosed in the course of future reporting.

## ESRS S3 Communities concerned

### Strategy

#### ESRS 2 SBM-2 Interests and views of stakeholders

*(SBM-2 7)* Affected communities' opinions, interests and rights are integrated into the ATM Group's *business* strategy and model through specific engagement and dialogue. In particular, Customers, Bodies and Institutions, Universities and Local Communities are involved both

within the Stakeholder Engagement conducted during the Double Materiality Analysis, and through further dedicated discussions and initiatives.

The Board of Directors approves the results of the Dual Materiality process, ensuring its full alignment with the Group's corporate strategy, objectives and *business* model, while respecting human rights and the interests of the affected communities.

## **ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model**

*(SMB-3 9.a)* The disclosure on ESRS S3 - Affected Communities refers to all local communities affected by the Group's operations, both upstream and downstream in the value chain. Specifically, the stakeholders from the local communities identified are:

- Customers, i.e. citizens who use the ATM Group's services,
- Universities, with which the Group collaborates to create employment among the younger generation,
- Bodies and Institutions, with which the Group is in constant dialogue as part of its own operations.

*(SMB-3 9.a.i)* In addition, the Group also defines within its community all populations living at the sites of the Group's underground and urban lines in the geographical regions of its operations: Italy, Denmark and Greece.

*(SMB-3 9.c, 9.d, 11)* The results from the Dual Materiality process highlighted the following material impacts and risks to local communities:

- Positive contribution to the **security of the local communities** in which ATM-managed infrastructures are located, thanks to an adequate supervision of these infrastructures in terms of controls (current positive impact involving stakeholders both upstream and downstream of ATM's value chain),
- Contribution to the socio-economic development of local communities through the development of **training and vocational opportunities** in collaboration with universities and research centres (Current positive impact involving stakeholders downstream in the ATM value chain),
- Presence of **negative media campaigns** against the company, resulting in reputational damage and loss of revenue in the event of a reduction in the use of its services (Short to medium term risk involving stakeholders downstream in the ATM value chain).

## Impact, risk and opportunity management

### S3-1- Policies related to affected communities

(ESRS 2 62) The ATM Group does not have a unified, formalised policy that meets the specific requirements of ESRS S3-1. Nevertheless, the ATM Group manages its impacts, risks and opportunities with local communities through **formalised documents** available on the ATM website so as to be easily accessible to all stakeholders:

- Code of Ethics,
- Sustainability Policy.

#### The Code of Ethics

The Code of Ethics encapsulates the ATM Group's values and ethical principles which make up its identity, including its relations with local communities. This document is intended to comply with the principles contained in national and international regulations and the provisions of SA 8000 on human rights and recall international guidelines on the respect of these rights.

In particular, for ATM it is fundamental to build relationships with customers and citizens that are long-lasting and strengthened through the quality, reliability and efficiency of the service provided, as well as through timely, precise, clear, easily accessible and truthful information on the services and benefits offered, in respect of the role held, especially when operating as a Public Official or Person in Charge of a Public Service. In addition, all Group companies that provide a public service are committed to knowing and understanding the needs of customers and citizens, also verifying and periodically measuring their level of satisfaction, and to giving **response to suggestions and complaints** from citizens and customers, using suitable and timely communication tools. Similarly, ATM regulates its relations with Institutions and Public Administrations with a view to **transparency** and avoiding all behaviour that could imply favouritism or other unethical benefits in order to promote the Group's activities and its market position.

For more information on the Code of Ethics, please refer to chapter G1 - *Governance*, section Governance- G1-1 Policies on Corporate Culture and Business Conduct and to the Company's website.

#### The Sustainability Policy

The Sustainability Policy outlines the sustainability commitments undertaken by the Group through six pillars of action associated with the Sustainable Development Goals defined by the United Nations 2030 Agenda:

- Zero-emission transport,
- Responsible consumption,
- Sustainable Supply Chain,
- Inclusive mobility,
- Great Workplace,
- Responsible organisation.

As part of its relations with local communities, and in particular with vulnerable groups, ATM aims to **ensure the social inclusion** of all members of the community through the provision of sustainable, multi-modal and innovative mobility services. This pillar of Inclusive Mobility aims to contribute positively to the achievement of SDGs 3 (Reduce global maternal and child mortality rates, ensure health coverage for all and decrease deaths related to smoking, alcohol and road traffic accidents) 8 (Foster sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all), 9 (Build resilient infrastructure, promote inclusive and sustainable industrialisation and support innovation), 10 (Reduce inequality within and between countries). With each SDG identified, a number of measurable *targets* have been identified, which will be explored in more detail in Metrics and Targets S1-5 - Targets related to managing relevant negative impacts, enhancing positive impacts and managing relevant risks and opportunities.

For further information on mobility, passenger welfare and, consequently, community welfare, please refer to chapter S4 Consumers and/or end-users.

### **S3-2 Processes for engaging with affected communities about impacts**

*(S3-2 21)* Since its inception, the ATM Group has aimed to contribute positively to the development of cities and play a central role in the communities in which it operates, as well as for the entire country system in the development of local public transport, gradually positioning itself as a point of reference in terms of official, operational (mobility services), economic, social and environmental sustainability. For several years now, in fact, the Group has been integrating sustainability issues within its organisational model, showing its commitment to actively and effectively respond to the evolving context in which it operates. Aware of the role it plays within the communities where it offers its services, the ATM Group recognises the importance of mobility in the context of metropolitan cities for its indispensable contribution to sustainable development and urban planning based on the needs and requirements of citizens. To this end, the Group has also defined a business strategy that incorporates the principles of sustainability and allows it to create value for the Group and its stakeholders. The strategy in the Strategic Industrial Plan 2021-2025, shared and approved by the Parent Company's Board of Directors, was developed in line with its own peculiarities, as well as in consideration of the evolution of market trends.

Every year, the ATM Group organises initiatives aimed at involving local communities in the life of the company, stimulating dialogue between the organisation and the local area. In particular, between ATM S.p.A. and the Public Administration, including the Municipality of Milan, there is an ongoing **collaboration through multiple worktables**. Moreover, ATM S.p.A. makes its know-how related to the management of Local Public Transport systems available to the various research centres and universities with which it collaborates through **education partnerships**, such as the course "*Mobility: Infrastructures & Services*" in collaboration with the Politecnico di Milano and lectures and scholarships for the Master's degree "Local Public Transport Management" at the Bicocca University. ATM S.p.A. collaborates with several universities for the activation of curricular and internship placements for students within the company. Initiatives aimed at involving local communities in the life of the company, stimulating dialogue between the organisation and the local area, are organised yearly.

*(S3-2 21.a, 21.b)* Aware of the role played by the Group in the territory in which it operates and of the significant impacts of its business on the community, ATM believes it is fundamental to involve the local communities which directly and indirectly are the recipients of the impacts the Group generates.

In conducting the stakeholder engagement in 2024 for the Impact Materiality process, local communities were involved, given the relevance of such stakeholders to the Group.

Specifically, in the second phase of the engagement process, customised questionnaires were sent out for the local community category based on the most relevant ESG impacts for the communities concerned. The Group then received the relevant assessments of the magnitude of the positive or negative impacts, over the identified time horizons.

*(S3-2 21.c)* The Administration, Finance and Control Department coordinates the process and results of Dual Materiality and it is therefore the responsibility of this corporate function to implement all actions for the involvement of stakeholders.

The results of the analyses are then preliminarily reviewed by the Sustainability Policy Committee and, subsequently, by the CoDir, which examined them and may, if necessary, request additions after sharing them with the Board of Directors.

The Board Committees support the Board of Directors in verifying the alignment of the results of the Dual Materiality process with the Group's ESG strategy and objectives. The final stage of the process is in the hands of the Board of Directors, which is responsible for the final approval of the results of the Double Materiality process, ensuring their alignment with the corporate strategy, objectives and business model.



(S3-2 22) With the objective of understanding the opinion of specific groups within the local community, the ATM Group also liaises with associations operating in the area with particular attention to associations representing people with disabilities, such as, for example, Ledha Lega per i diritti delle persone con disabilità, APS and UICI Unione Italiana dei Ciechi e degli Ipovedenti, with a view to engagement and continuous improvement of the service offered.

Finally, with the adhesion to the Pact for Work of the Municipality of Milan, a collaboration began with external organisations (investee companies of the Municipality) to promote diversity and inclusion, not only within the company but also in the city community, through various actions including, for example, the sharing of welfare initiatives.

### **S3-3 - Processes to remediate negative impacts and channels for own workers to raise concerns**

(S3-3 27.a, 27.b, 27.c, 27.d) This disclosure requirement is not applicable for the ATM Group as no negative impacts on the local community have emerged as a result of the materiality analysis.

Nevertheless, the ATM Group has reporting mechanisms that are also accessible to local communities. These channels are explored in more detail in *Governance* G1-1 -Business Culture and Business Conduct Policies.

### **S3-4- Actions on relevant impacts on affected communities and approaches for managing relevant risks and achieving relevant opportunities for affected communities, and the effectiveness of these actions**

(ESRS 2 62) The ATM Group has not prepared an action plan specifically addressing the MDR-A requirements. Nevertheless, it implements actions and initiatives related to its impacts, risks and opportunities as detailed below.

(S3-4 32.c)

#### **Corporate safety and protection**

Protection of the company's assets, the safety of ATM S.p.A.'s personnel and passengers is guaranteed by the Security sector in cooperation with law enforcement agencies present throughout the territory (Local Police, State Police, Carabinieri, Guardia di Finanza), with particular attention to high traffic transport lines, ATM-managed car parks and interchange areas with the railway network.

In recent years, the modernisation of the fleet and the adoption of increasingly innovative technological solutions have allowed for the progressive expansion of the company's



monitored competencies through CCTV equipment installed on board vehicles and at stations, enabling the improvement of security to protect staff, passengers and ATM's assets.

Since 2019, the *Security Operations Centre (SOC)*, i.e. the *Control Room of Security* has been in operation, working closely with the operations centres of the metropolitan and surface operations and the Police Force. The *Security Operations Centre* operates 24/7 and is staffed by at least three specialised *Security* operators, who monitor and manage the more than 12,000 video surveillance cameras installed in the stations, at the premises and on the vehicles, and of the more than 4,000 alarms, which are managed in the field through more than 200 interventions per day by the Security operators, with the possible support of the Police.

The ATM Safety Committee has maintained intense and daily relations with the bodies managed by the Public Safety Authorities (Prefecture and Police Headquarters) and with all the official components involved in the area: Local Police, State Police, Carabinieri. In the exchanges of information, problems arising from different experiences and reports from the various company sectors are analysed. Specifically, since 2023, joint services have been intensified both in the underground areas and on the surface, aimed at solving these repeated criticalities and ensuring a better perception of safety for staff and passengers. Since 2020, Security has also taken over the ATM Group's property sector's criminal complaint management process, further intensifying relations with the law enforcement agencies in order to further guarantee the timeliness of their actions to prevent, control and punish illicit phenomena against ATM. During 2024, the benchmark of Security among the major public transport companies continued, through participation in remote meetings between the sector's corporate managers characterised mainly by the sharing of practices. Metro Service A/S has also set up a management system for railway safety issues to ensure compliance with applicable laws, regulations and contractual provisions. The company annually records and assesses rail safety risks and sets quantitative and qualitative targets subject to review during the annual management review.

### **Accessibility to people with vulnerable conditions**

The Group is committed to ensuring the full accessibility of its services to as many users as possible, paying particular attention to passengers with motor, visual and hearing disabilities. To this end, the Group is working to increase the percentage of accessible stops, stations and vehicles by implementing specific initiatives, including:

- Installation of **tactile routes and protective measures**, such as LOGES (Guide and Safety Orientation Line) routes and automatic doors that protect against the risk of falling, to ensure the accessibility of services to visually impaired passengers.
- Redevelopment or reconstruction of bus, tram and trolleybus stops.
- Acquisition of new trains in the underground fleet with a **wheelchair passenger seat**, like the trains already in operation.
- Acquisition in recent years of trams, buses and trolleybuses equipped with a low-floor, wheelchair-accessible passenger seat and a manually operated lift or folding platform for entering and exiting the vehicle: to date, the entire bus fleet and 66% of the trolleybuses run with this equipment. Within the tram fleet, 48.2 per cent of the cars circulating in the city of Milan are equipped with electrically operated platforms. In addition, the revamping of some cars also includes the installation of a lift for wheelchair users to enter and exit.
- On the M1 and M2 lines, a major **plan to improve accessibility** has been launched, aimed at equipping stations without lifts with 43 lifts and installing new stairlifts. On the M3, which is already fully accessible, a renewal programme is under way for equipment that has reached the end of its technical life, for replacing 48 lifts and 52 escalator systems, work that will progressively affect all stops on the line.
- The ATM Group carries out awareness-raising and training actions for Front Line staff and newly hired staff in order to manage relations with disabled customers; newly hired staff, in particular, are provided with training on the devices with which vehicles are equipped to transport passengers with motor difficulties or in wheelchairs.
- The ATM website in the **Accessible Vehicles section** provides **information on the accessibility** of stations: customers will find, station by station, the lifts, stairlifts, escalators and accessible toilets; lifts, stairlifts and escalators are also indicated on the underground network diagram published on the website, on the ATM app and in stations, distributed free of charge to customers at all ATM Points and in the underground at station operators' booths. In the Lines and Timetables section, available directly from the home page of the website, each stop on the five underground lines is accompanied by information on the presence of lifts and stair lifts and their position with respect to the surface. The accessible version of the section, characterised by an essential format to facilitate visually impaired people, offers the route calculation functionality; it works with the main screen readers so that the route results can be arrived at just by listening to what the programme calculates. A list of surface lines served by low-floor vehicles is also available on the Accessible Vehicles page. To improve information on the accessibility of underground transport for people with motor disabilities and to provide it in real time, ATM has created the web platform called Informazioni Senza Barriere (Information Without Barriers) illustrated in the dedicated box.

ATM S.p.A provides all its customers with the ATM Infoline 02.48.607.607 call centre coordinated by the Customer Relations department, open every day from 7:30 am to 7:30 pm for information on service timetables, line routes and travel fares; the Infoline is open until

midnight for assistance to disabled passengers from operators who can help them plan their journey with useful information on: accessibility of stations and stops, real-time situation of facilities (in service, out of service for maintenance), facilitated routes and devices with which vehicles and stations are equipped, real-time information on the line of interest. In order to improve information on accessibility to underground transport, ATM has created the web Informazioni Senza Barriere platform, available on the website [www.atm.it](http://www.atm.it) and on the ATM Milano app, which provides real-time information, updated every 10 minutes, on the operation of lifts and stair lifts in underground stations. For this project, the company carried out, together with a group of passengers with motor disabilities and with LEDHA "Lega per i diritti delle persone con disabilità APS", an experiment to develop the functionality of the system based on customers' travel experience.

**The ATM Group and local development** - The ATM Group, as an integral part of the community in which it operates, intends to promote local development also through its participation in **social and cultural initiatives**, which include projects, activities or events promoted or implemented by the Municipality of Milan or under its patronage, and activities aimed at enhancing the territorial context of Milan and the Metropolitan City; the main ones supported in 2024 include: **Do the Right Thing! 2024** - 20th edition of the market exhibition dedicated to responsible consumption and sustainable lifestyles.

The 2024 edition focused on environmental sustainability policies developed in Milan and on qualification and redevelopment projects in the transport sector. ATM, as a technical partner, granted advertising space in exchange for exhibition space to promote its sustainable initiatives.

**Women Congress STEM** - Event dedicated to the role of **women in the STEM disciplines** (Science, Technology, Engineering and Mathematics), with talks by experts, companies and institutions. ATM supported the initiative by granting advertising space to promote the event and by highlighting its commitment to inclusion and gender equality in the technical and engineering sector. It was also an opportunity to promote the job opportunities offered by the company.

**Back to the City Concert** - Musical event promoted by the Riccardo Catella Foundation as part of the BAM - Library of Trees in Milan project, focused on sustainability. ATM granted advertising space to promote the free symphony concert organised by the city of Milan, welcoming citizens back from their summer break and encouraging the use of public transport.

**Run for Inclusion** - Aggregative, non-competitive run to share the values of diversity, inclusion, sustainability and outdoors sport. In addition to a campaign deployed on ATM vehicles, a team of ATM colleagues actively participated in the race, testifying to the company's commitment and sensitivity to an increasingly inclusive society.

**Milano for Mental Health** - An initiative organised and promoted by the Municipality of Milan with the aim of placing mental health at the centre of social and political debate, with an awareness-raising campaign, talks and in-depth meetings between institutions and stakeholders. ATM supported the initiative by granting advertising space to promote the campaign launch.

**A thousand thousand bikes. Pedalling in the heart of Milan** - An event conceived by Legambiente Lombardia to promote active mobility through a pedal ride aimed at citizens of all ages, abilities and genders. ATM supported the initiative by granting advertising space to promote public transport and the ATM service on the social media of Legambiente Milano and other channels.

**e\_mob 2024** - Seventh edition of the 'National Conference on Electric Mobility', the leading national event dedicated to sustainable mobility. ATM has joined the initiative as a member of the Promoting Committee, promoting, through the intervention of ATM *managers* during the conference sessions, the fundamental role that public transport plays in the environmental transition and in the sustainable development of the city.

With a view to promoting its historical heritage, ATM promoted two major events during 2024. The tram Carrelli, one of the symbols of Milan in the world, has become part of the permanent collections of the National Museum of Science and Technology, symbolising the deep connection between the city and public transport. The tram, transferred from the General Workshop in Via Teodosio, is displayed in the Museum's Railway Pavilion as an icon of public transport that has accompanied generations of Milanese people.

The company also organised a large exhibition, "**ATM Manifesto**", at the ADI Design Museum to showcase the documentary heritage of the Historical Archive, in particular the advertising campaigns that have chronicled the evolution of the company and its communication. With over 25,000 visitors, the exhibition was a great success and highlighted ATM's evolution over time and its strong ties with the city of Milan.

Moreover, still with a view to promoting its historical heritage and as an opportunity for qualified comparison with other prestigious institutions active in the field of corporate culture, ATM has confirmed its membership of Rete Fotografia, an association for the promotion of photography, and of Museimpresa, an association active in the promotion and dissemination

of corporate culture through the promotion of corporate archives and museums, also for 2024.

ATM is strongly committed to creating an increasingly inclusive environment both for its people and the community in which it operates. During 2024, the company consolidated and expanded several initiatives that promote the values of inclusiveness while enhancing the travel experience for customers.

Among them, the '**Sound Underground**' initiative - with performances by artists in *hi-tech* stations in several underground stations (Garibaldi, Loreto and Bicocca): in 2024 alone, 1,280 artists performed 1,830 concerts, confirming the underground as one of the most important stages in the city.

Another important initiative in the D&I sphere is the **PARI** project, a network with leading companies to combat gender-based violence and promote equality. In 2024, the project organised the event "Culture against gender-based violence", where issues related to stereotypes and solutions to prevent violence were addressed. In addition, theme-based tables were set up to develop good corporate practices and to draft a manifesto against gender-based violence. ATM's participation in the PARI project reinforces its commitment to creating an inclusive and safe environment.

In the context of social responsibility, ATM participated in the non-competitive sporting event **#Run for Inclusion**, which ran through the streets of central Milan on 22 September. With more than one hundred participants from different company departments, the ATM team reinforced the company's commitment against all forms of discrimination, spreading messages of positivity and inclusion.

Again in 2024 ATM confirmed its support for solidarity and social sustainability projects, including the "**Bus degli Angeli**", an initiative that saw ATM support the *City Angels* association in providing assistance to the homeless during the winter months, with the distribution of hot meals, drinks, clothing and blankets. In addition, the company granted the mezzanine of the Porta Venezia underground station for the organisation of the Christmas Eve Mass and Christmas dinner for the homeless of the Ronda della Carità Association.

With a view to offering quality services to passengers and citizens, the collaboration with the Milan City Council has been confirmed for 2024 for the **BiblioExpress** project, a smart library where to borrow books, audiobooks, comics and DVDs, located in the Porta Venezia underground station.

These initiatives represent ATM's ongoing commitment to promoting inclusiveness and solidarity, confirming its active and responsible role in the Milanese community.

### **Professional opportunities for communities**

Every year ATM launches a major recruitment plan to **expand its workforce**: in particular, the need for surface line drivers is significant. Given the drastic reduction in the number of applications related to the role, which continues to be recorded even in 2024, it became necessary to implement new actions both in the training and employer branding spheres to bridge the gap between company demand and market supply. The initiatives also include ATM's willingness to sponsor its own **recruitment campaign among ethnic communities** in the country. To this end, it was decided to launch a recruiting campaign on the Stranieri in Italia website, which is a job, training and inclusion portal in 5 languages, an online reference point for ethnic communities in Italy, to find their way around the regulations and have visibility of national training and professional opportunities.

In detail, the first campaign, lasting one month, opened on 9 September and ended on 9 October 2024. Planning included a presence on 2 websites dedicated to foreigners in Italy and related social media pages. Considering the positive results obtained, a second planning event was implemented from 15 November to 15 December to capitalise on what had been done and continue to be present on the media dedicated to foreigners, introducing new communities, new digital touchpoints and optimising the investments already made. The new campaign saw an extension to the communities of Romania, Albania and the Philippines with the introduction, in addition to the language sites, of new banners within the apps most used by the communities of interest.

At the same time, cooperation was initiated with the consulates of Albania, the Philippines, Morocco, Pakistan, Peru and Romania, with the aim of promoting the job opportunities offered by the Group. In July 2024, a pilot event was organised with the Consulate of Peru, which included a presentation of ATM and its activities, an illustration of job opportunities and the testimony of colleagues of Peruvian origin to foster the identification and motivation of participants.

With the other Consulates, get-to-know-you calls were made with the Group and leaflets were provided for distribution at their premises.

In order to cope with the complexity that has emerged in the global job market and the concomitant continuation of the trend underway since 2021, which has led to a drop in the number of applications for all the positions sought, in 2023 the ATM Group has put in place a consistent programme of initiatives aimed at increasing the number of applications especially

for the positions of drivers and maintenance technicians. Within this framework, a new initiative called the "ATM Job Tour" was held for three weekends at a number of shopping centres in the province of Milan located in Arese, Rozzano and Carugate, in order to raise awareness of training and job placement opportunities in ATM and to increase the volume of applications. The initiative, enhanced by the presence of an electric bus from the company's fleet, included meetings with ATM personnel and the opportunity to conduct interviews with recruiting staff, reaching a total of over 2 thousand visitors by the end of the event. Following the success of this initiative, which resulted in the selection of more than 300 drivers, a second session of the "ATM Job Tour" initiative was held in 2024 on two successive weekends, again at shopping centres, in this case Assago and Arese.

(S3-4 36) In 2024, no serious human rights problems and incidents were reported in relation to the affected communities.

(S3-4 35) Regarding significant negative impacts that indirectly impact local communities, negative environmental impacts related to pollution are identified. For more information, please refer to Chapter E2 - Pollution.

## Metrics and Targets

### S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

(ESRS 2 81) The ATM Group has not set targets in line with the ESRS MDR-T requirements, however, it monitors its progress as detailed below.

(S3-5 42.a) Within the scope of its Sustainability Policy and Strategic Plan, the ATM Group has defined a series of objectives with measurable targets for the various subsidiaries, in order to create a virtuous system to circulate the culture of sustainability, creating a resilient, innovative reality capable of contributing positively to environmental and social well-being.

In line with the Sustainability Policy, the identified KPIs refer to the Inclusive Mobility pillar (ref. S3-1- Policies related to affected communities).

(S3-5 42.b, 42.c) The actions implemented to achieve the objectives are periodically monitored via a digital platform i.e. software to support KPI measurement.

This platform allows both the input of basic data for the calculation of KPIs and the direct input of targets and final figures for the period. This ensures that everything is tracked and the history of monitored targets can be viewed.

ATM Group KPIs	Base year - 2019	Objective 2024	As at 2024	Objective 2030
% of vehicles equipped with video surveillance systems	93.6%	97.1% of buses in 2023	97%	100%

## ESRS S4 - Consumers and end-users

### Strategy

#### ESRS 2 SBM-2 Interests and views of stakeholders

*(SMB-2 8)* The interests, opinions and rights of consumers and end-users are integrated into the ATM Group's business strategy and model through specific listening and involvement activities. In particular, customers are involved both in the Stakeholder Engagement carried out during the Double Materiality Analysis, and through ad hoc initiatives.

The Board of Directors approves the results of the Dual Materiality process, ensuring its consistency with the corporate strategy, objectives and business model, with particular attention to the respect of human rights and the protection of the interests of consumers and end users.

#### ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

*(SMB-3 10.a)* The disclosure on ESRS S4 - Customers and End-Users refers to all types of customers affected by the Group's operations, both upstream and downstream in the value chain.

It should be noted that for the ATM Group, the stakeholder categories of customers and end-users belong to the local community that uses the ATM Group's services. For the types of consumers and/or end-users subject to significant impacts caused by their own operations or along the value chain, it should be noted that:

- a) With regard to the categories of consumers/end users who require accurate and accessible information on the services offered, the ATM Group recognises the categories of **passengers with disabilities**, passengers **with baby carriages**, passengers **with animals**. These categories will be able to consult the detailed information on the accessibility of services in the regulations for passengers on bus, trolleybus, tram and underground lines defined by ATM.

*(SMB-3 10. c)* The results from the Dual Materiality process highlighted the following positive impacts on customers and end users:



- **Transparent and quality information** for the Group's customers, thanks to the adoption of advanced information and communication systems (e.g. real-time service information, use of websites and user-friendly apps) (Current positive impact involving stakeholders both upstream and downstream in the ATM value chain).
- Contribution to **customer satisfaction** by proposing an efficient, integrated, customised mobility offer (current positive impact involving *stakeholders* both upstream and downstream in ATM's value chain).
- Contribution to the **greater usability of the service for all**, through initiatives aimed at improving the quality and accessibility of public transport for all users (Potential positive impact involving stakeholders both upstream and downstream in ATM's value chain).
- **Countering crime episodes** through proper management of services and constant coordination with law enforcement agencies to ensure the physical safety of passengers (Current positive impact involving stakeholders both upstream and downstream in ATM's value chain).

(SMB-3 10.d) With regard to risks, on the other hand, related to consumers and end users, the following emerged:

- Driver errors leading to accidents with consequent costs for compensation of personal injuries and repair/replacement of damaged assets.

(SBM-3 11) In order to ensure and guarantee the maintenance of the necessary conditions of safety and regularity of service, the ATM Group requires all passengers to comply with the regulations for bus, trolleybus, tram and underground passengers. The regulations for passengers are drawn up in accordance with the regulations laid down in the regulations issued by the Operational Board and in municipal, regional and state regulations. These rules provide information to ensure the provision of the service and the safety of passengers with disabilities in wheelchairs by detailing the passenger's behaviour when boarding and alighting. In addition, rules of conduct for passengers with animals as well as for passengers with pushchairs and prams are detailed.

### Entity Specific

The ATM Group has identified an entity specific "**Digitisation and Innovation**" topic that is particularly relevant for the business, as one of the biggest challenges is to revolutionise the current mobility system by making the infrastructure increasingly accessible, using data and analytics to better understand the needs of end users in order to develop the most efficient and customised mobility offer possible. To best manage this challenge it will be increasingly necessary to create new partnerships and build integrated services, to develop new business models, to enable an increasingly efficient, sustainable and user-centric mobility system. Moreover, with the increasing digitisation of cities and mobility, it is becoming increasingly

crucial to manage systems and related services with the utmost respect for cybersecurity and privacy, which must be increasingly considered from the most conceptual stages of every project and initiative "cybersecurity and privacy by design".

Consistent with the thematic ESRS, the topic was assessed by the stakeholders in the Double Materiality process, from which the following material impact emerged:

- **Increased usability of the services offered** thanks to the digitisation of ATM operations in terms of real-time information, digitalisation of payments and constant service monitoring (current positive impact involving the ATM Group's upstream value chain).

Given the nature of the subject matter and the resulting significant impact, it was decided to include the related information in chapter S4 - Consumers and End Users, as it aims to improve the ATM Group's service to its customers through new technologies.

## Impact, risk and opportunity management

### S4-1 Policies related to consumers and end-users

*(ESRS 2 62)* The ATM Group does not have a unified, formalised policy that meets the specific requirements of ESRS S4-1. Nevertheless, the ATM Group manages its impacts, risks and opportunities with consumers and end-users through formalised documents available on the ATM website so as to be easily accessible to all stakeholders:

- Sustainability Policy,
- Mobility Charter,
- Code of Ethics.

### The Sustainability Policy

The Sustainability Policy outlines the sustainability commitments undertaken by the Group through six pillars of action associated with the Sustainable Development Goals defined by the United Nations 2030 Agenda:

- Zero-emission transport,
- Responsible consumption,
- Sustainable Supply Chain,
- Inclusive mobility,
- Great Workplace,
- Responsible organisation.

In its relations with its consumers, and in particular with vulnerable groups, ATM aims to ensure the social inclusion of all service users by offering sustainable, multi-modal and

innovative mobility services. This pillar aims to contribute positively to the achievement of SDGs 3 (Reduce global maternal and child mortality rates, ensure health coverage for all and decrease deaths related to smoking, alcohol and road traffic accidents) 8 (Foster sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all), 9 (Build resilient infrastructure, promote inclusive and sustainable industrialisation and support innovation), 10 (Reduce inequality within and between countries). With each SDG identified, a number of measurable *targets* have been identified, which will be explored in more detail in S4-5 - Targets related to managing relevant negative impacts, enhancing positive impacts and managing relevant risks and opportunities.

### The Mobility Charter

ATM's Mobility Charter, published annually, describes the services entrusted to ATM S.p.A. by the Municipality of Milan through the Service Contract for the management, within its area of jurisdiction, of Local Public Transport, on demand transport, roadside parking and car parks, vehicle removal and custody, and through the O&M Operation & Maintenance contracts for the management of Line 4 of the underground on behalf of SPV Metro 4 S.p.A. and for the management of Line 5 of the underground on behalf of Metro 5 S.p.A. It declares the performance results achieved in the past year (2024) and announces the targets for the current year (2025) on the basis of the main quality indicators in the Service Contracts. The Mobility Charter is available:

- online on ATM's website from which it can be downloaded,
- at ATM Points in free distribution.

*(S4-1 15)* The Charter also provides stakeholders with information on the company's profile, the timetable, schedules and frequencies of the Local Public Transport service, activities and projects aimed at improving the accessibility of transport, how to file a complaint, and the Customer Satisfaction survey.

*(S4-1 17)* The Charter reaffirms the **ethical principles and values** contained in the Code of Ethics, applicable to all those inside and outside the organisation, and reiterates how social responsibility is one of the guiding factors of ATM's corporate and social policies, which are developed with a view to continuous improvement, bearing in mind the reference model and specific recommendations. Therefore, the ATM Group has adopted a Social Accountability management system consistent with the *Standards* SA 8000:2014 and UNI ISO 26000, *Standards* inspired by and consistent with the Universal Declaration of Human Rights, the ILO *International Labour Organisation* and UN Conventions, as well as national labour and workplace safety laws. Furthermore, the fundamental right of the individual recognised by

the Charter of Fundamental Rights of the European Union to the protection of personal data is reaffirmed.

### Code of Ethics

For more information on the Code of Ethics, please refer to chapter G1 - *Governance*, section Governance- G1-1 Policies on Corporate Culture and Business Conduct and to the Company's website.

### Entity specific

#### Digital Information Security Governance Policy

As a result of technological innovation and the digitisation of the mobility sector, the cyber-risk has increased significantly, making it necessary to adopt a Policy to manage and mitigate these risks.

Both the European Union with Directive (EU) 2016/1148 (NIS Directive) on *Information Security*, and Italy with Decree Law 105/2019, converted by Law 133/2019, establishing the National Cyber Security Perimeter (PSNC), have established the adoption of technical and organisational measures suitable for enhancing cyber-risk management and cyber-incident prevention, within the framework of a suitable organisational model capable of ensuring the protection of networks, information systems and IT services necessary for the provision of basic services to citizens.

The digital transformation of the transport sector, the evolution of IT systems, the use of self-driving solutions as well as the proliferation and sophistication of cyber-threats have increased the attack potential of malicious actors, with reverberations in terms of assets, reputation and business operations.

Moreover, the relentless evolution in the use of Information and Communication Technologies ('ICT') tools brings about rapid changes in business risk scenarios.

ATM intends to **prevent** the occurrence of **threats** to the security of information and information systems and **minimize** any **impacts** on its information and information technology assets, ensuring a level of security in compliance with ICT security legislation, commensurate with the risk and appropriate to the priorities of the company's business.

The purpose of the Policy is to ensure the safeguarding and protection of ATM's digital information and the IT services that manage it from internal or external threats, whether intentional or accidental, in the course of business activities. Policies transpose the company's intentions and strategies and translate them into rules that can be used to direct behaviour

and operational practices in such a way that they serve to safeguard its objectives. In this perspective, in accordance with the Cyber principles, the Policy therefore describes the strategic managerial directives aimed at directing the management of Information Security, the primary objective of which is **the protection of data and information**, as well as the elements of the information systems responsible for their management.

In particular, Information Security Management is aimed at ensuring adequate protection in terms of:

- Threat and attack **prevention** to minimise the possibility of the risks of unavailability, unauthorised access and loss of information integrity,
- **Reaction** to attacks to avoid, contain or minimise their consequences,
- **Restoration** of the situation prior to the occurrence of the damage, and
- **Investigation**, for the analysis and evaluation of the damage suffered as a result of the attack.

The implementation and subsequent management of such a system requires the addressing of a heterogeneous set of interventions of both a technological and organisational nature, aimed at ensuring the achievement and maintenance over time of security levels deemed adequate.

In addition, a **Code of Conduct** for the correct **use of ICT Goods and Services** has been adopted for both ATM Group personnel using digital goods and services and third parties who have relations and collaborate with the Group. The document establishes and illustrates the rules of conduct to be followed when accessing and/or using ICT assets and services both inside and outside the company network, or for any activity involving data or information of value to the ATM Group.

#### **S4-2 - Processes for engaging with consumers and end-users about impacts**

*(S4-2 20)* The Group, in line with previous years, has defined a business strategy that incorporates the principles of sustainability, the strategy articulated and declined in the Strategic Industrial Plan 2021-2025, shared and approved by the Board of Directors of the Parent Company.

The Group has continued to refine its sustainability strategy, which is embodied in the Sustainability Policy. The Policy outlines the sustainability commitments undertaken by the Group through six pillars of action. The fourth pillar is **Inclusive Mobility**, whose aim is to ensure the social inclusion of all members of the community through the provision of sustainable, multimodal and innovative mobility services.

For the Group, the sustainability of its offer starts from the consideration of the needs and expectations of its stakeholders and represents a strategic lever of fundamental importance for ATM's positioning in the local public transport (LPT) market. Constant attention to environmental, social and governance aspects linked to business, makes the ATM Group more attentive and inclined to respond promptly to changes in the needs of customers and their habits.

*(S4-2 20.a; 20.b)* In conducting stakeholder engagement in 2024 for the Impact Materiality process, the ATM Group has involved various types of stakeholders including customers, representatives of institutions, bodies and associations in the area.

Specifically, in the second phase of the engagement process, customised questionnaires were sent out to stakeholders based on the most relevant ESG impacts for customers and end users. The Group has received the relevant assessments of the magnitude of impacts, positive or negative, over the identified time horizons.

*(S4-2 20.c)* The Administration, Finance and Control Department coordinates the process and results of Dual Materiality and it is therefore the responsibility of this corporate function to implement all actions for the involvement of stakeholders.

The results of the analyses are then preliminarily reviewed by the Sustainability Policy Committee and, subsequently, by the CoDir, which examined them and may, if necessary, request additions after sharing them with the Board of Directors.

The Board Committees support the Board of Directors in verifying the alignment of the results of the Dual Materiality process with the Group's ESG strategy and objectives. The final stage of the process is in the hands of the Board of Directors, which is responsible for the final approval of the results of the Double Materiality process, ensuring their alignment with the corporate strategy, objectives and business model.

*(S4-2 21)* Customers have the opportunity to interact with the Group by forwarding their **suggestions and complaints** through the many channels, physical and digital, available to them. ATM considers the monitoring of perceived quality, through periodic customer satisfaction surveys, to be an important lever for listening to its customers in order to guarantee constant service improvement.

For people with disabilities, the ATM Group provides additional support to meet accessibility enquiries. The Company provides all its customers with the ATM Infoline 02.48.607.607 call centre coordinated by the Customer Relations department, open every day from 7:30 am to 7:30 pm for information on service timetables, line routes and travel fares; the Infoline is open

until midnight for assistance to disabled passengers from operators who can help them plan their journey with useful information on: accessibility of stations and stops, real-time situation of facilities (in service, out of service for maintenance), facilitated routes and devices with which vehicles and stations are equipped, real-time information on the line of interest. In order to improve information on accessibility to underground transport, ATM has created the *web* Informazioni Senza Barriere platform, available on the website [www.atm.it](http://www.atm.it) and on the ATM Milano app, which provides real-time information, updated every 10 minutes, on the operation of lifts and stair lifts in underground stations.

ATM promotes an open and positive dialogue with stakeholders based on transparency, integrity and accountability.

Among the main initiatives that make up this dialogue, the Institutional Relations area engages in:

- presiding over major events, forums, observatories on mobility and smart city issues promoted by third parties in the territory
- technical collaborations.

In the field of Institutional Relations, the Company presides over appointments of an official nature - Municipal Councils and Council Commissions, Local Councils, working tables - that deal with issues related to the Company's activities and their impact on the territory. Moreover, official interlocutors - Councillors, Municipal Councillors and other official representatives and representatives of public and private Associations/Bodies/Organisations - can interact with the Company through requests for information, reports, questions, which are shared within the Company involving all the structures concerned and receive timely feedback.

ATM also collaborates with associations active in the field of sustainable mobility and social inclusion, with associations working to support people with disabilities for activities aimed at improving the accessibility of infrastructures, means of transport and passenger information.

During 2024, contacts and discussions continued with LEDHA Lega per i diritti delle persone con disabilità APS on various issues related to accessibility. To improve information on the accessibility of underground transport, ATM has created the *web* platform Informazioni Senza Barriere platform, available on the [www.atm.it](http://www.atm.it) website and on the ATM Milano app, providing real-time information, updated every 10 minutes, on the operation of lifts and stairlifts in underground stations; for this project the company has carried out, along with a group of passengers with motor disabilities and LEDHA, an experiment to develop the system's functions starting from the customer's travel experience. In January 2023, thanks also to the

cooperation with the National Association of Visually Impaired Persons, work was completed on the platform to make it **accessible to visually impaired passengers**. Information Without Barriers is also available in English.

In 2024, ATM signed a memorandum of understanding with Ledha Milano Città Metropolitana to strengthen its commitment to promoting the right to accessibility and transport for people with disabilities and reduced mobility, an agreement that consolidates the long-standing cooperation between the two entities to develop new projects and increase awareness on these issues. The protocol between ATM and Ledha Milano provides for periodic technical round tables to share their experience and know-how with the aim of developing concrete solutions for the **improvement of transport accessibility** and **elimination of architectural barriers**. It also provides for Ledha's involvement in training courses for ATM employees who work in contact with customers, to help them improve their relationship with and support for passengers with motor, sensory or cognitive disabilities and people with reduced mobility.

#### ***Further ATM information and communication channels***

- **ATM Milano app**, downloadable free of charge, available in Italian and English, provides information on lines, stops, timetables and waiting times, updates on the status of the service in real time, provides information on tickets and STIBM fares, car parks and parking spaces in the city, and on the accessibility of underground vehicles and stations,
- **campaigns** to promote the service or new services, including the one dedicated to the new "RicaricaMi" rechargeable ticket, corporate campaigns such as those dedicated to recruiting and those to promote the use of public transport and to publicise the Company's concrete commitment to sustainable mobility the Social Responsibility campaigns, including "A uniform that unites" to reiterate the principles of respect for diversity and the value of each person, and the one for the International Day Against Violence Against Women,
- **social media**: through the X account @atm\_informa the company provides updates and real time responses on the status of the service, on its projects, activities and development plans in the field of sustainability, technological innovation and improvement of the transport service,
- the **social networks**: On Instagram, LinkedIn and YouTube, ATM details its growth path and projects for an increasingly efficient, sustainable and customer-oriented service, covering initiatives and campaigns, tutorials on travel rules and how to top up season tickets,
- the **ATM Points**, information and customer service offices located in the Cadorna FN M1-M2, Duomo M1-M3 and Centrale FS underground stations,
- at **stops on the surface lines**: line plans and timetables, electronic displays informing in real time about waiting times and service changes, dedicated leaflets and signs in the event of, for example, changes to the network or the introduction of new services;



at some stops along the busiest surface lines, maxi tablets are available to customers that provide real-time information on the status of the service, allow them to consult changes to the service, view the map of underground lines and access Channel X,

- **on board surface vehicles:** audio announcements, double-sided monitors on board 500 buses broadcasting real-time information on the circulation of the vehicles, news on the promotion of the service, information videos and audio announcements on travel rules; notices in the event of, for example, changes to the network, the establishment of new services,
- in **underground stations:** sound announcements, monitors along the platforms of the main stations, line plans and timetables, map of the underground network, travel regulations, dedicated signs in the event of, for example, interventions on the network,
- **onboard the underground trains:** diagram of the underground network, travel rules, sound announcements broadcasting real-time traffic status and service information, notices,
- **direct mail** addressed in particular to loyal customers to inform them about changes and service news,
- the **Mobility Map** mentioned above,
- the **information guides:** guides from the "ATM per..." series are available to customers and are aimed at specific targets of customers such as families, young people, seniors, companies, municipalities and schools, as well as guides on fares for travel cards and on the transport of bicycles and micro-mobility devices on ATM lines. They can all be consulted and downloaded from the site,
- **brochures and/or leaflets:** when work is carried out on the network, the company produces brochures and/or leaflets to inform passengers about planned changes to the service and to provide them with useful information on how to travel, material that is published online and distributed at surface stops and in the stations concerned,
- the **map of the underground network:** published on the website and app, in underground stations, at surface stops,
- the **newsletter ATM viaggiare informati (ATM informed travel):** disseminates via e-mail to subscribers information on news, services, promotions, subscriptions and planned changes to the service,
- the **magazine Lineadiretta.atm.it:** this is the company's online magazine on the Medium platform, a journalistic publication that periodically publishes news, stories and in-depth reports on ATM's activities and initiatives,
- **Customer Service:** a team of itinerant operators on the surface and in stations to provide travelling customers with information on the transport network, timetables, vehicle routes, fares and tickets; they take immediate action on problems reported by the underground and surface Operations Rooms and the Customer Relations Office, sell tickets at special events such as football matches, trade fairs and concerts, and provide information in the event of changes to vehicle routes.

### **S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns**

This disclosure requirement is not applicable for the ATM Group as no negative impacts on consumers and end-users were found as a result of the materiality analysis.

Nevertheless, the ATM Group has **signalling mechanisms** that are also accessible to consumers and end users. These channels are discussed in more detail in Chapter G1 - Conduct of Businesses.

In addition, the ATM Group has a formalised complaints management mechanism in place through an internal procedure, the purpose of which is to define how to handle complaints from outside as feedback information to improve customer satisfaction. Adherence to this procedure ensures the correctness of the process of responding to complaints from customers or other interested parties, making it possible to improve the production and delivery of services and to intercept the right parties to the problem, as well as to try to eliminate the underlying causes of the complaint.

Within the Group, functions are identified that are responsible for the handling of complaints received, as well as communication with the customer and the involvement of other internal departments in order to ensure their resolution. This mechanism is based on a *Customer Relationship Management* (CRM) system that is accessed by all business sectors and the call centre. The system optimises the reliability of the entire process and ensures **tracking of complaints** and timely **monitoring of response times**. CRM constitutes a stable management platform that ensures the correct and continuous accessibility of complaints, as well as their storage.

There are several ways to lodge a complaint, and all complaints received directly (letter, e-mail, Web form) or by telephone (to Customer Relations or the call centre), through official channels or social media and forwarded to Customer Relations are taken into account.

Complaints are then dealt with according to urgency, seriousness, importance and availability of response elements, respecting the expected response time.

The results of complaint handling are monitored and the results are presented annually in the Mobility Charter.

#### **S4-4 - Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions**

*(ESRS 2 62)* The ATM Group has not prepared a formally structured specific action plan pursuant to the MDR-A requirement. However, it has implemented several actions and initiatives to manage its impacts, risks and opportunities in relation to consumers and end users, as described below.

##### *(S4-4 31.a, 31.b, 31.c)*

The Institutional Relations and Communication Department carried out a **Customer Satisfaction** survey in 2024, obtaining an **average score of 7.7** and a **satisfaction rate of 98%** (%votes ≥6). Also, 5,666 *face to face* interviews were carried out at bus stops and on board the vehicles to investigate:

- Ease of purchase of tickets and subscriptions,
- Communication and information,
- Driving quality of surface drivers,
- Staff courtesy,
- Easy access to vehicles,
- Service delivery (punctuality, frequency),
- Vehicle cleaning,
- Stops and stations cleaning,
- Personal Security.

Twenty-five surface lines and five underground lines were monitored.

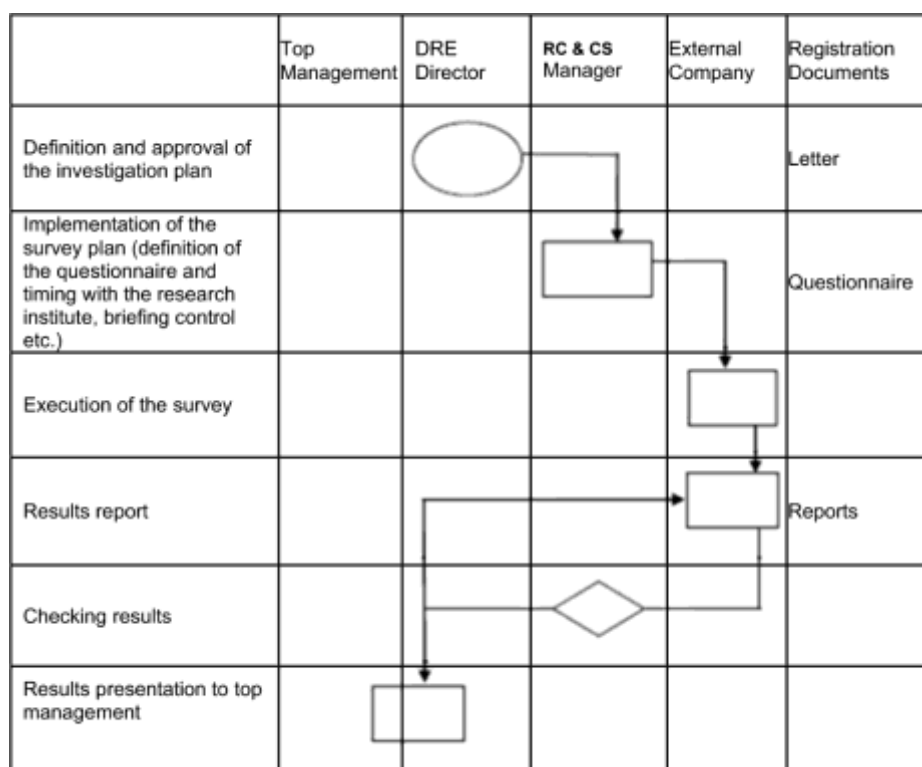
As part of the Customer Relations and Customer Satisfaction activity, Mystery Clients surveys are carried out, both within the scope of product line certification (Standard UNI EN 13816), and for any special company requirements. The Customer Satisfaction procedure regulates ATM/NET's Customer Satisfaction and Mystery Client surveys, carried out in order to detect customer satisfaction with the services provided.

To ensure the protection of rights in the investigation, the procedure has the following reference documents:

- GDPR EU Regulation No. 2016/679 (General Data Protection Regulation),
- UNI EN ISO 9001, UNI EN ISO 14001, UNI ISO 45001,
- UNI EN 13816 (describes how to define, achieve and measure public transport service quality, providing guidelines on the objectives to be achieved and the measurement systems to be applied),
- Service contracts,

- Mobility Maps,
- Code of Ethics,
- PGD DRIC 03 Complaints.

The Head of Customer Relations and Customer Satisfaction is responsible for ensuring the implementation of the survey plan, the definition and preparation of the plan, monitoring during implementation; as well as sharing with boards and departments concerned. The flowchart of activity planning is shown below:



For the definition of the Customer Satisfaction survey plan, the quality factors investigated are identified on the basis of an analysis of customer needs.

The reference for Customer Satisfaction surveys coincides with the entire service user base; indeed, the sample of respondents must always guarantee the statistical significance of the results.

For the purpose of continuous process improvement, when defining the guidelines for the development of surveys, the Senior Management also takes into account the results of previous ones. The plan of the surveys to be carried out annually is such as to enable to best gauge **the evolving customer satisfaction dynamics**, including in the face of changes and innovations in the service offered and changes in the reference context.

The RC & CS Manager, along with the appointed market research company, prepares the questionnaire in line with the objectives of measuring the level of customer satisfaction.

Once the questionnaire has been defined and approved, the appointed market research company carries out the surveys.

The results of the survey are evaluated and discussed by top management and the directors of the departments concerned. Each manager involved, on the basis of the information received, is required to evaluate the results and propose appropriate actions for improvement. The RC & CS Manager carries out, where appropriate, comparisons and integrated data analysis of the Complaints Report and Mystery Clients to optimise the findings of these three marketing levers.

In 2024, the ATM Group promoted several social responsibility campaigns with posters featuring the slogan "A UNIFORM THAT UNITES" in underground stations, providing Gadgets and organising contests for ATM staff.



### **Accessibility to people with vulnerable conditions**

The Group is committed to ensuring the full accessibility of its services to as many users as possible, paying particular attention to passengers with motor, visual and hearing disabilities. To this end, the Group is working to increase the percentage of accessible stops, stations and vehicles by implementing specific initiatives, including:

- Installation of tactile routes and protective measures, such as LOGES (Guide and Safety Orientation Line) routes and automatic doors that protect against the risk of falling, to ensure the accessibility of services to visually impaired passengers.
- Redevelopment or reconstruction of bus, tram and trolleybus stops.
- Acquisition of new trains in the underground fleet with a wheelchair passenger seat, like trains already in operation.
- Acquisition in recent years of trams, buses and trolleybuses equipped with a low-floor, wheelchair-accessible passenger seat and a manually operated lift or folding platform for entering and exiting the vehicle: to date, the entire bus fleet and 66% of the trolleybuses run with this equipment. Within the tram fleet, 48.2 per cent of the cars circulating in the city of Milan are equipped with electrically operated platforms. In

addition, the revamping of some cars also includes the installation of a lift for wheelchair users to enter and exit.

- With regard to the escalator replacement plan, which has enabled the renewal of more than 100 installations since 2012, all 14 planned escalators will be put into service in 2023: 6 at Centrale FS station, 2 at Cologno Sud, 4 at Cologno Nord and 2 at Cascina Gobba on the M2. Extraordinary maintenance work was also carried out on 59 escalators and lifts on the M1 underground line, 56 escalators and lifts on the M2 underground line and 50 escalators and lifts on the M3 underground line. In 2023, the contract for the replacement of escalators and lifts in M3 stations due to end of technical life and the contract for new lift installations in M1 and M2 were awarded. Another contract for the installation of new M1-M2 lifts funded under the National Recovery and Resilience Plan is being awarded. In addition, several projects are underway for the renovation of additional escalators and the installation of new lifts on the M1, M2 and M3 lines, financed by the City of Milan.
- On the M1 and M2 lines, a major plan to improve accessibility has been launched, aimed at equipping stations without lifts with 43 lifts and installing new stairlifts. On the M3, which is already fully accessible, a renewal programme is currently under way for equipment that has reached the end of its technical life, aimed at replacing 48 lifts and 52 escalators; The ATM Group carries out awareness-raising and training actions for Front Line staff and newly hired staff in order to manage relations with disabled customers; newly hired staff, in particular, are provided with training on the devices with which vehicles are equipped to transport passengers with motor difficulties or in wheelchairs.
- The ATM Group official website, in the Accessible Vehicles section, provides information on the accessibility of stations: customers will find, station by station, the lifts, stairlifts, escalators and accessible toilets; lifts, stairlifts and escalators are also indicated on the underground network diagram published on the website, on the ATM app and in stations, distributed free of charge to customers at all ATM Points and in the underground at station operators' booths. In the Lines and Timetables section, available directly from the home page of the website, each stop on the five underground lines is accompanied by information on the presence of lifts and stair lifts and their position with respect to the surface. The accessible version of the section, characterised by an essential format to facilitate visually impaired people, offers the route calculation functionality; it works with the main screen readers so that the route results can be arrived at just by listening to what the programme calculates. A list of surface lines served by low-floor vehicles is also available on the Accessible Vehicles page. To improve information on the accessibility of underground transport for people with motor disabilities and to provide it in real time, ATM has created the web platform called Informazioni Senza Barriere (Information Without Barriers) illustrated in the dedicated box.

(S4-4 31.d) The actions and initiatives described above are monitored through overall reputational surveys to monitor the public opinion of people who know the company and through costumer satisfaction surveys.

(S4-4 33.a) The results from the Dual Materiality process revealed the following risk: Driver errors leading to accidents with consequent costs for compensation of personal injuries and repair/replacement of damaged assets.

In relation to this risk, the ATM Group specifies that the **policies** in place guarantee safe travel and compensation for personal injury or property damage when ATM is liable. Specifically, all vehicles are insured: both road vehicles (buses and trolleybuses, for which insurance is compulsory) and rail vehicles (trams, trains, although it is not compulsory).

With regard to company assets, there is an **All Risks insurance policy** for company buildings, equipment, positions and facilities.

(S4-4 34) ATM adopts management and control practices to prevent and mitigate negative impacts on consumers, including through the design and continuous improvement of services, transparent communication and compliance with the Data Protection Regulation (GDPR).

(S4-4 35) No serious human rights problems or incidents related to consumers and end users were reported in 2024.

(S4-4 37) In order to manage relevant impacts, the ATM Group undertakes ongoing customer and end-user engagement activities, as well as security activities aimed at public transport users.

#### Entity specific

In order to respond more and more adequately to the needs of customers and the communities in which it operates, the ATM Group is committed to the development and innovation of transport services. The aim is to make travel in the area increasingly efficient in terms of intermodality and integration of services, regardless of the chosen mode of transport and thanks to cooperation between the companies providing the service. To this end, the integration of information and fares, as well as the travel documents available to passengers, is crucial.

ATM is constantly engaged in the experimentation and use of new technologies applied to mobility services and the commitment to an increasingly sustainable offer is a fundamental principle of the Group's strategic plan.

In this context, the ATM Group has developed distinctive skills in the creation of platforms for the integrated management of mobility information and has also launched an internal programme aimed at finding innovative and technological strategic solutions for its employees in order to improve the quality of the working environment.

Numerous **technological innovation projects** were realised in 2024:

- With the new Atm app, you can digitise your subscription and use your smartphone to access all Atm and NET underground and surface lines.
- ATM's commitment to combating fare evasion continues: the first 4 new gates with anti-toll barriers equipped with 2.30 metre-high sliding doors designed to prevent people from accessing the service without paying a ticket are now in operation at the San Donato M3 station. At the end of December 2024, the new turnstiles with anti-jump barriers were installed at the following stations: Duomo M1 (San Babila side) and M3, Cadorna M1 and M2.
- As part of the activities to strengthen business continuity, work began in 2024 at the San Donato depot on the preparation of technical premises to support the backup of the underground and surface operations rooms operating at the Monte Rosa site.
- As part of the fight against the technological obsolescence of information systems supporting operational activities, development work continued in 2024 on the new supervision and control system for the operations room of the M1, M2 and M3 underground lines.
- During 2024, the planned installation and technological renewal of ticket issuing and validation devices continued on both the underground and surface network (approx. 10,000). The new validation devices allow access to the public transport service by means of electronic closed loop cards, credit and debit cards, rechargeable electronic tickets, dynamic QR codes, and digital tickets on smartphones readable with NFC and BLE technologies.
- In 2024, Metro Service A/S achieved certification in the Cybersecurity areas (ISO 27001).

### **Technologies for smart mobility**

In December 2023, the public tender for the management and maintenance of the Smart City mobility and safety IT systems and applications was awarded to the grouping formed by A2A Smart City and ATM for a duration of 12 years. This is therefore an important consolidation of ATM's role in the field of innovative technologies for mobility and the smart city used in Milan, such as centralised traffic light control for dynamic traffic management, infomobility with variable message panels, infraction detection systems for access to LTZs, reserved lanes or for running red lights or exceeding speed limits. The service also includes the management of complex LTZs such as Area B and Area C with related authorisation and payment management systems. Also included are the main software systems of the Local Police Operations Centre (intervention management and removal management) as well as the TETRA mobile radio infrastructure used for communication with road patrols.



### **Sale of dematerialised tickets through “Maas Operators” of the Municipality of Milan**

The Municipality of Milan, within the framework of the National Recovery and Resilience Plan (PNRR) and in accordance with the indications of the Ministry for Technological Innovation and Digital Transition (MITD) and the Ministry of Sustainable Infrastructure and Mobility (MIMS), has launched in 2023 an experiment aimed at the development of new services to mobility based on the MaaS paradigm - "*Mobility As A Service*" and has identified, through the publication of a public notice for expressions of interest, a number of subjects admitted to the role of "*MaaS Operators*".

In this context, ATM set up a digital platform called “SmartTicketing” through which MaaS Operators could sell dematerialised tickets in QR Code format through their APPs. This platform has been built using technologies that allow ATM's digital ticketing services to be shown according to standards and modern protocols in order to guarantee optimum levels of interoperability, data security and event traceability. The start of the trial, which took place in July 2023, saw over seventy thousand QR code digital tickets issued through the apps of four participating operators (MyCicero, UnipolTech, UrbanNext, WeTechnology) during 2024.

### **Integration of ADI alert flows with fines from LTZs**

The Municipality of Milan has developed a service to notify fines to citizens.

The service is open to all those who register on the municipality's website and expressly request to join by indicating the number plate to be "watched out for". For this service, ATM has been asked to make available the checks for infringements raised by the systems in the LTZs, Area B and Area C, reserved lanes and speed controls. Therefore, integrations were developed with the above-mentioned fines systems to send the information of the fines to the City of Milan. The new flows produced complement those already in place for roadside Parking Spaces checks.

### **Metrics and Targets**

**S4-5- Objectives related to the management of significant negative impacts, enhancement of**

**positive impacts and the management of relevant risks and opportunities**

(ESRS 2 81) The ATM Group has not set targets in line with the ESRS MDR-T requirements, however, it monitors its progress as detailed below.

(S4-5 41.a) Within the scope of its Sustainability Policy and Strategic Plan, the ATM Group has defined a series of **objectives with measurable targets** for the various subsidiaries, in order

to create a virtuous system to circulate the culture of sustainability, creating a resilient, innovative reality capable of contributing positively to environmental and social well-being.

In the table below, the main sustainability target related to the improvement of the main KPIs related to the quality and accessibility of the service is shown, including through the upgrading and/or reconstruction of stops and stations, thus making the service barrier-free.

Targets	Status as at 31 December 2024
Progressive improvement of the main KPIs relating to the quality and accessibility of the service, including through the upgrading and/or reconstruction of stops and stations, as well as acquisitions of new rolling stock and/or the implementation of revamping of vehicles.	In order to make the service more accessible, comfortable and sustainable, it should be noted that the fleet renewal plan for the coming years includes the supply of 21 new trains for the M1 line and 25 new trains for the M3 line. In December 2024, the first of the new trains on the M1 line was delivered. As for the planned 80 new 18-metre trolleybuses, deliveries were completed at the end of 2024. A further 10 trolleybuses are planned, with deliveries having started in the latter half of 2024. On the other hand, 80 new bi-directional low-floor trams (of which 12 have already been delivered) and a further fourteen 35-metre trams are planned. As far as the electric bus fleet is concerned, as of 31/12/2024 the fleet consisted of 254 12-metre vehicles. For more details, see the section "Investments" in the Report on Operations.

In line with the Sustainability Policy, the identified KPIs refer to the Inclusive Mobility pillar. (ref. S3-1).

(S4-5 41.b, 41.c) The actions implemented to achieve the objectives are periodically monitored via a digital platform i.e. software to support KPI measurement.

This platform allows both the input of basic data for the calculation of KPIs and the direct input of targets and final figures for the period. This ensures that everything is tracked and the history of monitored targets can be viewed.

ATM Group KPIs	Base Year - 2019	Objective 2024	Final account 2024	Objective 2030
% dematerialised tickets	50%	67%	81%	80%
% of km operated with UNI EN13816-certified lines by lines in the territory	0%	58%	57%	100%
Accessibility of vehicles - surface	84%	87%	89%	93.5%
Accessibility of vehicles - underground	70.2%	78%	78%	100%

Further KPIs at the level of individual subsidiaries within Italy were defined during 2024, but monitoring will take place from 2025. Therefore, these KPIs will be disclosed in the course of future reporting.

## KPI - Net Mobility Map

Services for travellers with disabilities	Minimum contractual target 2024 vs. company commitment 2024	As at 2024	Minimum contractual target 2025	Company Commitment 2025
Indicator				
% low-floor vehicles	70% vs. 80%	83%	70%	83%
% vehicles with reserved seating for mobility-	75% vs. 100%	100%	75%	100%

### Entity Specific

One of the main objectives of the Smart Mobility agenda is to make mobility increasingly efficient, accessible, sustainable and inclusive, through the implementation of new concepts related to the development of the mobility of the future, exploiting new strategies, methodologies and the most innovative and emerging technologies. One of the projects managed by this new area involves the design and implementation of ATM's new official app, which will provide an increasingly simple and accessible experience, while at the same time integrating the Local Public Transport service with private mobility services (e.g. bike sharing, car sharing, etc.) and city-related ancillary services. ATM has decided to give the mandate to manage this project to its own subsidiary company, called CityLink.

The parent company ATM S.p.A. following the definition of its Strategic Plan 2021-2025 ATM has entrusted its subsidiary CityLink with the task of overseeing the set-up and grounding of the new strategic Smart Mobility with the objective of developing a series of projects aimed at generating **economic benefits** for the parent company and **social and environmental benefits** for the people who move around the Milan metropolitan area.

ATM has assigned CityLink the task of implementing a series of projects listed and described below.

**Projects related to the realisation of a new ATM App**, which can integrate more and more public and private mobility services, promoting increasingly accessible, inclusive and simple mobility. The main activities carried out by CityLink, in cooperation with various areas of the parent company, were as follows:

- Definition of the **Implementation Model and design** of the Blueprint: Engagement of the supplier and coordination of the assessment of possible implementation approaches of the Technological Platform, design of the high-level architecture, definition of the design and implementation principles of the service, and definition of the related CAPEX and OPEX costs.

- Definition of the **Brand Strategy, Brand Identity and Concept** of the User Experience: supplier engagement and coordination of the activity to define the Brand Strategy, Brand Identity and the Concept of the User Experience of the mobile app. Definition of the vision, mission and promise of the new service through the analysis of the feedback of the main internal and external stakeholders. Identification of Brand Poster, naming, claim, logo and Colour Code.
- Design of the **Functional and Technical Specifications** for the new App: supplier engagement and coordination of AS-IS analysis of systems and processes preparatory to service development. Definition of the necessary technical functionalities and data flows, mapping of the architecture and identification of integration interfaces.
- Design of the **User Experience and Implementation** of the New App: supplier recruitment and coordination of the design of the user experience and implementation of the new app.
- **Product validation, start-up and support** in post-start-up operational management: engaging suppliers and coordinating validation activities for the new app.

**Planning for the creation of Smart Hubs**, i.e. car parks that are not just a place for vehicles to park, but offer value-added services to improve the user experience. The main activities carried out by CityLink, in cooperation with various areas of the parent company, were as follows:

- Definition of the **Concept** and the '**look&feel**' of the *Smart Hub*: Engaging supplier and coordinating the activity of defining the Concept of the Smart Hub and the look&feel, with the aim of creating a homogeneous, simple and consistent look and feel, to provide the user with an improved experience and to enhance the services installed within the car park.
- **Selection of car parks** for the roll-out of the project for 2024 (Molino Dorino, Rogoredo, Cassiodoro) and for the following three years.
- **Scouting and selection of the services** to be included in each car park and definition of the **enabling interventions** needed, as well as the **contractualisation** of the commercial agreements with the partners selected for the parking portfolio in 2024.
- Coordination of a series of interventions aimed at improving the **accessibility and security of the car parks**, such as: improving the layout, painting and signage, increasing security, digitising access and activating mobile network coverage in the parking areas concerned. These interventions constituted key enabling factors in the activation of value-added services (e.g. locker, micro-mobility, laundry, etc.) capable of enhancing parking assets and providing parking users and others with a range of services from a 'smart city' perspective, with benefits also in terms of sustainability.

'Stop Smart' project aimed at reducing the dodging rate by improving the control system through an increase in the number of Eagle Eye cars on the road and the development of new hardware and software solutions. The main activities carried out by CityLink, in cooperation with various areas of the parent company, were as follows:

- Co-ordination of the activities necessary to hire 5 new Eagle Eye equipped cars, to ensure the hardware and software upgrades necessary to manage the data collected and optimise the analysis processes, all aimed at the subsequent operational release of the new Eagle Eye.

The above projects saw the achievement of important milestones during 2024:

- On 16 December 2024, the **new ATM App** was launched. In addition to the renewal of the graphic design and the introduction of new infomobility services, the main novelty concerned the introduction of the digital season ticket, i.e. a new type of medium for city and STIBM season tickets at ordinary, youth and *senior fares*. The digital subscription is available to both existing subscribers and new customers. Thanks to this innovation, subscribers can digitise their physical card (if issued by ATM), transferring their existing subscription to the app. In addition to increasing the daily convenience of travellers, it ensures greater environmental sustainability through dematerialisation of titles and reduction of waste.
- In December 2024, the number of **Smart Hubs will reach three** parking spaces. Inauguration of the first 3 *Smart Hubs* in Molino Dorino, Rogoredo and Cassiodoro. The car parks have undergone a series of interventions to improve usability and safety (e.g. layout, painting and signage, digitisation of access and activation of mobile network coverage). In addition, value-added services (e.g. locker, micro-mobility, laundry, etc.) were activated to increase the range of services offered to customers.
- During 2024, the operational release of **5 new Eagle Eye** cars was successfully completed, as well as the enhancement of the related hardware and software required to manage the collected data and optimise the analysis processes.

### Economic framework and business continuity

CityLink aims to support the ATM Group in responding to the continuous and growing challenges of mobility, seizing the countless opportunities provided by the new trends and new technologies and thus being an incubator of Smart initiatives capable of creating resource efficiency, process optimisation and providing new services to end users that are inclusive, simple and accessible, and also a source of additional revenue. CityLink's approach is based on the use of new methodological approaches, new tools, new technologies and new business models to thus create new solutions/services that can generate social, economic and environmental benefits.

More specifically, the company's role within the ATM Group's Strategic Plan is and will be to coordinate a series of complex and multidisciplinary projects in the following areas:

- **Atm app:** namely, the evolutions of the ATM app in terms of user experience, technological implementation and process, to ensure an increasingly simple, integrated, inclusive and accessible experience that evolves over time, consistent with technological evolution.

- **Smart Mobility Enablers:** i.e. support to the parent company to develop a digital ecosystem in step with the times that is scalable, flexible and future proofed and that can therefore enable a new user experience guaranteed in a coherent and seamless manner across all corporate touch points (e.g. mobile app, website, ATM Point, etc.), as well as an improvement in service management processes involving various corporate areas (e.g. commercial, communication and marketing, infomobility, etc.).
- **Smart Parking:** i.e. the programme of work involving the design, testing and implementation of the parking of the future. This chapter will continue to encompass a wide range of projects, with the ultimate aim of improving the end-user experience and designing new innovative and ancillary services (e.g. locker, micro-mobility, etc.) that can enrich the smart parking value proposition and, finally, projects related to the optimisation and management (back-office) of these services.
- **New business:** i.e. the design, development and integration of services that are ancillary to mobility and that can add value to the end users of Local Public Transport services and other forms of sustainable mobility.

## 7.4 Information on governance

### ESRS G1 - Business Conduct

#### Governance

#### ESRS 2 GOV-1 The role of the administrative, management and supervisory bodies

*(ESRS 2 GOV-1 5.a)* For more details on the role of the administrative, management and supervisory bodies, please refer to the section described in the chapter "ESRS 2 - General Information", par. *Governance (GOV 1 22.a, 22.b)*

*(ESRS 2 GOV-1 5.b)* For more details on the role of the administrative, management and supervisory bodies, please refer to the section described in the chapter "ESRS 2 - General Information", par. *Governance (GOV 1 23.a, 23.b)*

#### Impact, risk and opportunity management

#### G1-1 - Corporate culture and business conduct policies

*(G1-1 9)* In 2024, ATM's internal communication was based on values such as passion, care, inclusion, innovation and sustainability.

These values, shared at all levels of the organisation, are recognised as fundamental in the performance of business activities, and are made explicit in the Charter of Values and the Code of Ethics, introduced in 2007, and most recently harmonised in September 2018 with the Group's Anti-Corruption and Transparency Model ("ACT Model") voluntarily adopted by ATM. The corporate culture contained in the above-mentioned documents is promoted through official company channels and through initiatives designed to be moments of sharing, such as the creation of a social wall to host messages and witness testimonies from colleagues on values and a tour of 24 company sites managed by a cross-department team of communication, human resources and ambassadors from different company departments.

The main policies on corporate culture and business conduct adopted by the Group are:

- **The Code of Ethics,**
- **Model 231,**
- **Anti-Corruption and Transparency Model.**

The Code of Ethics: principles, values and social responsibility

Transparency, ethics/correctness, fairness, quality of community life and a continuous search for excellence are just some of the guiding principles considered by ATM in adopting a governance structure that is appropriate to its nature, size and operational structure. These

principles are articulated in value areas aimed at guiding the actions of people working for ATM.

The Code of Ethics encompasses the values and lines of conduct that make up ATM's identity, and sets out the related ethical and social responsibilities, committing the corporate bodies, management, personnel, external collaborators, suppliers and anyone maintaining relations with Group companies. The same applies to the parent company ATM S.p.A. and the Group companies subject to its management and coordination. It is a founding element of the general Internal Control and Risk Management System together with the Group's Anti-Corruption and Transparency Model and the Organisation, Management and Control Models pursuant to Legislative Decree No. 231/2001 of the parent company and its direct subsidiaries incorporated under Italian law.

In 2022 ATM started a project, which is still under way, to concretely update and harmonise its entire Code of Ethics, 16 years after it was issued. This project aims to:

- strengthen and enhance corporate culture,
- encourage the alignment of behaviour inside and outside the organisation with its values and principles,
- facilitate the relationship with stakeholders in order to better understand their expectations,
- create the conditions to contribute to value creation also through the management and reporting of ESG (Environmental, Social and Governance) and sustainability issues.

The project is based on the main regulations/guidelines, available standards, leading practices in the field of business ethics and Corporate Social Responsibility and its first phase led to the drafting of the ATM Group's "Conduct Guidelines" - operational as of July 2023 - supplementing and illustrating the Code of Ethics. These Guidelines, also by means of ethical dilemmas and practical cases, enable the Group's employees, suppliers and partners to be aware of their obligations and prohibitions.

Training activities for their internal dissemination continued in 2024.

The second phase of the project, which started in 2023, (known as "Code of Ethics 2023 project") ultimately aimed at harmonising the Code of Ethics with the "Conduct Guidelines" and other founding documents of the governance and internal control and risk management system.

Finally, 2024 saw the adoption and dissemination of ATM's new Charter of Values, based on the principles of Passion, Care, Inclusion, Innovation and Sustainability. Various initiatives were organised to publicise and assimilate the new values, including a dedicated campaign



and mini-site, the roadshow at company sites and the ATM Awards. In parallel, considerable efforts were also devoted to embedding, i.e. the application of values and related behaviours to HR processes such as recruitment, onboarding and learning. Furthermore, in February 2024, the podcast 'Le voci di ATM' (ATM's voices) dedicated to an in-depth examination of the common standards and principles underlying the ATM Group's Conduct Guidelines, was posted on the intranet.

### **The Organisation, Management and Control Model pursuant to Leg. Decree 231/2001 and the whistleblowing system**

*(G1-1 10.a; 10.c; 11)* ATM has adopted an integrated and systematic approach to the handling of reports of suspected/alleged violations and/or offences, governed by specific procedures and policies in force from time to time and in compliance with the relevant legislation, subject to systematic review in case of any further updates. It should be noted that Legislative Decree No. 24 of 10 March 2023 transposed EU Directive No. 2019/1937, which considerably extended the scope of reporting beyond that of Decree 231/ACT/Code of Ethics, thus implying a different reporting organisation, management and skills.

For this reason, ATM traces and handles reports by adopting suitable and effective measures so that the identity of the person making the report or of the person who provides information useful for identifying non-compliant conduct is always ensured, using to this end a special computerised tool compliant with current regulations.

The **Model 231** adopted by the ATM Group incorporates fundamental elements inspired by leading practices, the Confindustria Guidelines as well as the evolution of majority case law. They are duly described in the Models 231, General Part, communicated both inside and outside the organisation.



The Recipients of this Model 231 include all internal and external subjects, in particular, employees (managers and non-managers), project contractors, interns and temporary/admin workers, directors, auditors, suppliers, external consultants, contractors, commercial partners , third parties that have contractual relations with the Company, as well as the members of the Supervisory Board.

*(G1-1 10 c.i)* The above-mentioned addressees have the possibility of making reports through specific channels, including the computerised Whistleblowing tool and by means of confidential ordinary mail addressed to the Supervisory Board. These channels ensure the protection of both whistleblowers and other persons involved, as provided for by the legislation in force.

In order to effectively implement Model 231, the Group intends to ensure proper dissemination of its contents and principles inside and outside its organisation. For this reason, the 231 Model is available on the company intranet and on the official website and can always be requested from one's hierarchical superior. Communication activities are supervised by the Supervisory Board, which is assigned, inter alia, the tasks of “promoting and defining initiatives for the dissemination of knowledge and understanding of Model 231, as well as for raising staff awareness of compliance with the principles contained in the Model” and of “promoting and drafting communication measures on the contents of Decree 231, on the impact of the regulations on the company's activities and on rules of conduct”. Communication on the principles and contents of Model 231 is ensured by the heads of the individual functions, who identify the best way to use these services (e.g.: staff meetings, online, courses etc.).

Employees, including those seconded to other companies or employees of other companies seconded to ATM, and new hires are given the "**Friendly Booklet 231: what you need to know**", which collects and summarises, in a informative manner, the Organisational, Management and Control Models of the ATM parent company and its direct subsidiaries. For employees who do not have access to the intranet, such documentation is made available by alternative means such as company notice boards/totems.

In addition to the communication procedures, specific training is carried out, which varies according to the addressees, but is, in any case, characterised by principles of completeness, clarity, accessibility and continuity, in order to allow the various addressees to be fully aware of the corporate provisions they are required to comply with and the ethical standards that must inspire their conduct. As for communication, the Supervisory Board also supervises training, in line with its tasks of “promoting and defining initiatives for the dissemination of knowledge and understanding of Model 231, as well as for personnel training and awareness-

raising on compliance with the principles contained in the Model” and “promoting and developing training interventions on the contents of Decree 231, on the impact of the regulations on the company's activities and on rules of conduct”.

The ATM Group's Supervisory Board is a multi-person body composed of two external persons and one internal person, identified in the independent figure of the Audit and Internal Control Director, who in fact reports directly to ATM's Board of Directors. These members are identified by virtue of their accrued professional skills and personal characteristics, such as a marked capacity for control, independence of judgement and moral integrity.

*(G1-1 10.c ii)* The ATM Group shall adopt appropriate and effective measures to ensure that the identity of those who report information to the Supervisory Bodies which may be useful in identifying conduct which does not comply with the provisions of Models 231 is always kept confidential, without prejudice to legal obligations and the protection of the rights of ATM or of persons wrongly accused and/or in bad faith. Any form of retaliation, discrimination or penalisation against those who make reports to the Supervisory Board in good faith is prohibited by the ATM Group.

*(G1-1 10.g)* With reference to the fundamental component of the Model, Training, it should be noted that at the behest of the Supervisory Board, Campus ATM, through its appointed consultant and with the technical support and assistance of the Audit and Internal Control Department, designed the new three-year **training** cycle on **231/Anti-Corruption/Business Ethics** based on an operational elapsed time of approximately four years. The first annuity was delivered between September 2024 and February 2025, involving a base audience of *Middle Managers* and Contract Managers (over 400 people) and Senior Management and Corporate Bodies (about 50 people). This training, as in the past, focuses on the 231 Models of the Parent Company and directly controlled companies with a Model, on the Group's Anti-Corruption and Transparency Model (ACT Model) and on Whistleblowing - WB, also through the use of specific cartoons/videos tutorial. This training, which can be integrated with asynchronous training pills, and is based on ethical dilemmas and practical cases requiring the active involvement of each participant in line with leading practices and emerging trends, is calibrated and differentiated according to whether it is aimed at Employees/Middle Management operating in specific risk areas, Executives, Corporate Bodies.

*(G1-1 10.e)* In addition to the 231 Model and the related control mechanisms put in place by the Supervisory Board following the reports received, as mentioned above, the ATM Group has put in place several procedures to investigate incidents concerning company conduct in a prompt, independent and objective manner.

The Internal Audit department verifies that the internal control and risk management system is functioning, adequate and consistent with the guidelines defined by the Board of Directors. To this end, it carries out its activities on all components of the Internal Control and Risk Management System, assessing their adequacy, functionality and consistency with the organisational evolution of the Group and the external regulatory framework. In this context and in line with the Internal Audit mandate, the Department performs an independent and objective work in line with professional standards.

### ***The Anti-Corruption and Transparency Model***

*(G1-1 10.e)* The ATM Group has chosen to voluntarily adopt an Anti-Corruption and Transparency Model (ACT Model) with the aim of imbuing its work with the principles inspiring the transparency and anti-corruption regulations (including Legislative Decree no. 33/2013 and Law no. 190/2012). Within the ACT Model, the Group Anti-Corruption Contact Person has been identified, specifically in the person of the Audit and Internal Control Director, with a view to efficiency and coordination of verification activities on areas sensitive to corruption risks and related prevention protocols (measures).

*(G1-1 10.h)* The analysis prepared by ATM was conducted on the sensitive areas for the Group, considering the areas related to financial flows and the selection and evaluation of career paths as the most sensitive ones, and consequently at risk of corruption due to their specific nature. The Group has therefore not identified the departments within the company that are most at risk of corruption and bribery. For more information on the ACT Model see G1-3 para. 18.a.

## **G1-2 Management of relationships with suppliers**

### **Disclosure requirement G1-2 - Management of relationships with suppliers**

*(ESRS 2 62; G1-2 14)* Currently, the ATM Group does not have an integrated Group policy to avoid late payments. However, in ATM Group companies based in Italy, invoices are promptly registered and, when necessary, approval for payment is requested.

To ensure punctuality, all due and payable invoices are paid by the 15th of the month following their due date, subject to regulatory compliance checks.

Subsequently, after the 15th, two further weekly payments are made to settle due invoices that have become payable after the previous payments.

This procedure applies indiscriminately to all suppliers, including SMEs, thus ensuring fair and timely **management of payments**.

The subsidiary Metro Service makes payments on a weekly basis. In this context, payment proposals identify all invoices due and approved one week in advance.

*(G1-2 15.a)* The relationship with suppliers, as set out in the Code of Ethics and the Conduct Guidelines, must be one of “real and fair competition between suppliers”

In turn, the Quality, Environment and Safety Policy specifies that the Group's sustainable development strategies presuppose, among other things, a commitment to continuous improvement of the environmental, health and occupational safety aspects of its activities, with a focus on all stakeholders, including the performance of its suppliers, and indeed these principles are intrinsic to the purchasing process of every Group company.

Responsible supply chain management is an essential component of the Group's strategy. The Group is thus committed to guaranteeing the highest quality of the products and services it purchases, in compliance with the technical, environmental and social criteria established by the ATM Group's tender documents, contractual provisions and regulations. For these reasons, the Corporate Rules for the Awarding of Contracts fully regulate the authorisation process for expenditure, the signing of orders and contracts and, for procedures below a certain defined purchasing threshold, the manner of awarding contracts.

In 2024, the ATM Group - with the exception of the company that has recently accessed the Thema scope - started mapping its supply chain to assess the carbon risk associated with each supplier. This process allowed the Group's suppliers (2291 in 2023) to be ranked according to their CO<sub>2</sub> emissions and procurement risk, understood as economic impact for ATM and potential supply chain disruptions.

The analysis covered companies with fewer than 25 employees and divided the suppliers into six risk categories:

- 56 high-risk suppliers,
- 253 suppliers at medium to high risk,
- 614 suppliers at low-medium risk,
- 1,010 suppliers at low risk,
- 310 suppliers at very low risk,
- 48 suppliers not classifiable.

All suppliers were required to share their emission data for Scope 1 and Scope 2 through the Ecovadis platform. To date, 184 suppliers have already entered this information into the platform.

In 2025, ATM will initially focus on engaging the 56 suppliers with high carbon risk by initiating a targeted assessment activity. This path will include:

- Data sharing in the Ecovadis platform,
- A specific training programme,
- The implementation of concrete actions to reduce Scope 1 and 2 emissions.

Gradually, the entire ATM Group supply chain will be involved in this process, with the support of the subsidiaries.

In some cases, given the specificity of certain goods and their importance for transport security, the transition path will be customised. Therefore, **guidelines** and **targeted operational actions** will be adopted to ensure continuity of supply without compromising quality and reliability.

The integration of ESG criteria is becoming an increasingly central element in the technical evaluation of offers submitted by ATM Group suppliers, reinforcing the company's commitment to sustainable procurement.

*(G1-2 15.b)* ATM includes in most of the tenders to be awarded, along with the quality/price criterion, some bid award criteria related to the fulfilment of ESG criteria by the bidding suppliers. For example, the use of environmentally friendly means to carry out the service/work to be entrusted, compliance with the Minimum Environmental Criteria, the possession of various certifications (SA8000, ISO 14001 - EMAS, ecolabel, ISO 50001, etc.), the adoption of a corporate welfare system and/or work life balance policies, the adoption of the NFS or sustainability statement are rewarded.

### **G1-3 Prevention and detection of corruption and bribery**

#### **Metrics and Targets**

*(G1-3 18.a)* On 15 September 2018, ATM voluntarily adopted, for itself and its subsidiaries, a *Group Anti-Corruption and Transparency Model* (hereinafter also referred to as the "ACT Model") because it operates in practice by applying a rigorous ethic of fairness, lawfulness and transparency. The Parent Company also identified the Anti-Corruption Representative ("ACR"), namely the Audit and Internal Control Director, who works for the Company and all the Group's subsidiaries. The aim of the ACT Model is to shape its operation in accordance with the rationale and inspiring principles of the regulations on transparency and anti-corruption (including Legislative Decree no. 33/2013 and Law no. 190/2012). The purpose of the ACT Model is to set up a **structured and organic system of principles and controls** that repudiates corruption and aims to **prevent any corruption**, through the identification of

specific and/or across-the-board activities exposed to the risk of corruption (or instrumental to the same), and the mitigation thereof. The Group Anti-Corruption Representative works in close synergy with the Supervisory Bodies and promotes efficiency and coordination of activities, carrying out audits, as part of the integrated risk-based audit plan and, precisely, in coordination with the audits conducted for the purpose of Decree 231, on areas exposed to corruption risks and related prevention protocols (measures). ATM joined the Business@OECD - anti-corruption focus (BIAC - Anti-Corruption Committee | Business at OECD), an officially recognised institutional body representing more than 300 multinationals and business associations worldwide. Indeed, ATM is constantly striving to promote strategies and operations based on business ethics that combat corruption and contribute to the achievement of sustainability and governance goals.

On the subject of anti-corruption, we emphasise Model 231, and specifically its being an integral part of the general Internal Control and Risk Management System (SCIGR) - which is based, among others, on the following documents: the ATM Group Operating Regulation, the Group Code of Ethics and the Group Conduct Guidelines.

*(G1-3 18.b)* Internal Audit operates in line with globally recognised professional standards and has adopted the Quality Assurance Improvement Program. As required by the standards, the Audit and Internal Control Department, in accordance with the aforementioned QAIP, undergoes an external audit by a qualified person at least every 5 years to certify that the audit activities comply with the standards. The last evaluation, carried out in 2023, confirmed the full compliance of the Audit and Internal Control Department.

*(G1-3 18.c)* The process of reporting the results to the administrative, management and supervisory bodies is managed by the Team Internal Audit in the Board of Directors, with a half-yearly report and a detailed annual report, which also includes the report by the Anti-Corruption Contact Person.

In the case of special situations, an **investigation documentary** procedure is initiated, without direct interlocution, together with the legal area, which manages the entire process with a criminal lawyer. In addition to these, Internal Audit reports and other related documents are available.

All Models are published and available both on the intranet and on the corporate website and communication campaigns are carried out to all ATM Group personnel. For example, when the Anti-Corruption Model was updated, a *leaflet* was designed with Internal Communication for widespread dissemination in all company locations. This leaflet includes a secure QR Code from which any ATM person can easily download the Model to their mobile device.



*(G1-3 20)* In order to guarantee an effective and rational communication activity, the ATM Group promotes knowledge of the contents and principles of the ACT Model and its related procedures, with a level of detail that varies according to the position and role covered by the recipients. The ACT Model is published on ATM's official website. Employees and collaborators are notified of the publication on the company intranet, so that they may take note of it and comply with its provisions. In any case, for employees who do not have access to the intranet, such documentation is made available by alternative means and, if necessary on request, by distribution by the hierarchical superior. The ACT Model is also delivered to new employees, when they join the ATM Group, as well as to members of corporate bodies and individuals with representative functions in the Company when they accept the office conferred upon them, so that they can acknowledge and express their acceptance of its contents. The activity of communicating the contents and principles of this Model is also addressed to third parties that have contractually regulated cooperation relations with the Company (for example: commercial partners, consultants and other self-employed contractors), by making the ACT Model available to contractual counterparties on the official website. All Addressees are required to comply with the provisions of the ACT Model exactly, also in fulfilment of the duties of loyalty and diligence arising from the legal relations established with the Company.

*(G1-3 21.a, 21.b, 21.c)* Training activities on the ACT Model are coordinated with those on Models 231 and the Code of Ethics. These activities, diversified according to the addressees to whom they are addressed, are characterised by principles of completeness, clarity, accessibility and systematicity, in order to enable addressees to be aware of both the corporate provisions they are required to comply with and the ethical standards that must inspire their conduct.

In fact, the training in 231, ACT and Ethics in Business, addressed to Corporate Bodies, Senior Management and Middle Management, is inspired by leading practices and is based on ethical dilemmas and practical cases, which require the active involvement of each participant.

In 2024, the ATM Group carried out an anti-corruption training programme to reinforce knowledge of Legislative Decree No. 231/2001 and preventive measures. The course included an introductory clip, a review of the 231 principles, an illustration of ATM's internal control system and a focus on whistleblowing.

The new regulations, in particular the offences of disruption of freedom of tenders (Article 353 of the Criminal Code) and disruption of freedom to choose a contractor (Article 353-bis of the Criminal Code), were examined in depth through the analysis of concrete cases and group activities to identify preventive measures.



Finally, a practical exercise on 14 concrete cases was administered.

The training sessions for the year 2024 were delivered between September 2024 and February 2025. In the training sessions on Model 231, ACT and Ethics of *Business* in the ATM Group, 438 participants were involved in the refresher sessions on Legislative Decree No. 231, addressed in particular to ATM Group managers, executives and corporate bodies. For the latter, a dedicated session is planned at the end of the initiatives for managers.

In addition, at the welcome day dedicated to new employees, DACI staff spoke in depth about the Group's anti-corruption measures and Model 231. All new employees are also given instructions on where to find information material on the subject, which is always available to the entire company population.

#### **G1-4 - Incidents of corruption or bribery**

*(G1-4 24, 25)* During 2024, no cases of corruption were or bribery were recorded for any of the ATM Group companies.

Accordingly:

- no convictions or fines were imposed for violations of anti-corruption laws,
- no disciplinary action or penalties were taken against employees,
- no contracts with business partners were terminated or not renewed for reasons related to corruption,
- there are no public prosecutions for corruption or bribery against the company or its workers.

These findings also refer to any cases involving members of the value chain, where the ATM Group or its employees are directly involved.

#### **G1-5 - Political Influence and Lobbying**

In the performance of its business, the ATM Group also carries out activities that could indirectly influence policies, laws or regulations (lobbying), through its participation in various trade associations such as AGENS and Assolombarda.

*(G1-5 29.a)* Since the ATM Group is not directly involved in *lobbying* or political influence activities, there are no representatives on the administrative, management or supervisory bodies specifically charged with overseeing such activities.

*(G1-5 29.b)* The ATM Group does not make political contributions, either financial or in kind, either directly or indirectly. Consequently, there is no need for estimates or reporting on these contributions.

(G1-5 29.d) The ATM Group is not registered in the EU transparency register or in any equivalent transparency register of a Member State.

(G1-5 30) Not applicable.

## G1-6 - Payment practices

(G1-6 33.a)

Supplier categories	2024		
	Total payments made	Payments that met standard terms	Percentage of payments aligned to standard terms
	EUR 385,399,921	EUR 156,314,987	40.56%
<b>Total</b>			

(G1-6 33.b) For Group companies based in Italy, the standard payment terms are **60 days** from end of the month of the the invoice date, plus an additional 15 days. As far as Metro Service is concerned, the standard payment terms are at **30 days**, in line with Danish business practice, unless longer terms are requested by suppliers, in which case the latter apply. For the year 2024, in Italy, the average days between the Group's standard contractual payment deadline and the payment of the invoice amount to approximately 10 days, i.e. 85 days from the day the invoice is issued, whereas in Denmark, it is 3 days and 33 days respectively. These amounts were calculated, based on the extraction from the accounting systems of the payables paid in the financial year 2024 by the Group companies, as the average number of differences between the dates of the invoices and their settlement date. The payment cycle management procedure and standard indicated here applies without distinction to large companies and SMEs.

(G1-6 33.c) There are currently no pending legal proceedings due to late payment.

(G1-6 33.d) For Italy-side data collection:

- Only the first payment orders made for invoices due the previous month for ATM S.p.A., NET and Rail Diagnostics were taken into account.
- For ATM and NET, diesel and canteen payments were also included.
- For CityLink and Gesam, all payments were considered.
- Payments to professionals were not included.

The methodology described is based on the first major provisions that relate to all payable invoices when due. There are other residual provisions that are analysed in detail, which will

be evaluated in the future so that they can be included. It should be noted that CityLink and Gesam have few payments related to Professionals, which are therefore residual.

For Metro Service, all payments were taken into account.

## 7.5 Appendix

The following tables show the 9 material themes and related IRO's of the ATM Group.

### ENVIRONMENT

#### E1 - Climate Change

<i>Sub - Topic</i>	<i>Sub-sub Topic</i>	<i>IRO</i>	<i>IRO Description</i>	<i>Nature and Horizon</i>	<i>Boundary</i>
Climate change adaptation		Impact	- Contribution to the reduction of emissions into the environment through the full electric transition to low- or zero-emission vehicles	Potentially Long Positive Impact (more than 5 years)	Own operations
Climate change adaptation		Risk	- Extreme weather events (e.g. heat waves, frost, heavy downpours, tornadoes, tropical cyclones and floods) impacting the Group's assets with consequences on operations and generating extra costs for the restoration of vehicles and infrastructure	Long (over 5 years)	Own operations
Climate Change Mitigation		Impact	- Negative contribution to climate change through the generation of direct and indirect GHG emissions (Scope 1, 2 and 3), caused by the Group's activities and products and services	Current Short-Medium Negative Impact (1 to 5 years)	Own operations Supply chain Customers and communities
Climate Change Mitigation		Opportunities	- Access to public or private funding related to sustainability and climate change mitigation for the development of investments in green infrastructure and decarbonisation programmes, through collaboration with suppliers operating according to certified sustainability standards	Short-Medium (1 to 5 years)	Own operations Supply chain

Climate Change Mitigation		Opportunities	- Investment in electric vehicles and in infrastructure for their recharging through the use of nationally allocated funds (PNRR, PTE, etc)	Long (over 5 years)	Own operations
Climate Change Mitigation		Opportunities	- Sourcing from suppliers that adopt low-emission production processes and/or means of transport, fostering sustainability in the supply chain and consequently improving the Group's reputation	Short-Medium (1 to 5 years)	Own operations Supply chain
Climate Change Mitigation		Opportunities	- Increase in the supply of electric vehicles due to the introduction of European regulations requiring suppliers to prohibit the introduction of new combustion vehicles, thereby increasing the production of electric vehicles and reducing procurement costs for the Group	Long (over 5 years)	Supply chain
Energy		Impact	- Positive contribution to the environment through the purchase of certified green energy and the adoption of self-generation of energy from renewable sources	Potentially Long Positive Impact (more than 5 years)	Own operations
Energy		Risk	- Interruption of electricity supply due to grid overloads related to extreme weather events (e.g. increased demand during heat waves), affecting the Group's operations	Short-Medium (1 to 5 years)	Own operations Supply chain
Energy		Opportunities	- Gradual reduction of diesel consumption in its operations and implementation of <b>energy efficiency</b> systems resulting in a reduction of the Group's cost/maintenance efficiency	Short-Medium (1 to 5 years)	Own operations Supply chain

## E2 – Pollution

<i>Sub - Topic</i>	<i>Sub-sub Topic</i>	<i>IRO</i>	<i>IRO Description</i>	<i>Nature and Horizon</i>	<i>Boundary</i>
Air pollution		Impact	- Contribution to the generation of other significant air emissions (SO <sub>2</sub> , NO <sub>x</sub> , NMVOC, PM 2.5, NH <sub>3</sub> ) from diesel vehicles	Current Short-Medium Negative Impact (1 to 5 years)	Own operations Supply chain Customers and communities
Water pollution		Impact	- Reduction of water pollution caused by oils, fuels and chemical detergents used in the maintenance and cleaning of vehicles, through the installation of suitable waste water treatment plants	Current Short-Medium Positive Impact (1 to 5 years)	Own operations
Soil pollution		Impact	- Mitigation of vibration/acoustic pollution through initiatives and actions to improve the quality of the environment and the quality of life of residents  - Contribution to vibration/acoustic pollution, with negative effects on the environment and people's health and quality of life, caused by the Group's activities and infrastructure	Current Short-Medium Positive Impact (1 to 5 years)  Current Short-Medium Negative Impact (1 to 5 years)	Own operations Customers and communities  Own operations Chain of supply Customers and Communities
Pollution of living organisms and food resources		Impact	- Contribution to the atmospheric release of pollutants and particulate matter caused by diesel vehicles that may deposit, e.g. on the soil, contaminating the soil and the health of living organisms	Current Short-Medium Negative Impact (1 to 5 years)	Own operations Chain of supply Customers and Communities
Substances of concern and extreme concern		Impact	- Environmental pollution and health impacts from the use of chemicals for vehicle maintenance and cleaning, such as solvents, coolants, and other toxic substances	Current Short-Medium Negative Impact (1 to 5 years)	Own operations Supply chain Customers and communities



## E5 - Circular Economy

<i>Sub - Topic</i>	<i>Sub-sub Topic</i>	<i>IRO</i>	<i>IRO Description</i>	<i>Nature and Horizon</i>	<i>Boundary</i>
Outflows of resources related to products and services		Impact	- High consumption of materials and resources, such as steel, aluminium and rare minerals, with indirect negative impacts on the environment and ecosystems caused by their extraction	Current Short-Medium Negative Impact (1 to 5 years)	Own operations Supply chain
Waste		Impact	- Contribution to the recovery and recycling of materials through the adoption of a policy for the sustainable management of the disposal and recovery of all or part of the Group's operational vehicles at the end of their life cycle	Potential Positive Short-Medium Impact (1 to 5 years)	Own operations Customers and communities
Waste		Opportunities	- Adoption of efficient practices for the management and disposal of post-maintenance waste, favouring recycling where possible, with the consequent possibility of reducing disposal costs due to the optimisation of resources	Short-Medium (1 to 5 years)	Own operations Customers and communities



## SOCIAL

## S1 - Own Workforce

Sub - Topic	Sub-sub Topic	IRO	IRO Description	Nature and Horizon	Boundary
Equal treatment and opportunities for all	Training and Development	Impact	- Contribution to the training and <b>growth of employees</b> , through the promotion of training activities and customised programmes (general and technical) with growth objectives	Potential Positive Short-Medium Impact (1 to 5 years)	Own operations
Health and safety	Health and safety	Impact	Development of <b>training activities and implementation</b> of employee health protection services aimed at promoting the psycho-physical well-being of workers beyond the compulsory measures provided by the applicable regulations	Potential positive impact Short-Medium (1 to 5 years)	Own operations
			- Negative impact on the health and safety of employees and non-employees due to the failure to adopt or comply with safeguards at the Group's operating sites, with the possibility of accidents, occupational diseases or other incidents occurring in the workplace	Current Short-Medium Negative Impact (1 to 5 years)	Own operations



Working conditions	Health and safety	Risk	- Attacks on ATM staff by customers and other third parties, resulting in reputational and economic damage due to refunds and possible service interruptions	Short-Medium (1 to 5 years)	Own operations
Working conditions	Secure employment / Working hours / Adequate wages / Social dialogue / Work-life balance	Risk	- Strike by ATM staff demanding better working conditions in terms of wages, safety and rights, with consequent impacts on service continuity and reputational damage	Short-Medium (1 to 5 years)	Own operations
Working conditions	Secure employment	Risk	- Evolution of the labour market leading to difficulties in finding skilful personnel, with consequent operational and reputational impacts due to service reduction and/or reshuffling and training costs	Short-Medium (1 to 5 years)	Own operations
Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value/ Employment and inclusion of people with disabilities/ Diversity	Impact	- Creation of an inclusive working environment and development of welfare, understood as the promotion of corporate activities and initiatives that counteract discrimination by ATM	Potentially Long Positive Impact (more than 5 years)  Current Short-Medium Negative Impact (1 to 5 years)	Own operations  Own operations

S2 - Workers in the value chain

<i>Sub - Topic</i>	<i>Sub-sub Topic</i>	<i>IRO</i>	<i>IRO Description</i>	<i>Nature and Horizon</i>	<i>Boundary</i>
Working conditions	Health and safety	Impact	- Negative impact on the health and safety conditions of workers along its supply chain, particularly in infrastructure and vehicle maintenance operations, due to inadequate oversight of health and safety policies adopted by suppliers	Current negative impact Short-Medium (1 to 5 years)	Own operations Customers and communities
Working conditions	Secure employment / working hours / adequate wages / health and safety / work-life balance	Opportunities	- Adoption/strengthening of systems to monitor working conditions along the value chain, in line with Corporate Sustainability Due Diligence Directive (CSDD) requirements, with positive consequences in terms of reputational and operational efficiency	Short-Medium (1 to 5 years)	Own operations Supply chain Customers and communities

## S3 - Affected communities

<i>Sub - Topic</i>	<i>Sub-sub Topic</i>	<i>IRO</i>	<i>IRO Description</i>	<i>Nature and Horizon</i>	<i>Boundary</i>
Economic, social and cultural rights of communities	Territory-related impacts	Impact	Contribution to the socio-economic development of local communities through the development of training and professional opportunities in collaboration with universities and research centres	Current Short-Medium Positive Impact (1 to 5 years)	Customers and Communities
	Security-related impacts		- Positive contribution to the safety of local communities in which ATM-managed infrastructures are located, thanks to an adequate supervision of these infrastructures in terms of controls	Current Short-Medium Positive Impact (1 to 5 years)	Own operations Supply chain
Economic, social and cultural rights of communities	Freedom of expression	Risk	- Negative media campaigns against the company, resulting in reputational damage and loss of revenue in the event of a reduction in the use of its services	Short-Medium (1 to 5 years)	Customers and Communities

S4 - End-Consumers

Information for consumers and end users	Access to quality information	Impact	- Transparent and quality information for the Group's customers, thanks to the adoption of advanced information and communication systems (e.g. real-time service information, use of websites and user-friendly apps)	Current Short-Medium Positive Impact (1 to 5 years)	Own operations Customers and Communities
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Social inclusion of consumers/end users	Access to products and services	Impact	- Contribution to Customer satisfaction through the proposal of an efficient, integrated, customised mobility offer	Current Short-Medium Positive Impact (1 to 5 years)	Own operations Customers and Communities
Personal Security	Personal safety / Children	Impact	Countering criminal incidents through proper management of services and constant coordination with the police to ensure the physical safety of passengers	Current Short-Medium Positive Impact (1 to 5 years)	Own operations Customers and Communities
Personal Security	Health and safety Personal safety, child protection	Risk	- Driver errors leading to accidents with consequent costs for compensation of personal injuries and repair/replacement of damaged assets.	Short-Medium (1 to 5 years)	Own operations Customers and Communities
Social inclusion	Non-discrimination / Access to products and services	Impact	- Contribution to the greater usability of the service for all, through initiatives to improve the quality and accessibility of public transport, for all users	Potential Positive Short-Medium Impact (1 to 5 years)	Customers and Communities





## GOVERNANCE

## G1-Business Conduct

Sub - Topic	Sub-sub Topic	IRO	IRO Description	Nature and Horizon	Boundary
Corporate culture		Impact	- Improving the corporate climate and employee well-being by promoting activities to share the Group's ethical principles and values	Potentially Long Positive Impact (more than 5 years)	Own operations
Management of relations with suppliers including payment practices		Risk	- Disclosure of strategic Group information by a supplier resulting in loss of competitive advantage, reputational impacts and legal costs for litigation with the supplier	Short-Medium (1 to 5 years)	Supply chain
Political engagement and lobbying		Impact	- Promotion of sustainable and innovative initiatives in the field of public transport and sustainable mobility through constant consultations with public authorities and participation in working groups to discuss strategies for the development of public transport in Milan and the surrounding areas	Current Short-Medium Positive Impact (1 to 5 years)	Customers and Communities
Political engagement and lobbying		Opportunities	- Growth of promotion/influence activities in the real estate sector, with consequent economic and reputational benefits	Long (over 5 years)	Own operations
Corruption and bribery	Prevention and detection including training	Impact	- Promotion of communication and training of employees, business partners and other stakeholders on anti-corruption regulations and procedures with the aim of reducing/eliminating possible incidents of corruption	Current Short-Medium Positive Impact (1 to 5 years)	Own operations Supply chain Customers and communities
Corruption and bribery	Accidents	Risk	Corrupt practices/collusion in the award and management of contracts and subcontracts, leading to penalties and reputational damage	Short-Medium (1 to 5 years)	Own operations

The Chair

Gioia Maria Ghezzi

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# ATM Group Consolidated Financial Statements 2024

## Balance Sheets

### STATEMENT OF FINANCIAL POSITION

	Notes	31.12.2024	31.12.2023 Restated (*)
<b>Assets</b>			
Property, plant and equipment	9	1,112,798	1,150,091
Intangible assets	10	4,830	4,163
Right of use on leased assets	11	8,572	6,177
Investments	12	116,387	126,432
Non-current financial assets	13	169,283	159,802
<i>of which: to Related Parties</i>	44	169,283	159,802
Deferred tax assets	14	38,385	40,883
Other receivables and noncurrent assets	15	54,081	39,491
<b>Non-current assets</b>		<b>1,504,336</b>	<b>1,527,039</b>
Inventories	16	108,264	104,960
Current financial assets	17	145,750	170,281
Current Tax Assets	18	17,171	22,059
Trade receivables	19	292,776	250,819
<i>of which: to Related Parties</i>	44	224,065	183,302
Other receivables and current assets	20	80,240	91,504
Cash and cash equivalents	21	179,824	142,186
<b>Current assets</b>		<b>824,025</b>	<b>781,809</b>
Windfall assets	22	7,863	3,200
<b>Total assets</b>		<b>2,336,224</b>	<b>2,312,048</b>

(\*) The item includes a reclassification made starting from the year 2023 as better described in Note 1.



## STATEMENT OF FINANCIAL POSITION

	Notes	31.12.2024	31.12.2023 Restated (*)
<b>Net equity</b>			
Share Capital		700,000	700,000
Legal reserve		108,287	119,304
Other reserves		273,515	274,170
Profit/(Loss) carried forward		68,341	61,265
Profit for the year		931	(3,941)
<b>Equity attributable to the owners of the parent</b>		<b>1,151,074</b>	<b>1,150,798</b>
<b>Equity attributable to non-controlling interests</b>		<b>25,679</b>	<b>24,717</b>
<b>Total Net Equity</b>	<b>23</b>	<b>1,176,753</b>	<b>1,175,515</b>
<b>Liabilities</b>			
Non-current financial liabilities	24	237,824	173,842
Employee benefits	25	76,362	83,493
Provisions for risks and charges	26	98,679	83,019
<b>Deferred tax liabilities</b>	<b>27</b>	<b>49,000</b>	<b>49,238</b>
Other non current payables and liabilities	28	66,096	33,692
<i>of which: to Related Parties</i>	<i>44</i>	<i>66,096</i>	<i>33,692</i>
<b>Non-current liabilities</b>		<b>527,961</b>	<b>423,284</b>
Current financial liabilities	24	166,035	234,294
Current tax liabilities	29	985	1,462
Trade payables	30	329,831	346,887
Trade payables	30	329,831	346,887
<i>of which: to Related Parties</i>	<i>44</i>	<i>52,591</i>	<i>52,302</i>
Other current payables and liabilities	31	134,659	130,606
<b>Current liabilities</b>		<b>631,510</b>	<b>713,249</b>
<b>Liabilities relating to windfall assets</b>		<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>1,159,471</b>	<b>1,136,533</b>
<b>Total Equity and Liabilities</b>		<b>2,336,224</b>	<b>2,312,048</b>

(\*) The item includes a reclassification made starting from the year 2023 as better described in Note 1.

## CONSOLIDATED INCOME STATEMENT

	Notes	2024	of which related parties	2023	of which related parties
<b>Revenues and other operating income</b>					
Revenues from core business	30	995,346	786,554	925,458	744,876
Other revenues	30	82,175	33,532	81,156	33,175
Other proceeds	30	83,763	2,877	90,718	2,751
<b>Total revenues and other operating income</b>		<b>1,161,284</b>	<b>822,963</b>	<b>1,097,332</b>	<b>780,802</b>
<b>Operating costs and other charges</b>					
Costs for the purchase of goods and changes in inventories	31	(74,824)	-	(86,756)	-
Costs for services	32	(351,300)	(3,768)	(360,341)	(3,302)
Operating Leases Costs	33	(5,434)	(1,552)	(3,250)	(401)
Costs for employee benefits	34	(615,310)	(7)	(557,738)	(2)
Other operating costs and charges	35	(14,319)	(657)	(14,144)	(278)
<b>Total operating costs and other charges</b>		<b>(1,061,187)</b>	<b>(5,984)</b>	<b>(1,022,229)</b>	<b>(3,983)</b>
<b>EBITDA</b>		<b>100,097</b>		<b>75,103</b>	
<b>Depreciation and Impairment Losses</b>	36	<b>(85,164)</b>		<b>(86,333)</b>	
<b>Operating result</b>		<b>14,933</b>		<b>(11,230)</b>	
Financial income		17,846	8,083	13,460	5,546
Financial expenses		(16,257)		(9,176)	
<b>Net financial income (expense)</b>	37	<b>1,589</b>	<b>8,083</b>	<b>4,284</b>	<b>5,546</b>
Net result of companies accounted for using the equity method	38	(5,724)		4,477	
<b>Profit before tax</b>		<b>10,798</b>		<b>(2,469)</b>	
Income taxes	39	(4,986)		3,222	
<b>Profit/(Loss) for the period</b>		<b>5,812</b>		<b>753</b>	
<b>Profit/(Loss) for the year attributable to:</b>					
Shareholders of the parent company		931		(3,941)	
Minority shareholdings (*)		4,881		4,694	
<b>Total</b>		<b>5,812</b>		<b>753</b>	

(\*) Values mainly attributable to the minority shareholder of the direct subsidiaries International Metro Service S.r.l. and THEMA S.A. and the indirect subsidiary Metro Service A/S.

## OTHER COMPONENTS OF THE COMPREHENSIVE CONSOLIDATED INCOME STATEMENT

	Notes	2024	of which related parties	2023	of which related parties
<b>Profit/(Loss) for the period</b>		<b>5,812</b>		<b>753</b>	
<b>Other Components of the Consolidated Statement of Comprehensive Income</b>					
<b>Components which will not be later reclassified in profit/(loss) for the year</b>					
Revaluations of net defined benefit liabilities/(assets)	22	(44)		(1,472)	
Taxes on items that will not be reclassified to (loss)/profit for the year	22	10		353	
<b>Total components which will not be later reclassified in profit/(loss) for the year</b>		<b>(34)</b>		<b>(1,119)</b>	
<b>Components that will or may be reclassified subsequently to (loss)/profit for the year</b>					
Investments accounted for using the equity method - Cash flow hedge reserve	22	(1,536)		(2,020)	
Taxes on investments accounted for using the equity method - Cash flow hedge reserve	22	6		24	
Available-for-Sale Financial Assets - Held to Collect and Sell Reserve	22	1,235		2,033	
Taxes on Available-for-Sale Financial Assets - Held to Collect and Sell Reserve	22	(325)		469	
<b>Total components that will or may be reclassified subsequently to (loss)/profit for the year</b>		<b>(620)</b>		<b>506</b>	
<b>Total Other Components of the Consolidated Statement of Comprehensive Income</b>		<b>(654)</b>		<b>(613)</b>	
<b>Total comprehensive Income Statement for the year</b>		<b>5,158</b>		<b>140</b>	
<b>Total Consolidated Statement of Comprehensive Income for the year attributable to:</b>					
Shareholders of the parent company		277		(4,554)	
Minority shareholdings (*)		4,881		4,694	
<b>Total</b>		<b>5,158</b>		<b>140</b>	

(\*) Values mainly attributable to the minority shareholder of the direct subsidiaries International Metro Service S.r.l. and THEMA S.A. and the indirect subsidiary Metro Service A/S.

## STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

Net equity	31.12.2023	Destination of profit	Dividends approved	Other transactions	IFRS 9 impacts	Result from other components of comprehensive income	Profit / (Loss) for the year	31.12.2024
Share Capital	700,000							700,000
Legal reserve	119,304	(11,017)						108,287
Other Reserves	274,170			1	(2)	(654)		273,515
Revaluation reserve	1,397							1,397
Conversion reserve	(1)			3				2
Rounding off reserve	2							2
FTA reserve	154,105			(2)				154,103
Actuarial Loss Reserve	(4,239)					(34)		(4,273)
Cash flow hedge reserve	1,303					(1,530)		(227)
Real estate fair value reserve	125,288							125,288
Held to collect and sell reserve	(3,729)					910		(2,819)
OCI reserve	44				(2)			42
Profits carried forward	61,265	7,076						68,341
Profit / (Loss) for the year	(3,941)	3,941					931	931
<b>Equity attributable to the owners of the parent</b>	<b>1,150,798</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>(2)</b>	<b>(654)</b>	<b>931</b>	<b>1,151,074</b>
<b>Minority shareholdings</b>	<b>24,717</b>	<b>-</b>	<b>(3,920)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,881</b>	<b>25,679</b>
Share Capital	2,521							2,521
Profits carried forward	17,502	4,694	(3,920)					18,277
Profit for the year attributable to minority interests	4,694	(4,694)					4,881	4,881
<b>Total equity</b>	<b>1,175,515</b>	<b>-</b>	<b>(3,920)</b>	<b>1</b>	<b>(2)</b>	<b>(654)</b>	<b>5,812</b>	<b>1,176,753</b>

Net equity	31.12.2022	Destination of profit	Dividends approved	Change of scope	Other transactions	IFRS 9 impacts	Result from other components of comprehensive income	Profit / (Loss) for the year	31.12.2023
Share Capital	700,000								700,000
Legal reserve	119,048	256							119,304
Other Reserves	274,830				(5)	(42)	(613)		274,170
Revaluation reserve	1,397								1,397
Conversion reserve	4				(5)				(1)
Rounding off reserve	2								2
FTA reserve	154,105								154,105
Actuarial Loss Reserve	(3,120)						(1,119)		(4,239)
Cash flow hedge reserve	3,299						(1,996)		1,303
Real estate fair value reserve	125,288								125,288
Held to collect and sell reserve	(6,231)						2,502		(3,729)
OCI reserve	86					(42)			44
Profits carried forward	51,242	10,023							61,265
Profit / (Loss) for the year	10,279	(10,279)						(3,941)	(3,941)
<b>Equity attributable to the owners of the parent</b>	<b>1,155,399</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5)</b>	<b>(42)</b>	<b>(613)</b>	<b>(3,941)</b>	<b>1,150,798</b>
<b>Minority shareholdings</b>	<b>21,945</b>	<b>-</b>	<b>(3,871)</b>	<b>1,949</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,694</b>	<b>24,717</b>
Share Capital	572			1,949					2,521
Profits carried forward	16,108	5,265	(3,871)						17,502
Profit for the year attributable to minority interests	5,265	(5,265)						4,694	4,694
<b>Total equity</b>	<b>1,177,344</b>	<b>-</b>	<b>(3,871)</b>	<b>1,949</b>	<b>(5)</b>	<b>(42)</b>	<b>(613)</b>	<b>753</b>	<b>1,175,515</b>



## STATEMENT OF CASH FLOWS

	2024	2023
<b>A. Cash flows from operations</b>		
<b>Profit/(Loss) for the period</b>	<b>5,812</b>	<b>753</b>
income taxes	4,986	(3,222)
interest expense/(interest income) net of impairment of financial assets and dividends and imputed interest expense on LL IFRS 16	(1,604)	(4,203)
Capital gains/losses deriving from disposal of assets	(306)	(111)
<b>1. Profit for the year before income taxes, interest, dividends and capital gains/losses on disposals</b>	<b>8,888</b>	<b>(6,783)</b>
<i>Adjustments for non-monetary items with no balancing entry in net working capital</i>		
change in provisions for risks and charges	18,269	(10,504)
change in provision for severance pay	245	131
change in cash and cash equivalents provision	28	(72)
amortisation	84,692	86,333
value adjustments of fixed assets	472	-
value adjustments to investments	-	-
Impairment of financial assets	15	(81)
other changes	(3,689)	(1,375)
<i>Total adjustments of non-monetary items</i>	<i>100,032</i>	<i>74,432</i>
<b>2. Cash flow before changes in NWC</b>	<b>108,920</b>	<b>67,649</b>
<i>Changes in net working capital:</i>	<i>(42,416)</i>	<i>87,883</i>
inventory	(3,304)	(5,833)
trade accounts receivable	(41,957)	12,378
other receivables	(12,281)	10,510
accrued income and prepaid expenses	(1,209)	(876)
trade payables	(17,242)	86,541
IFRS 16 short-term lease liability	29	(39)
other payables	35,094	(14,131)
accrued expenses and deferred income	(1,547)	(667)
dividends payable to shareholders	-	-
<i>Changes in assets not covered by the NWC</i>		
<b>3. Cash flow after changes in NWC</b>	<b>66,505</b>	<b>155,533</b>
<i>Other adjustments</i>	<i>(19,207)</i>	<i>(16,158)</i>
interest received/(paid)	(9,233)	49
interest received/(paid) on leased assets IFRS 16	(318)	(163)
(income tax, paid)	(3)	(82)
dividends collected	2,785	-
(use of provision for risks and charges)	(2,609)	(5,432)
(utilisation of severance pay fund)	(9,829)	(10,530)
<b>Cash flow from operations (A)</b>	<b>47,298</b>	<b>139,375</b>

## STATEMENT OF CASH FLOWS

	2024	2023
<b>B. Cash flows from investment/disinvestment activities</b>		
<i>Tangible fixed assets</i>		
(Investments)	(115,584)	(200,776)
Realisable price of disinvestments	292	778
<i>Intangible fixed assets</i>		
(Investments)	(2,642)	(1,633)
Realisable price of disinvestments	(35)	300
Increase/decrease in payables to suppliers for tangible assets	156	(29,410)
<i>Financial fixed assets</i>		
(Investments)	-	(232,073)
Realisable price of disinvestments	100	9,918
<i>Current financial assets</i>		
(Investments)	(21,279)	(115,991)
Realisable price of disinvestments	61,252	113,914
change in equipment grants	82,700	178,430
<b>Cash flows from investing/disinvestment activities (B)</b>	<b>4,961</b>	<b>(276,543)</b>
<b>C. Cash flows from financing activities</b>		
<i>Third-party funds</i>		
Increase/(Decrease) in short-term payables to banks	-	149,490
Bond loans start	69,441	
Bond loans refund	(70,000)	
New loans	4,665	-
Loan repayments	(10,802)	(46,212)
Repayment of principal on leased assets IFRS 16	(4,087)	(2,195)
<i>Equity</i>		
Dividends (and advances on dividends) paid	(3,920)	(3,871)
<b>Cash flows from financing activities (C)</b>	<b>(14,703)</b>	<b>97,212</b>
Currency exchange effect	110	(125)
Increase/(decrease) in cash and cash equivalents	37,666	(40,082)
<b>Opening liquid funds*</b>	<b>142,413</b>	<b>182,495</b>
<b>Closing liquid funds *</b>	<b>180,079</b>	<b>142,413</b>

## General information

ATM S.p.A. (hereinafter also referred to as the 'Company', the 'Parent Company' or 'ATM') is a company incorporated and domiciled in Milan and organised under the laws of the Italian Republic. The Company has its registered office in Milan - Foro Buonaparte, 61.

The company and its subsidiaries (jointly the "Group" or the "ATM Group") manage the public transport service in the urban and suburban areas of Milan and Monza, the Copenhagen metro, the Thessaloniki metro, the management of car parks, parking spaces and removal areas, Area B and C, as well as integrated vehicle and infrastructure maintenance activities.

The publication of these Consolidated Financial Statements was authorised by the Directors on 31 March 2025 and the same will be submitted to the Shareholders' Meeting for approval and subsequent filing, within the terms provided by law. The Shareholders' Meeting has the power to make amendments to these Financial Statements.

The company Deloitte & Touche S.p.A. is entrusted with the legal audit of the accounts, based on the assignment given to it on 9 November 2017 until the approval of the financial statements for the year ending 31 December 2025.

The same accounting principles have been applied in the preparation of these Consolidated Financial Statements as those adopted in the preparation of the Consolidated Financial Statements for the year ended 31 December 2023, supplemented by the matters described in Section 4 "*Valuation Criteria*".

In line with the provisions of IAS 8 (paragraphs 41 and 42), the Group reclassified as at 31 December 2023:

- payments on account made to suppliers for works pursuant to Art. 35 of Legislative Decree No. 50/2016 from "Non-current financial assets" to "Other non-current receivables and assets" in the amount of EUR 39,491,264.
- advances received from ATM S.p.A. and paid by the Municipality of Milan for extraordinary maintenance services reclassified from "Trade receivables" to "Other noncurrent payables and liabilities" for EUR 33,692,502.

### Criteria for the Preparation of Consolidated Financial Statements

These Consolidated Financial Statements for the year ended 31 December 2024 have been prepared in accordance with the IFRS (International Accounting Standards - IFRS) issued by the International Accounting Standards Board (IASB), and interpretations issued by the *IFRS Interpretations Committee* (IFRIC) and the *Standing Interpretations Committee* (SIC),

recognised in the European Union pursuant to European Regulation (EC) no. 1606/2002 of 19 July 2002 and in force at the end of the financial year (all the above-mentioned standards and interpretations are hereinafter referred to as "IAS-IFRS Standards"). In particular, Legislative Decree No. 38 of 28 February 2005, which governed this regulation in Italy, introduced the obligation to apply the IAS-IFRS standards for the preparation of statutory and consolidated financial statements to companies issuing financial instruments admitted to trading on regulated markets in any EU Member State.

Also, these Consolidated Financial Statements have been prepared on the basis of the best knowledge of IAS-IFRSs and taking into account the best doctrine on the subject; any future guidelines and interpretative updates will be reflected in subsequent years, in accordance with the procedures provided by the relevant applicable accounting standards.

The Consolidated Financial Statements have been prepared on a going concern basis, in accordance with paragraphs 24 and 25 of IAS 1, as the Directors have verified that there are no financial, managerial, operational or other indicators that may indicate critical issues regarding the Group's ability to meet its obligations in the foreseeable future and, in particular, in the next 12 months, taking into account the Group's high levels of capitalisation and liquidity and access to the financial market. This assessment also takes into account what is described in the Report on Operations at paragraph 5.4 *"Going concern"* concerning Managerial Determination No. 12608 of 28 December 2023 of the Municipality of Milan by which the current service contract with the Municipality of Milan for local public transport is extended, in accordance with the tender documents and the original contract, until 31 December 2026 pursuant to Article 24, paragraph 5-bis of Decree-Law No. 4/2022.

In relation to the above, on 29 December 2023, the the Entrusting Entity - Municipality of Milan and ATM S.p.A. signed the extension of the following contracts:

- Local Public Transport Service and related and complementary services: until 31 December 2026;
- Parking Spaces control, Car park management and vehicle removal service: until 31 December 2026;
- Service for the implementation and operation of the Bike Sharing sustainable mobility system: until 31 December 2026.

On 12 January 2024, the Contracting Entity - Municipality of Milan and ATM S.p.A. signed the deed for the continuation until 31 December 2026 of the contract for the management of the payment and collection channels, on behalf of the Municipality of Milan, of the revenues deriving from the accesses to the L.T.Z. Cerchia dei Bastioni - "Area C" as well as back office,



front office and call centre services dedicated to the management of the fulfilments required by the traffic regulations L.T.Z. Cerchia dei Bastioni - "Area C" and "Area B".

Finally, the activities related to the routine maintenance and management of the systems technologies and equipment constituting the Integrated Traffic and Territorial Control System (SCTT) and to the management of the payment systems for access to the LTZ Cerchia dei Bastioni "Area C" and the subsequent adaptation of the computerised system for managing transit and the recording procedures, have been included in the concession, by means of project financing pursuant to art. 183 - paragraph 15 of Legislative Decree no. 50/2016 as amended, for design, implementation and maintenance services of Smart City IT systems and applications for security and mobility "Minново". The concessionaire of the agreement is the Temporary Grouping of Companies formed by A2A Smart City S.p.A. (agent) and ATM S.p.A. (principal). The agreement will be effective from 1 April 2024 and lasts twelve years.

Moreover, with regard to the subsidiary Nord Est Trasporti S.r.l., on 28 December 2023, with Executive Determination No. 114/2023 of the Agenzia di Bacino della Città Metropolitana di Milano, Monza e Brianza, Lodi e Pavia, the contract for the management of the services performed by the same subsidiary for the Agenzia di Bacino was extended to 31 December 2025.

As already mentioned in the Report on Operations attached to the 2024 financial statements, the current year was characterised not only by the still unresolved conflict between Russia and Ukraine, but also by the geopolitical choices of the new US administration, which are potentially capable of rewriting established balances.

In this context, the volatility of energy commodity prices can still be a risk factor for the public transport sector, unless the government intervenes to protect it. Thus, also for the three-year period 2025 - 2027, the trend of this production factor may represent a potentially critical element. During 2024, the Company once again entered into commodity hedging transactions on the price of electricity, which expired by 31 December 2024, seizing the opportunity represented by price levels recorded in the first part of the year, which were favourable compared to budget estimates.

During the preparation of the Annual Report 2024, the Parent Company performed an impairment test, to verify the recoverability of property, plant and equipment and intangible assets (including rights of use for leased assets), as well as equity investments recognised in the balance sheet. The results of the Impairment Tests confirmed that the book values of these assets of the business lines analysed were stable (see Note 5 "*Use of estimates*" below).

A description of how the Group manages financial risks is contained in Note 6 - "*Financial Risk Management*" below.

The Consolidated Financial Statements consist of the Consolidated Statement of Financial Position, the Consolidated Income Statement, the Consolidated Statement of Other Comprehensive Income, the Consolidated Statement of Changes in Shareholders' Equity, the Consolidated Cash Flow Statement and the Notes thereto.

In particular, the Consolidated Statement of Financial Position was prepared according to the format that shows the breakdown of "current/non-current" assets and liabilities as allowed by IAS 1. An asset/liability is classified as current when it meets one of the following criteria:

- expected to be realised/extinguished or expected to be sold or used in the normal operating cycle; or
- is held primarily to be traded; or
- is expected to be realised/extinguished within twelve months from the consolidated balance sheet date.

In the absence of all three conditions, assets/liabilities are classified as non-current. The credit and debit items also detail the values referring to transactions with related parties.

The Consolidated Profit and Loss Account is drawn up according to the classification scheme of revenues and expenses by nature, highlighting the intermediate results relating to EBITDA, operating profit and pre-tax profit, in order to allow for a better representation of normal operating performance. The form chosen is in accordance with internal reporting and management methods of *business*, is in line with international practice and is therefore considered more representative than presentation by destination, providing more reliable and more relevant information for the sector. The income and expenses items also detail the values referring to transactions with related parties. Expenses and revenues to and from related parties are also broken down by counterparty in the table in Note 44.

The Statement of Other Components of the Consolidated Statement of Comprehensive Income includes changes occurring during the year, generated by transactions other than those entered into with Shareholders and on the basis of specific IAS-IFRS standards. Changes in "other consolidated comprehensive income (loss)" are shown separately from the related tax effects.

The Statement of Changes in Consolidated Shareholders' Equity has been prepared in accordance with IAS 1 and illustrates the changes in consolidated shareholders' equity items related to:

allocation of the net profit for the year;

each item of profit and loss net of any tax effects, which, as required by IAS-IFRS, are alternatively recognised directly in consolidated equity (actuarial gains and losses generated by the measurement of defined benefit plans, valuation of financial assets at fair value and valuation of derivative financial instruments at fair value held by associated companies valued using the equity method) or have a balancing entry in an equity reserve, the impact of which is therefore reflected directly in equity;

the effect of any changes in accounting standards or the introduction of new accounting standards.

The Consolidated Cash Flow Statement presents cash flows during the year classified into operating, investing and financing activities; cash flows from operating activities are presented using the indirect method.

The Consolidated Financial Report is also accompanied by the Report on Operations that accompanies the Consolidated Financial Statements. In addition, in compliance with the requirements introduced by Legislative Decree No. 125 of 6 September 2024 implementing Directive 2022/2464/EU, and in accordance with the ESRS Standards - published by the EFRAG (*European Financial Reporting Advisory Group*) - the ATM Group has prepared its Sustainability Report. The latter is contained in and constitutes a specific section within the Report on Operations and contains information on how the company is managed and organised, the policies practised, risks and how they are managed, and the performance on ESG sustainability issues relevant to the Group. Its objective is to ensure that sustainability-related information is integrated into the financial reporting process and can be used by investors, stakeholders and the public to make more informed decisions.

Where necessary and appropriate, its content is supplemented by cross-references to information available in other sections of the Report on Operations, which can be identified by the symbol.

The Group's functional currency is the euro, the basis of presentation of the Consolidated Financial Statements, which is the currency of the country in which the Group principally operates; the Consolidated Financial Statements and all amounts included in the tables of the Notes to the Financial Statements, unless otherwise indicated, are expressed in thousands of euro.

The Consolidated Financial Statements have been prepared by applying the historical cost method, taking into account value adjustments where appropriate, with the exception of

those items that, according to IAS-IFRS, must be recognised at fair value, as indicated in the valuation criteria and except where the IAS-IFRS Principles permit a different valuation criterion and such alternative criterion to cost has been adopted (in this case, the valuation of the real estate portfolio at fair value).

There are no events occurring after the end of the financial year that alter conditions already existing at the balance sheet date and that require changes to the values of assets and liabilities and to the economic result at the end of the financial year. For events after the balance sheet date, for which there is no impact on the income statement, balance sheet and financial position, please refer to the appropriate section in the Report on Operations.

## **Consolidation Criteria and Methods**

### **Subsidiaries**

The Consolidated Financial Statements include, in addition to the Parent Company, the companies over which it exercises control, either directly or indirectly through its subsidiaries, from the date on which such control is acquired until the date on which such control ceases. Control can be exercised either by virtue of directly or indirectly owning a majority of the exercisable votes, or by virtue of the right to receive variable returns arising from one's relationship with them, affecting such returns and exercising one's power over the company, even disregarding shareholder relationships. The existence of potential exercisable voting rights at the balance sheet date is taken into account in determining control.

In the case of the acquisition of non-total controlling interests, goodwill is recognised only for the portion attributable to the parent company. The value of non-controlling interests is determined in proportion to the non-controlling interest in the net identifiable assets of the acquiree.

If the business combination is achieved in stages, at the time control is acquired, the previously held equity interests are remeasured at fair value and any difference (positive or negative) is recognised in profit or loss.

In the case of the acquisition of minority interests, after control has been obtained, the positive difference between the acquisition cost and the book value of the minority interests acquired is deducted from the Group's equity. On the other hand, in the case of the sale of shares such that control of the entity is not lost, the difference between the price received and the book value of the shares sold is recognised directly as an increase in equity, without going through the income statement.

With reference to transactions between entities under common control ("Business combinations under common control"), which are excluded from the scope of application of IFRS 3 and not regulated by other IFRS accounting standards, in the ATM Group, in the absence of such regulations, these transactions are recognised taking into account the provisions of IAS 8, i.e. the concept of reliable and faithful representation of the transaction and the provisions of OPI 1 (Assirevi's preliminary IFRS guidelines).

The financial statements of subsidiaries and associated companies subject to consolidation are drawn up at 31 December, the reference date of the consolidated financial statements, specifically prepared and approved by the administrative bodies of the individual entities, appropriately adjusted, where necessary, to bring them into line with the accounting standards applied by the ATM Group.

Subsidiaries are consolidated on a line-by-line basis, as shown below:

- the assets and liabilities, expenses and income of the fully consolidated entities are recognised on a line-by-line basis, attributing to minority shareholders, where applicable, their share of equity and net profit for the period; these shares are shown separately within consolidated equity and the consolidated income statement;
- Business combinations between entities not under common control, whereby control of an entity is acquired, are accounted for by applying the purchase method. The acquisition cost is the current value (fair value) at the date of acquisition of the assets transferred, liabilities assumed and equity instruments issued. Identifiable assets and liabilities, respectively acquired and assumed, are recorded at their fair value at the date of acquisition. The difference between the cost of acquisition and the current value of the identifiable assets and liabilities acquired, if positive, is recognised as goodwill under intangible assets, or, if negative, after re-verification of the correct measurement of the current values of the said assets and liabilities acquired and the cost of acquisition, is recognised directly in the income statement, as income. Where the fair value of the identifiable assets and liabilities acquired can only be determined provisionally, the business combination is recognised using those provisional values. Any adjustments resulting from the completion of the valuation process are recognised within twelve months from the date of acquisition by restating the comparative figures;
- Gains and losses, including the related tax effects, arising from transactions between companies that are consolidated on a line-by-line basis and not yet realised vis-à-vis third parties are eliminated, except for unrealised losses that are not eliminated if the transaction provides evidence of an impairment of the transferred asset. Reciprocal debit and credit relationships, costs and revenues, and financial income and expenses are also eliminated;

- For acquisitions of minority interests in companies for which control already exists, any difference between the acquisition cost and the related fraction of equity acquired is recognised in equity.

All controlled entities are included in the scope of consolidation from the date on which control is acquired by the Group. Entities are excluded from the scope of consolidation from the date on which the Group loses control.

List of companies consolidated on a line-by-line basis:

<b>Company</b>	<b>Consolidation Method</b>
CityLink S.r.l. - Smart Mobility by ATM	Full
Ge.SAM S.r.l.	Full
International Metro Service S.r.l.	Full
Metro Service A/S	Full
Nord Est Trasporti S.r.l.	Full
Thema S.A.	Full
Rail Diagnostics S.p.A.	Full

**Associates**

Associated companies are those over which the ATM Group exercises significant influence, understood as the power to participate in determining the financial and management policies of the investee, without having control or joint control. In assessing the existence of significant influence, the actual exercisable or convertible potential voting rights are also taken into account.

Investments in associates are initially recorded at the cost incurred for their acquisition and are subsequently valued using the equity method. The equity method is described below:

- The carrying value of investments in associated companies is aligned to their net equity, adjusted, where necessary, by the application of the policies adopted by the ATM Group and includes the recognition of higher values attributed to assets and liabilities and any goodwill identified at the time of acquisition;
- profits or losses pertaining to the ATM Group of associated companies are accounted for from the date in which the significant influence began and until the date in which it ceases in the event that, as a result of losses, the companies show a negative net equity, the carrying value of the investment is written off and any surplus pertaining to the ATM Group, where the latter has undertaken to fulfil the legal or implicit obligations of the investee company, or in any case to cover its losses, is recognised in a specific provision; the components of the statement of comprehensive income of companies accounted for using the equity method are recognised in specific equity reserves;
- unrealised gains and losses generated on transactions between the parent company/subsidiaries and the investee company accounted for under the equity method are eliminated in accordance with the value of the ATM Group's shareholding in the investee company; unrealised losses are eliminated unless they represent impairment.

The economic results of associated companies are included in the Consolidated Profit and Loss Account under "Net result of companies accounted for using the equity method".

If the value thus determined is higher than the recoverable amount, an adjustment is made to the associate's value by recognising the related impairment loss in the Profit and Loss Account.

Investments held in associates and other companies whose consolidation or recognition in the Consolidated Financial Statements using the equity method does not have a significant impact on the Group's financial position or results of operations are excluded from the scope of consolidation and are recognised at fair value, where available, or at cost less any impairment losses.

List of companies consolidated using the equity method:

<b>Company</b>	<b>Consolidation Method</b>
Metro 5 S.p.A.	Net equity
Movibus S.r.l.	Net equity
SPV Linea M4 S.p.A.	Net equity

List of investments in companies recognised at cost minus any impairment losses:

<b>Company</b>	<b>Consolidation Method</b>
CO.MO. Fun&Bus S.c.a r.l.5 S.p.A.	Cost
SBE Consortium	Cost
Full Green Consortium	Cost

The financial statements of subsidiaries and affiliated companies are prepared using the currency of the primary economic environment in which they operate (functional currency). The rules for the translation of the Financial Statements of Metro Service A/S (Denmark) expressed in a functional currency other than the euro are as follows:

- Assets and liabilities are translated using the exchange rates prevailing at the balance sheet date;
- costs and revenues are converted at the average exchange rate for the year;
- The translation reserve, included in consolidated shareholders' equity, includes both exchange differences generated by the translation of income statement amounts at an exchange rate different from the closing rate and those generated by the translation of opening shareholders' equity at an exchange rate different from the closing rate of the reporting period. This reserve is reversed to the Profit and Loss Account when the relevant participation is sold.

The exchange rates adopted for the translation of the Financial Statements of Metro Service A/S (Denmark) - with the Danish Krone as functional currency - are as follows:

- historical exchange rate as at 31 December 2008 used for the translation of opening shareholders' equity: DKK 7.4428 for the equivalent of EUR 1;
- precise exchange rate as at 31 December 2024 used for the translation of assets and liabilities: 7.4578 DKK for the equivalent of EUR 1 (DKK 7.4529 as at 31 December 2023);
- average exchange rate for the year 2024 used for the translation of costs and revenues: 7.4589 DKK for the equivalent of EUR 1 (DKK 7.4509 for the financial year 2023).



## Measurement criteria

### Property, plant and equipment

The real estate, consisting of land, warehouses and offices (excluding warehouses decommissioned by the process of production and those for which renovation and redevelopment work is planned) are valued at cost restated at *fair value*, a criterion that allows the value of the asset to be periodically restated so as to align it with a value equal to the *fair value* at the date of restatement, net of accumulated depreciation and any impairment losses.

Plant and machinery are recorded at purchase or production cost. The value is recorded net of accumulated depreciation and any impairment losses. The purchase or production cost includes charges directly incurred to make their use possible, as well as any dismantling and removal charges that will be incurred as a result of contractual obligations requiring the asset to be restored to its original condition.

Costs for improvements, modernisation and transformation that increase the value of tangible assets are recognised as assets. In particular, the maintenance activities defined as "General Overhaul" or "Medium General Overhaul" are to be considered in this context, having the objective of restoring the metro and tram rolling stock to a condition comparable to that of a corresponding vehicle acquired as new, envisaging the substantial reconstruction of the vehicles starting from bare chassis or, as for the interventions defined as revamping, including significant technological improvements/adaptations. These interventions are carried out from a time perspective, depending on the type of rolling stock, the degradation it has undergone and therefore the operating stresses to which it is subjected, the distance travelled, and the need for technological improvements/adaptations. The capitalisation of the above-described expansion, modernisation or improvement is made to the extent that they meet the requirements to be separately classified as an asset or part of an asset, applying the component approach, according to which each component susceptible to an independent assessment of its useful life and related value must be treated individually.

Charges incurred for maintenance and repairs of an ordinary nature are directly charged to the income statement when incurred.

Depreciation is calculated systematically and consistently on the basis of the rates deemed representative of the estimated economic life of tangible assets. Depreciation is computed from the time the asset is available for use, as intended by management. Land is not depreciated.

The estimated useful lives of the year are as follows:

	Service life years
Property, plant and equipment	
Buildings	50
Plant and machinery	
– Line installations	
– Fixed Workshop Equipment	20
– Fuelling Plant	9
– Installations and technologies on lines	10
– Building Plants	17
– Signalling Equipment	25
– Operating rooms	17
– Power supply substations	17
– Self-localisation	17
– Magnetic-electronic ticketing	10
– Line rolling stock	
– Railway rolling stock	30
– Road rolling stock	7 ÷ 13
Industrial and commercial equipment	
– Auxiliary vehicles	5 ÷ 13
– Miscellaneous equipment	5 ÷ 10
– Tour buses	12
– Shelters	20
Other assets	5 ÷ 8

The economic-technical life of tangible assets and their residual value are reviewed and updated, where necessary, at least at the end of each financial year.

Tangible assets are also tested for impairment annually or whenever there is an indication that the asset may be impaired. Please refer to the following paragraph "Asset Impairment" for the criteria for determining any write-downs.

Real estate also includes owned real estate of a non-instrumental nature. Like land, warehouses and offices, investment property is valued at cost revalued to *fair value*, a criterion that allows the value of the asset to be periodically revalued to a value equal to the *fair value* at the date of revaluation, net of accumulated depreciation and any impairment losses.

In the case of the sale of real estate, any price received in excess of the real estate's book value is credited to equity under the item "Other Reserves", which also includes the residual portion of OCI attributable to the real estate or land sold.

### **Intangible assets**

Intangible assets consist of non-monetary items that are identifiable and lack physical substance, controllable, and capable of generating future economic benefits. Such elements are recorded at purchase and/or production cost, including directly attributable expenses to prepare the asset for use, net of accumulated amortization and any impairment losses.

Depreciation begins when the asset is available for use, according to management's intentions, and is allocated systematically in relation to the residual possibility of use of the asset, i.e. on the basis of its estimated useful life.

Licence costs for software, including expenses incurred to make the software ready for use, are amortised on a straight-line basis over the relevant term (5 years), while costs related to software maintenance are charged to the income statement as incurred.

Intangible assets with a finite useful life are also tested for impairment whenever there is an indication that the asset may be impaired. Please refer to the following paragraph "*Asset Impairment*" for the criteria for determining any write-downs.

Goodwill represents the difference between the cost incurred to acquire a business and the current value of the related identifiable assets and liabilities acquired at the time of acquisition. Goodwill is classified as an intangible asset with an indefinite life and, therefore, it is not subject to systematic amortisation but is assessed at least annually for impairment. A reversal of goodwill is not permitted in the case of a previous impairment loss.

### **Rights of use on leased assets**

Property, plant and equipment held under leases through which control (*right of use*) of an asset is acquired, are recognised by the lessee as an asset of the Company through the recognition of the *lease* asset as an asset with a balancing entry of a financial liability. The discriminating elements of *leases* are the following: the identification of the asset, the right to substitute the asset, the right to obtain substantially all economic benefits derived from the use of the asset and, finally, the right to direct the use of the asset underlying the contract.

Rights of use are systematically amortised from the time the asset is available for use, as intended by management, over the contractual term of the lease.

## **Investments in associates and other companies**

The results of operations and the assets and liabilities of investments in associates and other companies are recognised in the Consolidated Financial Statements using the equity method, as described in Note 3 'Consolidation Criteria and Methods', except for those investments whose consolidation using the equity method does not have a significant effect on the Group's financial position or results of operations, which are recognised at fair value, where available, or at cost less any impairment losses.

The positive difference, when arising at the time of the acquisition with third parties, between the acquisition cost and the Group's share of equity at current values of the investee is, therefore, included in the carrying value of the investment.

Investments in associates and other companies are tested for impairment. If there is evidence that these investments are impaired, it is recognised in the income statement as an impairment loss. In the event that the Group's share of the investee's losses, if any, exceeds the carrying value of the investment, and the Group has an obligation to cover those losses, the value of the investment is written off and the Group's share of further losses is recognised as a provision for risks and charges in the balance sheet liabilities. If, subsequently, the impairment loss ceases to exist or is reduced, a reversal of the impairment loss is recognised in the income statement within the limits of the original cost.

Please refer to the following section "Adjustments to asset values" for a more detailed examination of the recoverability of these investments.

## **Asset value adjustments**

- Property, plant and equipment, intangible assets with a defined useful life and investments in associates

At each balance sheet date, a test is performed to determine whether there is any indication that property, plant and equipment, intangible assets with finite useful lives (including rights to use them, the impairment of which relates to the occurrence of conditions to use the asset under an onerous contract within the meaning of IAS 37) and investments may be impaired and whether with reference to the value of land and buildings, the fair value may be different from the cost restated to fair value at the date of the review (therefore including accumulated depreciation recognised between the two dates of measurement of fair value). Both internal and external sources of information are considered for this purpose. For the former (internal sources), the following are considered: the obsolescence or physical deterioration of the asset, any significant changes in the use of the asset, and the economic performance of the asset compared to what was expected. As far as external sources are concerned, the following are considered: the market price development of assets, any technological,

market or regulatory discontinuities, the development of market interest rates or the cost of capital used to evaluate investments.

If the presence of such indicators is identified, the recoverable value of these assets is estimated (Impairment test), and any impairment is charged against the related carrying value in the income statement. The recoverable amount of an asset is the higher of its fair value, net of incidental selling costs, and its value in use, the latter being the present value of estimated future cash flows for that asset. In determining the value in use, expected future cash flows are discounted using a discount rate that reflects current market assessments of the cost of money, relative to the period of the investment and the specific risks of the asset. For an asset that does not generate largely independent cash flows, recoverable amount is determined in relation to the cash generating unit (CGU) to which that asset belongs.

An impairment loss is recognised in profit or loss if the carrying amount of the asset, or the related cash generating unit to which it is allocated, is greater than its recoverable amount. Impairment losses of the cash generating unit are recognised as a reduction of assets, in proportion to their carrying amount and within the limits of their recoverable amount, including utilisation rights. If the conditions for a previously recognised impairment loss are no longer met, the carrying amount of the asset is reinstated and charged to profit or loss, up to the net carrying amount that the asset in question would have had if the impairment loss had not been recognised and, for tangible and intangible assets with a finite useful life, depreciation had been recognised.

The CGUs identified by the Group are: Local Public Transport and Complementary Services, Local Public Transport in Intercity Areas, Local Public Transport abroad Copenhagen, Local Public Transport abroad Thessaloniki, Other Activities.

- Goodwill and intangible assets not yet available for use  
The recoverable amount of goodwill and the recoverable amount of intangible assets not yet available for use are tested for impairment at least annually or more frequently if there are indications that these assets may be impaired. However, the original value of goodwill is not reinstated if the reasons for the impairment no longer apply.
- Land and buildings measured at cost restated to fair value  
In the year of restatement of fair value, the positive differential between the restated fair value and the carrying value (fair value at the previous restatement adjusted for depreciation) is recognised in equity while in the case of a negative differential, the same is recognised in equity (OCI) up to the residual value of the restatement of the fair value of each property and for the excess part to the income statement.

## Financial assets

Financial assets are classified into the following three categories: (i) financial assets measured at amortised cost; (ii) financial assets measured at fair value with the effects recognised in other comprehensive income (hereinafter also FVTOCI); (iii) financial assets measured at fair value with the effects recognised in profit or loss (hereinafter also FVTPL).

Financial assets are initially recognised at fair value.

- i. financial assets measured at amortised cost
- ii. Subsequent to initial recognition, financial assets that generate contractual cash flows represented solely by principal and interest payments are measured at amortised cost if they are held for the purpose of collecting the contractual cash flows (held to collect business model). According to the amortised cost method, the initial recognition value is subsequently adjusted for principal repayments, any write-downs and the amortisation of the difference between the repayment value and the initial recognition value. Amortisation is performed on the basis of the effective internal interest rate, which represents the rate that makes the present value of expected cash flows and the initial recognition value equal at the time of initial recognition. Receivables and other financial assets measured at amortised cost are presented in the balance sheet net of the related allowance for impairment.
- iii. financial assets at fair value through other comprehensive income (hereinafter also FVTOCI)
- iv. Financial assets representing debt instruments whose business model envisages both the possibility of collecting the contractual cash flows and the possibility of realising capital gains on disposal (business model held to collect and sell), are valued at fair value with the effects being charged to OCI (FVTOCI). In this case, changes in the fair value of the instrument are recognised in equity, among other components of comprehensive income. The cumulative amount of the changes in fair value, charged to the equity reserve that contains the other components of comprehensive income, is reversed to the income statement upon derecognition of the instrument.
- v. financial assets at fair value through profit or loss (hereinafter also FVTPL)
- vi. A financial asset that is not measured at amortised cost or FVTOCI is measured at fair value with the effects recognised in profit or loss (FVTPL); this category includes financial assets held for trading purposes as well as financial assets whose cash flows have characteristics that do not meet the conditions for measurement at amortised cost or FVTOCI.

The assessment of the recoverability of financial assets not measured at fair value with effects on the Profit and Loss Account is made on the basis of the Expected Credit Losses model.

Transferred financial assets are derecognised when the contractual rights to obtain the cash flows associated with the financial instrument expire or are transferred to a third party.

With regard to value adjustments (*impairment*), loans and debt securities classified as financial assets at amortised cost, financial assets measured at fair value with impact on comprehensive income and significant off-balance sheet exposures are subject to value adjustments.

In this regard, such instruments are classified into stage 1, stage 2 or stage 3 depending on their absolute or relative credit quality with respect to the initial disbursement. More specifically:

- Step 1: includes (i) newly originated or acquired credit exposures, (ii) exposures that have not experienced a significant deterioration in credit risk since initial recognition, and (iii) exposures with low credit risk ("*low credit risk exemption*").
- Step 2: includes credit exposures that, although not impaired, have experienced a significant deterioration in credit risk since initial recognition.
- Step 3: includes impaired credit exposures.

For stage 1 exposures, total value adjustments are equal to the expected loss calculated over a time horizon of up to one year. For stage 2 or stage 3 exposures, overall value adjustments are equal to the expected loss calculated over a time horizon equal to the entire duration of the related exposure.

The Group has developed specific models for calculating expected loss that leverage the probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD") parameters used for regulatory purposes and to which specific adjustments are made to ensure full consistency with accounting regulations. This also included the inclusion of forward-looking information through the development of specific scenarios.

Current financial assets also refer to the *financial asset* recognised in accordance with the *financial model* of IFRIC 12. Agreements concerning the management of infrastructure and the provision of services under a public-to-private concession fall within the scope of the latter, where:

- the grantor controls or regulates which services the concessionaire must provide with the infrastructure, to whom it must provide them and at what price; and
- the grantor controls - through ownership, beneficial title or otherwise - any significant residual interest in the infrastructure at the expiry of the agreement.

The infrastructure concessionaire thus recognises a financial asset to the extent that it has an unconditional contractual right to receive revenue from the grantor. The concessionaire has this right if the grantor contractually guarantees to pay the concessionaire defined amounts or any difference between the revenues received from the users of the public service and the contractually defined amounts.

### **Inventories**

Inventories - referring to materials to be used for rolling stock maintenance activities - are recorded at the lower of purchase cost (including ancillary charges) and net realisable value. Cost is determined according to the weighted average cost method. The net realisable value is the replacement cost.

Obsolete inventories and/or slow moving, are written down in relation to their presumed possibility of use or future realisation, by reporting a specific provision to adjust the value of inventories. The writedown is eliminated in later years if the reason for it cease to exist.

#### **Trade receivables, other receivables and current assets**

Trade receivables, other receivables and other current assets are initially recognised at fair value and subsequently measured according to the amortised cost method net of the allowance for doubtful accounts. If there is objective evidence of indicators of impairment, the asset is reduced to the extent that it is equal to the discounted value of the cash flows obtainable in the future. Objective evidence of impairment is tested by considering, inter alia, material contractual defaults, significant financial difficulties, risk of counterparty insolvency. Receivables are shown net of provisions for bad debts. If, in subsequent years, the impairment of the asset is ascertained, the impairment provision is utilised; conversely, if the reasons for the previous write-downs no longer apply, the value of the asset is reinstated up to the value that would have resulted from the application of amortised cost if the write-down had not been made.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, available bank deposits, other short-term investments with a maturity of three months or less. Items included in cash and cash equivalents are valued at *fair value*.

#### **Financial liabilities**

Loans, trade payables and other financial liabilities are initially recorded at *fair value*, net of directly attributable incidental costs, and are subsequently measured at amortised cost, applying the effective interest rate method. If there is a change in the expected cash flows, the value of the liabilities is recalculated to reflect this change on the basis of the present value of the new expected cash flows and the internal rate determined initially. Loans, trade payables and other financial liabilities are classified as current liabilities, except for those that have a contractual maturity of more than 12 months after the balance sheet date and those for which the Group has an unconditional right to defer their payment for 12 months after the balance sheet date. Loans, trade payables and other financial liabilities are removed from the balance sheet when they are extinguished and when the Group has transferred all risks and charges relating to the instrument.

#### **Employee benefits**

The Group has both defined contribution and defined benefit plans in place.



Defined contribution plans are managed by third-party fund managers, in relation to which there are no legal or other obligations to pay further contributions if the fund does not have sufficient assets to meet its commitments to employees. For defined contribution plans, the Group makes contributions, either voluntary or contractually agreed, to public and private insurance pension funds. Contributions are recorded as personnel costs on an accrual basis. Advanced contributions are recorded as an asset that will be repaid or offset against future payments, should they be due.

A defined benefit plan is a plan that cannot be classified as a defined contribution plan. In defined benefit schemes, the amount of the benefit to be paid to the employee is quantifiable only after the termination of employment, and is linked to one or more factors such as age, years of service and salary. The obligations for defined benefit plans are therefore determined by an independent actuary using the "*projected unit credit method*". The present value of the defined benefit plan is determined by discounting the future cash flows at an interest rate equal to that of bonds (*high-quality corporate*) issued in the currency in which the liability will be settled and taking into account the duration of the relevant pension plan. Gains and losses resulting from the actuarial calculation are fully recognised in equity, in the year of reference, taking into account the related deferred tax effect.

In particular, it should be noted that the company manages a defined benefit plan, represented by the Staff Severance Fund ("TFR"). TFR is compulsory for Italian companies under Article 2120 of the Civil Code; it is in the nature of deferred remuneration and is related to the length of the employee's working life and the remuneration received during the period of service rendered. As of 1 January 2007, Law No. 296 of 27 December 2006, "2007 Budget Law", and subsequent Decrees and Regulations, introduced significant changes in the rules governing severance pay, including the worker's choice as to whether to allocate his accruing severance pay to complementary pension funds or to the "Treasury Fund" managed by INPS. It follows, therefore, that the obligation to INPS and the contributions to supplementary pension schemes have assumed, pursuant to IAS 19 "Employee Benefits", the nature of defined contribution plans, while the amounts recorded in the TFR fund as of 1 January 2007 maintain the nature of defined benefit plans.

### **Provisions for risks and charges**

Provisions for risks and charges are recorded for losses and charges of a definite nature, of certain or probable existence, the amount and/or date of occurrence of which, however, cannot be determined. Recognition is made only when there is a current obligation (legal or implied) for a future outflow of economic resources as a result of past events, and it is

probable that such an outflow will be required to fulfill the obligation. This amount represents the best estimate of the burden to settle the obligation. When the financial effect of time is significant and obligation payment dates can be reliably estimated, funds are valued at the present value of the expected outlay using a rate that reflects market conditions, the change in the cost of money over time, and the specific risk associated with the obligation. The increase in the value of the fund determined by changes in the cost of money over time is accounted for as passive interest.

Risks for which the occurrence of a liability is only possible are reported in the appropriate disclosure section on contingent liabilities, and no provision is made for them.

### **Windfall Assets and Directly Associated Liabilities**

Assets classified as held for sale are measured at the lower of their carrying amount and their *fair value* less costs to sell. Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through their continuing use. This condition is only deemed to be met when the sale is highly probable and the business to be disposed is available for immediate sale in its current condition. Management must be committed to the sale, which should be completed within one year from the date of classification.

In the statement of financial position, assets held for sale and liabilities directly associated with them are shown under specific asset and liability headings. Property, plant and equipment and intangible assets once classified as held for sale are no longer depreciated.

In the income statement, gains and losses from assets held for sale are presented separately from the gains and losses from operating activities, under the line profit after tax.

### **Revenue recognition**

Revenues are recognised at the amount equal to the fair value of the consideration received or receivable, to the extent that the economic benefits flow to the Group and are reliably determined.

For revenues from Service Contracts relating to Local Public Transport services, the performance obligation is represented by the delivery of the local public transport service runs and routes carried out in the reporting year.

The associated consideration is recognised over time on an accrual basis in relation to the distances and routes covered in the year of reference, net of penalties, discounts, rebates and premiums, as well as directly related taxes.

Revenues from services (in particular, parking spaces management, car parks, car removal) are recognised - point in time - when the service is performed, sales revenues when the transfer occurs or when the counterparty obtains control of the asset.

Rental income for commercial space, advertising and sponsorship is recognised in the year in which it accrues, based on the contractual agreements signed.

### **Public grants**

Public grants, where there is a formal allocation resolution, are recognised on an accrual basis in direct correlation with the costs incurred. In the event of uncertainty of attribution, they are recognised on a cash basis in the financial year in which they are definitively received.

- Capital grants
- Government capital grants refer to sums disbursed for the acquisition of rolling stock or for the construction, rehabilitation and expansion of property, plant and equipment. Capital grants are accounted for as a direct reduction of the assets to which they relate and contribute, as a reduction, to the calculation of depreciation allowances.
- Grants for operating expenses
- Operating grants refer to sums disbursed by the Municipality of Milan or other public bodies to the company as a reduction of costs and charges incurred. Operating grants are charged to "Other proceeds" as a positive component of the income statement.

### **Entry of Costs**

Costs are recognised when they relate to goods and services purchased or consumed during the financial year or by systematic allocation.

### **Dividends**

They are recognised in the income statement when the shareholders' right to receive payment arises, which normally corresponds to the shareholders' resolution to distribute dividends.

### **Financial income**

Financial income is recognised on an accrual basis and includes interest income on invested financial assets, gains on the sale of financial assets or on the adjustment of the fair value of financial assets, and exchange rate gains. Interest income is charged to the Consolidated Income Statement as it accrues, taking into account the effective yield.

### **Financial expenses**

Borrowing costs are recognised on an accrual basis and include interest expense on borrowings calculated using the effective interest method, losses on the sale of financial assets or on the adjustment of the fair value of financial assets, and foreign exchange losses.

### **Income taxes**

Current taxes are calculated on the basis of taxable income for the year, applying the tax rates in effect at the balance sheet date. Deferred taxes are calculated for all differences arising between the tax base of an asset or liability and its book value.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which they can be recovered. Deferred taxes are determined using the tax rates that are expected to apply in the years in which the differences will be realised or settled. The recoverability of deferred tax assets is reviewed at each period end. Deferred tax assets not recognised in the financial statements are reanalysed at each balance sheet date and are recognised to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

Current and deferred taxes are recognised in the Consolidated Income Statement, except for those relating to items directly debited or credited to consolidated equity, in which case the tax effect is recognised directly in consolidated equity and in the Consolidated Statement of Comprehensive Income. Taxes are set off when levied by the same tax authority and when there is a legal right of set-off and a settlement of the net balance is expected.

ATM S.p.A., together with its subsidiaries pursuant to article 2359 of the Italian Civil Code, participates in the ATM Group's National Tax Consolidation as the consolidating company; this allows IRES to be calculated on the algebraic sum of the taxable income of the individual participants. The economic relations, responsibilities and reciprocal obligations between the consolidating company (ATM S.p.A.) and the consolidated Group companies are defined in the "Agreement for the joint exercise of the option for national consolidation by ATM Group companies", which is valid for three years and is tacitly renewed, unless revoked.

Other taxes not related to income, such as property taxes, are included in "Other operating costs and charges".

### **Conversion of foreign currency items**

The translation of currencies other than the functional currency are reported at the exchange rate existing on the transaction date. Monetary assets and liabilities denominated in a currency different from the euro are later adjusted to the exchange rate existing at the end of the reporting period. Non-monetary assets and liabilities denominated in a currency different from the euro are reported at historic cost using the exchange rate in effect on the initial date the transaction was reported. Any exchange rate differences arising are reported in the Consolidated Income Statement.

### **IFRS accounting standards, amendments and interpretations not yet endorsed by the European Union**

At the date of this document, the competent bodies of the European Union have not yet completed the endorsement process necessary for the adoption of the amendments and standards described below.

- On 30 May 2024, the IASB published "***Amendments to the Classification and Measurement of Financial Instruments-Amendments to IFRS 9 and IFRS 7***". The paper clarifies a number of problematic issues that emerged from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary when ESG objectives are met (i.e. *green bonds*). In particular, the amendments aim to:
  - Clarify the classification of financial assets with variable returns and linked to environmental, social and corporate governance (ESG) objectives and the criteria to be used for the SPPI test;
  - determine that the date of settlement of liabilities through electronic payment systems is the date on which the liability is extinguished. However, an entity is permitted to adopt an accounting policy to allow a financial liability to be derecognised before delivering cash on the settlement date under certain specified conditions.
  - With these amendments, the IASB also introduced additional disclosure requirements with regard to investments in equity instruments designated as FVOCI.
  - The amendments will apply as of the financial statements for financial years beginning on or after 1 January 2026. The Directors do not expect a significant effect on the Group's consolidated financial statements from the adoption of this amendment.
- On 18 July 2024, the IASB published a document entitled "***Annual Improvements Volume 11***". The document includes clarifications, simplifications, corrections and changes to improve the consistency of several IFRS Accounting Standards. The modified principles are:
  - IFRS 1 First-time Adoption of International Financial Reporting Standards;

- IFRS 7 Financial Instruments: Disclosures and related guidance on the implementation of IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows.

The changes will apply from 1 January 2026, but earlier application is permitted. The Directors do not expect a significant effect on the Group's consolidated financial statements from the adoption of this amendment.

- On 18 December 2024, the IASB published an amendment entitled "**Contracts Referencing Nature-dependent Electricity - Amendment to IFRS 9 and IFRS 7**". The document aims to support entities in reporting the financial effects of renewable electricity purchase agreements (often structured as *Power Purchase Agreements*). On the basis of these contracts, the amount of electricity generated and purchased can vary depending on uncontrollable factors such as weather conditions. The IASB made targeted amendments to IFRS 9 and IFRS 7. The amendments include:
  - a clarification regarding the application of the own use requirements to this type of contract;
  - of the criteria for allowing such contracts to be accounted for as hedging instruments; and
  - of the new disclosure requirements to enable users of financial statements to understand the effect of these contracts on an entity's financial performance and cash flows.

The change will apply from 1 January 2026, but earlier application is permitted. The Directors do not expect a significant effect on the Group's consolidated financial statements from the adoption of this amendment.

- On 9 April 2024, the IASB published a new standard **IFRS 18 Presentation and Disclosure in Financial Statements** that will replace IAS 1 *Presentation of Financial Statements*. The new standard aims to improve the presentation of the financial statements, with particular reference to the income statement. In particular, the new principle requires:
  - to classify revenues and expenses into three new categories (operating section, investment section and financial section), in addition to the tax and discontinued operations categories already present in the income statement;
  - to present two new sub-totals, operating profit and earnings before interest and taxes (i.e. EBIT).

The new principle also:

- requires more information on the performance indicators defined by management;

- introduces new criteria for the aggregation and disaggregation of information; and,
- introduces a number of changes to the format of the cash flow statement, including the requirement to use the operating result as the starting point for the presentation of the cash flow statement prepared under the indirect method and the elimination of certain classification options for some items that currently exist (such as interest paid, interest received, dividends paid and dividends received).

The new principle will enter into force on 1 January 2027, but earlier application is permitted. At present, the directors are weighing up the possible effects of the introduction of this new standard on the Group's consolidated financial statements.

**IFRS accounting standards, amendments and interpretations endorsed by the European Union, not yet mandatorily applicable and not early adopted by the Group as at 31 December 2024**

As of the date of this document, the competent bodies of the European Union have not completed the endorsement process necessary for the adoption of the amendments and standards described below, but these standards are not mandatory and have not been adopted early by the Group as at 31 December 2024:

- On 15 August 2023, the IASB published an amendment entitled "***Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability***". The document requires an entity to apply a consistent methodology for verifying whether one currency can be converted into another and, when this is not possible, how to determine the exchange rate to be used and the disclosures to be made in the notes to the financial statements. The change will apply from 1 January 2025, but earlier application is permitted. The Directors do not expect a significant effect on the Group's consolidated financial statements from the adoption of this amendment.

**IFRS accounting standards, amendments and interpretations not yet endorsed by the European Union as at 31 December 2024**

The following IFRS accounting standards, amendments and interpretations were applied for the first time by the Group as of 1 January 2024.

- On 23 January 2020, the IASB published an amendment entitled "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current" and on 31 October 2022 published an amendment entitled "Amendments to IAS 1 Presentation of Financial Statements: Noncurrent Liabilities with Covenants". Such changes are intended to clarify how to classify debts and other short-term or long-term liabilities. In addition, the amendments also improve the information that an entity must provide when its right to defer settlement of a liability for at least twelve months is subject to compliance with certain parameters (i.e. covenants). The

adoption of these amendments had no impact on the Group's consolidated financial statements.

- On 22 September 2022, the IASB published an amendment entitled "Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback". The document requires the seller-lessee to measure the lease liability arising from a sale and leaseback transaction so as not to recognise an income or loss that relates to the retained right of use. The adoption of these amendments had no impact on the Group's consolidated financial statements.
- On 25 May 2023, the IASB published an amendment entitled "Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: **Disclosures: Supplier Finance Arrangements**". It requires an entity to provide additional disclosures about reverse factoring arrangements that enable users of financial statements to evaluate how financial arrangements with suppliers may affect the entity's liabilities and cash flows and to understand the effect of those arrangements on the entity's exposure to liquidity risk. The adoption of these amendments had no impact on the Group's consolidated financial statements.

## Use of estimates

The application of IAS-IFRS to prepare the Consolidated Financial Statements requires the Directors to make accounting estimates, which are often based on complex and/or subjective evaluations, based on past experience and assumptions considered reasonable and realistic in relation to the information known at the time of the estimate, including with the support of experts. The use of these estimates is reflected in the carrying value of assets and liabilities and in the disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements, as well as in the amount of income and expenses in the accounting period represented. Actual results may differ from those estimated due to the uncertainty surrounding the assumptions and conditions on which the estimates are based.

For this reason, estimates and assumptions are reviewed periodically and the effects of any changes are reflected in the Consolidated Income Statement.

For a better understanding of the Consolidated Financial Statements, the most significant estimates in the process of preparing the Consolidated Financial Statements are indicated below, as they involve a high degree of reliance on subjective judgements, assumptions and estimates relating to matters that are by their nature uncertain. Changes in the conditions underlying the judgments and assumptions made could have a material impact on subsequent results.

### **Recoverability of the value of property, plant and equipment and intangible assets (including rights of use for leased assets)**



The valuation of property, plant and equipment and intangible assets requires that they be carried at a value not exceeding their recoverable amount ( *Impairment test*). The recoverable amount is the higher of fair value less cost to sell and value in use. Value in use is determined as the present value of future cash flows expected to arise from the asset being measured. These flows are determined in line with the most recent business plan approved by the management, which is based not only on the evolution of the regulatory framework for LPT, but also on estimates related to the development of energy commodities, labour costs, and investment decisions. In the process of determining the recoverable amount, flows are discounted using a discount rate (post-tax WACC) that reflects current market assessments, the time value of money and the risks specific to the asset.

In the analyses carried out for the construction of the future cash flows, the Directors took as a reference the Economic and Financial Plan 2025 ÷ 2035 that takes into account the extension of the service contract with the Municipality of Milan for local public transport until 31 December 2026, as indicated in the Managerial Determination no. 12608 of 28 December 2023 of the Municipality of Milan, to then consider reasonable economic forecasts for the subsequent period until 31 December 2035 both in terms of revenue flows linked to the adjustment of the service contract, and in terms of costs with reference to the impacts linked to the savings and efficiency-boosting actions envisaged and resulting from the "full electric" project, and with reference to the trend of electricity costs determined prospectively on the basis of reasonable assumptions inferred from the prospective trends. Investments were determined on the basis of the 2025 ÷ 2027 Investment Plan projected for the period until 31 December 2035. The Directors, in order to evaluate the Plan's time horizon - longer than 5 years - have taken into account both the timeframe reasonably required to complete the procedures for entrusting the service and, above all, the considerable investments related to the "full electric" project that will begin to generate returns in terms of economic results and cash flows in the years following the 5th year of the plan.

The impairment test implied - in estimating the value in use - - the use of projections that are based on a set of assumptions and hypotheses concerning future events and actions of the administrative bodies and competent regulatory bodies of LPT services, which will not necessarily occur. In fact, the assumptions concerning future performance and the consequent forecast data used to perform the impairment test are characterised, due to their forecasting nature, by a certain degree of uncertainty and, therefore, it cannot be excluded that the occurrence of future results that differ from those estimated may require possible adjustments to the value of tangible and intangible assets recognised in the financial statements.

### **Recoverability of Investments in Associated Companies**

Also with regard to verifying the recoverability of investments in associates, the Group checks at each balance sheet date for indicators of impairment. If such indicators are identified, the impairment test is performed on the basis of the estimated value in use.

*Cash-generating units* (CGUs) have been identified in line with the Group's organisational and business structure, as assets that generate independent cash inflows from their continuous use. The CGUs are therefore represented by the individual legal entities and, specifically, the companies SPV Linea M4 S.p.A., Metro 5 S.p.A., Movibus S.p.A. and the other minority interests.

If there is evidence that these investments are impaired, it is recognised in the income statement as an impairment loss. In the event that the Group's share of the investee's losses, if any, exceeds the carrying amount of the investment and the Group has the obligation or intention to be liable for those losses, the value of the investment is written off and the Group's share of further losses is recognised as a provision under liabilities. If, subsequently, the impairment loss ceases to exist or is reduced, a reversal of the impairment loss is recognised in the income statement within the limits of cost.

As mentioned in the previous paragraph, the Group considered various external indicators of impairment during 2024, such as the increase in bank interest rates reflected in the discount rate, the sudden increase in the inflation rate, as well as geopolitical uncertainty factors, mainly arising from the conflict between Russia and Ukraine and the Israeli-Palestinian conflict.

On the other hand, no indicators of impairment were identified with reference to the other CGUs identified with the other associated companies, as they are characterised by positive economic trends with future growth prospects over the medium-term time horizon.

### **Restated cost at fair value of land and buildings**

The valuation of the *fair value* of land and buildings taken as reference for the redetermination performed periodically of cost is a complex estimative process that depends on the characteristics of the properties, the criteria for identifying the market parameters used for the valuation, and the methodological approach adopted in determining the portfolio discount.

In order to assess the consistency of the valuations made when preparing the 2024 Financial Report, a leading independent third party expert in the field of real estate valuations was

commissioned to conduct a market analysis to provide an update on real estate market trends. This analysis confirmed the book values of the land and buildings owned.

### **Useful life of tangible and intangible assets**

Tangible and intangible assets with a finite useful life are amortised over the estimated useful life of the related assets. The economic-technical life of assets is determined by the Directors at the time the asset is acquired; it is based on historical experience for similar assets, market conditions and anticipations regarding future events that could impact the useful life. Therefore, the actual economic-technical life may differ from the estimated useful life. The Group periodically evaluates technological and industry changes to update the remaining useful life. This periodic update could lead to a change in the depreciation period and thus also in the depreciation rate for future years. It should be noted that as at 31 December 2017, on the occasion of the first adoption of the IAS-IFRS standards, updates were made to the useful lives referring to metro and tram rolling stock, while in the 2018 financial year, as part of the change in the valuation criterion for Buildings, a new economic-technical life was defined for Buildings subject to valuation at *fair value*.

### **Recoverability in inventories**

Inventory valuation is an estimative process subject to the uncertainty of determining the replacement value of rolling stock and consumable components that varies over time and according to market conditions as well as the conditions of use of the different types of vehicles that make up the fleet based on fleet renewal plans that may vary over time.

### **Recoverability of Deferred Tax Assets**

The consolidated financial statements include deferred tax assets, mainly related to income components with deferred tax deductibility, for an amount whose recovery in future years is deemed highly probable. Significant judgement calls by the Directors are required to determine the amount of deferred tax assets that may be recognised in the financial statements based on the timing and amount of future taxable income.

In addition, it should be noted that in these Consolidated Financial Statements, deferred tax assets have been recognised in respect of income components with deferred tax deductibility for the portion that the Directors believe will be recoverable against the future taxable income hypothesised for the parent company, subsequent to the end of the current expiry date of the Service Contract with the Municipality of Milan, which was extended until 31 December 2026.

### **Processes for estimating provisions for risks and charges**

The Group is subject to legal and tax lawsuits as well as environmental risks that may arise from complex and difficult issues, which are subject to varying degrees of uncertainty, including the facts and circumstances surrounding each lawsuit, jurisdiction and different applicable laws. Given the uncertainties surrounding these issues, it is difficult to predict with certainty the payout that could result from such disputes. Accordingly, the Directors, after consulting with their legal, tax and environmental advisors and experts, establish a liability for such litigation when they believe it is probable that a financial outlay will be incurred and when the amount of the resulting losses can be reasonably estimated. This estimate involves assumptions that depend on factors that may change over time and therefore could have significant effects with respect to the current estimates made by the directors in preparing the Group's Consolidated Financial Statements.

### **Factors for the Valuation of Employee Benefits**

Employee benefit liabilities are measured using an actuarial method that requires the use of estimates and assumptions to determine the value of the obligation. The estimates and assumptions inherent in actuarial valuation involve exogenous factors such as the discount rate and subjective factors such as the rate of future salary increases, mortality and resignation.

### **Determining the Fair Value of Financial Assets**

The fair value of certain financial assets that are not quoted in active markets is determined using valuation techniques. The ATM Group uses valuation techniques that use inputs that are directly or indirectly observable by the market at the balance sheet date, related to the assets being valued. Although we consider the estimates of the above fair values to be reasonable, possible changes in the estimation factors on which the calculation of the aforementioned values is based could lead to different valuations.

### **Climate change risk disclosure**

As already reported in previous sections of this paper, the decarbonisation and electrification process of the global economy is underway worldwide and is crucial in achieving the goal of 'Net Zero'. This goal should make it possible to avoid a temperature increase of more than 1.5 °C and avoid serious consequences for the environment.

In this context, the Group has considered the risks related to climate change in preparing these Financial Statements as at 31 December 2024, which appropriately reflect the effects of achieving carbon neutrality in the assets, liabilities and income statement by highlighting their

significant impacts as required by the Conceptual Framework of International Accounting Standards.

In this regard, in accordance with the IFRS Foundation's "IFRS Standards and climate-related disclosures" as required by ESMA in its "European Common Enforcement Priorities", the Group provides explicit information in the Notes to these financial statements on how climate change is reflected in the accounts.

For a more effective and organic communication in relation to the climate change disclosure prepared within the Notes to these Financial Statements, the different climate change issues are outlined below.

### **Pillar Two information**

During 2021, more than 135 countries ( Inclusive Framework on Base Erosion and Profit Shifting, or, more simply, Inclusive Framework) have reached agreement on an international tax reform introducing a global minimum tax ( 'Global Minimum Tax' or 'GMT') for large multinational companies. In particular, these countries have reached a political agreement on an international taxation model based on two pillars aimed at alleviating some of the tax issues arising from the digitisation of the economy. Pillar Two proposes the introduction of the aforementioned Global Minimum Tax.

Within the EU, the Council therefore adopted on 12 December 2022 Directive (EU) 2022/2523 introducing this Global Minimum Tax into EU law, which sets a minimum level of effective taxation of 15% for domestic and multinational groups with consolidated revenues of more than EUR 750 million per year and which applies from tax periods beginning on or after 31 December 2023. To date, several non-EU countries have also implemented a similar framework, based on the work of the Inclusive Framework.

In order to regulate the radical changes resulting from the introduction of the Global Minimum Tax by such a significant number of states in terms of financial statement disclosure, the IASB subsequently published an update of IAS 12. In particular, the changes to the accounting standard introduce a mandatory temporary exception not to recognise deferred taxation that would result from the implementation of Pillar Two in the relevant countries. This exception, which the Group also uses for the purposes of this disclosure, is immediately applicable and retroactive. There are also specific disclosure requirements for companies to which these rules apply.

The Italian legislator transposed Directive (EU) 2022/2523 with Legislative Decree No. 209/2023, introducing three related tax mechanisms: (i) the supplementary minimum tax

("IIR"), payable by parent companies located in Italy with respect to foreign enterprises subject to low taxation and forming part of the group; (ii) the supplementary minimum tax ("UTPR"), payable by one or more enterprises of a multinational group located in Italy with respect to the profits of enterprises, not controlled by them, which are part of the group and subject to low taxation, when a sufficient IIR has not been applied in the countries of the controlling companies; (iii) the domestic minimum tax ("QDMTT"), payable with respect to the enterprises of the group subject to low taxation and located in Italy.

In the face of these complex regulatory changes, the Group (which falls under the scope of application of the GMT) is currently engaged in the implementation of the internal procedures necessary to manage in the most effective and efficient way the obligations imposed by the Pillar Two regulations, with reference to both Italian and foreign activities. In this context, thorough analyses have been carried out to estimate the likelihood that, in the jurisdictions where the Group is present, the requirements for the application of the simplified transitional regime, the 'Safe Harbour' (governed in our legal system by the Ministerial Decree of 20 May 2024), which - if complied with - would make it possible not to apply the more complex regulatory system envisaged at regime. In addition, analyses were performed to estimate whether, in certain of these jurisdictions, a GMT was due in respect of the results achieved in the tax period ending 31 December 2023.

These audits revealed that in 2023, the requirements for the application of the simplified transitional regime are met in all jurisdictions in which the Group operates and that, therefore, no Global Minimum Tax would have been due in the same jurisdictions if the regime had already been in place.

In order to provide more complete and detailed information in the financial statements, a preliminary assessment was also conducted on the figures as at 31 December 2024. On the basis of this preliminary assessment, with reference to the jurisdictions in which the group operates, the fulfilment of the requirements set by Safe Harbour. Accordingly, based on currently available information and the procedures implemented to date, no Global Minimum Tax is expected to be payable in respect of this period.

### **IAS 1 - Presentation of Financial Statements**

IAS 1 requires entities to disclose information, for example, climate-related issues, that are not specifically required by IFRS standards and not presented elsewhere, but that are relevant to an understanding of the financial statements.

With regard to assumptions and estimates, IAS 1 requires disclosure of assumptions that an entity makes about the future that have a significant risk of causing a material adjustment

within the next financial year. Therefore, it may be necessary to make assumptions about climate-related issues explicit.

With regard to this area, management does not identify any specific impacts arising from climate-related risks to be considered in the application of accounting standards.

It should be noted, however, that the assessment, and more specifically, the quantification, of climate-related risks generally requires the application of assumptions about highly uncertain future developments, such as future technological developments, political developments, and government actions have been considered in the preparation of the financial statements with regard to the following.

### **IAS 2 - Inventories**

In light of the assumptions underlying the 2025-2035 Business Plan and the contents of the Full Electric project, the potential impact of the *climate change* on the timing of investments and, therefore, on the timing of the decommissioning of the traditional and hybrid vehicle fleet is significant, with impacts both on inventory rotation and on the prospective consumption of spare parts for the current bus fleet, with potential risks of obsolescence of warehouse stocks, and on the supply of spare materials for maintenance work on the new vehicles.

### **IAS 36 - Impairment of Assets**

The impairment test is drawn up on the basis of the 2025 - 2035 Business Plan taking into account the renewal of the Service Contract with the Municipality of Milan until 31 December 2026. The cash flows used are therefore derived from this plan and include both risks and opportunities related to climate change (e.g. CO2 reduction, replacement of energy supply sources, *Full Electric* project).

### **IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets**

IAS 16 and IAS 38 define the criteria for the capitalisation of costs. Costs, including those of developing new solutions that reduce consumption, are capitalised when they meet the requirements of the two standards. The useful life of property, plant and equipment, as well as that of intangible assets, is determined in a manner consistent with the Group's strategic objectives and business plan.

### **IAS 37 Provisions, Contingent Liabilities and Contingent Assets**

Legislation introduced in response to climate change may give rise to new obligations that did not exist before. Furthermore, an entity may make a public commitment to behave in a certain way or undertake certain activities in response to climate change.

It is possible, again, that previously recognised provisions for future events may have a faster realisation with the resulting change in estimate to be recognised. Climate change and associated legislation may require this assumption to be reconsidered, resulting in the need to recognise previously unrecognised liabilities. A specific disclosure of contingent liabilities is also provided, if the conditions are met.

### **Financial risk management**

This section briefly describes the Group's policies for managing and controlling the financial risks to which it is exposed:

- credit risk arising from the possibility of default by a counterparty;
- liquidity risk arising from a lack of financial resources to meet short-term commitments;
- risk of non-compliance with the debt covenants and possible default;
- risk arising from exposure to interest rate fluctuations, exchange rate fluctuations, commodity price fluctuations and rating downgrades on m/l-term debt.

During the financial year 2024, the Group made use of derivative financial instruments to partially hedge its exposure to the risk of fluctuations in commodity prices, particularly electricity.

### **Credit risk**

The credit risk represents the Group's exposure to potential losses deriving from the non-fulfilment of obligations undertaken by commercial counterparties, mainly represented by the Municipality of Milan and its investee companies, as well as financial counterparties in relation to the portfolio of financial assets, deposits with banks and capital contributions also in the form of loans granted to investee companies.

As part of its risk management of financial instruments subject to investment, the Group, in accordance with the approved policy, and with the aim of preserving the capital invested in real terms, uses instruments to monitor any deterioration of credit risk.

In particular, with reference to counterparty credit risk, the Group adopts procedures and tools to assess, select and monitor investments on the basis of credit standing (including but not limited to explicit rating assessments, monitoring of CDS - Credit Default Swaps, Loss Given Default, IDR - Implicit Default Rate), and periodically develops stress test scenarios.



In management, priority is given to investment security before liquidity and liquidity before return. The parameters subject to ongoing assessment include the aforementioned indicators, as well as compliance with the minimum rating thresholds defined by policy, and the minimum size of individual assets included in the portfolio; the overall weighted average duration profile is also assessed for portfolio sensitivity mitigation purposes.

ATM's portfolio of invested assets includes cash securities, for the choice of which the rating constraints are respected, equal to at least, for the preponderant part of them, an 'Investment Grade' rating, as well as duration and issuer weighting with respect to the total portfolio, and units of UCITS with a limited risk profile, EU harmonised and with broad sector and geographical diversification.

The Group is also exposed to credit risk in relation to the financial guarantees (pledges on shares) issued in favour of the financing entities on the *project finance* transactions for the associated companies Metro 5 S.p.A. and SPV Linea M4 S.p.A. The Group's maximum exposure is equal to the value of the pledged shares of the two project companies totalling EUR 30 million as at 31 December 2024.

However, in accordance with the provisions of the European Securities and Markets Authority ('ESMA') and in accordance with IFRS 9, the aforementioned value contributes to the formation of total financial debt only to the extent of the related expected credit loss, i.e., the cash shortfall, which ATM S.p.A. as guarantor may have to bear.

The low exposure to counterparty credit risk is confirmed by the findings of the impairment analysis, as detailed in the next section.

With reference to commercial counterparties, the Group has internal tools for selecting and assessing the economic-financial reliability of customers and suppliers, as well as external sources for monitoring their credit situation. The continuous monitoring of exposure to the various counterparties and the implementation of appropriate mitigation actions also provide for the adoption of measures aimed at credit recovery.

The following table shows the Group's credit risk exposure as at 31 December 2024 compared to the balance as at 31 December 2023.

	31.12.2024	31.12.2023
Non-current financial assets	169,283	159,802
Write-down fund	-	-
<b>Non-current financial assets net of allowance for doubtful accounts</b>	<b>169,283</b>	<b>159,802</b>
Other receivables and noncurrent assets	54,081	39,491
Write-down fund	-	-
<b>Other receivables and non current assets net of bad debt provision</b>	<b>54,081</b>	<b>39,491</b>
Current financial assets	145,750	170,281
<b>Current financial assets net of bad debt provision</b>	<b>145,750</b>	<b>170,281</b>
Current trade receivables	304,382	262,697
Write-down fund	(11,606)	(11,878)
<b>Current trade receivables net of bad debt provision</b>	<b>292,776</b>	<b>250,819</b>
Other receivables and current assets	80,240	93,713
Write-down fund	-	(2,209)
<b>Other receivables and current assets net of bad debt provision</b>	<b>80,240</b>	<b>91,504</b>
Cash and cash equivalents	180,079	142,413
Write-down fund	(255)	(227)
<b>Cash and cash equivalents</b>	<b>179,824</b>	<b>142,186</b>
<b>Total exposure net of impairment provision*</b>	<b>921,954</b>	<b>854,083</b>

\* Tax credits and shareholdings are not included

The change in current financial assets and cash and cash equivalents reflects the effect of investment trends and operating expenses, as well as resources allocated to the settlement of loan instalments with the European Investment Bank.

Noncurrent financial assets include loans to related parties and third parties; the increase for the year is mainly attributable to financial receivables from related parties.

The decrease in the allowance for doubtful trade receivables is related to the dynamics connected to the utilisations and releases during the year to adjust the value to the change in expected losses (for further details see Note 19 - Trade Receivables), the main ones of which refer to the utilisation of the allowance for doubtful accounts receivable from third parties for EUR 225 thousand, partly offset by the provision against probable risks from third-party customers for EUR 58 thousand and the provision against probable risks from the parent company for EUR 159 thousand.

The decrease in other current receivables and assets is due, on the one hand, to lower receivables for government grants for plant and equipment and, on the other hand, to the lower receivable relating to the 'transport bonus' grant, established by Decree-Law No. 50 of

17 May 2022 and converted with amendments into Law No. 91 of 15 July 2022, partly offset by the increase in receivables for regional grants for plant.

The following tables show the credit risk exposure by counterparty, in absolute value and in percentage terms, shown excluding cash and cash equivalents, as well as current and noncurrent financial assets:

	31.12.2024	Inc. %	31.12.2023	Inc. %
Municipality of Milan	203,699	47.7%	168,809	44.21%
Tax receivables	2,536	0.6%	3,287	0.86%
Receivables from Entities (State, Region, Province)	68,369	16.0%	82,921	21.72%
Receivables from ordinary customers	68,711	16.1%	67,517	17.68%
Receivables from affiliates	20,210	4.7%	14,231	3.73%
Other accounts receivable	63,416	14.8%	44,787	11.73%
Receivables from subsidiaries of parent companies	156	0.0%	262	0.07%
<b>Total trade receivables, other current and non-current receivables</b>	<b>427,097</b>	<b>100.00%</b>	<b>381,814</b>	<b>100.00%</b>

It should be noted that a significant portion of trade and other receivables is attributable to the parent company, the Municipality of Milan. The amount of financial assets deemed to be of doubtful collectability and of insignificant amount is covered by appropriate allocations to the allowance for doubtful accounts, which also take into account the generic risk of impairment of receivables that are not past due, determined on the basis of historical experience.

The tables below provide a breakdown of financial assets as of 31 December 2024 and 31 December 2023, net of allowance for impairment, grouped by maturity and shown excluding cash and cash equivalents, as well as current and non-current financial assets.

	31.12.2024	Not expired	0-180	180-360	360-720	beyond 720
Municipality of Milan (gross)	204,195	110,047	72,502	6,851	4,347	10,448
Write-down fund	(496)	(208)	(107)	-	(1)	(180)
<b>Municipality of Milan (net)</b>	<b>203,699</b>	<b>109,839</b>	<b>72,395</b>	<b>6,851</b>	<b>4,346</b>	<b>10,268</b>
Tax receivables (gross)	2,536	1,364	-	988	-	184
<b>Tax receivables (net)</b>	<b>2,536</b>	<b>1,364</b>	<b>-</b>	<b>988</b>	<b>-</b>	<b>184</b>
Receivables from institutions (gross)	68,369	34,703	-	17,556	11,072	5,038
<b>Receivables from Entities (net) (net)</b>	<b>68,369</b>	<b>34,703</b>	<b>-</b>	<b>17,556</b>	<b>11,072</b>	<b>5,038</b>
Receivables from ordinary customers (gross)	79,788	55,953	10,627	601	(37)	12,644
Write-down fund	(11,077)	(113)	(5)	(23)	(290)	(10,646)
<b>Receivables from ordinary customers (net)</b>	<b>68,711</b>	<b>55,840</b>	<b>10,622</b>	<b>578</b>	<b>(327)</b>	<b>1,998</b>
Receivables from affiliates (gross)	20,243	20,005	62	84	1	91
Write-down fund	(33)	(33)	-	-	-	-
<b>Receivables from associates (net)</b>	<b>20,210</b>	<b>19,972</b>	<b>62</b>	<b>84</b>	<b>1</b>	<b>91</b>
Receivables from others (gross)	63,416	8,386	(261)	49	54,658	584
<b>Receivables from other debtors (net)</b>	<b>63,416</b>	<b>8,386</b>	<b>(261)</b>	<b>49</b>	<b>54,658</b>	<b>584</b>
Receivables from subsidiaries of parent companies (gross)	156	76	6	-	22	52
<b>Receivables from subsidiaries of parent companies (net)</b>	<b>156</b>	<b>76</b>	<b>6</b>	<b>-</b>	<b>22</b>	<b>52</b>
<b>Total trade receivables, other current and non-current receivables net of bad debt provision</b>	<b>427,097</b>	<b>230,180</b>	<b>82,824</b>	<b>26,106</b>	<b>69,772</b>	<b>18,215</b>

	31.12.2023	Not expired	0-180	180-360	360-720	beyond 720
Municipality of Milan (gross)	169,279	74,405	61,795	11,889	12,607	8,583
Write-down fund	(470)	(193)	(111)	(2)	-	(164)
<b>Municipality of Milan (net)</b>	<b>168,809</b>	<b>74,212</b>	<b>61,684</b>	<b>11,887</b>	<b>12,607</b>	<b>8,419</b>
Tax receivables (gross)	3,287	3,173	-	-	-	114
<b>Tax receivables (net)</b>	<b>3,287</b>	<b>3,173</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>114</b>
Receivables from institutions (gross)	82,921	69,110	6,727	7,084	-	-
<b>Receivables from Entities (net)</b>	<b>82,921</b>	<b>69,110</b>	<b>6,727</b>	<b>7,084</b>	<b>-</b>	<b>-</b>
Receivables from ordinary customers (gross)	78,896	47,888	18,508	280	1,154	11,066
Write-down fund	(11,379)	-	(690)	(162)	(252)	(10,274)
<b>Receivables from ordinary customers (net)</b>	<b>67,517</b>	<b>47,888</b>	<b>17,818</b>	<b>118</b>	<b>902</b>	<b>792</b>
Receivables from affiliates (gross)	14,260	13,812	228	-	77	143
Write-down fund	(29)	(27)	-	-	(2)	-
<b>Receivables from associates (net)</b>	<b>14,231</b>	<b>13,785</b>	<b>228</b>	<b>-</b>	<b>75</b>	<b>143</b>
Receivables from others (gross)	46,996	4,030	211	291	41,983	481
Write-down fund	(2,209)	(1,019)	(211)	(291)	(207)	(481)
<b>Receivables from other debtors (net)</b>	<b>44,787</b>	<b>3,011</b>	<b>-</b>	<b>-</b>	<b>41,776</b>	<b>-</b>
Receivables from subsidiaries of parent companies (gross)	262	66	79	63	-	54
<b>Receivables from subsidiaries of parent companies (net)</b>	<b>262</b>	<b>66</b>	<b>79</b>	<b>63</b>	<b>-</b>	<b>54</b>
<b>Total trade receivables, other current and non-current receivables net of bad debt provision</b>	<b>381,814</b>	<b>211,245</b>	<b>86,536</b>	<b>19,152</b>	<b>55,360</b>	<b>9,522</b>

During the course of the year, the impairment provisions were adjusted according to the riskiness observed for each type of credit. Please refer to the comment sections of the Explanatory Notes for details on changes in the provisions.

### Impairment of financial assets

At each balance sheet date, financial assets other than those measured at fair value with impact on profit or loss (FVTPL) and securities classified as FVTOCI undergo an assessment to identify a change in credit risk, in order to include this change in the estimate of the expected credit loss ('ECL'). The quantification of the ECL of each registered financial instrument is based on financial parameters provided by leading market providers. A similar analysis is also performed for current account and cash balances, commitments to provide loans to third parties, and guarantees issued that fall within the scope to be subject to *impairment* under IFRS 9.

IFRS 9 requires that the related provision be quantified in relation to the presumed impairment of financial assets classified in three categories (*stage allocation*) based on the degree of creditworthiness deterioration. The measurement of the expected loss on financial

assets depends on the borrower's credit risk at the initial recognition date, and the change in that risk observed between initial recognition and the balance sheet date. In detail:

- Stage 1 classifies financial assets that have not suffered a significant deterioration in creditworthiness compared to the creditworthiness at initial recognition; exceptions are financial assets that were already impaired at the time of purchase. For classification purposes, the maintenance of "*investment grade*" status, as defined by the ECB-accredited rating agencies, is a discriminating factor. On the exposures included in this category, the Group quantifies the provision for losses equal to the expected credit losses from a possible default event in the following 12 months (*12-months expected credit loss -ECL*);
- Stage 2 classifies financial assets for which there has been a significant increase in credit risk since the date of initial recognition. Financial assets are considered, however, *performing* but their quality is lower than in Stage 1. On exposures included in this category, the Group assesses the provision for an amount equal to the expected losses over the entire life of the financial instrument (lifetime expected credit loss - ECL, taking into account potential future income);
- In Stage 3, "*impaired*" financial assets are classified, i.e. assets for which a loss event has occurred that permanently impairs creditworthiness. Similarly to assets classified in Stage 2, the Group assesses the provision at an amount equal to the expected losses over the entire life of the financial instrument ( lifetime expected credit loss - ECL, but without considering future income from the financial instrument).

The following tables show the ECL values ("*Expected Credit Loss*") as at 31 December 2024 and 31 December 2023:

	31.12.2024	Expected Credit Loss		
		Stage 1 ECL 12 months	Stage 2 ECL Lifetime	Stage 3 ECL Lifetime
Cash and cash equivalents	255	255		
Financial Assets Held to Collect & Sell	42	42		
Financial Guarantees	47	47		
Trade receivables	11,606	11,606		
<b>Total</b>	<b>11,950</b>	<b>11,950</b>	-	-

	31.12.2023	Expected Credit Loss		
		Stage 1 ECL 12 months	Stage 2 ECL Lifetime	Stage 3 ECL Lifetime
Cash and cash equivalents	227	227		
Financial Assets Held to Collect & Sell	44	44		
Financial Guarantees	54	54		
Trade receivables	11,878	11,878		
Other receivables	2,209	2,209		
<b>Total</b>	<b>14,412</b>	<b>14,412</b>	-	-

In view of the credit risk detected, all financial assets other than trade receivables fall into Stage 1, with the probability of default measured at 12 months.

### Liquidity risk

Liquidity risk is the risk that financial resources will not be sufficient to meet financial and commercial obligations on the agreed terms and deadlines, including due to difficulties in raising funds or liquidating assets on the market.

The Group manages liquidity risk by maintaining adequate reserves, committed credit lines and has the capital capacity to obtain additional funding, either through access to the capital market or by resorting to primary financial institutions, including supranational ones. Risk management is performed in the first instance by continuously monitoring expected and current cash flows and correlating the maturity profiles of financial assets and liabilities.

The following tables provide a breakdown of the remaining maturities of financial liabilities based on undiscounted cash flows, according to the first maturity at which the Group will be required to repay them. The amounts include both flows related to the repayment of principal and flows related to interest. In the event that interest flows are at a variable rate, the

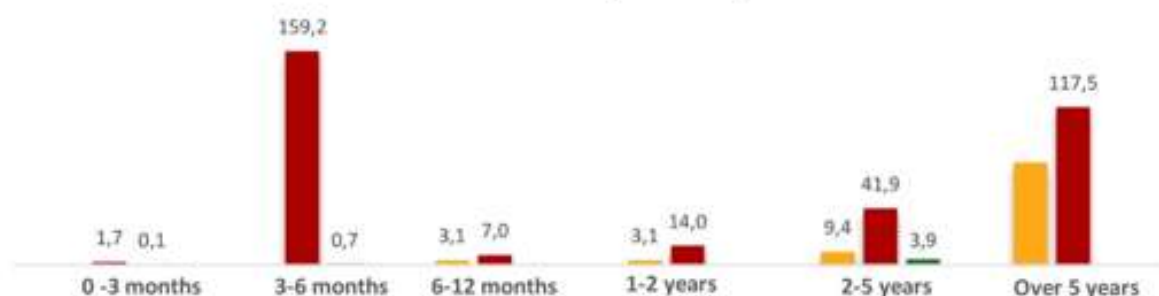
undiscounted value of the interest flows is estimated by applying, for subsequent maturities, the latest variable rate applied by the lending institution in 2024.

	31.12.2024	Contractual cash flows	0 -3 months	3-6 months	6-12 months	1-2 years	2-5 years	Over 5 years
Bonds	70,802	91,869	-	-	3,124	3,124	9,372	76,248
Loans from banks	318,908	341,369	1,684	159,244	6,991	14,013	41,897	117,542
Funding from third parties	4,665	4,665	87	715	-	-	3,863	-
<b>Total*</b>	<b>394,375</b>	<b>437,903</b>	<b>1,771</b>	<b>159,959</b>	<b>10,115</b>	<b>17,137</b>	<b>55,132</b>	<b>193,790</b>

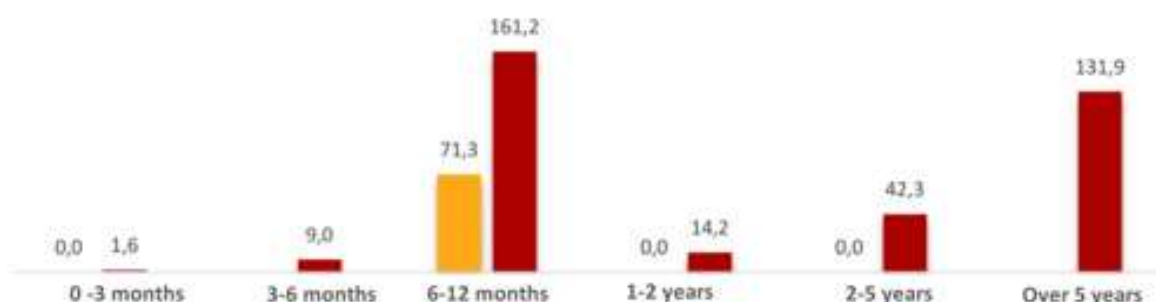
	31.12.2023	Contractual cash flows	0 -3 months	3-6 months	6-12 months	1-2 years	2-5 years	Over 5 years
Bonds	70,413	71,313	-	-	71,313	-	-	-
Loans from banks	330,131	360,113	1,551	9,027	161,194	14,156	42,273	131,912
<b>Total*</b>	<b>400,544</b>	<b>431,426</b>	<b>1,551</b>	<b>9,027</b>	<b>232,507</b>	<b>14,156</b>	<b>42,273</b>	<b>131,912</b>

\* financial liabilities resulting from the application of IFRS 16 are not included

### Contractual cash flow maturities 31.12.2024 (EUR mln)



### Contractual cash flows 31.12.2023 (EUR mln)



The Group is able to meet its payment obligations both through the generation of cash flows from operations and by drawing on its ample and diversified available liquidity. The Group can count on committed credit lines of the so-called Hot Money / Mixed for a total of EUR 46.5 million as at 31 December 2024, as well as on RCF - Revolving Credit Facilities outstanding for EUR 160 million as at the same date.



On both types of lines as at 31 December 2024, there were no outstanding drafts.

The capital structure as set out above has also been positively assessed by the S&P Global Ratings agency when it was first assigned a rating of BBB with a stable outlook in May 2024. Subsequently, in November 2024, *FitchRatings* in its periodic rating review, confirmed a positive rating at BBB and improved the *outlook* from stable to positive.

On 10 May, the Parent Company ATM S.p.A subscribed to the first EMTN "Euro Medium Term Notes" bond issue programme, listed on the Dublin Stock Exchange and amounting to EUR 400 million, with a rating assigned by Fitch Ratings and S&P Global Ratings of BBB, which followed the publication of the first Green Financing Framework, certified by Sustainalytics.

In 2021, the Group had a "RAF - Risk Appetite Framework" policy and related KRIs (Key Risk Indicators) aimed at defining the maximum risk-taking thresholds that do not jeopardise prospective financial equilibrium and balance sheet strength.

#### 1) Default risk and debt covenants

The default risk consists of the possibility that upon the occurrence of precise circumstances, contained in the loan agreements or in the bond indentures, the lenders are entitled to trigger contractual protections that may go as far as early repayment of the loan, ( "*acceleration*") thus generating a potential liquidity risk.

As of 31 December 2024, the Parent Company has loan agreements with the European Investment Bank and a bond in the form of a Green Private Placement under the EMTN programme listed on the Dublin Stock Exchange, which is scheduled to be repaid in a lump sum in 2031.

Loan agreements, as well as bonds, in line with international practice for similar transactions, generally provide for the right of the lender/debenture holder to request repayment of its claim by terminating the relationship with the debtor early in all cases where the latter is declared insolvent and/or is the subject of bankruptcy proceedings, or has commenced liquidation or other proceedings with similar effects.

In particular, the loan agreements and the bond indentures, as is customary in the market, contain a number of typical clauses, the breach of which entails the issuer's obligation to immediately redeem the bonds issued. These include the main ones: (i) negative pledge clauses, whereby the financed company undertakes not to pledge collateral on the Group's assets in favour of new lenders, above a specifically identified threshold (ii) cross default clauses that provide, in the event of the declaration of insolvency for an obligation, for the extension of the insolvency status to all outstanding financial liabilities and cross acceleration

clauses that entail the obligation of immediate repayment of the debt upon the occurrence of specific events of default (iii) clauses obligating the Group to treat lenders similarly to other unsecured creditors (*pari passu*).

Specifically:

- loans granted by the EIB include the obligation to respect, throughout the duration of the loans, pre-established levels of financial ratios such as:

$$\frac{\text{Net equity}}{\text{Group Indebtedness}} > 2$$

$$\frac{\text{Cash Flow from operating activities before NWC}}{\text{Yearly Debt Servicing}} > 3$$

$$\frac{\text{Personal security interests and liens}}{\text{Net equity}} \leq 18\%$$

On 15 April 2024, an amendment to the above first ratio was agreed with the EIB to apply to the verification dates falling between 30 June 2025 (inclusive) and 31 December 2027 (inclusive), with the obligation to comply with a more favourable ratio of 1.6 during this period.

- The bond provides for the obligation to comply with the following financial ratio throughout the life of the debt

$$\frac{\text{Net equity}}{\text{Group Indebtedness}} > 2$$

As at 31 December 2024, as in previous years, the covenants are complied with.

ATM S.p.A. is also obliged to ensure, throughout the duration of the loans and the bond loan, that the debt of Subsidiaries is less than 10% of the Group's debt. In this case, too, the parameter is largely respected, as the parent company ATM S.p.A., which manages the centralised treasury, extends its lines to the subsidiaries.

Compliance with the covenants is monitored by the Group on a half-yearly basis. As at the date of approval of the financial statements, the Group is not aware of the existence of any default situation or events that could jeopardise compliance with the covenants in the future.

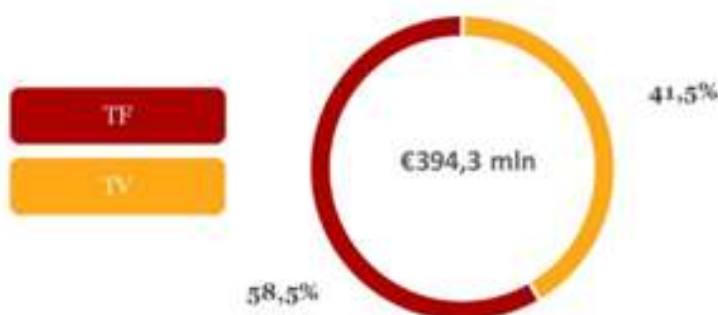
- Risk arising from exposure to interest rate fluctuations, exchange rate fluctuations, commodity price fluctuations and rating downgrades on m/l-term debt.

## Interest rate risk

Interest rate risk is related to interest rate fluctuations that affect the market value of the Group's financial assets and liabilities and the level of net financial expenses. In particular, the Group is exposed to fluctuations in interest rates (mainly Euribor and IRS) on financial assets and to a marginal extent on loans payable, considering that approximately 60% of financial debt is indexed at a fixed rate.

The following table shows the medium- and long-term loans payable at variable and fixed rates:

### Breakdown of fixed and variable rate 2024 (%)



	31.12.2024	Contractual cash flows	Current share	1 and 2 years	2 and 5 years	beyond 5 years
Variable rate	163,770	169,987	155,679	973	6,638	6,697
Fixed Rate	230,605	267,917	16,165	16,165	48,494	187,093
<b>Total</b>	<b>394,375</b>	<b>437,904</b>	<b>171,844</b>	<b>17,138</b>	<b>55,132</b>	<b>193,790</b>

	31.12.2023	Contractual cash flows	Current share	1 and 2 years	2 and 5 years	beyond 5 years
Variable rate	159,610	171,026	158,731	1,116	3,152	8,027
Fixed Rate	240,934	260,401	84,353	13,041	39,122	123,885
<b>Total</b>	<b>400,544</b>	<b>431,427</b>	<b>243,084</b>	<b>14,157</b>	<b>42,274</b>	<b>131,912</b>

Below is the sensitivity analysis on financial liabilities that illustrates the effects on the income statement of a hypothetical shift of the rate curves by +50 or -50 basis points relative to the rate levels recorded in 2024 and 2023:

2024	Shift + 50 bps	Shift - 50 bps
Higher/(lower) interest expenses for variable-rate debt	239	(239)
<b>Total</b>	<b>239</b>	<b>(239)</b>

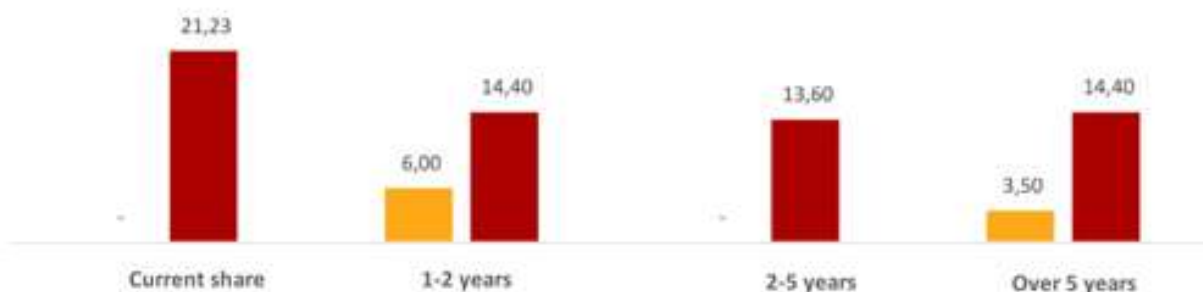
2023	Shift + 50 bps	Shift - 50 bps
Higher/(lower) interest expenses for variable-rate debt	625	(625)
<b>Total</b>	<b>625</b>	<b>(625)</b>

With regard to financial assets, the following table shows the breakdown of fixed-rate and variable-rate government and corporate bonds based on the undiscounted redemption flows of the nominal value of the instruments at their respective maturities:

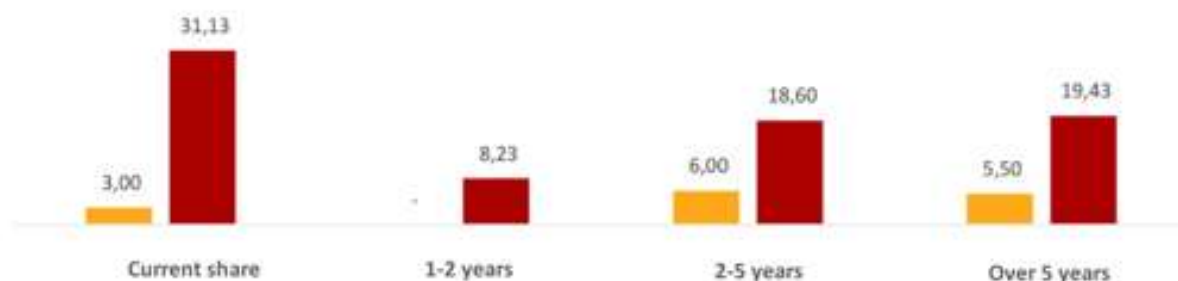
	31.12.2024	Contractual cash flows	Current share	1 and 2 years	2 and 5 years	beyond 5 years
Variable rate	9,438	9,500	-	6,000	-	3,500
Fixed Rate	62,094	63,634	21,229	14,400	13,600	14,405
<b>Total</b>	<b>71,532</b>	<b>73,134</b>	<b>21,229</b>	<b>20,400</b>	<b>13,600</b>	<b>17,905</b>

	31.12.2023	Contractual cash flows	Current share	1 and 2 years	2 and 5 years	beyond 5 years
Variable rate	14,559	14,500	3,000	-	6,000	5,500
Fixed Rate	74,020	77,396	31,135	8,231	18,600	19,430
<b>Total</b>	<b>88,579</b>	<b>91,896</b>	<b>34,135</b>	<b>8,231</b>	<b>24,600</b>	<b>24,930</b>

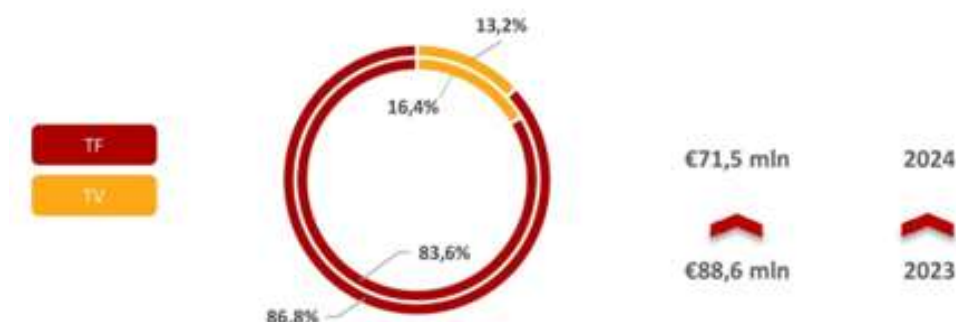
### Contractual cash flow refund 31.12.2024 (EUR mln)



### Contractual cash flow refund 31.12.2023 (EUR mln)



## Breakdown of TF and TV by CASH securities (2024 vs 2023)



N.B.: the comparative pie chart shows the 2024 data externally and the 2023 data internally respectively

Completing the analysis is the sensitivity analysis on the bond portfolio carried out by using the modified duration of the individual securities in the portfolio as a benchmark, assuming a 50, 150 and 250 basis point change in interest rates respectively. The assumption of the analysis is the linear relationship between the prices of securities and their yields.

No account was taken of coupon flows, given the presence in the portfolio of a component of variable-rate index-linked securities.

	31.12.2024	Sensitivity analysis		
		0.50%	1.50%	2.50%
Bonds	71,532	(737)	(1,956)	(3,176)
<b>Total</b>	<b>71,532</b>	<b>(737)</b>	<b>(1,956)</b>	<b>(3,176)</b>

	31.12.2023	Sensitivity analysis		
		0.50%	1.50%	2.50%
Bonds	88,579	(702)	(2,101)	(3,500)
<b>Total</b>	<b>88,579</b>	<b>(702)</b>	<b>(2,101)</b>	<b>(3,500)</b>

For assets invested in UCIs, a sensitivity parametric is reported for a hypothetical +/- 10% change in market value as of 31 December 2024 and 31 December 2023.

	31.12.2024	Sensitivity analysis	
		+10%	-10%
CIUs	64,800	6,480	(6,480)
<b>Total</b>	<b>64,800</b>	<b>6,480</b>	<b>(6,480)</b>

The fourth table presents the same sensitivity analysis for UCITS as of December 31, 2023, based on a total value of €81,702 thousand.

Here as well, the estimated effect of a  $\pm 10\%$  market change amounts to  $\pm €8,170$  thousand, indicating a higher exposure compared to 2024.

	31.12.2023	Sensitivity analysis	
		+10%	-10%
CIUs	81,702	8,170	(8,170)
<b>Total</b>	<b>81,702</b>	<b>8,170</b>	<b>(8,170)</b>

The Group did not enter into any interest rate derivatives during the financial year 2024.

### Foreign exchange risk

The Group operates in the domestic market, in Denmark and in Greece; it holds financial assets denominated in foreign currencies and is therefore exposed to exchange rate risk from fluctuations in exchange rates.

	31.12.2024			
	USD	AUD	TRY	DKK
Bonds	2,239	-	-	3,065
<b>Total</b>	<b>2,239</b>	<b>-</b>	<b>-</b>	<b>3,065</b>

	31.12.2023			
	USD	AUD	TRY	DKK
Bonds	2,074	-	-	6,484
<b>Total</b>	<b>2,074</b>	<b>-</b>	<b>-</b>	<b>6,484</b>

The following table details the Group's sensitivity analysis to a hypothetical change of +10 or -10 basis points in the exchange rates applied to financial assets as at 31 December 2024 and 31 December 2023:

	31.12.2024	
	Shift + 10 bps	Shift - 10 bps
Change in value of financial assets in foreign currencies	(236)	279
<b>Total</b>	<b>(236)</b>	<b>279</b>

	31.12.2023	
	Shift + 10 bps	Shift - 10 bps
Change in value of financial assets in foreign currencies	(257)	293
<b>Total</b>	<b>(257)</b>	<b>293</b>

There are no material exchange rate risks for trade receivables and payables.

**Commodity price risk**

The Group is exposed to the price risk of energy commodities, i.e. electricity and petroleum products, since supplies are affected by fluctuations in the prices of these commodities either directly or through indexation formulas. Moreover, since some contracts contain exchange rates with other currencies within the price indexing formulas, the Group is also exposed to exchange rate risk.

In order to stabilise the cost of energy, within the limits of the annual budget, the exposure to the risk of fluctuations in the price of the commodity was mitigated through the signing of derivative contracts for purely hedging purposes, amounting to slightly less than half of the estimated annual consumption as of 31 December 2024. This hedging strategy also made it possible to benefit from the price drop recorded during the year for the remaining variable component.

**Rating on m/l-term debt**

Without prejudice to the "*credit linkage*" with the State and, consequently, with the Municipality of Milan, Sole Shareholder, the Group constantly monitors the performance of the indicators underlying the rating assessment, as well as the evolution of the capital structure, in order to maintain or improve the rating assigned by the rating agency.

**Financial assets and liabilities by category**

To complement the disclosure on financial risks, the following table provides a reconciliation between financial assets and liabilities as reported in the statement of financial position and categories of financial assets and liabilities identified on the basis of the requirements of IFRS 7.

31.12.2024	Financial Assets and Liabilities at Amortised Cost	Financial assets and liabilities with reserve fair value	Non-financial assets and liabilities	Total
Non-current financial assets	-	169,283	-	169,283
Current financial assets	-	145,750	-	145,750
Current trade receivables	-	-	292,776	292,776
Other receivables and current assets	-	-	80,240	80,240
Other receivables and noncurrent assets	-	-	54,081	54,081
Non-current financial liabilities	237,824	-	-	237,824
Current financial liabilities	166,035	-	-	166,035
Trade payables	-	-	329,831	329,831
Other current payables and liabilities	-	-	134,659	134,659
Other non current payables and liabilities	-	-	66,096	66,096
31.12.2023	Financial Assets and Liabilities at Amortised Cost	Financial assets and liabilities with reserve fair value	Non-financial assets and liabilities	Total
Non-current financial assets	-	159,802	-	159,802
Current financial assets	-	170,281	-	170,281
Current trade receivables	-	-	250,819	250,819
Other receivables and current assets	-	-	91,504	91,504
Other receivables and noncurrent assets	-	-	39,491	39,491
Non-current financial liabilities	173,842	-	-	173,842
Current financial liabilities	234,294	-	-	234,294
Trade payables	-	-	346,887	346,887
Other current payables and liabilities	-	-	130,606	130,606
Other non current payables and liabilities	-	-	33,692	33,692

### Determining Fair Value

The *fair value* of financial assets and liabilities is determined in accordance with IFRS 13, which requires it to be classified according to a hierarchy of levels, reflecting the characteristics of the inputs used in its determination:

- Level 1: valuations made on the basis of quoted prices in active markets for financial assets and liabilities identical to those being valued;
- Level 2: valuations made on the basis of inputs, other than the quoted prices referred to in Level 1, which for the financial asset or financial liability are observable either directly (prices) or indirectly (price derivatives);
- Level 3: valuations using parameters that cannot be observed in the market.

Using the above classification as a reference, valuation procedures were implemented for assets and liabilities outstanding as at 31 December 2024 and 31 December 2023 with reference to observable market parameters:



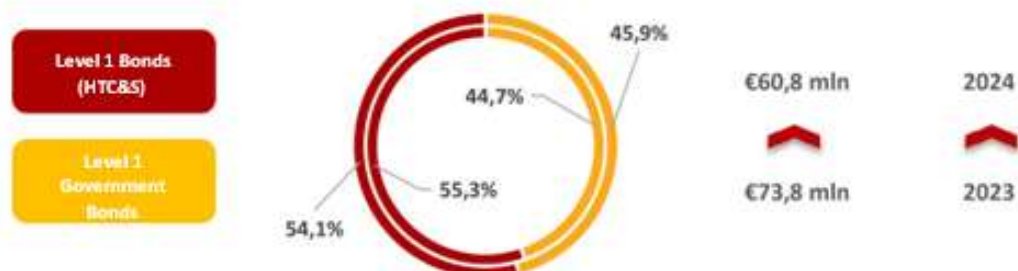
- the *fair value* of financial assets and liabilities with standard terms and conditions, quoted in an active market is measured by reference to prices published in the market itself by leading market contributors (info provider Bloomberg);
- the *fair value* of other financial assets and liabilities is measured, where applicable, through the application of the discounted cash flow method, using as reference quantities the prices recorded for recent market transactions by primary market contributors for similar instruments. In particular, for the valuation of certain investments in bond instruments, in the absence of regular market functioning, i.e. a sufficient and continuous number of transactions and a bid-ask spread and volatility sufficiently contained, the determination of fair value is made with reference to specific quotations of primary contributors issued at the Group's request;
- In the valuation of investments in UCIs, the fair value is determined on the basis of the NAVs calculated and disclosed by the relevant fund administrator at the balance sheet date. In cases where such information is not available at the date of preparation of the financial statements, the latest available official communication, however not earlier than one month after the balance sheet date, is used.

The following table shows the financial assets measured at fair value, and classified according to the hierarchy of levels defined above:

	31.12.2024	Fair Value as at balance sheet date		
		Level 1	Level 2	Level 3
<b>HTC&amp;S financial assets</b>	<b>60,826</b>	<b>60,826</b>	-	-
Government Bonds	27,947	27,947	-	-
Corporate bonds	32,878	32,878	-	-
<b>Other financial assets</b>	<b>75,506</b>	<b>68,302</b>	<b>7,204</b>	-
Corporate bonds	10,706	10,706	-	-
CIUs	64,800	57,595	7,204	-
<b>Total</b>	<b>136,332</b>	<b>129,128</b>	<b>7,204</b>	-

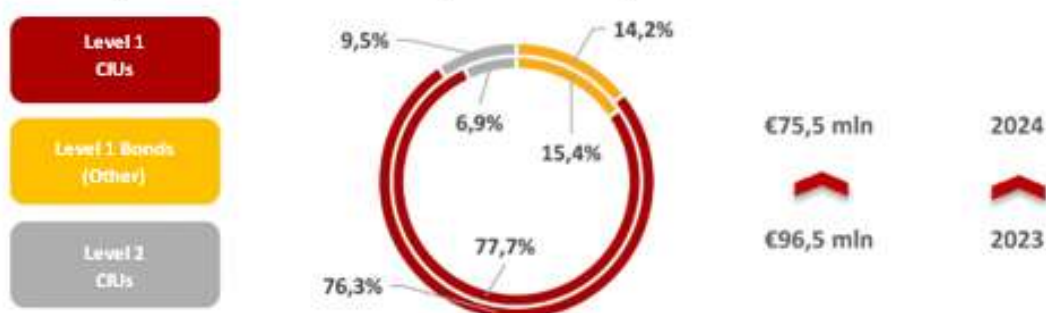
	31.12.2023	Fair Value as at balance sheet date		
		Level 1	Level 2	Level 3
<b>HTC&amp;S financial assets</b>	<b>73,761</b>	<b>73,761</b>	-	-
Government Bonds	32,957	32,957	-	-
Corporate bonds	40,804	40,804	-	-
<b>Other financial assets</b>	<b>96,520</b>	<b>89,834</b>	<b>6,686</b>	-
Corporate bonds	14,818	14,818	-	-
CIUs	81,702	75,016	6,686	-
<b>Total</b>	<b>170,281</b>	<b>163,595</b>	<b>6,686</b>	-

### Hierarchy of FV for HTC&S stocks (2024 vs 2023)



N.B.: the comparative pie chart shows the 2024 data externally and the 2023 data internally respectively

### Hierarchy of FV for OTHER stocks (2024 vs 2023)



N.B.: the comparative pie chart shows the 2024 data externally and the 2023 data internally respectively

In accordance with the provisions of IFRS 13, the fair value of the financial liabilities at 31 December 2024 and 31 December 2023, including the bond loan, measured at amortised cost in the financial statements, is reported for information purposes.

	31.12.2024	31.12.2023
Bonds	59,779	68,836
Loans from banks	290,906	295,823
<b>Total</b>	<b>350,685</b>	<b>364,659</b>

In order to facilitate the financing of the M4 operation, the Company finalised in December 2023 the underwriting of a loan known as Bridge to Bond loan, for EUR 150,000 thousand, indexed to a variable rate with a maturity of one year that can be extended, at the Company's option, for 6 months and a maximum of two times.

In December 2024, the first renewal option was exercised for a period of 6 months, expiring on 15 June 2025.

## Operational Performance - Sector Analysis

The main areas of activity in which the Group is organised are:

### Local Public Transport and Complementary Services

The LPT and Complementary Services business area includes LPT services performed in force:

- of the Service Contract stipulated with the Municipality of Milan and the Services connected and complementary to the LPT service such as the management of Parking Spaces, Parking Spaces and removal. This area of activity also includes the management of Area B and C and the Traffic and Territorial Control System, the rental of commercial areas in the metro, the management of advertising space and other residual and complementary activities;
- of the single management contract for the M5 underground line between ATM S.p.A. and the concessionaire company Metro 5 S.p.A. The contract regulates the management activities entrusted to ATM S.p.A. and related activities for the entire duration of the concession until 2040;
- of the single management contract for the M4 underground line between ATM S.p.A. and the concessionaire company SPV Linea M4 S.p.A. As with the M5 metro line, the contract regulates the management and related activities entrusted to ATM S.p.A. for the entire duration of the concession until 2046. The line is operational on the entire route (Linate Airport - San Cristoforo) as of 12 October 2024.

The main revenue items of the business area refer to the Service Contract with the Milan Municipality for EUR 724,416 thousand, the revenues from complementary services refer to Parking Spaces revenues for EUR 18,441 thousand, Car Parks revenues for EUR 10,430 thousand, removal services for EUR 3,470 thousand, the single management contract for the M5 metro line for EUR 30,154 thousand and finally the single management contract for the M4 metro line for EUR 29,081 thousand.

Costs mainly refer to personnel costs totalling EUR 523,073 thousand, as well as service costs of EUR 292,996 thousand, including EUR 128,861 thousand for maintenance and cleaning activities and EUR 81,275 thousand for electricity and utilities consumption.

### Regional Local Public Transport

The area of business in question refers to the Service Contracts, under the net cost regime (as better defined in the Report on Operations), between the subsidiary NET S.r.l. and the Local Public Transport Agency of the Milan, Monza Brianza, Lodi and Pavia Metropolitan City Basin ("Agenzia di Bacino") for the management of the regional bus service. With reference to business continuity and contract extensions, it should be noted that, with Executive

Determination No. 144 of 28 December 2023, the Agenzia di Bacino extended the term of the aforementioned contracts to 31 December 2025.

The increase in revenue is mainly due to the increase in the “*Service Contract Fee - Intercity Area*”, as well as to the increase in fare revenue attributable to both the increase in passengers and the non-recurring event related to the closing of the 2020-2023 STIBM allocation.

With regard to costs, the most significant changes concerned costs for services, which mainly refer to the increase in subcontracting costs and the production and distribution of tickets, consistent with the increase in revenues from fares, and provisions for contingent liabilities related to penalties for non-compliance with quality standards referred to the 2024 Service Agreement.

### **Management of Copenhagen Metro**

This business area refers to the Service Agreement for the management by the Danish-registered subsidiary Metro Service A/S. The company is a subsidiary of the sub-holding International Metro Service S.r.l. and is responsible for the operation and maintenance of the Copenhagen Metro. The current contract, which relates to the operation and maintenance of the M1 and M2 metro lines, expires on 29 September 2027, and Metro Service A/S has also completed the mobilisation of the M3 and M4 (Cityringen) metro lines, commencing commercial operation and management on 29 September 2019 and 28 March 2020 respectively. The latter are governed by a further subcontracting agreement with Hitachi Rail STS also expiring on 29 September 2027. Metro Service A/S has also been awarded the operation of the new Greater Copenhagen Light Rail line, which will provide transport services for the suburban area to the west of the city, scheduled to start in 2025.

### **Management of the Thessaloniki Metro**

The area of activity in question refers to the Service Contract, in partnership with Egis Projects S.A.S., for the operation and maintenance, through the Greek-owned subsidiary THEMA S.A., of the automatic metro in the city of Thessaloniki. The operation and maintenance contract has a duration of 10 years plus one year of pre-operation. On 30 November 2024, the basic section of the metro was opened for commercial operation; in 2025, the extension to Kalamaria is scheduled to open for a further five stations.

### **Equipment maintenance and diagnostics**

The activities carried out by the company are mainly in favour of the parent company ATM S.p.A. The services refer to preventive diagnostics, routine maintenance in the area of track and signalling, as well as automated washing and vacuum cleaning of the metro infrastructure.

At the same time, due to the awarding in 2022 of the tender to carry out ultrasound surveys on the Milan and Iseo railway network, the company is periodically carrying out diagnostic measurement campaigns on behalf of the client Ferrovienord S.p.A.

The increase in revenue is mainly due to the increase in services rendered to the parent company.

With regard to costs, the most significant change was in employee benefit costs due to the increase in resources to ensure the Company's higher current and prospective productivity.

#### LPT ancillary services

This area of activity refers to ancillary and complementary services provided by ATM Group companies, CityLink S.r.l. - Smart mobility by ATM. and Gesam S.r.l., in the areas of claims settlement and diversified services.

The following tables summarise the economic trends 2024 and 2023 in the sectors in which the ATM Group operates:

12_2024	LPT and complementary services	LPT in intercity areas	Copenhagen Metro Management	Thessaloniki Metro Management	Equipment maintenance and diagnostics	LPT ancillary services	ICO	Conso
Segment operating revenues	835,390	28,312	130,903	9,136	10,315	2,966	(21,212)	995,810
Other revenues and income	137,581	4,351	24,307	345	76	13	(1,199)	165,474
<b>Total operating revenue and other income</b>	<b>972,971</b>	<b>32,663</b>	<b>155,210</b>	<b>9,481</b>	<b>10,391</b>	<b>2,979</b>	<b>(22,411)</b>	<b>1,161,284</b>
Segment operating costs	(372,333)	(13,355)	(73,292)	(4,660)	(3,247)	(1,356)	22,366	(445,877)
Costs for employee benefits	(523,069)	(13,975)	(67,934)	(3,948)	(5,041)	(1,388)	45	(615,310)
<b>Sector Operating Margin</b>	<b>77,569</b>	<b>5,333</b>	<b>13,984</b>	<b>873</b>	<b>2,103</b>	<b>235</b>	<b>-</b>	<b>100,097</b>
Depreciation and Impairment Losses	(81,467)	(833)	(2,068)	-	(796)	-	-	(85,164)
<b>Operating result</b>	<b>(3,898)</b>	<b>4,500</b>	<b>11,916</b>	<b>873</b>	<b>1,307</b>	<b>235</b>	<b>-</b>	<b>14,933</b>
Financial income and expenses	622	505	364	(197)	270	27	(2)	1,589
Share of profit of investments accounted for using the equity method	(5,724)	-	-	-	-	-	-	(5,724)
<b>Profit before tax</b>	<b>(9,000)</b>	<b>5,005</b>	<b>12,280</b>	<b>676</b>	<b>1,577</b>	<b>262</b>	<b>(2)</b>	<b>10,798</b>
Income taxes	(868)	(570)	(2,837)	(216)	(416)	(79)	-	(4,986)
<b>Profit for the period</b>	<b>(9,868)</b>	<b>4,435</b>	<b>9,443</b>	<b>460</b>	<b>1,161</b>	<b>183</b>	<b>(2)</b>	<b>5,812</b>

12_2024	LPT and complementary services	LPT in intercity areas	Copenhagen Metro Management	Thessaloniki Metropolitan Management	Equipment maintenance and diagnostics	LPT ancillary services	ICO	Conso
Segment operating revenues	790,151	24,499	117,242	450	9,157	2,017	(17,611)	925,905
Other revenues and income	147,549	2,009	22,795	-	49	16	(991)	171,427
<b>Total operating revenue and other income</b>	<b>937,700</b>	<b>26,508</b>	<b>140,037</b>	<b>450</b>	<b>9,206</b>	<b>2,033</b>	<b>(18,602)</b>	<b>1,097,332</b>
Segment operating costs	(398,751)	(12,902)	(67,060)	(190)	(3,130)	(997)	18,539	(464,491)
Costs for employee benefits	(480,790)	(12,689)	(58,554)	(212)	(4,686)	(869)	62	(557,738)
<b>Sector Operating Margin</b>	<b>58,159</b>	<b>917</b>	<b>14,423</b>	<b>48</b>	<b>1,390</b>	<b>167</b>	<b>(1)</b>	<b>75,103</b>
Depreciation and Impairment Losses	(82,404)	(825)	(2,488)	-	(616)	-	-	(86,333)
<b>Operating result</b>	<b>(24,245)</b>	<b>92</b>	<b>11,935</b>	<b>48</b>	<b>774</b>	<b>167</b>	<b>(1)</b>	<b>(11,230)</b>
Financial income and expenses	3,272	268	467	(12)	269	20	-	4,284
Share of profit of investments accounted for using the equity method	4,477	-	-	-	-	-	-	4,477
<b>Profit before tax</b>	<b>(16,496)</b>	<b>360</b>	<b>12,402</b>	<b>36</b>	<b>1,043</b>	<b>187</b>	<b>(1)</b>	<b>(2,469)</b>
Income taxes	5,849	498	(2,907)	(8)	(164)	(46)	-	3,222
<b>Profit for the period</b>	<b>(10,647)</b>	<b>858</b>	<b>9,495</b>	<b>28</b>	<b>879</b>	<b>141</b>	<b>(1)</b>	<b>753</b>

The financial information by business segment is as follows:

12_2024	LPT and complementary services	LPT in intercity areas	Copenhagen Metro Management	Thessaloniki Metropolitan Management	Equipment maintenance and diagnostics	LPT ancillary services	ICO	Conso
Noncurrent assets of which:								
tangible	1,095,324	6,831	3,590	-	7,053	-	-	1,112,798
intangibles	3,240	8	1,582	-	-	-	-	4,830
Financial	268,543	2,066	4,279	2	272	15	(4,856)	270,321
Investments	116,384	3	-	-	-	-	-	116,387
Current assets	706,885	24,279	101,934	17,737	13,334	2,703	(42,847)	824,025
Windfall assets	4,663	3,200	-	-	-	-	-	7,863
<b>Total assets</b>	<b>2,195,039</b>	<b>36,387</b>	<b>111,385</b>	<b>17,739</b>	<b>20,659</b>	<b>2,718</b>	<b>(47,703)</b>	<b>2,336,224</b>
Non-current liabilities	490,762	3,167	28,592	8,939	1,059	297	(4,855)	527,961
<b>Total liabilities</b>	<b>1,102,275</b>	<b>17,389</b>	<b>68,087</b>	<b>13,290</b>	<b>4,920</b>	<b>1,213</b>	<b>(47,703)</b>	<b>1,159,471</b>
Equity attributable to the owners of the parent	1,100,717	18,326	23,710	231	6,705	1,385	-	1,151,074
Equity attributable to non-controlling interests	(241)	-	23,311	2,184	425	-	-	25,679
<b>Total liabilities and shareholders' equity</b>	<b>2,202,751</b>	<b>35,715</b>	<b>115,108</b>	<b>15,705</b>	<b>12,050</b>	<b>2,598</b>	<b>(47,703)</b>	<b>2,336,224</b>

## Employment data

The workforce increased from 10,331 in 2023 to 10,623 in 2024. The net change is attributable to 1,134 recruitments and 842 departures. The figure for exits is slightly up on that of recent years and includes all reasons related to the termination of employment; among these, the most frequent are retirement and spontaneous resignation.

International Metro Service S.r.l. has no employees and relies on the services provided by the parent company ATM S.p.A. to carry out its activities.

The workforce at the end of the year changed as follows:

It should be noted that, limited to the companies operating in Italy, in the period under review the companies did not carry out any dismissals of an objective nature in accordance with the provisions of Legislative Decree No. 137/2020, the "Restorals Decree" and its subsequent amendments.

## Notes to the Consolidated Statement of Financial Position

### Assets

#### Property, plant and equipment

The value of *"Property, Plant and Equipment"* as at 31 December 2024 amounted to EUR 1,112,798 thousand net of accumulated depreciation, plant grants and accumulated write-downs.

	31.12.2024	31.12.2023
Plant and machinery	656,647	702,194
Land and buildings	352,793	361,571
Industrial and commercial equipment	16,681	16,745
Other assets	4,345	5,249
Fixed assets under development	82,332	64,332
<b>Total</b>	<b>1,112,798</b>	<b>1,150,091</b>

This item refers to:

- *"Plant and Machinery"*, in the amount of EUR 656,647 thousand, related to line rolling stock and equipment for the operation of transport services owned by the Group;
- *"Land and Buildings"*, amounting to EUR 352,793 thousand, mainly relating to warehouses for rolling stock and office buildings. This item includes *"Investment property"* represented by owned real estate of a non-instrumental nature leased for commercial purposes, the net book value of which as at 31 December 2024 was EUR 11,387 thousand (EUR 11,544 thousand as at 31 December 2023);
- *"Industrial and Commercial Equipment"*, for EUR 16,681 thousand, mainly related to auxiliary vehicles;
- *"Other Assets"*, in the amount of EUR 4,345 thousand;
- *"Current Fixed Assets"*, in the amount of EUR 82,332 thousand.

*"Assets under construction"* refers to advances paid to suppliers for supplies and investments in tangible assets that are not yet completed and ready for use at the balance sheet date. This

item is stated net of the recognised accrued contributions of EUR 118,101 thousand. The main components are outlined below:

- Fleet renewal or expansion including:
  - 21 metro trains on the M1 line for EUR 28,803 thousand and 25 metro trains on the M3 line for EUR 26,006 thousand;
  - 50 bi-directional urban trams for EUR 17,896 thousand, 10 bi-directional intercity trams for EUR 25,313 thousand and 14 bi-directional high-capacity trams for EUR 12.02 thousand;
  - 12 m electric buses for 15,630 thousand euro, 18 m electric buses for 11,734 thousand euro and short buses for 374 thousand euro;
  - 18-metre trolleybus for EUR 11,537 thousand;
  - CBCT (Communication Based Train Control) signalling for new M1 trains for EUR 2,508 thousand;
  - RCS installations for new two-way trams and eurotram restyling ancillary activities in the amount of EUR 1,863 thousand;
  - new buses in the amount of EUR 702 thousand related to the renewal of the vehicle fleet of the subsidiary NET S.r.l.
- Modernisation of facilities and infrastructure including:
  - extraordinary maintenance and expansion of company warehouses and design of new warehouses in the amount of EUR 11,877 thousand;
  - infrastructure renewal and metro operations room technology refresh for EUR 6,282 thousand;
  - new signalling for M3 - on-board equipment for EUR 5,014 thousand;
  - new equipment and technology on lines and modernisation of CCTV system in M3 for EUR 4,282 thousand;
  - construction of electric vehicle supply/charging facilities at depots and terminals in the city in the amount of EUR 3,251 thousand;
  - magnetic-electronic ticketing system and new station turnstiles M1 and M2, for EUR 1,933 thousand;
  - purchase of road-rail diagnostic machine for EUR 1,712 thousand by the subsidiary Rail Diagnostics S.p.A.;
  - train for tunnel washing on the M4 metro line for EUR 848 thousand, by the subsidiary Rail Diagnostics S.p.A.;
  - refurbishment of power supply and traction equipment for the M2 underground line for EUR 719 thousand;
  - adaptation of the San Donato car park fire-fighting system to standards for 607 thousand euro
  - M1 signalling renewal, for EUR 589 thousand.
- Other investments include:



- 2 lathes in the pit for Gorgonzola and San Donato metro depots, for EUR 1,507 thousand;
- other tangible assets in progress for EUR 952 thousand;
- service vehicles and related accessories for EUR 874 thousand.

Below are the details of the main contributions:

- 25 underground trains for the M3 line, for EUR 26,006 thousand;
- 21 underground trains for the M1 line, for EUR 28,803 thousand;
- 350 electric city buses for EUR 24,825 thousand;
- 50 two-way urban trams, for EUR 15,689 thousand;
- 14 bi-directional high-capacity trams, for EUR 12,025 thousand;
- Renewal of the M3 signalling equipment, for EUR 5,013 thousand;
- 8 two-way urban trams related to the Milan - Limbiate line, for EUR 4,014 thousand;
- 10 trolleybuses, for EUR 1,717 thousand.

The following table shows the changes during the year and in the previous year.

Property, plant and equipment	Property, plant and equipment					
	Plant and machinery	Land and buildings	Industrial equipment and for trade	Other assets	Assets under construction and advance payments	Total
Historical Cost	2,911,313	518,971	86,046	57,097	162,586	3,736,013
Depreciation fund	(1,709,235)	(140,072)	(68,312)	(51,052)	-	(1,968,671)
Cumulative contributions	(495,858)	(16,236)	(989)	(796)	(98,254)	(612,133)
Accumulated write-downs	(4,026)	(1,092)	-	-	-	(5,118)
<b>Net book value as at 31.12.2023</b>	<b>702,194</b>	<b>361,571</b>	<b>16,745</b>	<b>5,249</b>	<b>64,332</b>	<b>1,150,091</b>
<b>Historical Cost</b>						
<i>Investments and Acquisitions of the Year</i>	141	-	757	402	114,284	115,584
<i>Transfers to finished plants</i>	71,991	251	2,606	1,605	(76,453)	-
<i>Disposals, Divestments and Reclassifications</i>	(37,887)	(5,445)	(924)	(119)	16	(44,359)
<b>Depreciation fund</b>						
<i>Depreciation for the year</i>	(117,807)	(4,786)	(3,529)	(3,134)	-	(129,256)
<i>Disposals, Divestments and Reclassifications</i>	37,884	784	928	122	-	39,718
<b>Grants</b>						
<i>Increases</i>	(48,503)	-	(2)	-	(19,847)	(68,352)
<i>Fees deferred in the year</i>	48,634	392	100	220	-	49,346
<b>Write-downs</b>						
<i>Uses to adjust depreciation</i>	-	26	-	-	-	26
Historical Cost	2,945,558	513,777	88,485	58,985	200,433	3,807,238
Depreciation fund	(1,789,158)	(144,074)	(70,913)	(54,064)	-	(2,058,209)
Cumulative contributions	(495,727)	(15,844)	(891)	(576)	(118,101)	(631,139)
Accumulated write-downs	(4,026)	(1,066)	-	-	-	(5,092)
<b>Net book value as at 31.12.2024</b>	<b>656,647</b>	<b>352,793</b>	<b>16,681</b>	<b>4,345</b>	<b>82,332</b>	<b>1,112,798</b>

Property, plant and equipment	Property, plant and equipment					
	Plant and machinery	Land and buildings	Industrial equipment and for trade	Other assets	Assets under construction and advance payments	Total
Historical Cost	2,870,489	518,834	78,208	54,967	77,539	3,600,037
Depreciation fund	(1,658,778)	(134,603)	(64,561)	(47,849)	-	(1,905,791)
Cumulative contributions	(454,844)	(16,628)	-	(1,043)	(21,981)	(494,496)
Accumulated write-downs	(4,026)	(1,118)	-	-	-	(5,144)
<b>Net book value at 31.12.2022</b>	<b>752,841</b>	<b>366,485</b>	<b>13,647</b>	<b>6,075</b>	<b>55,558</b>	<b>1,194,606</b>
<b>Historical Cost</b>						
<i>Investments and Acquisitions of the Year</i>	380	-	397	95	199,904	200,776
<i>Transfers to finished plants</i>	104,725	137	7,917	2,124	(114,903)	-
<i>Disposals, Divestments and Reclassifications</i>	(64,281)	-	(476)	(89)	46	(64,800)
<b>Depreciation fund</b>						
<i>Depreciation for the year</i>	(115,023)	(5,469)	(3,222)	(3,288)	-	(127,002)
<i>Disposals, Divestments and Reclassifications</i>	64,566	-	(529)	85	-	64,122
<b>Grants</b>						
<i>Increases</i>						(183,583)
<i>Fees deferred in the year</i>	(85,216)	-	(1,000)	-	(97,367)	44,850
<i>Disposals, Divestments and Reclassifications</i>	44,202	392	9	247	-	21,096
<b>Write-downs</b>						
<i>Uses to adjust amortisation</i>	-	-	2	-	21,094	26
		26	-	-	-	26
Historical Cost	2,911,313	518,971	86,046	57,097	162,586	3,736,013
Depreciation fund	(1,709,235)	(140,072)	(68,312)	(51,052)	-	(1,968,671)
Cumulative contributions	(495,858)	(16,236)	(989)	(796)	(98,254)	(612,133)
Accumulated write-downs	(4,026)	(1,092)	-	-	-	(5,118)
<b>Net book value at 31.12.2023</b>	<b>702,194</b>	<b>361,571</b>	<b>16,745</b>	<b>5,249</b>	<b>64,332</b>	<b>1,150,091</b>

As can be inferred from the movement tables, capital expenditure of EUR 115,584 thousand was made during the year under item *"Property, Plant and Equipment"*.

The main investments of the year concerned:

- The renewal or expansion of the fleet including:
  - purchase of 12-metre electric buses for EUR 21,718 thousand, of which EUR 19,179 thousand financed through state resources and EUR 1,936 thousand through regional resources; purchase of 18-metre trolleybuses, for EUR 19,250 thousand, entirely financed through state resources;
  - purchase of hybrid buses for EUR 8,900 thousand, of which EUR 2,670 thousand was financed through municipal resources and EUR 3,560 thousand through regional resources;
  - purchase of 21 trains for the M1 underground line for EUR 6,958 thousand, entirely financed through state resources;
  - application of blind spot detection device on buses, trolley buses and service vehicles for EUR 3,502 thousand;
  - purchase of bi-directional high-capacity trams for EUR 1,568 thousand, fully financed through state resources;
  - RCS installations for new two-way trams and Eurotram restyling ancillary activities in the amount of EUR 1,317 thousand;
  - service vehicles in the amount of EUR 805 thousand;
  - purchase of electric minibuses for EUR 374 thousand, of which EUR 281 thousand was financed through regional resources.
  
- The modernisation of facilities and infrastructure including:
  - new equipment and software development for the magnetic-electronic ticketing system, for EUR 11,811 thousand, of which EUR 1,128 thousand financed through municipal resources;
  - construction of electric vehicle supply/charging facilities at depots and terminals in the city, amounting to EUR 5,446 thousand entirely financed through state resources;
  - extraordinary maintenance work and expansion of depots and planning of new depots in the amount of EUR 4,482 thousand;
  - infrastructure renewal and metro operations room technology refresh for EUR 3,442 thousand;
  - video surveillance on the M3 line, financed to the tune of EUR 1,728 thousand;
  - modernisation and upgrading of computer network and equipment, in the amount of EUR 1,297 thousand;
  - refurbishment of SSE Precotto depot and Monterosa civil apparatus electrical cabin for EUR 2,066 thousand;
  - Adaptation to the fire-fighting system regulations of the San Donato lato Emilia/Paullese car park on the Emilia/Paullese side for EUR 1,088 thousand;
  - TETRA radio network modernisation for EUR 802 thousand;

- 2 tandem-type lathes in the pit for Gorgonzola and San Donato metro depots, for EUR 802 thousand;
- Wayside-type diagnostic systems for monitoring the wheels of trains on MM lines to be applied in the metro for EUR 787 thousand;
- refurbishment of power supply and traction equipment for the M2 underground line for EUR 679 thousand, of which EUR 244 thousand financed by state resources;
- new generator sets coupled with ups at the M2 Caiazzo and Udine stations for EUR 394 thousand;
- system upgrades and new signalling functions on the M1, M2 and M3 metro lines, for EUR 516 thousand;
- systems for ultrasonic testing of axles and wheels MM trains for EUR 372 thousand;
- trolley for automated diagnostics of underground line switches for EUR 347 thousand;
- new gantries for maintenance of metro-tram cars at the Teodosio depot for EUR 289 thousand;
- modernisation of the remote control system of the SSE station in Zara for EUR 240 thousand;
- purchase of new land adjacent to the Trezzo Sull'Adda depot for EUR 251 thousand.

The financing mechanism for these investments provides for the recognition of public grants only after the expenditure incurred has been accounted for and/or after the fixed asset has been placed in service, in accordance with the provisions of the various financing acts.

During the year, assets with a historical cost of EUR 44,359 thousand and a depreciation reserve of EUR 39,718 thousand were sold/disposed of/reclassified.

Capital gains realised during the period amounted to EUR 327 thousand and mainly related to the sale of 22 trolleybuses, 61 buses and 12 tram cars owned by ATM

S.p.A. and 2 buses of NET S.r.l. as described under *Other Income* (Note 32), while capital losses amounted to EUR 21 thousand as described under *"Other Operating Costs and Charges"* (Note 37).

The historical cost and accumulated depreciation for a net value of EUR 4,663 thousand related to the hotel building in Bordighera, in view of its possible sale in the year 2025, have been reclassified under *"Discontinued Assets"* (Note 22).

In addition, the provision for *"Land and Buildings"* was utilised for the depreciation charges recognised in the period in the amount of EUR 26 thousand.

The *"Depreciation and Amortisation"* recognised in the Profit and Loss Account, in the amount of EUR 129,230 thousand, is adjusted by the portion of grants received to cover capital expenditures for the year, totalling EUR 49,346 thousand.

The details of these contributions by funding body are as follows:

- EUR 23,549 from the State;
- EUR 16,068 from the Lombardy Region;
- EUR 9,729 from the Municipality of Milan.

The "*Property, plant and equipment*" acquired with regional co-financing are subject to inalienability restriction pursuant to D.G.R. 14795/2003 and subsequent amendments and integrations. Details of the regulatory constraints are given below:

- city buses: 8 years;
- suburban buses: 10 years;
- trolleybus: 15 years;
- underground trains and trams: 30 years;
- technologies: 7 years;
- infrastructure: 30 years.

For the automotive rolling stock co-financed by the Lombardy Region with the 2009 allocation plan, pursuant to Laws No. 296/2006 and No. 133/2008, the inalienability constraints refer to the entire useful life of the bus fixed, unless otherwise established by the Service Contracts, at 15 years as specified by D.G.R. No. IX/4619 of 28 December 2012.

The net residual value of "*Property, Plant and Equipment*" under finance leases was EUR 9,501 thousand (EUR 9,647 thousand as at 31 December 2023).

Taking into account that real estate is valued at cost re-determined at *fair value*, for the year 2024, a leading independent third party was commissioned to conduct an analysis to provide an update on real estate market trends. Considering the intended uses to which the individual properties of the Group's companies belong, the analysis carried out did not reveal the need to make any value adjustments with respect to the amounts recorded in these financial statements.

### **Impairment Test**

The current context is characterised not only by the continuing Russian-Ukrainian and Middle Eastern conflict, but also by growing geopolitical and macroeconomic instability as a consequence of the recent US election results.

In this framework, characterized by a level of fees linked to the Service Contract with the Municipality of Milan that is historically static, expiring on 31 December 2026, the volatility of energy commodity prices and the continuing inflationary effects represent a trigger event such as to have caused the Directors to deem it necessary to carry out an impairment test to verify the recoverability of property, plant and equipment and intangible assets (including rights of

use for leased assets), related to the CGU "Local Public Transport and Complementary Services" identified with ATM S.p.A's net invested capital.

In the analyses carried out for the construction of the future cash flows, the Directors took as a reference the Economic and Financial Plan 2025 ÷ 2035 that takes into account the extension of the service contract with the Municipality of Milan for local public transport until 31 December 2026, as indicated in the Managerial Determination no. 12608 of 28 December 2023 of the Municipality of Milan, to then consider reasonable economic forecasts for the subsequent period until 31 December 2035 both in terms of revenue flows linked to the adjustment of the service contract, and in terms of costs with reference to the impacts linked to the savings and efficiency-boosting actions envisaged and resulting from the "*full electric*" project, and with reference to the trend of electricity costs determined prospectively on the basis of reasonable assumptions inferred from the prospective trends. Investments were determined on the basis of the 2025 ÷ 2027 Investment Plan projected for the period until 31 December 2035. The Directors in order to evaluate the Plan's time horizon - longer than 5 years - have taken into account both the timeframe reasonably required to complete the procedures for entrusting the service and, above all, the considerable investments related to the "*full electric*" project that will begin to generate returns in terms of economic results and cash flows in the years following the 5th year of the plan.

On 27 March 2025, the Board of Directors approved the content and assumptions of the Economic and Financial Plan 2025 ÷ 2035, as well as the results of the *impairment* test and the *sensitivity analysis*.

The test showed the recoverability of the net invested capital referred to the CGU 'Local Public Transport and Complementary Services', with a cover deemed appropriate by the Directors.

With regard to the discounting of future cash flows, the post-tax WACC was used as the discount rate, which takes into account the specific risks of the business and reflects current market valuations of the cost of money, based on a weighting between the cost of debt and the cost of equity, drawn up on the basis of the values of comparable groups and subject to impairment as they operate in the same business sector. The WACC thus determined was 6.62% (pre-tax 8.71%), down from last year when it was 7.37% (pre-tax 9.70%).

Lastly, considering the nature of the loss indicators, the Group assessed that they only impacted the "Local Public Transport and Complementary Services" operating segment and were not relevant for the CGUs relating to the other operating segments, since the "Regional Local Public Transport" segment, relating to the activities carried out by NET S. r.l. and "Foreign Local Public Transport", relating to the activities carried out by Metro Service A/S and Thema

S.A. are characterised by positive economic trends with a *outlook* of progressive growth over the medium-term time horizon, as well as by the absence of current financial debt.

Finally, the CGU related to the "Other Activities" operating segment, which mainly includes initiatives related to insurance practice management, has a limited exposure to market risks.

### Intangible assets

The value of the "*Intangible Assets*" amounted to EUR 4,830 thousand as at 31 December 2024, broken down as follows:

	31.12.2024	31.12.2023
Start-up Software	-	472
Licences	4,531	3,638
Intangible Assets in Progress	299	53
<b>Total</b>	<b>4,830</b>	<b>4,163</b>



The following table shows the changes during the year and in the previous year.

Intangible assets	Intangible assets			Total
	Goodwill	Software licences	Intangible assets in progress	
Historical Cost	5,968	15,519	53	21,540
Depreciation fund	(5,496)	(11,881)	-	(17,377)
<b>Net book value as at 31.12.2023</b>	<b>472</b>	<b>3,638</b>	<b>53</b>	<b>4,163</b>
<b>Historical Cost</b>				
<i>Investments and Acquisitions of the Year</i>	-	1,092	1,550	2,642
<i>Transfers to finished plants</i>	-	1,288	(1,288)	-
<i>Disposals, Divestments and Reclassifications</i>	(472)	-	(16)	(488)
<b>Depreciation fund</b>				
<i>Depreciation for the year</i>	-	(1,538)	-	(1,538)
<i>Disposals, Divestments and Reclassifications</i>	-	51	-	51
Historical Cost	5,496	17,899	299	23,694
Depreciation fund	(5,496)	(13,368)	-	(18,864)
<b>Net book value as at 31.12.2024</b>	<b>-</b>	<b>4,531</b>	<b>299</b>	<b>4,830</b>

Intangible assets	Intangible assets			Total
	Goodwill	Software licences	Intangible assets in progress	
Historical Cost	5,968	14,243	155	20,366
Depreciation fund	(5,496)	(10,567)	-	(16,063)
<b>Net book value as at 31.12.2022</b>	<b>472</b>	<b>3,676</b>	<b>155</b>	<b>4,303</b>
<b>Historical Cost</b>				
<i>Investments and Acquisitions of the Year</i>	-	504	1,129	1,633
<i>Transfers to finished plants</i>	-	1,185	(1,185)	-
<i>Disposals, Divestments and Reclassifications</i>	-	(413)	(46)	(459)
<b>Depreciation fund</b>				
<i>Depreciation for the year</i>	-	(1,473)	-	(1,473)
<i>Disposals, Divestments and Reclassifications</i>	-	159	-	159
Historical Cost	5,968	15,519	53	21,540
Depreciation fund	(5,496)	(11,881)	-	(17,377)
<b>Net book value as at 31.12.2023</b>	<b>472</b>	<b>3,638</b>	<b>53</b>	<b>4,163</b>

"Software licences" amounting to EUR 4,531 thousand relate to the Group's proprietary operating systems.

During the year, investments of EUR 2,642 thousand were made under the heading "Intangible Assets", relating to the purchase of software.

### Rights of use on leased assets

As at 31 December 2024, rights of use for leased assets in the amount of EUR 8,572 thousand were recognised.

The following table shows the changes during the year and in the previous year. The most significant change relates to the increase in the item "*Buildings*" and refers mainly to the stipulation of the new lease agreement for the office building located in San Donato; on the other hand, with reference to the item "*Vehicles*", in the year 2024, numerous contracts were terminated, offset, however, by the renewal and leasing of new vehicles as *benefits*.

Rights of use on assets leased	Equipment	Buildings	Motor vehicles	Equipment IT	Other assets	Total
Historical Cost	1,873	5,578	8,058	870	1,074	17,453
Depreciation fund	(468)	(2,901)	(6,426)	(413)	(1,068)	(11,276)
<b>Net book value at 31.12.2023</b>	<b>1,405</b>	<b>2,677</b>	<b>1,632</b>	<b>457</b>	<b>6</b>	<b>6,177</b>
<b>Historical Cost</b>						
<i>Rights of use acquired during the year</i>	123	4,041	1,475	(1)	22	5,660
<b>Depreciation fund</b>						
<i>Depreciation for the year</i>	(224)	(1,289)	(1,649)	(97)	(6)	(3,265)
Historical Cost	1,996	9,619	9,533	869	1,096	23,113
Depreciation fund	(692)	(4,190)	(8,075)	(510)	(1,074)	(14,541)
<b>Net book value at 31.12.2024</b>	<b>1,304</b>	<b>5,429</b>	<b>1,458</b>	<b>359</b>	<b>22</b>	<b>8,572</b>

Rights of use on assets leased	Equipment	Buildings	Motor vehicles	Equipment IT	Other assets	Total
Historical Cost	426	5,578	7,578	862	1,074	15,518
Depreciation fund	(309)	(2,171)	(4,924)	(317)	(820)	(8,541)
<b>Net book value at 31.12.2022</b>	<b>117</b>	<b>3,407</b>	<b>2,654</b>	<b>545</b>	<b>254</b>	<b>6,977</b>
<b>Historical Cost</b>						
<i>Rights of use acquired during the year</i>	1,447	-	480	8	-	1,935
<b>Depreciation fund</b>						
<i>Depreciation for the year</i>	(159)	(730)	(1,502)	(96)	(248)	(2,735)
Historical Cost	1,873	5,578	8,058	870	1,074	17,453
Depreciation fund	(468)	(2,901)	(6,426)	(413)	(1,068)	(11,276)
<b>Net book value at 31.12.2023</b>	<b>1,405</b>	<b>2,677</b>	<b>1,632</b>	<b>457</b>	<b>6</b>	<b>6,177</b>

## Investments

The amount of EUR 116,387 thousand refers to the following investments:

	ATM Group Explanatory	
	31.12.2024	31.12.2023
<b>Related companies</b>		
SBE Consortium	48	48
Full Green Consortium	150	150
CO.MO Fun&Bus S.c.a r.l.	4	4
Metro 5 S.p.A.	43,704	42,227
Movibus S.r.l.	2,470	2,504
SPV Linea M4 S.p.A.	70,011	81,499
<b>Total</b>	<b>116,387</b>	<b>126,432</b>

The following is a list of the Group's equity investments and their changes, showing the effects of the valuation using the equity method for Movibus S.r.l., Metro 5 S.p.A. and SPV Linea M4 S.p.A.

31.12.2023		Effect on Income Statement	Allocation of dividends	Effect on CFH Reserve	31.12.2024
Metro 5 S.p.A.	42,227	3,978	(2,000)	(501)	43,704
Movibus S.r.l.	2,504	751	(785)	-	2,470
SPV Linea M4 S.p.A.	81,499	(10,453)	-	(1,035)	70,011
<b>Total</b>	<b>126,230</b>	<b>(5,724)</b>	<b>(2,785)</b>	<b>(1,536)</b>	<b>116,185</b>

The portion of the 2024 adjustment of the carrying value of investments, gross of tax effects, that was recognised in the Consolidated Statement of Comprehensive Income was negative and amounted to

EUR 1,536 thousand, while that recognised in the Income Statement was positive and amounted to EUR 2,785 thousand.

### Impairment Test

Also with regard to verifying the recoverability of investments in associates, the Group checks at each balance sheet date for indicators of impairment. If such indicators are identified, the impairment test is performed on the basis of the estimated value in use. *Cash-generating units* (CGUs) have been identified in line with the Group's organisational and business structure, as assets that generate independent cash inflows from their continuous use. The CGUs are therefore represented by the individual legal entities and, specifically, the SPV Linea M4 S.p.A., Metro 5 S.p.A., Movibus S.p.A. and the other minority interests.

With reference to the verification of the recoverability of the carrying value of Metro 4, the Directors did not deem it necessary to perform an impairment test since, despite the negative economic result for the year, the associate renegotiated the Economic and Finance Plan underpinning the concession. This update provides for a higher IRR impact than previous trading, which will generate higher future cash flows.

On the other hand, no indicators of impairment were identified with reference to the other CGUs identified with the other associated companies, as they are characterised by positive economic trends with future growth prospects over the medium-term time horizon. As regards information on investee companies, whose financial statements refer to the Reporting Package prepared in accordance with the IFRS, please refer to the information contained in Note 10 of the Notes to ATM S.p.A.'s separate financial statements.

### Non-current financial assets

	31.12.2024	31.12.2023
Financing and credit	169,283	159,802
SPV Linea M4 S.p.A.	168,564	158,989
Coop S.E.D. ATM/S.C.C.A.T.I.	719	813
<b>Total</b>	<b>169,283</b>	<b>159,802</b>

The "*Loans and receivables*" as at 31 December 2024 are broken down as follows:

- subordinated shareholder loan of EUR 168,564 thousand, granted to SPV Linea M4 S.p.A., of which EUR 126,000 thousand principal, EUR 41,755 thousand interest and EUR 809 thousand cumulative positive effect related to the valuation at fair value. Interest on the subordinated loan will be collected, as contractually provided for, according to the terms of the business and financial plan, updated on 29 November 2024 following the green refinancing transaction. When preparing the 2024 financial statements for the purposes of IFRS 9 analyses, the Directors valued this loan at fair value as at 31 December 2024;
- loans of EUR 719 thousand disbursed to the building cooperatives SED-ATM and SCCATI for the realisation of social housing projects, of which EUR 832 thousand in principal and EUR 113 thousand in cumulative negative effect related to the valuation at fair value. In the financial

year 2024, the loans were repaid in the amount of EUR 100 thousand, while the effect related to the valuation at fair value was positive and amounted to EUR 6 thousand;

Changes in the year are shown below:

	31.12.2023	Refunds	Accrued Interest	IFRS 9	31.12.2024
<i>SPV Linea M4 S.p.A.</i>	158,989	-	8,083	1,492	168,564
<i>Coop S.E.D. ATM/S.C.C.A.T.I.</i>	813	(100)	-	6	719
<b>Total</b>	<b>159,802</b>	<b>(100)</b>	<b>8,083</b>	<b>1,498</b>	<b>169,283</b>

The effects, gross of the tax effect, of the change in fair value of the “Noncurrent financial assets”.

	Net equity at 01.01.2024	Profit (loss) 2024	Total
<i>SPV Linea M4 S.p.A.</i>	(684)	1,492	808
<i>Coop S.E.D. ATM/S.C.C.A.T.I.</i>	(119)	6	(113)
<b>Total</b>	<b>(803)</b>	<b>1,498</b>	<b>695</b>

	Net equity at 01.01.2023	Profit (loss) 2023	Total
<i>Metro 5 S.p.A.</i>	(96)	96	-
<i>SPV Linea M4 S.p.A.</i>	(1,112)	428	(684)
<i>Coop S.E.D. ATM/S.C.C.A.T.I.</i>	(124)	5	(119)
<b>Total</b>	<b>(1,332)</b>	<b>529</b>	<b>(804)</b>

## Deferred tax assets

	31.12.2024	31.12.2023
Deferred tax assets	38,385	40,883
<b>Total</b>	<b>38,385</b>	<b>40,883</b>

Deferred tax assets of EUR 38,385 thousand are calculated in relation to the amount of temporary differences with reference to taxed provisions. In 2024, deferred tax assets relating to taxed provisions set aside in previous years totalling EUR 2,300 thousand were utilised.

The nature of temporary differences that generated deferred tax assets is summarised below:

	Deferred tax assets as at 31.12.2023	Ascribed to Income statement	Ascribed to Net	Deferred tax assets as at 31.12.2024
Provisions for Risk Reserves	39,730	(1,948)	-	37,782
Severance indemnity Evaluation	1,703	7	10	1,720
Fair Value Financial Assets	(962)	4	(325)	(1,283)
Plant and machinery	412	(246)	-	166
<b>Total</b>	<b>40,883</b>	<b>(2,183)</b>	<b>(315)</b>	<b>38,385</b>

The value of ATM S.p.A.'s IRES tax losses resulting from the last tax return filed, tax year 2023, is equal to EUR 859,882 thousand fully deductible and EUR 44,866 thousand limitedly deductible. Tax losses that can be used to a limited extent in the National Tax Consolidation amounted to EUR 823,160 thousand

Even considering the 2024 tax result, the value of the loss carry-forwards would not change, as they would be included in the National Tax Consolidation in accordance with the existing Group contract.

#### Other receivables and noncurrent assets

	31.12.2024	31.12.2023
Other receivables and noncurrent assets	54,081	39,491
<b>Total</b>	<b>54,081</b>	<b>39,491</b>

This item, amounting to EUR 54,081 thousand, includes advances paid to suppliers for works pursuant to Art. 35 of Legislative Decree no. 50/2016. The increase over the previous year is mainly related to advances paid to lift supplier companies that will replace lifts in the underground stations of the M1, M2 and M3 lines, and to advances paid to companies in charge of civil fire-fighting works in the above-mentioned underground lines.

#### Inventories

The balance of the item "Inventories" as at 31 December 2024 is broken down as follows:

	31.12.2024	31.12.2023
Maintenance consumables	134,406	134,489
Diesel	713	807
Other material in stock	1,465	1,598
<b>Total inventory</b>	<b>136,584</b>	<b>136,894</b>
Provision for inventory write-down	(28,320)	(33,591)
<b>Total net inventory</b>	<b>108,264</b>	<b>103,303</b>
Advances on supplies	-	1,657
<b>Total</b>	<b>108,264</b>	<b>104,960</b>

Inventories, gross of "Advances on supplies" and "Allowance for inventory write-downs", slightly decreased by EUR 310 thousand compared to 31 December 2023. The decrease in inventories derives from lower inventories of materials for the maintenance of the trolleybus structure and electrical and electronic systems of the parent company ATM S.p.A. for EUR 3,439 thousand, almost entirely offset by the increase of EUR 3,143 thousand attributable to the subsidiary Metro Service A/S in line with the growth in maintenance requirements of the train fleet as a result of the opening of five additional stations during 2024.

Following the inventory reconnaissance action, obsolete assets were disposed of for EUR 7,031 thousand and, consequently, the "Inventory write-down provision" set up in previous years for this purpose was used for the same amount. In addition, at 31 December 2024, a provision of EUR 1,761 thousand, having considered, on the one hand, assets with a low turnover rate and, on the other hand, the results of the analyses carried out to assess the obsolescence of materials in inventory to be disposed of, with reference mainly to vehicles that at the date of preparation of the financial statements have left the production process or are expected to be taken out of service and consistent with maintenance requirements.

Changes in the "inventory write-down provision" are shown below.

	31.12.2023	Increases	Decreases	31.12.2024
Provision for inventory write-down	33,591	1,761	(7,031)	28,320
<b>Total</b>	<b>33,591</b>	<b>1,761</b>	<b>(7,031)</b>	<b>28,320</b>

The provision for "Allowance for inventory write-downs" is included in the profit and loss account item "Costs for purchases of goods and changes in inventories" (Note 33).

### Current financial assets

	31.12.2024	31.12.2023
Current financial assets	145,750	170,281
<b>Total</b>	<b>145,750</b>	<b>170,281</b>

Current financial assets as at 31 December 2024 are broken down as follows:

- Government securities "Held to Collect & Sell" classified as FVTOCI in the amount of EUR 27,947 thousand, whose changes in fair value continue to be recognised with a balancing entry in the equity reserve (recognised in OCI) until realised or reclassified;
- Corporate bonds "Held to Collect & Sell" classified as FVTOCI in the amount of EUR 32,878 thousand, whose changes in fair value continue to be recognised with a balancing entry in the equity reserve (recognised in OCI) until realised or reclassified;
- Corporate bonds "Other" classified as FVTPL in the amount of EUR 10,706 thousand, whose changes in fair value are recognised in the Statement of Operations and contribute to the profit or loss for the year;

- Units of "Other" OICRs classified as FVTPL in the amount of EUR 64,800 thousand, whose changes in fair value are recognised in the Income Statement and contribute to the economic result for the year;
- *Financial Assets* reported in accordance with IFRIC 12, referring to the Thessaloniki metro management activity by the Greek subsidiary THEMA S.A., in the amount of EUR 9,419 thousand. This financial asset is classified as a current asset because the contracting entity Elliniko Metro S.A. will settle the invoices issued by the subsidiary within 12 months.

The net change from 31 December 2023 is attributable to changes in the portfolio of invested assets and its management. The analysis of portfolio movements is set out in the cash flow statement, to which reference should be made.

### Current Tax Assets

	31.12.2024	31.12.2023
Withholding tax credit	11,495	13,016
Credits for tax advances (IRAP)	5,676	9,043
<b>Total</b>	<b>17,171</b>	<b>22,059</b>

The "Receivable from tax authorities for withholding taxes", amounting to EUR 11,495 thousand, relates to receivables for withholding taxes incurred by ATM S.p.A. and subsidiaries participating in the tax consolidation scheme.

The "*Receivables for advance payments on taxes (IRAP)*" amounting to EUR 5,676 thousand relate to the amount of advance payments made in excess of the tax accrued in previous year.



## Trade receivables

Item "Trade Receivables" as at 31 December 2024 shows a balance of EUR 292,776 thousand, broken down as follows:

	31.12.2024	31.12.2023
Receivables from third parties	68,711	67,517
Receivables from related parties	224,065	183,302
<i>Receivables from parent companies</i>	203,699	168,809
<i>Receivables from affiliates</i>	20,210	14,231
<i>Receivables from subsidiaries of parent companies</i>	156	262
<b>Total</b>	<b>292,776</b>	<b>250,819</b>

"*Receivables from third parties*" mainly refer to receivables from Italian and European Union entities and concern services rendered for advertising, sponsorships and rental of commercial premises in underground stations. This item includes receivables of EUR 43,036 thousand (EUR 47,913 thousand in 2023) owed by the Danish subsidiary Metro Service A/S to the entrusting entity.

Receivables are shown net of the specific provision for bad debts, which as at 31 December 2024 amounted to EUR 11,077 thousand (EUR 11,379 thousand as at 31 December 2023), set up to specifically cover doubtful receivables and receivables for which legal action is currently pending.

Changes in the provision for bad debts are as follows:

	31.12.2023	Provisions	Uses	Releases	31.12.2024
Provision for bad debts	11,379	58	(225)	(135)	11,077
<b>Total</b>	<b>11,379</b>	<b>58</b>	<b>(225)</b>	<b>(135)</b>	<b>11,077</b>

During the year, the reserve was utilised for EUR 225 thousand, the reserve was released for EUR 135 thousand, and funds were set aside for EUR 58 thousand against new and more complete information on the status of disputes with certain creditors, with these amounts recognised in the item "Other operating costs and charges" (Note 37).

"Receivables from related parties" comprise:

- "*Receivables from the Parent Company*" for EUR 203,699 thousand (EUR 168,809 thousand as at 31 December 2023) net of the specific allowance for impairment which amounted to EUR 496 thousand as at 31 December 2024. This item refers to receivables from the Municipality of Milan, mainly for invoices issued for the

consideration of the Local Public Transport (LPT) Service Contract for the month of December 2024 (EUR 58,742 thousand) as well as withholdings as guarantee of the aforementioned contract equal to 5% of the consideration for the months from January to May 2024 (totalling EUR 15,458 thousand) and for invoices to be issued for the same for the months of July through December 2024 (EUR 19,674 thousand).

Finally, there are invoices to be issued for work on the metro and tram infrastructure (EUR 32,856 thousand), services for area C (EUR 2,375 thousand), miscellaneous services including the construction of the traffic control system for the new M4 line (EUR 1,596 thousand), additional school service (EUR 1,451 thousand) and management of the bike sharing service (EUR 800 thousand).

At the date of preparation of this financial report, the receivable from the Municipality of Milan related to the consideration for the LPT Service Contract for December 2024 was collected in the amount of EUR 53,402 thousand.

Changes in the provision for bad debts due from the parent company are shown below:

31.12.2023	Provisions	Releases	31.12.2024
Allowance for doubtful accounts with subsidiaries	470 159	(133)	496
<b>Total</b>	<b>470 159</b>	<b>(133)</b>	<b>496</b>

During the year, due to new and more precise information on some specific positions, the provision was released in the amount of EUR 133 thousand and accrued in the amount of EUR 159 thousand, with these amounts recognised in the item "Other Operating Costs and Charges" (Note 37).

- "Receivables from associated companies" in the amount of EUR 20,210 thousand (EUR 14,231 thousand as at 31 December 2023), related to services rendered under existing contracts. The balance is broken down as follows:

	31.12.2024	31.12.2023
Full Green Consortium	171	-
Co.Mo. Fun&Bus S.c.a r.l.	281	314
SBE Consortium	4	-
SPV Linea M4 S.p.A.	17,567	11,727
Metro 5 S.p.A.	2,178	2,186
Movibus S.r.l.	42	33
<b>Total</b>	<b>20,243</b>	<b>14,260</b>
Provision for bad debts	(33)	(29)
<b>Total</b>	<b>20,210</b>	<b>14,231</b>

Receivables mainly refer to services rendered under existing contracts. The increase in the

item is mainly related to the increase in receivables from SPV M4 S.p.A. due to the increase in the consideration following the entry into service, on 12 October 2024, of the entire route of the M4 line (from Linate Airport to San Cristoforo station). During the year, the *"Allowance for doubtful accounts receivable from affiliates"* was adjusted.

Changes in the year are shown below:

31.12.2023	Provisions	Releases	31.12.2024
Allowance for doubtful accounts with associates	29 9	(5)	34
<b>Total</b>	<b>29 9</b>	<b>(5)</b>	<b>34</b>

The provision of EUR 9 thousand as well as the release of EUR 5 thousand are recorded under 'Other operating costs and expenses' (Note 37).

- "Receivables from subsidiaries of parent companies", for EUR 156 thousand (EUR 262 thousand as at 31 December 2023). The decrease compared to 31 December 2023 relates to fewer services rendered under existing contracts.

There were no changes in the "Provision for bad debts from subsidiaries of the parent company" during the year.

### Other receivables and current assets

Other *current receivables and assets* as at 31 December 2024 had a balance of EUR 80,240

	31.12.2024	31.12.2023
Receivables for contributions	68,369	82,921
Other tax receivables	2,536	3,287
Prepaid expenses	4,890	3,681
Other receivables	4,445	1,615
<b>Total</b>	<b>80,240</b>	<b>91,504</b>

thousand.

The most significant change, with respect to 31 December 2023, relates to the item *"Credits for grants"*, which recorded a decrease of EUR 14,552 thousand as a result, on the one hand, of lower receivables for state grants for plants for EUR 25,015 thousand and the lower receivable relating to the grant for the "transportation bonus" for 246 thousand, established by Decree-Law no. 50 of 17 May 2022 and converted with amendments into Law no. 91 of 15 July 2022, partly offset by the increase in receivables for government grants for plant for EUR 11,909 thousand.

As at 31 December 2024, the CCNL contributions pertaining to the financial year 2024 have almost been fully collected.

Below is a breakdown of the item "Receivables for contributions":

- EUR 42,048 thousand (EUR 57,585 thousand at 31 December 2023) related to grants requested for investments subject to contributions by public entities. Contributions recognised refer for EUR 30,106 thousand (EUR 55,121 thousand in 2023) to receivables related to investments financed by the State, (EUR 9,271 thousand for rolling stock, EUR 14,294 thousand for electric bus recharging systems, and EUR 6,541 thousand for infrastructure), for EUR 11,909 thousand (EUR 2,431 thousand in 2023) to receivables financed by the Lombardy Region for the purchase of buses for EUR 33 thousand to receivables financed by the Municipality for the bike sharing project;
- EUR 25,832 thousand (EUR 24,654 thousand as of 31 December 2023) in respect of grants resolved upon by Authorities and recorded on an accrual basis, of which EUR 20,763 thousand related to the purchase of rolling stock, EUR 4,544 thousand related to recharging equipment and EUR 525 thousand related to infrastructure;
- EUR 489 thousand (EUR 436 thousand as of 31 December 2023) concerning contributions deliberated by Authorities and mainly related to free circulation cards issued to entitled persons for EUR 483 thousand and EUR 6 thousand to National Labour Collective Contract contributions pertaining to Como Fun & Bus S.r.l.

*'Other tax credits'* refer for EUR 1,783 thousand to the diesel excise tax credit relating to the 3rd and 4th quarters of 2024 and for EUR 753 thousand to the tax credits under Article 1, paragraphs 184 to 194 of Law No. 160 of 27 December 2019 and to the Industry 4.0 tax credit, recorded under Law

No 178/2020 - Article 1, paragraph 1057.

"Prepaid expenses" refer to insurance premiums and fee-based maintenance services pertaining to the following year, the financial manifestation of which occurred in the year 2024.

*"Other receivables"* refer to advances paid to employees in accidents on behalf of INAIL, to receivables from employees for passes issued to employees, and to deposits made to various entities.

During the year, against doubtful receivables related to credit card collections, having ascertained that they were unrecoverable, the specific provision for doubtful receivables was fully utilised with a balancing entry in the income statement under *'Other operating costs and expenses'* (Note 37).

**Cash and cash equivalents**

	31.12.2024	31.12.2023
Cash and cash equivalents	179,824	142,186
<b>Total</b>	<b>179,824</b>	<b>142,186</b>

The balance includes current account balances, cash funds, prepaid company credit card balances, as well as teller allocations and issuer allocations.

All accounts are denominated in euros, with the exception of the current account in Danish kroner held by the Danish subsidiary Metro Service A/S with a countervalue of EUR 17,614 thousand at 31 December 2024 (EUR 16,816 thousand at 31 December 2023). The item "*Cash and cash equivalents*" is stated net of the related provision to cover losses totalling EUR 255 thousand. In the financial year 2024, the provision was increased by EUR 28 thousand.

**Windfall assets**

In 2022, following the receipt of a purchase proposal, the presumed sale value of the land and warehouse located in Via Pompei in Monza and owned by the subsidiary NET Srl was reclassified

in the amount of EUR 3,200 thousand.

The finalisation of the sale of the land and the deposit was postponed in order to take into account the time required for the completion of the bureaucratic formalities by the Municipality of Monza (and any other competent Authorities) for the definition of the property's boundaries, the building indexes and the applicability to the property of the conditions set forth in the PGT currently in force and was finalised on 24 February 2025.

The net book value of the land and buildings located in Bordighera, Via Bel Soggiorno 2, was reclassified in 2024, as it is assumed that they will be sold in 2025. The value reclassified under discontinued assets is EUR 4,663 thousand.

**Liabilities****Shareholders' equity**

The "Share Capital" amounts to EUR 700,000 and consists of 70,000,000 ordinary shares with a par value of EUR 10 each. It is fully subscribed and paid up and there were no changes during the year or in the previous year. The Municipality of Milan is the sole shareholder of the parent company ATM S.p.A.

The item "Other Reserves" includes the "Reserve actuarial gains/(losses) from defined benefit plans" which includes the effects of accounting under "Other Comprehensive Income" for gains/(losses) from defined benefit plans net of the related tax effect.

The changes shown in the Statement of Other Components of the Consolidated Income Statement are detailed and described in the "Statement of Changes in Equity".

The portion of the First Time Adoption reserve that became available amounted to EUR 131,603 thousand.

The following table shows the reconciliation of the Consolidated and Parent Company Shareholders' Equity:

	Capital and Reserves as at 31.12.2023	Result as at 31.12.2024	Var. UCITS components	IFRS 9 impacts	Dividend distribution	Other transactions	Capital and Reserves as at 31.12.2024
ATM S.p.A. shareholders' equity at 31/12/2023	1,081,706	3,083	886	-2	1,085,673		
Elimination of Investments	(29,937)	(29,937)					
Change Area of Consolidation	1,949				1,949		
IAS 19 reserve	(335)		(10)				(345)
Total equity contributed by consolidated companies	170,610	25,888					196,498
Reserve of translation/rounding	1			1			2
Dividends	(96,533)	(13,867)			(3,920)		(114,320)
Valuation at equity for companies Associated	33,266	(8,398)	(1,530)				23,338
Consolidation adjustments	14,789	(894)					13,895
<b>Total equity</b>	<b>1,175,516</b>	<b>5,812</b>	<b>(654)</b>	<b>(2)</b>	<b>(3,920)</b>	<b>1</b>	<b>1,176,753</b>
<b>Group Shareholders' equity</b>	<b>1,150,798</b>	<b>931</b>	<b>(654)</b>	<b>(3)</b>	<b>-</b>	<b>-</b>	<b>1,151,074</b>
<b>Equity attributable to non-controlling interests</b>	<b>24,717</b>	<b>4,881</b>	<b>-</b>	<b>-</b>	<b>(3,920)</b>	<b>-</b>	<b>25,679</b>

## Non-Current and Current Financial Liabilities

	31.12.2024	31.12.2023
Non-current financial liabilities	237,824	173,842
Current financial liabilities	166,035	234,294
<b>Total</b>	<b>403,859</b>	<b>408,136</b>

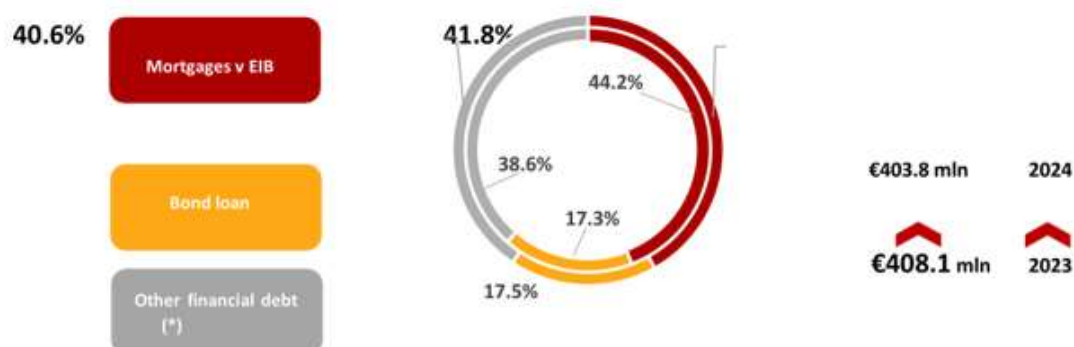
The item "Non-current Financial Liabilities" increased as a result of the issuance of the bond, in the form of a *private placement green* under the EMTN programme, issued on 26 July 2024 by the Parent Company.

The item "Current financial liabilities" decreased due to the repayment of the bond placed on 8 August 2017 by the Parent Company and maturing on 8 August 2024.

The breakdown of financial liabilities by their nature and maturity is shown below:

Financing	Within 12 months	Between 1 year and 5 years	Over 5 years	Total
<i>EIB loan</i>	11,510	47,585	109,896	168,991
<i>Bond</i>			69,441	69,441
<i>Bridge to Bond</i>	149,490			149,490
<i>Bond Loan Thema</i>	802	3,863		4,665
<b>Total Loans</b>	<b>161,802</b>	<b>51,448</b>	<b>179,337</b>	<b>392,587</b>
<b>Accrued interest</b>				
<i>Bond</i>	1,361			1,361
<i>Bridge to Bond</i>	427			427
<b>Total accrued interest</b>	<b>1,788</b>			<b>1,788</b>
<b>Liabilities for L.L. IFRS 16</b>	<b>2,445</b>	<b>7,039</b>		<b>9,484</b>
<b>TOTAL</b>	<b>166,035</b>	<b>58,487</b>	<b>179,337</b>	<b>403,859</b>

#### Breakdown of financial debt (2024 vs 2023)



N.B.: the comparative pie chart shows the 2024 data externally and the 2023 data internally respectively

\* includes Bridge to Bond, Bond Loan Thema, lease liabilities and cash pooling liabilities

### Financial debt repayment 31.12.2024 (EUR mln)



The amount of EUR 403,859 thousand refers to:

- EUR 168,991 thousand (of which EUR 11,510 thousand current and EUR 157,481 thousand non-current) to accruals, net of repayments, activated under the loan agreement for a total of EUR 250,000 thousand signed with the European Investment Bank for the financing of the new underground trains on the M1 and M2 lines. The loan agreement places an obligation on the parent company to comply with certain capital and financial parameters. As at 31 December 2024, as in previous years, the covenants contractually set forth in the loan agreement have been fulfilled. The debt is fully due on 30 June 2038 and is therefore mainly recorded under "Non-current financial liabilities";
- EUR 70,801 thousand to the bond loan, in private placement green format under the EMTN programme, issued on 26 July 2024 by the Company (of which EUR 69,441 thousand related to the principal portion of the bond loan and EUR 1,361 thousand related to interest accrued during the period that will be paid on the maturity date), not backed by collateral and intended only for qualified investors with a total nominal value of EUR 70 million. The bonds mature on 26 July 2031 and interest is calculated at a fixed annual rate of 4.463%. The stock is listed on the Dublin Stock Exchange (ISIN code XS2867280658). In November 2024, Fitch Ratings confirmed ATM's long-term rating at 'BBB' (Long Term Issuer Default Rating) with improvement of the outlook from stable to positive, 'F2' for short-term and 'a' as a single rating on the Parent Company. The bond is valued at amortised cost, which therefore took into account the expenses incurred and issue discounts. The effective, fixed interest rate for the entire term of the loan is deemed representative of market conditions as at 31 December 2024. At the end of the financial year, the Group has the financial resources necessary to repay the loan in full, as can be seen from the balance of the items cash and securities;
- EUR 149,490 thousand to a Bridge to Bond loan in principal and EUR 427 thousand in interest. The loan was signed on 15 December 2023, drawn on 20 December 2023 and the natural maturity date was set for 15 December 2024. A renewal option was exercised on it, extending its natural expiry date to June 2025;



- EUR 4,665 thousand loan granted to the Greek subsidiary THEMA S.A. by the parent company Egis Project S.A.S. It was disbursed in two tranches, the first in March 2024 for EUR 802 thousand and the second in September 2024 for EUR 3,863 thousand. The interest on the subordinated loan will be charged as defined in the agreement between the parties signed in October 2023;
- EUR 9,484 thousand to the value of the lease liability recognised following the entry into force from 2019 of IFRS 16 Leases (of which EUR 2,445 thousand due within 12 months and EUR 7,039 thousand due beyond 12 months). During the year, this item changed due to the recognition of new contracts in the amount of EUR 5,661 thousand, the recognition of implied interest in the amount of EUR 318 thousand, and the payment of fees in the amount of EUR 4,083 thousand;
- With regard to loans granted by the European Investment Bank (EIB), the Group signed loans totalling EUR 250,000 thousand, of which EUR 235,367 thousand at a fixed rate.

Details of EIB disbursements are given below:

EUR thousands	Date of draught	Currency	Initial amount of debt	Amount of debt to be repaid as at 31/12/2024	Interest rate as at 31/12/2024	Maturity
Disbursement 1	29/11/2013	euro	14,633	9,188	4.549% (*)	30/06/2038
Disbursement 2	28/11/2014	euro	40,000	27,062	1.99%	30/06/2038
Disbursement 3	23/04/2015	euro	55,367	36,087	0.96%	30/06/2038
Disbursement 4	15/03/2017	euro	70,000	48,387	1.45%	30/06/2038
Disbursement 5	31/01/2018	euro	40,000	27,582	1.37%	30/06/2038
Disbursement 6	31/01/2018	euro	30,000	20,686	1.37%	30/06/2038
<b>Total</b>			<b>250,000</b>	<b>168,992</b>		

(\*) variable-rate indexed disbursement

Disbursements are recorded at amortised cost represented by the nominal value as there are no contractual start-up charges, and the effective interest rate of each disbursement, fixed for the entire duration of the loan, was considered to be representative of market conditions as at 31 December 2024. Similarly, the variable-rate tranche is recorded at nominal value, since, with reference to *forward* rates, in the medium term the rate is considered representative of market conditions.

## Employee benefits

Defined benefit plans are calculated by estimating, using actuarial techniques, the amount of future benefit that employees have accrued in the current and prior periods. The calculation is carried out by an independent actuary using the *"Projected Unit Credit Method"*. For the purposes of the calculation, the interest or discount rate used is given by the price on 31 December of each year of the iBoxx Corporate EUR benchmark index with duration 7-10 and AA rating.

	31.12.2024	31.12.2023
Employee Severance Indemnity	76,362	83,493
<b>Total</b>	<b>76,362</b>	<b>83,493</b>

The TFR, governed by Article 2120 of the Civil Code, includes the estimated obligation relating to the amount to be paid to employees upon termination of employment. The allowance, which is paid in the form of a lump sum, is equal to the sum of allowances calculated on the salary items paid in respect of the employment relationship and revalued up to the time of termination thereof. As a result of legislative changes introduced as of 1 January 2007, for companies with more than 50 employees, the accrued termination indemnity is classified as a defined-contribution plan insofar as the company's obligation is represented solely by the payment of contributions to pension funds, i.e. to INPS. The liability for severance pay prior to 1 January 2007 represents a defined benefit plan to be valued using actuarial techniques. The TFR falls under defined benefit plans that are unfunded and therefore there are no assets servicing the plan.

The following changes occurred during the financial year with regard to severance pay:

	Change
<b>Opening balance</b>	<b>83,493</b>
Cost of service	158
Interest cost	2,496
Actuarial (gains)/losses	44
Benefits Paid	(9,829)
<b>Closing balance</b>	<b>76,362</b>

The amount of termination benefits calculated in accordance with Article 2120 of the Civil Code is EUR 76,362 thousand.

The actuarial loss for the period, amounting to EUR 43 thousand, was recognised in other comprehensive income by adjusting the balance of the employee severance indemnity reserve with a balancing entry in a specific equity reserve and is composed as follows:

	Change
Actuarial (gains)/losses due to experience	(461)
Actuarial (gains)/losses due to changes in financial assumptions	505
<b>Closing balance</b>	<b>44</b>

With regard to termination benefits, the actuary's valuations were based on the economic-financial and demographic assumptions summarised in the tables below:

<i>Date of calculation</i>	<b>ATM S.p.A. 31.12.2024</b>	<b>GESAM S.r.l. 31.12.2024</b>	<b>Rail Diagnostics S.p.A. 31.12.2024</b>	<b>NET S.r.l. 31.12.2024</b>	<b>Citylink S.r.l. 31.12.2024</b>
<i>Mortality rate</i>	IPS55 tables	IPS55 tables	IPS55 tables	IPS55 tables	IPS55 tables
<i>Disability rates</i>	INPS-2000 tables	INPS-2000 tables	INPS-2000 tables	INPS-2000 tables	INPS-2000 tables
<i>Turnover rate of staff</i>	5.81%	4.08%	4.53%	6.90%	0.50%
<i>Discount rate*</i>	2.93%	2.93%	2.93%	2.93%	2.93%
<i>Rate of salary increase</i>	1.50%	1.50%	1.50%	1.50%	1.50%
<i>Rate of advances</i>	0.64%	5.07%	2.99%	0.90%	0.50%
<i>Inflation rate</i>	2.00%	2.00%	2.00%	2.00%	2.00%

\*Quotation at 31/12/2024 of the iBoxx Corporate EUR benchmark index with 7-10 duration and AA rating

The sensitivity analysis on the discount rate represents the change in the value of the actuarial liability that results from year-end valuation data by varying the discount rate, subject to other assumptions:

**Provisions for risks and charges**

	31.12.2024	31.12.2023
Provision for environmental disputes and risks	57,656	48,599
Provision for damages/claims	12,824	13,965
Other provisions	28,199	20,455
<b>Total</b>	<b>98,679</b>	<b>83,019</b>

The most significant items contributing to the balance are as follows:

- The "*Provision for disputes and environmental risks*" in the amount of EUR 57,656 thousand, referring to contingent liabilities towards suppliers, customers, third parties, employees, related parties and the environment, arising from ordinary business operations, the occurrence of which is deemed probable. The fund is made up of *i)* EUR 17 million relating to the environmental fund *ii)* EUR 15 million for the guarantee provided when submitting the project finance proposal pursuant to Article 183, paragraph 15 of Legislative Decree no. 50/2016 *iii)* EUR 7 million for disputes concerning the allocation of tariff revenues; *iv)* EUR 16.2 million for disputes with personnel *v)* EUR 0.6 million for quality standard penalties that could be charged to NET S.r.l. by the Basin Agency *vi)* approximately EUR 1.6 million refers to legal expenses and disputes with suppliers. During the year, the amount of the provision was updated on the basis of the hypothesised impact of pending litigations and the outcome of completed litigations, as well as on the basis of revised estimates, resulting in accruals of EUR 14,137 thousand, utilisations of EUR 2,545 thousand and releases of EUR 2,536 thousand, as detailed below.

Provisions of EUR 14,137 thousand were made in the financial year 2024, of which:

- EUR 10,808 thousand related to a dispute with personnel related to overtime;
- EUR 2,763 thousand related to disputes with personnel and specifically to the dispute concerning the recognition of specific remuneration parameters during the holiday period;
- 229 thousand related to the subsidiary NET S.r.l. as a result of penalties for missed mileage;
- EUR 166 thousand for legal expenses related to various disputes in progress;
- EUR 161 thousand for the litigation in progress with the carrier Caronte of which detailed information is provided in the Report on Operations in the section on "*Main Outstanding Litigations*";
- EUR 10 thousand related to disputes with suppliers.
- Utilisation movements of the provision of EUR 2,545 thousand refer to:
  - EUR 1,407 thousand for payments made in connection with a dispute with CTP, which was fully disclosed in the Report on Operations in the section on "*Main Outstanding Litigations*";
  - EUR 277 thousand to utilisation related to the settlement of disputes with personnel;

- EUR 446 thousand to be used for specific maintenance work carried out at certain company sites and plants;
- EUR 318 thousand to utilisation for quality standard penalties charged to NET S.r.l. by the Basin Agency;
- EUR 96 thousand to legal expenses.

The releases, made in consideration of new and more up-to-date information refer to:

- EUR 2,128 thousand related to disputes with personnel;
- EUR 182 thousand for lower quality standard penalties v. the subsidiary NET S.r.l.;
- EUR 136 thousand to legal expenses;
- EUR 90 thousand to the release of the provision set up for disputes with suppliers.
- the "Claims settlement reserve" in the amount of EUR 12,824 thousand, the value of which is commensurate with the estimated compensation to be paid in future years for damages/claims related to the circulation of scheduled passenger cars, limited to the risk band not covered by the insurance policies taken out with the various Companies. Non-performing claims were assessed by examining individual files open as at 31 December 2024.
- from "Other provisions": the item mainly refers to "Provision for restoration charges" and is attributable to the costs that Metro Service A/S will have to incur, as per the Service Agreement entered into with the municipality of Copenhagen, to return the assets received at the start of operation of the metro lines in their state of use. The fund was revised against contractual provisions.

The value of the above provisions includes the best estimate of litigation-related legal expenses.

	31.12.2023	Increases	Uses	Release	31.12.2024
Litigation Fund	48,599	14,137	(2,545)	(2,536)	57,655
Liquidated damages/claims fund	13,965	696	(64)	(1,773)	12,824
Other provisions	20,455	7,799	-	(54)	28,200
<b>Total</b>	<b>83,019</b>	<b>22,632</b>	<b>(2,609)</b>	<b>(4,363)</b>	<b>98,679</b>

Changes in the provisions for liabilities and charges are shown below:

	31.12.2022	Increases	Uses	Release	31.12.2023
Litigation Fund	68,163	4,853	(1,545)	(22,872)	48,599
Liquidated damages/claims fund	16,912	940	(3,887)		13,965
Other provisions	13,880	6,590		(15)	20,455
<b>Total</b>	<b>98,955</b>	<b>12,383</b>	<b>(5,432)</b>	<b>(22,887)</b>	<b>83,019</b>

Please refer to Note 5 "Use of Estimates" for considerations on the estimative processes underlying the valuation of disputes and contingent liabilities.

### Deferred tax liabilities

	31.12.2024	31.12.2023
Deferred tax liabilities	49,000	49,238
<b>Total</b>	<b>49,000</b>	<b>49,238</b>

The nature of temporary differences that generated deferred taxes is summarised below:

	Liabilities for Deferred Tax Liabilities as at 31.12.2023	Recognised in Income Statement	Recognised as Assets	Liabilities for Deferred Tax Liabilities as at 31.12.2024
Land and Buildings - IAS 16	43,446	(341)	-	43,105
Fair Value Rolling Stock and Financial Leases	5,395	(150)	-	5,245
Fair Value Financial Assets/Liabilities	(4)	359	-	355
Investments	401	(112)	6	295
<b>Total</b>	<b>49,238</b>	<b>(244)</b>	<b>6</b>	<b>49,000</b>

### Other noncurrent payables and liabilities

This item, amounting to EUR 66,096 thousand as of 31 December 2024, includes advances received by the Parent Company and disbursed by the City of Milan for the Company's performance of extraordinary maintenance services on municipal property.

These amounts, until the year 2023, were represented within the item *"Trade Receivables"*.

### Current tax liabilities

	31.12.2024	31.12.2023
IRAP	79	-
Income tax Metro Service A/S	906	1,462
<b>Total</b>	<b>985</b>	<b>1,462</b>

The item refers for EUR 906 thousand to the current tax liability of the Danish subsidiary Metro Service A/S.

Italian companies do not have taxes for IRES purposes.

## Trade Payables

	31.12.2024	31.12.2023
Payables to third parties	277,240	294,585
Payables to related parties	52,591	52,302
<i>Payables to the parent company</i>	48,363	48,707
<i>Payables to affiliates</i>	3,779	2,929
<i>Payables to subsidiaries of parent companies</i>	449	666
<b>Total</b>	<b>329,831</b>	<b>346,887</b>

The amount of EUR 277,240 thousand for "*Outstanding payables to third parties*" (EUR 294,585 thousand as at 31 December 2023) includes payables for invoices not yet paid and payables for invoices to be received that arose for the purchase of materials, services and capitalised goods, mainly to Italian and European Union suppliers. The decrease of EUR 17,345 thousand is mainly attributable to the different invoicing methods and the consequent timing of payments to suppliers.

"*Payables to related parties*" mainly include "*Debts to parent company*", which showed a balance of EUR 48,363 thousand as at 31 December 2024 (EUR 48,707 thousand as at 31 December 2023) and are entirely attributable to the City of Milan.

The decrease is mainly related to the decrease in the number of passengers transported, which led to a consequent decrease in the sale of tickets and a lower liability for refunds for the month of December 2024 compared to the same period in 2023.

The balance of item "*Payables to parent company*" refers to:

- for EUR 32,453 thousand (EUR 35,387 thousand as of 31 December 2023) to the liability for the payment to the Municipality of Milan of the proceeds from ticket sales in December 2024;
- to payables for the repayment of parking revenues to the Municipality as defined in the "Parking Agreement" of 27 April 2017 in the amount of EUR 10,983 thousand;
- EUR 3,290 thousand for penalties attributable to the non-achievement of KPIs related to quality standards;
- for EUR 1,637 thousand to repayments of Area C revenues for the month of December 2024.



The "Payables to affiliated companies" are detailed below:

	31.12.2024	31.12.2023
Co.Mo. Fun&Bus S.c.a.r.l.	18	18
SBE Consortium	745	264
SPV LINEA M4 S.p.A.	2,239	1,927
Metro 5 S.p.A.	1	109
Movibus S.r.l.	776	611
<b>Total</b>	<b>3,779</b>	<b>2,929</b>

These refer to services rendered under existing contracts. The most significant changes from the previous year concern the company SPV LINEA M4 S.p.A. due to the increase in the ALL RISK policy debt and the company Metro 5 S.p.A. due to the contract related to the leasing of spaces within the stations of the M5 line for the installation of vending machines.

There was also an increase in the liability for consortium contributions to the SBE Consortium of EUR 454 thousand.

The "Payables to subsidiaries of parent companies" of EUR 449 thousand mainly refer to payables arising from services rendered to MM S.p.A.

#### Other current payables and liabilities

	31.12.2024	31.12.2023
Payables to employees	27,128	29,968
Payables to pension and social security institutions	30,235	30,707
Payables for holidays not taken	26,823	26,619
Other tax liabilities	14,110	11,076
Other payables	30,701	20,700
Waste collection tax	29	3,074
VAT payable	109	1,391
Accrued expenses and deferred income	5,524	7,071
<b>Total</b>	<b>134,659</b>	<b>130,606</b>

The item "Other current payables and liabilities" amounted to EUR 134,659 thousand as at 31 December 2024. The main changes relate to the decrease in 'Payables to employees', 'Payables to social security institutions', 'TARSU' and 'Accrued expenses and deferred income' offset by the increase in 'Other payables' and 'Other tax payables'.

The breakdown of this item is as follows:

- EUR 27,128 thousand in payables to employees, the change in which was due to the payment in 2024 of the redundancy incentives signed in 2023, the reduction in



payables related to variable and deferred components of remuneration, and the settlement and correlated payment of the amount due for a dispute with employees related to the quantification of remuneration during holiday periods;

- EUR 30,235 thousand from payables to INPS as well as to the pension funds of the category and were settled in accordance with legal deadlines in the first months of 2025;
- for EUR 26,823 thousand from the economic valuation of holidays not taken by employees, as well as the countervalue of overtime hours worked, usable as paid leave, not yet utilised;
- for EUR 14,110 thousand from the Irpef withholdings made by the Group as withholding agent on employee income;
- for EUR 30,701 thousand, miscellaneous payables including payables for security deposits of EUR 2,523 thousand and the payable to Fondazione ATM for contributions and payments for services rendered of EUR 733 thousand. The increase is related to the recognition of the portion of investment grants, not yet received, amounting to EUR 18,648 thousand related to the purchase of rolling stock that has not yet been delivered;
- EUR 29 thousand to the debt for Tarsu 2024. The decrease is related to the fact that, whereas in 2023 the debt was settled in February 2024, this year the debt was almost entirely settled in the reporting year;
- EUR 5,524 thousand in deferred income related to revenues invoiced during the year but pertaining to 2025.

## Notes to the consolidated income statement

### Revenues and other operating income

The value of "Revenues and other operating income" consists mainly of:

- *"Revenues from core business"*, which refer to revenues generated by the Service Contract for the management of the Local Public Transport (LPT) service stipulated with the Municipality of Milan, revenues for the management of the Copenhagen metro lines, the fee for the management of the M5 metro line under the contract stipulated with Metro 5 S.p.A, the consideration for the management of the M4 underground line based on the contract entered into with SPV Metro 4 S.p.A. and, residually, revenues for the management of parking spaces, car parks and removals, revenues for the management of the Como - Brunate, Argegno - Pigra and Varese Vellone - S. Maria del Monte funiculars and the POMA 2000 light metro service. Finally, this item includes revenues for the operation of the Thessaloniki metro line, which commenced operations on 30 November 2024;
- *"Other revenues"*, which include revenues from advertising and property rentals, revenues for work performed on municipally owned assets, including maintenance services on infrastructure, and for services performed for the management of Area B and Area C;

- "Other proceeds", which mainly comprises operating grants, damage reimbursements and penalties charged to suppliers.

Revenues are realised in Italy and the European Union.

	2024	2023
Revenues from core business	995,346	925,458
Other revenues	82,175	81,156
Other proceeds	83,763	90,718
<b>Total</b>	<b>1,161,284</b>	<b>1,097,332</b>

The following is a breakdown of "Revenues from core business":

	2024	2023
Revenues from LPT	962,553	896,266
Municipality of Milan Service Contract Fee	724,416	693,567
Copenhagen Service Contract Fee	130,070	117,242
Regional Area Service Contract Fee	19,278	18,943
Line 5 management contract fee	30,154	28,868
Line 4 management contract fee	29,081	19,105
Thessaloniki line management contract fee	9,136	450
Fare income - Regional area	15,716	12,762
Special/dedicated transport services	4,702	5,329
Revenues from Parking Spaces management	18,441	15,876
Revenues from car park management	10,430	9,519
Revenues from car removal management	3,470	3,570
Sundry revenues	452	227
<b>Total</b>	<b>995,346</b>	<b>925,458</b>

"Revenues from LPT" amounted to EUR 962,553 thousand (EUR 896,266 thousand in the previous year) and increased by EUR 66,287 thousand.

The main changes in the item "Revenues from LPT" refer to opposing events and specifically to:

- "Service Contract Fee Municipality of Milan" increased compared to 2023 by EUR 30,849 thousand. The variation is linked to contractual trends. The amount includes EUR 3,290 thousand in penalties attributable to the non-achievement of KPIs related to quality standards;
- "Copenhagen Service Contract Fee" increased by EUR 12,828 thousand compared to last year. The higher revenues are related to inflation adjustments and the new contract for the operation of the new Light Rail line;

- "Intercity Area Service Contract Fee" increased compared to 2023 by EUR 335 thousand as the main consequence of the adjustment of the fee agreed with Agenzia di Bacino by the subsidiary NET S.r.l.;
- "Line 5 Management Contract Fee" increased compared to the previous year by EUR 1,286 thousand. The increase is related both to the adjustment of the fee according to the change in the inflation rate and to the increase of the service due to more mileage travelled;
- "Thessaloniki management contract fee" amounting to EUR 9,136 thousand, is related to the revenue recognised for the management of the Thessaloniki metro line, which commenced operations on 30 November 2024;
- "Line 4 Management Contract Fee" increasing by EUR 9,976 thousand and deriving from the single management contract for the Line M4 underground between ATM S.p.A. and the concessionaire company SPV Linea M4 S.p.A. The increase is linked to both the full calendar year operation of the functional San Babila-Linate Aeroporto section and the opening of the last San Babila - San Cristoforo section to service on 12 October 2024;
- "Income from fares - regional area" an increase of EUR 2,954 thousand compared to the previous year. The increase is due, as far as the subsidiary NET S.r.l. is concerned, to the higher income related to the increase in passengers, which led to a consequent increase in the fee income related to the STIBM share due to NET S.r.l. As far as the Parent Company is concerned, there were higher revenues from passenger traffic related to the management of the Como - Brunate, Varese - Sacro Monte and Argegno - Pigra funiculars and higher revenues from tariffs deriving from adjustments referring to previous years;
- "Special/dedicated transport services" decreased by EUR 627 thousand. This change is mainly due to the reduction in additional services requested by the Awarding Bodies in the amount of EUR 421 thousand, partly offset by the activity of the Restaurant Tram, which increased by EUR 120 thousand compared to the previous year.

To complete the analysis of "*Revenues from LPT*", it should be noted that services complementary to the Service Contract with the Municipality of Milan increased by a total of EUR 3,376 thousand. More specifically:

- "Revenues from parking spaces management" increased by EUR 2,565 thousand;
- "Revenues from car park management" increased by EUR 911 thousand;
- "Revenues from car removal management" decreased by EUR 100 thousand.

"*Other revenues*" is broken down as follows:

	2024	2023
Revenue from services rendered	53,388	52,518
Revenues from advertising and sponsorship	18,945	16,701
Rental of commercial premises in underground stations	5,616	6,337
Other revenues	4,226	5,600
<b>Total</b>	<b>82,175</b>	<b>81,156</b>

"Other Revenues" decreased by a total of EUR 1,019 thousand, and the items under analysis are detailed below:

- "Revenues for services rendered" increased by EUR 870 thousand compared to the financial year 2023 due to the higher services rendered by the Danish subsidiary Metro Service A/S in favour of the owner entity in the amount of EUR 3,453 thousand;
- "Advertising and sponsorship revenues" increased by Euro 2,244 thousand as a result of the higher fee recognised to IGP Decaux in the amount of Euro 996 thousand and in the amount of Euro 115 thousand as a result of Findomestic's recognition of an advertising contribution;
- "Underground stations commercial premises rentals" decreased by EUR 721 thousand;
- "Other revenues" decreased by EUR 1,374 thousand. The decrease is mainly related to higher revenues from the sale of operating materials in the amount of EUR 1,096 thousand, revenues related to the disposal of inventory materials, the effects of which were also reflected in the inventory write-down provision, and to a residual extent to higher revenues from the sale of magnetic cards in the amount of EUR 333 thousand.

Below is a breakdown of the item "*Other proceeds*", which decreased by EUR 6,955 thousand compared to last year:

	2024	2023
Insurance reimbursements and costs incurred on behalf of third parties	9,824	8,765
Adjustments of Liabilities and Release of Funds	-	14
Income from penalties invoiced to suppliers	2,835	4,144
Capital gains on disposal of property, plant and equipment	327	697
Grants	56,827	63,350
Other proceeds	13,950	13,748
<b>Total</b>	<b>83,763</b>	<b>90,718</b>

The item "*Insurance reimbursements and costs incurred on behalf of third parties*" increased by EUR 1,059 thousand, mainly due to the adjustments related to the STIBM fee adjustment related to previous years in the amount of EUR 737 thousand.

The item "*Income from penalties invoiced to suppliers*" decreased by EUR 1,309 thousand. During the financial year 2024, penalties were mainly invoiced to suppliers of road rolling stock and contractors.

The item "*Capital gains on disposal of property, plant and equipment*" of EUR 327 thousand refers to the capital gain arising from the sale of 22 trolleybuses, 61 buses and 12 tram cars owned by ATM S.p.A. and 2 buses owned by NET S.r.l.

The Item "*Grants*" decreased by EUR 6,523 thousand and mainly includes: i) grants for the production of electricity through photovoltaic plants and grants for personnel training

amounting to EUR 622 thousand and EUR 1,021 thousand, respectively; *ii*) for EUR 50,190 thousand to National Labour Contract contributions pertaining to the year, the amount of which is unchanged from the previous year, allocated by Law No. 47 of 27 February 2004 to cover the charges deriving from the renewal of the collective labour agreement for the two-year period 2002/2003, by Law No. 58 of 22 April 2005 to cover the charges deriving from the renewal of the national labour agreement for the two-year period 2004/2005, and by Law No. 296 of 27 December 2006 (2007 Budget) to cover the charges for the renewal of the national labour agreement for the two-year period 2006/2007; *iii*) grants received for a total of EUR 609 thousand for the price compensation fund for the adjustment of maintenance costs; *iv*) grants for investments accrued in previous years for EUR 4,055 thousand.

The item *"Other income"* increased by EUR 202 thousand and is mainly composed of the component *"Passenger fines"* with a balance of EUR 10,892 thousand, mainly referring to fines collected by the Danish subsidiary Metro Service S/A.

#### Costs for purchases of goods and changes in inventories

	2024	2023
Purchases of goods	83,606	92,040
Changes in inventories	(4,974)	(3,314)
Consumption of raw materials for internal work	(3,808)	(1,970)
<b>Total</b>	<b>74,824</b>	<b>86,756</b>

This item, which totalled EUR 74,824 thousand, includes purchase costs for materials required for vehicle and plant maintenance, diesel fuel and travel and Parking Spaces tickets, as well as the change in inventories net of utilisations and provisions made to the *"Inventory write-down reserve"*.

The change for the period in the item *"Purchases of goods"* is related to lower purchases of materials to meet maintenance requirements and, above all, to the inventory dynamics of the related provision for obsolescence. In addition, lower costs were incurred in connection with traction diesel fuel (EUR 23,907 thousand in 2024 compared to EUR 28,960 thousand in 2023), and the receipt of the government grant related to the reimbursement of fuel purchase expenses incurred during 2022 (the latter contributed EUR 5,724 thousand positively to the cost reduction).

With regard to item *"Change in inventories"*, it should be noted that the inventories of the Danish subsidiary Metro Service S/A increased significantly in line with the growth in the maintenance requirements of the train fleet as a result of the opening of an additional 5 stations during 2024.

The value is adjusted for the consumption of materials for internal works related to extraordinary maintenance work on the metropolitan train fleet in the amount of EUR 3,808 thousand (EUR 1,970 thousand in 2023).

### Costs for services

	2024	2023
Maintenance and cleaning costs	155,638	164,841
Traction electricity	74,669	83,415
Subcontracted transport services	26,154	25,173
Utilities	24,877	27,699
Production and distribution of travel documents	6,767	8,212
Insurance	7,060	6,621
Customer services, advertising and marketing	6,343	5,734
Staff services	8,178	5,367
Various services	12,723	11,368
Professional services	26,141	19,647
Supervisory costs	2,750	2,264
<b>Total</b>	<b>351,300</b>	<b>360,341</b>

The item "*Maintenance and cleaning costs*", increasing by EUR 9,203 thousand compared to 2023, refers to third-party interventions for ordinary and extraordinary maintenance in the amount of EUR 120,884 thousand (EUR 129,581 thousand in 2023) and EUR 34,754 thousand (EUR 35,260 thousand in 2023) for cleaning interventions carried out on plants, warehouses, premises and vehicles during the year.

Decreases in maintenance costs incurred during the year totalled EUR 8,697 thousand. The main changes relate to the following: *i)* lower charges incurred for rolling stock maintenance activities totalling EUR 6,667 thousand; *ii)* lower charges for the period relating to maintenance work carried out on the rolling stock and infrastructure, totalling EUR 5,910 thousand; *iii)* higher positive adjustments relating to previous years in the amount of EUR 2,835 thousand partly offset by higher charges relating to the maintenance of hardware and software in the amount of EUR 1,828 thousand.

Cleaning costs incurred during the year, totalling EUR 34,754 thousand, were in line with the previous year's figure of EUR 36,105 thousand.

In 2024, the specific provision for environmental risks set up in previous years was used in the amount of EUR 446 thousand for specific maintenance work performed. EUR 5,174 thousand was set aside for the provision for restoration costs of the Danish subsidiary Metro Service A/S.

Item "*Traction electricity*" decreased by EUR 8,746 thousand compared to 2023. The item is affected by the lower costs incurred in the period by both the parent company and the Danish subsidiary Metro Service A/S.

The change from the same period last year reflects the effect of the generalised decrease in raw material prices. There was also an increase in revenues from the hedging of traction electricity in the amount of EUR 9,856 thousand, obtained as a result of hedging transactions on forward purchase prices.

In an effort to take all possible actions to mitigate the effects of the variability of EELL prices during 2024, the parent company continued monitoring the energy price per Mw/h. During this period, market benchmarks were below budgeted levels, so between March and April, three hedging transactions were concluded (using the commodity swap tool) for the period April - December 2024 on a total reference quantity of 114,990.00 Mw/h.

The item "*Subcontracted transport services*" includes fees paid to subcontractors of transport services in the Milan urban area and of the removal service. The adjustment compared to the previous year is mainly related to the ISTAT 2024 adjustment.

The item "*Utilities*" decreased compared to 2023 by EUR 2,822 thousand due to a decrease in costs related to "*Gas and district heating*" by EUR 1,913 thousand as well as an increase in revenue from the hedging of lighting electricity by EUR 2,324 thousand. This positive effect is partially adjusted by the increase in lighting costs, which rose by EUR 1,019 thousand.

The item "*Professional Services*" refers mainly to professional services provided by third parties in the IT, legal, corporate and engineering fields. The increase of EUR 6,494 thousand compared to 2023 is related to the greater number of assignments made in the period by the Parent Company and the Danish subsidiary Metro Service A/S in reference to the support requested from professionals for preliminary operations for the placement of bonds, participation in international tenders, the expansion of ATM S.p.A.'s business and IT services.

The item "*Miscellaneous services*" increased compared to 2023 by EUR 1,355 thousand and mainly refers to charges for bank commissions in the amount of EUR 7,761 thousand (EUR 6,475 thousand in 2023) and to charges for transport and material handling and waste disposal services in the amount of EUR 3,221 thousand (EUR 3,085 thousand in 2023).

The item "*Production and distribution of tickets*" refers to the remuneration due to resellers for the sale of travel, Parking Spaces and Parking Spaces tickets, Area B and Area C. The decrease in this item of EUR 1,445 thousand compared to 2023 is directly connected to the recovery in ticket sales volumes.

The item *"Insurance"* refers to costs related to the insurance business and is in line with the previous year.

Item *"Customer services, advertising and marketing"* mainly refers to expenses incurred for customer communication and information and increased by EUR 609 thousand compared to 2023.

The higher expenses incurred in 2024 mainly related to new marketing initiatives in the amount of EUR 641 thousand, offset by lower costs for various publications.

The item *"Services for employees"* increased by a total of EUR 2,811 thousand compared to 2023 and refers mainly to training expenses of EUR 4,414 thousand (EUR 2,247 thousand in 2023) and the costs of medical expenses incurred due to legal obligations and health checks of EUR 2,009 thousand (EUR 1,929 thousand in 2023). The increase is attributable to training activities for employees, which increased by EUR 2,167 thousand, travel expenses, which increased by EUR 502 thousand compared to 2023, and medical expenses, which increased by EUR 80 thousand.

The item *"Security costs"* decreased by EUR 486 thousand compared to 2023 and refers to the valuables transport service and security services carried out in order to combat vandalism and to ensure the safety of passengers on board vehicles.

### Operating Leases Costs

	2024	2023
Fees and rents payable	1,038	420
Vehicle rentals	824	637
Plant and equipment rental	3,572	2,193
<b>Total</b>	<b>5,434</b>	<b>3,250</b>

Costs incurred in 2024 increased by EUR 2,184 thousand compared to 2023 due to the simultaneous increase in costs related to rent payable of EUR 618 thousand, plant and equipment rental of EUR 1,379 and vehicle rental of EUR 187.



**Costs for employee benefits**

	2024	2023
Wages and salaries	437,493	418,719
Social security contributions	116,093	111,810
Charges for defined contribution plans	23,967	24,948
Other costs	39,175	2,563
Personnel costs for internal work	(1,418)	(302)
<b>Total</b>	<b>615,310</b>	<b>557,738</b>

*Employee benefit costs* of EUR 615,310 thousand include costs incurred for wages and social security contributions, accruals pursuant to law and industry agreements, as well as costs for accrued but unused holiday and paid time off. Overall, the item increased by EUR 57,572 thousand. The change is related to higher salaries and wages in the amount of EUR 18,774 thousand, higher social security contributions in the amount of EUR 4,283 thousand, and higher "Other Costs" in the amount of EUR 36,612 thousand. Finally, the item reflects the decrease in "*Charges for defined contribution plans*" by EUR 981 thousand and the increase in recoveries for "*Personnel costs for internal work*" by EUR 1,116 thousand.

The increase in the item "*Wages and salaries*" is mainly due to higher salaries of the staff of the Danish subsidiary Metro Service A/S and the Greek subsidiary Thema SA and, for the Parent Company, to higher charges related to the second-level company agreements signed in May and November 2024 for one-off payments of EUR 500 and EUR 350 per person respectively. These effects are partially offset by a decrease in the average workforce of around 150 people.

The higher "*Social security charges*" are affected by the contribution component linked to the salary increases described above.

The increase in the item 'Other Costs' is related, for more than EUR 20 million, to the release of provisions made in 2023 in connection with disputes with personnel concerning the potential recognition of specific remuneration allowances during the holiday period. In addition, the movement was affected by the provision of EUR 10,808 thousand for risks related to a dispute with personnel concerning overtime.

Costs are recognised net of capitalised personnel costs for internal work in the amount of EUR 1,418 thousand (EUR 302 thousand in 2023) and refer to the portion of capitalised personnel costs for extraordinary maintenance work carried out on the metro train fleet and trams.

The workforce as at 31 December 2024 stood at 10,623 people (10,331 as at 31 December 2023).

Contract type	31.12.2023	New hires	Leavers	31.12.2024
Managers	38	10	(8)	40
Managers/middle managers	440	51	(26)	465
Office workers	1,010	156	(84)	1,082
Blue-collar	8,843	917	(724)	9,036
<b>Total</b>	<b>10,331</b>	<b>1,134</b>	<b>(842)</b>	<b>10,623</b>

It should be noted that the change in the outgoing workforce relates to voluntary resignations and therefore no dismissals of an objective nature were made in the period under review, in accordance with the provisions of Legislative Decree no. 137/2020, known as "Restorals Decree" and its subsequent amendments.

### Other operating costs and charges

	2024	2023
Municipal taxes	5,656	5,219
TPL damage management	1,462	1,360
Contingencies	1,162	666
Various taxes and duties	719	735
Other Operating Charges	4,003	2,784
Losses on receivables	4	-
Provisions (releases) for bad debts	1,460	961
Provisions (releases) for risks and charges	(147)	2,419
<b>Total</b>	<b>14,319</b>	<b>14,144</b>

"Other operating costs and expenses" showed an increase of EUR 175 thousand compared to the previous year. The items presenting the main changes refer to 'Other Operating Expenses', up EUR 1,219 thousand, to accruals to/releases of the allowance for doubtful accounts, up EUR 499 thousand, the dynamics of which are fully explained in Note 20 'Other Receivables and Current Assets' of these Notes, to accruals to/releases of provisions for risks and charges, down EUR 2,566 thousand, which are fully explained in Note 26 of these Notes and in the Report on Operations in the section on "Main Outstanding Litigations".

The most significant cost items include:

- "Municipal taxes" that mainly refer to the charge for waste collection tax in the amount of EUR 3,860 thousand and property tax in the amount of EUR 1,761 thousand;
- "Other operating expenses" mainly relate to memberships of associations, expenses for notarial deeds, entertainment expenses, and miscellaneous expenses. The item includes the amount of EUR 1,407 thousand related to the payment by the Parent Company of the same amount against the notification of writ of summons by CTP and

the related utilisation of the Provision for litigation following the disclosure in Note 26 "Provisions for risks and charges" of the Notes to the Financial Statements and in the Report on Operations in the section on "Main outstanding Litigations";

- "Provisions for risks and charges" which refer to provisions made to adjust the "Provisions for risks and charges" (Note 26) following the revision of estimates and in view of the events of the period and in view of new and more complete information compared to that available at the time the original estimates were made;
- "Contingencies" in the amount of EUR 1,162 thousand referring to the analysis performed on accounts receivable and payable for which the title of collectability and liquidity has ceased to exist;
- "LPT damage management" relating for EUR 2,474 thousand to the charge incurred for the settlement of damages related to the circulation of vehicles and EUR 129 thousand for motoring procedures, as well as EUR 697 thousand to accruals and EUR 1,838 thousand to the utilisation of the specific provision recognised in "Provisions for risks and charges" (Note 26);
- "Provisions (release) for doubtful debts" refers for EUR 274 thousand to the release of provisions for doubtful debts and for EUR 1,734 thousand to provisions made to cover risks on receivables recorded in the financial statements, of which EUR 1,567 thousand for "Sundry receivables", EUR 159 thousand for "Receivables from parent companies", and finally EUR 8 thousand for "Receivables from associated companies". Please refer to Note 19 - "Trade Receivables" and Note 20 - "Other Current Receivables and Assets" of these Notes for comments on the constituent elements, respectively.

During the year, losses on receivables of EUR 3,947 thousand were recognised, which were entirely covered by the utilisation of the provision for bad debts.

## Depreciation and impairment losses

	2024	2023
Depreciation - Property, plant and equipment	129,230	126,976
<i>Plant and machinery</i>	117,781	114,997
<i>Buildings</i>	4,786	5,469
<i>Industrial and commercial equipment</i>	3,529	3,222
<i>Other assets</i>	3,134	3,288
Equipment grants	(49,346)	(44,850)
Amortisation - Intangible assets	1,541	1,473
<i>Software licences</i>	1,541	1,473
Depreciation of right of use for leased assets	3,267	2,734
<i>Equipment</i>	225	159
<i>Buildings</i>	1,288	729
<i>Motor vehicles</i>	1,649	1,502
<i>Computer equipment</i>	98	96
<i>Other</i>	7	248
Depreciation - Property, Plant and Equipment	472	-
<b>Total</b>	<b>85,164</b>	<b>86,333</b>

"Depreciation, amortisation and impairment losses" totalling Euro 85,164 thousand are charged to the financial year, an amount adjusted for the year's portion of Euro 49,346 thousand relating to grants received for investments made.

The decrease compared to 2023 is attributable to higher depreciation related to the revision of the useful lives of 10 Eurotrams carried out during the previous year for EUR 4,756 thousand.

Please refer to the Report on Operations for a description of the non-recurring items affecting this item.

**Net financial income (expense)**

	2024	2023
Financial income	17,846	13,460
Interest income	10,993	3,197
Gains on securities	1,674	322
Fair Value Adjustment Income	4,580	5,225
Other	599	4,716
Financial expenses	(16,257)	(9,176)
Interest on defined benefit plans for employees	(2,496)	(3,069)
Interest expenses on loans and bonds	(12,829)	(5,344)
Other interests expenses	(90)	(339)
Losses on securities	(135)	(135)
Fair Value Adjustment Charges	(111)	128
Impairment of financial assets	(15)	81
Other	(263)	(335)
Interest expense IFRS 16	(318)	(163)
<b>Total</b>	<b>1,589</b>	<b>4,284</b>

Interest income is broken down as follows:

	2024	2023
Interest income on loans	39	-
Interest income on deposits and current accounts	1,271	1,101
Interest income on securities	1,600	1,505
Interest income on loans to associates	8,083	591
<b>Total</b>	<b>10,993</b>	<b>3,197</b>

The most significant components are represented by:

- "Interest income on securities" amounting to EUR 1,600 thousand (EUR 1,505 thousand as at 31 December 2023) related to interest on government securities and bonds;
- "Interest income on loans to associates" amounting to EUR 8,083 thousand (EUR 591 thousand as of 31 December 2023), which refers exclusively to interest accrued on the loan granted to SPV M4 S.p.A. These increased from the previous year because on 20 December 2023 ATM S.p.A. increased its stake in the company to 31.53%, becoming its second largest shareholder. On the other hand, the interest on the loan that had been granted to the company Metro 5 S.p.A. and that had been fully repaid on 29 April 2023 ceased to exist with respect to 2023.

"Gains on securities" of EUR 1,674 thousand (EUR 322 thousand as at 31 December 2023) refer to gains on securities.

*"Income from fair value adjustments"*, positive and equal to EUR 4,580 thousand, and *"Expenses from fair value adjustments"*, negative and equal to EUR 111 thousand, refer for EUR 1,492 thousand to income from the fair value measurement of financial receivables from the associated company SPV Linea M4 S.p.A, for EUR 3,066 thousand to the net income from the fair value valuation of the financial instruments designated FVTPL and, finally, for EUR 6 thousand to the income from the fair value valuation of the financial receivables from the SED-ATM building cooperatives.

*"Other"* of EUR 263 thousand refers to miscellaneous financial income and expenses. The reduction compared to last year is attributable to the fact that 2023 included interest on arrears accrued on the amounts settled by the Revenue Agency following the sentences issued by the Supreme Court of Cassation.

The *"Financial expenses"* mainly refer to the positive *"Interest on defined benefit plans for employees"* of EUR 2,496 thousand and the *"Interest expense on loans and bonds"* recorded under payables of EUR 12,829 thousand. These comprise, in addition to the interest expense recognised on the bond issue and on the European Investment Bank's disbursements totalling EUR 5,001 thousand (as at 31 December 2023, EUR 4,334 thousand), also the interest expense accrued on the credit lines for a total of EUR 7,710 thousand, entirely referring to the interest accrued on the Bridge to Bond.

*"Losses on securities"* amounted to EUR 135 thousand.

The *"Interest Expense"* resulting from the application of IFRS 16 *Leases* amounted to EUR 318 thousand.

### **Net result of companies accounted for using the equity method**

The economic effect of the valuation of the investments in Metro 5 S.p.A., SPV M4 S.p.A. and Movibus S.r.l. using the equity method was negative overall. Specifically, a positive net result of EUR 3,978 thousand was recorded for Metro 5 S.p.A., a negative net effect of EUR 10,453 thousand for SPV M4 S.p.A., and a positive effect of EUR 751 thousand for Movibus S.r.l. (Note 12).

## Income taxes

	2024	2023
Current taxes	3,078	2,932
IRES	1,098	355
IRAP	640	35
Income tax Metro Service A/S	2,439	3,044
Income (expenses) from tax consolidation	(1,099)	(502)
Prior year taxes	(31)	(11,314)
IRES	-	230
IRAP	(31)	(11,544)
Change in deferred tax liabilities	1,939	5,160
<b>Total</b>	<b>4,986</b>	<b>(3,222)</b>

The Group has adhered to the National Tax Consolidation; it follows that the Group's taxable income is determined as the algebraic sum of the results of the individual adhering companies, minus tax losses carried forward, up to a limit of 80%.

The "*Income from tax consolidation*" refers to the transfer to the Company Parent of the IRES of the individual companies that have joined the tax consolidation, to the extent of 80%.

The "*Deferred Taxes*" mainly include the release of deferred tax assets recognised against taxed provisions. Deferred tax assets and deferred tax liabilities transferred to the Profit and Loss Account amounted to EUR 2,183 thousand and EUR 244 thousand respectively, as detailed in Note 14 and Note 27. With regard to deferred tax assets, EUR 1,948 thousand related to the release of deferred tax assets recorded against taxed risk provisions.

The amount recorded under item "*Taxes from previous years IRAP*" and amounting to EUR 31 thousand refers, for EUR 21 thousand, to the settlement of a dispute of the Parent Company with the Revenue Agency and in particular to the Supreme Court Order No. 35633/23 - wedge 2008. The remaining EUR 7 thousand refers, for the subsidiary NET S.r.l., to the IRAP refund for the year 2019.

The change from the previous year is due to the fact that the following disputes were settled in 2023:

- Supreme Court Order No. 35633/23 - ATM wedge 2008 for EUR 3,465 thousand;
- Supreme Court Order No. 10225/23 - ATM wedge 2010 for EUR 2,765 thousand;
- Supreme Court Order No. 25742/23 - ATM Servizi wedge 2010 for EUR 2,298 thousand;
- Judgment of the 2nd Lombardy Tax Court No. 1570/03/23 - ATM wedge 2012 for EUR 1,710 thousand;
- Supreme Court Order No. 10225/23 - ATM Servizi wedge 2007 for EUR 676 thousand.



- Out-of-court settlement IRAP tax year 2012 EUR 193 thousand;
- Out-of-court settlement IRAP tax year 2013 EUR 200 thousand;
- Out-of-court settlement IRAP tax year 2014 EUR 226 thousand.

The reconciliation between theoretical tax and actual tax is shown below.

### A.T.M. GROUP - RECONCILIATION STATEMENT BETWEEN THEORETICAL TAX CHARGE AND ACTUAL TAX CHARGE - 2024

THEORETICAL TAXES DUE	ATM GROUP		
	IRES	IRAP	FOREIGN TAXES
VALUE OF PRODUCTION		1,011,141	150,143
OPERATING COSTS		(920,028)	(141,159)
<b>DIFFERENCE BETWEEN PRODUCTION VALUE AND COSTS</b>		91,113	8,984
PERSONNEL COSTS (NOT RELEVANT FOR IRAP PURPOSES)	1,011,141	1,011,141	0
<b>PRE-TAX PROFIT/LOSS</b>	(920,028)	(920,028)	7,927
<b>THEORETICAL TAX BURDEN RATE</b>	<b>24.00%</b>	<b>4.20%</b>	<b>22.00%</b>
<b>TAXABLE AMOUNT THEORETICAL TAX BURDEN</b>	<b>21,696</b>	<b>91,728</b>	<b>7,927</b>
<b>THEORETICAL TAXES DUE</b>	<b>5,207</b>	<b>3,853</b>	<b>1,744</b>
<b>COSTS NOT ALLOWED AS DEDUCTIONS - NON-TAXABLE INCOME</b>	<b>IRES</b>	<b>IRAP</b>	<b>IRAP</b>
COORDINATED AND CONTINUOUS/OCCASIONAL COLLABORATIONS	0	36	0
NON-DEDUCTIBLE TAXES	(3,014)	1,763	0
TELEPHONE	152	152	0
<b>OTHER NON-DEDUCTIBLE COSTS</b>			
- staff	35,894	7	0
- depreciation (item B10)	12,197	1,882	0
- provisions not provided for by Tuir/L.446/97	5,076	5,093	0
- other non-deductible costs	702	4,629	0
<b>NON-TAXABLE REVENUES</b>			
- release/utilisation of taxed funds	(12,754)	(15,797)	0
- staff	(28,277)	(28)	0
- other non-taxable income	(27,542)	(11,723)	0
<b>TOTAL INCREASE ( + )</b>	<b>(17,566)</b>	<b>(13,986)</b>	<b>0</b>
<b>COSTS ALLOWED AS DEDUCTIONS - DIFFERENT IRAP TAX BASE</b>	<b>IRES</b>	<b>IRAP</b>	<b>IRAP</b>
IFRS	122	(926)	0
ACE CARRY-FORWARD FROM IRES DECLARATION 2024 RETURN 2023	418	0	0
EXPENSES INCURRED FOR DISABLED TEMPORARY STAFF	0	81	0
AGENZIA DELLE ENTRATE CIRCULAR NO. 22/E OF 09/06/2015 AND MISCELLANEOUS	0	503,678	0
FURTHER DEDUCTION/INCREASE IN EMPLOYMENT	0	8	0
SUPER DEPRECIATION	6,818	0	0
DEDUCTION OF SUPPLEMENTARY PENSION CONTRIBUTIONS	941	0	0
INAIL FIXED-TERM STAFF	0	28	0
IRES DEDUCTION FOR IRAP PAID ON FIXED TERM PERSONNEL COSTS	7	0	0
<b>TOTAL DECREASES ( - )</b>	<b>8,306</b>	<b>502,869</b>	<b>0</b>
<b>ACTUAL TAX BURDEN</b>	<b>IRES</b>	<b>IRAP</b>	<b>IRAP</b>
<b>ACTUAL TAXABLE INCOME</b>	<b>4,578</b>	<b>15,556</b>	<b>0</b>
<b>ACTUAL TAX BURDEN</b>	<b>1,099</b>	<b>640</b>	<b>2,439</b>
<b>ACTUAL TAX INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>ACTUAL TAX RATE</b>	<b>5.07%</b>	<b>0.70%</b>	<b>30.77%</b>



**Directors' and auditors' fees**

In accordance with the law, the remuneration of the Directors and Statutory Auditors is shown, and it should be noted that the amount is shown gross of any contribution and accessory charges.

	2024	2023
Directors' fees	267	239
Statutory Auditors Fees	247	244
<b>Total</b>	<b>514</b>	<b>483</b>

**Auditors' fees**

The fees paid by TM Group companies to the independent auditors Deloitte & Touche S.p.A, the Danish auditing company Deloitte Statsautoriseret Revisionspartnerselskab and the Greek company Deloitte Greece for 2024 total EUR 571 thousand for activities related to the statutory audit of accounts, of which EUR 134 thousand related to fees for the audit of the financial statements of Metro Service A/S, EUR 28 thousand related to fees for the audit of the financial statements of THEMA SA and EUR 175 thousand for audit services for the issuance of other certifications. No services other than auditing or attestation were rendered by Deloitte & Touche S.p.A. and the companies belonging to its network.

Type of services	Subject who supplied the service	Recipient	Fees
<b>Audit</b>			<b>571</b>
Statutory audit of the financial statements and consolidated financial statements, including the Corporate Sustainability Reporting Directive periodic checks on the proper keeping of accounts	Parent Company Auditor	Parent Company	285
Limited audit of the consolidated half-yearly financial statements, prepared on a voluntary basis, of the companies of the	Parent Company Auditor	Parent Company	62
ATM Group from 30.06.2018 to 30.06.2025 Statutory audit of the annual financial statements, periodic audits on the regularity of the accounts	Parent Company Auditor	Italian subsidiaries	62
Limited audit of the half-year situation	Parent Company Auditor's Network	Subsidiaries Metro Service A/S	37
Statutory audit of financial statements	Parent Company Auditor's Network	Subsidiaries Metro	97
Limited audit of the half-year situation	Parent Company Auditor's Network	THEMA S.A.	14
Statutory audit of financial statements	Parent Company Auditor's Network	Subsidiaries	14
<b>Certification services</b>			<b>175</b>
Annual and half-yearly certification of Covenants to European Investment Bank	Parent Company Auditor	Parent Company	13
Signature of the certificates/certifications required by the laws and regulations in force at the time	Parent Company Auditor	Parent Company	49
Signing of the certificates/certifications required by the tax laws and regulations in force at the time	Parent Company Auditor's Network	Subsidiaries Metro Service A/S	113
<b>Total</b>			<b>746</b>

### **Information on intra-group and related party transactions**

ATM S.p.A., as parent company, carries out transactions with its subsidiaries that essentially concern the provision of services and the provision and use of financial resources. Transactions are strictly of a commercial and financial nature, so they do not include any atypical and/or unusual transactions and are governed by arm's length contracts.

ATM S.p.A. participates in the tax consolidation scheme together with the following subsidiaries: CityLink S.r.l., GeSAM S.r.l., International Metro Service S.r.l., NET S.r.l., Rail Diagnostics S.p.A.

The agreement provides that, in the event of a transfer of positive taxable income, the consolidated company will owe the consolidating company an amount equal to the results of applying the IRES rate to the transferred taxable income. Conversely, in the case of a transfer of negative taxable income, it will be the consolidating company that will owe the consolidated company an amount equal to the results of applying the IRES rate to the transferred tax loss.

ATM S.p.A. also opted to apply the Group VAT regime with the following subsidiaries: CityLink S.r.l., GeSAM S.r.l., NET S.r.l., Rail Diagnostics S.p.A.

This agreement provides for the transfer of the monthly VAT balance to the Parent Company, which is therefore the only company liable to the Treasury.

RECEIVABLES	Trade	Financial	Grants	31.12.2024
<b>- from parent companies</b>				
MUNICIPALITY OF MILAN	204,195	-	33	204,228
<b>- to associate companies</b>				
Full Green Consortium	171	-	-	-
SBE Consortium	4	-	-	4
Co.mo. Fun&Bus S.c.a r.l.	281	-	-	281
Metro 5 S.p.A.	2,179	-	-	2,179
Movibus S.r.l.	42	-	-	42
SPV Linea M4 S.p.A.	17,567	167,755	-	185,322
<b>- from other companies</b>				
Scuole Civiche Milano	2	-	-	2
Metropolitana Milanese S.p.A.	81	-	-	81
SEA S.p.A.	66	-	-	66
MilanoSport S.p.A.	3	-	-	3
Milano Ristorazione S.p.A.	4	-	-	4
<b>- Other associate relationships</b>				
Coop S.E.D. ATM/S.C.C.A.T.I.	-	719	-	719
<b>Total gross write-downs and initial delta</b>	<b>224,595</b>	<b>168,474</b>	<b>33</b>	<b>392,931</b>
<b>- Allowance for doubtful accounts</b>				
- from parent companies	(496)	-	-	(496)
- to associate companies	(34)	-	-	(34)
<b>- SPV Linea M4 S.p.A.- IFRS 9 CORRECTION</b>	<b>-</b>	<b>809</b>	<b>-</b>	<b>809</b>
<b>-Total</b>	<b>224,065</b>	<b>169,283</b>	<b>33</b>	<b>393,210</b>

PAYABLES	Trade	Advances from customers	31.12.2024
<b>- from parent companies</b>			
MUNICIPALITY OF MILAN	48,363	66,096	114,459
<b>- to associate companies</b>			
Brianza Trasporti S.c.a r.l. in liquidazione			-
Co.mo. Fun&Bus S.c.a r.l.	18		18
SBE Consortium	745		745
Metro 5 S.p.A.	1		1
Movibus S.r.l.	776		776
SPV Linea M4 S.p.A.	2,239		2,239
<b>- from other companies</b>			
Fondazione Teatro alla Scala			-
Scuole Civiche Milano			-
Metropolitana Milanese S.p.A.	451		451
SEA S.p.A.	2		2
Fondazione Piccolo Teatro di Milano			-
AGENZIA MOBILITA' AMBIENTE E TERRITORIO S.r.l.			-
<b>Total gross initial delta</b>	<b>52,595</b>	<b>66,096</b>	<b>118,691</b>
<b>IFRS 16</b>			
- to associate companies			
- from other companies	(4)		
<b>Total</b>	<b>52,591</b>	<b>66,096</b>	<b>118,691</b>

ECONOMIC RELATIONS	Costs for services	Operating Leases Costs	Costs for employee benefits	Other operating costs and charges
<b>- from parent companies</b>				
Municipality of Milan	-	(1,275)	-	(159)
<b>- from other companies</b>				
Metropolitana Milanese S.p.A.	(2,259)	(11)	-	-
Fondazione Piccolo Teatro di Milano - Teatro d'Europa	(62)	-	(7)	(3)
SEA S.p.A.	(1)	(11)	-	-
<b>- to associate companies</b>				
CO.MO. Fun&Bus S.C.a R.L.	-	(236)	-	-
Metro 5 S.p.A.	-	(19)	-	(1)
Movibus S.r.l.	(271)	-	-	(6)
SBE Consortium	-	-	-	(480)
SPV Linea M4 S.p.A.	(1,175)	-	-	(8)
<b>Total</b>	<b>(3,768)</b>	<b>(1,552)</b>	<b>(7)</b>	<b>(657)</b>

ECONOMIC RELATIONS	Revenues from core business	Other revenues	Other proceeds	Financial income
<b>- from parent companies</b>				
Municipality of Milan	726,140	30,570	1,925	-
<b>- from other companies</b>				
Agenzia Mobilità Ambiente e Territorio S.r.l.	-	1	-	-
Metropolitana Milanese S.p.A.	155	65	-	-
Fondazione Piccolo Teatro di Milano - Teatro d'Europa	-	66	-	-
SEA S.p.A.	-	40	37	-
<b>- to associate companies</b>				
Full Green Consortium	-	500	-	-
CO.MO. Fun&Bus S.C.a R.L.	967	-	-	-
Metro 5 S.p.A.	30,154	2,019	20	-
Movibus S.r.l.	-	-	601	-
SBE Consortium	-	-	9	-
SPV Linea M4 S.p.A.	29,138	271	285	8,083
<b>Total</b>	<b>786,554</b>	<b>33,532</b>	<b>2,877</b>	<b>8,083</b>

**Commitments, guarantees and contingent liabilities not recognised in the balance sheet**

This item, which showed a balance of EUR 7,094,516 thousand as at 31 December 2024, is broken down as follows:

	31.12.2024	31.12.2023
Assets in use	6,600,235	6,148,175
Guarantees, of which:	494,281	418,770
- Guarantees in favour of third parties	34,054	33,897
- Third-party guarantees	415,134	341,596
- Guarantees to investees	45,093	43,277
<b>Total</b>	<b>7,094,516</b>	<b>6,566,945</b>

This item includes guarantees, commitments and third-party assets held by the Group and Group assets held by third parties.

Guarantees are recorded at a value equal to that of the guarantee provided or, if not determined, at the best estimate of the risk assumed in the light of the existing situation. Commitments are recognised at nominal value, while any non-quantifiable commitments are commented on in the notes. Third-party assets held by the Group are recognised at nominal value, current market value or value deduced from existing documentation, depending on the type of asset.

The amounts entered for commitments and guarantees in the notes are revalued at the end of each financial year.

The amount of EUR 6,600,235 thousand related to "*assets in use*" mainly refers to:

- for EUR 6,415,113 thousand to the value of assets in use by the Municipality of Milan for the operation of the LPT service;
- for EUR 176,200 thousand to the value of Parking Spaces areas and car parks in use pursuant to the Service Agreements;
- for EUR 8,800 thousand to materials owned by Metro 5 S.p.A. and SPV Linea M4 S.p.A. received for maintenance activities under warranty;
- for EUR 122 thousand for the value of assets in use by the Municipality of Milan (works of art).

The "*guarantees in favour of third parties*", amounting to Euro 34,054 thousand, refer to sureties issued in favour of third parties.

The "*third party guarantees*" amounting to Euro 415,134 thousand, refer to sureties or guarantees issued by third parties in favour of the Group.

The "guarantees to investees" amounting to Euro 45,093 thousand refer to:

- for a total of EUR 10,660 thousand to the pledge recorded on 106,600 shares of the company Metro 5 S.p.A. and a total of EUR 19,403 to the pledge recorded on 194,029 shares of the company SPV Linea M4 S.p.A. in favour of a pool of financing banks within the scope of the related projects for the construction and management of the new M5 and M4 lines;
- for EUR 15,030 thousand to co-obligations and guarantees provided in favour of the associate Metro 5 S.p.A. and in favour of SPV Linea M4 S.p.A.

The value of contractual commitments for investment supply contracts is EUR 881,757 thousand.

#### **Disclosure of public disbursements - Article 1, paragraphs 125 to 129 of Law No. 124/2017**

The amounts collected in the financial year 2024 by way of contributions are shown by type and entity:

- National Collective Labour Agreement grants, paid by the Lombardy Region through the TPL Agency, for EUR 50,190 thousand, paid during the year, gross of 4% withholding tax;
- Grants for the renewal of on-board signalling equipment for M3 trains M.D. 607/19, disbursed by the State in the amount of EUR 7,052 thousand;
- Grants for the purchase of 14 high-capacity bi-directional trams Ministerial Decree No. 448/21 - PNRR, disbursed by the State, amounting to EUR 8,004 thousand;
- Grants for the purchase of 67 electric buses Ministerial Decree No. 234/20 - PSNMS, disbursed by the State in the amount of EUR 24,196 thousand;
- Grants for the purchase of 10 buses Trolleybuses Ministerial Decree No. 448/21 - PNRR, disbursed by the State in the amount of EUR 837 thousand;
- Grants for the purchase of 350 electric buses Ministerial Decree No. 530/21 - PNRR, disbursed by the State in the amount of EUR 26,209 thousand;
- Grants for the purchase of 21 metro trains on the M1 line Ministerial Decree No. 607/19, disbursed by the State in the amount of EUR 14,485 thousand;
- Grants for the purchase of 51 electric buses Regional Decree No. 5640/21, disbursed by the Lombardy Region in the amount of EUR 7,694 thousand;
- Grants for the purchase of 15 hybrid buses, granted by the Lombardy Region, for EUR 3,480 thousand, all pertaining to the financial year 2024;
- Grants for the purchase of 7 hybrid buses, granted by the Lombardy Region, for EUR 605 thousand, all pertaining to the financial year 2024;
- Grants for the purchase of 2 hybrid buses, granted by the Lombardy Region, for EUR 199 thousand, all pertaining to the financial year 2024;
- Contributions related to fuel aid Law Decree No. 115 of 9 August 2022, disbursed by the LPT Agency, in the amount of EUR 6,524 thousand;
- Contributions for Covid-19 Refund Decree of 2021, paid by the Lombardy Region and the Basin Agency, for EUR 1,354 thousand;

- Investment Tax Credit L.160/2019, L.178/2020 and Decision Decree-Law No. 50/2017 in the amount of EUR 157 thousand.



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ATM Spa  
Consolidated  
Financial  
Statements  
2024

## Balance Sheets

### STATEMENT OF CONSOLIDATED FINANCIAL POSITION OF ATM S.P.A

	Notes	31.12.2024	31.12.2023 Restated (*)
<b>Assets</b>			
Property, plant and equipment	7	1,095,325,404	1,136,075,887
Intangible assets	8	3,242,038	2,689,025
Right of use on leased assets	9	8,023,328	5,464,970
Investments	10	110,129,390	110,129,390
Non-current financial assets	11	174,138,906	159,801,723
<i>of which: to Related Parties</i>	41	174,138,906	159,801,723
Deferred tax assets	12	32,293,969	35,599,116
Other receivables and noncurrent assets	13	54,080,509	39,491,264
<b>Non-current assets</b>		<b>1,477,233,544</b>	<b>1,489,251,375</b>
Inventories	14	85,451,643	85,277,234
Current financial assets	15	133,265,908	163,877,626
<i>of which: to Related Parties</i>	41	-	81,433
Current Tax Assets	16	14,495,270	16,668,505
Trade receivables	17	255,994,208	214,817,432
<i>of which: to Related Parties</i>	41	233,667,256	194,014,195
Other receivables and current assets	18	76,080,992	88,400,582
Cash and cash equivalents	19	141,596,945	109,159,182
<b>Current assets</b>		<b>706,884,966</b>	<b>678,200,561</b>
Windfall assets	20	4,663,311	-
<b>Total assets</b>		<b>2,188,781,821</b>	<b>2,167,451,936</b>

(\*) The item includes a reclassification made starting from the year 2023 as better described in Note 1.

## STATEMENT OF CONSOLIDATED FINANCIAL POSITION OF ATM S.P.A.

	Note s	31.12.2024	31.12.2023 Restated (*)
<b>Net equity</b>			
Share Capital		700,000,000	700,000,000
Legal reserve		108,287,142	119,304,576
Other reserves		274,303,133	273,417,936
Profit/(Loss) for the period		3,083,326	(11,017,434)
<b>Total Net Equity</b>	<b>21</b>	<b>1,085,673,601</b>	<b>1,081,705,078</b>
<b>Liabilities</b>			
Non-current financial liabilities	22	233,638,456	173,317,910
Employee benefits	23	73,316,216	80,244,465
Provisions for risks and charges	24	69,172,634	61,410,250
Deferred tax liabilities	25	48,241,593	48,471,462
Other noncurrent payables and liabilities	26	66,095,619	33,692,502
<i>of which: to Related Parties</i>	41	66,095,619	33,692,502
<b>Non-current liabilities</b>		<b>490,464,518</b>	<b>397,136,589</b>
Current financial liabilities	22	190,078,491	257,630,139
<i>of which: to Related Parties</i>	41	25,113,807	23,604,169
Current tax liabilities	27	-	-
Trade payables	28	301,033,938	319,660,550
<i>of which: to Related Parties</i>	41	59,865,006	59,145,919
Other current payables and liabilities	29	121,531,273	111,319,580
<b>Current liabilities</b>		<b>612,643,702</b>	<b>688,610,269</b>
<b>Liabilities relating to windfall assets</b>		<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>1,103,108,220</b>	<b>1,085,746,858</b>
<b>Total Equity and Liabilities</b>		<b>2,188,781,821</b>	<b>2,167,451,936</b>

(\*) The item includes a reclassification made starting from the year 2023 as better described in Note 1.

## INCOME STATEMENT OF ATM S.P.A.

	Notes	2024	of which related parties	2023	of which related parties
<b>Revenues and other operating income</b>					
Revenues from core business	30	835,390,835	793,264,284	790,150,114	750,853,420
Other revenues	30	64,614,035	33,924,953	66,627,095	33,623,251
Other proceeds	30	72,962,611	3,628,032	80,920,061	3,283,770
<b>Total revenues and other operating income</b>		<b>972,967,481</b>	<b>830,817,269</b>	<b>937,697,270</b>	<b>787,760,441</b>
<b>Operating costs and other charges</b>					
Costs for the purchase of goods and changes in inventories	31	(61,711,561)	-	(74,085,515)	-
Costs for services	32	(292,996,361)	(17,431,644)	(310,229,808)	(14,940,806)
Operating Leases Costs	33	(4,416,301)	(1,551,836)	(2,613,305)	(284,519)
Costs for employee benefits	34	(523,073,292)	(6,500)	(480,790,118)	(1,500)
Other operating costs and charges	35	(12,100,685)	(473,112)	(12,965,842)	(271,536)
<b>Total operating costs and other charges</b>		<b>(894,298,200)</b>	<b>(19,463,092)</b>	<b>(880,684,588)</b>	<b>(15,498,361)</b>
<b>EBITDA</b>		<b>78,669,281</b>		<b>57,012,682</b>	
<b>Depreciation and Impairment Losses</b>	<b>36</b>	<b>(80,996,954)</b>		<b>(82,405,073)</b>	
<b>Operating result</b>		<b>(2,327,673)</b>		<b>(25,392,391)</b>	
Financial income		24,113,739	15,072,479	18,115,642	9,575,836
Financial expenses		(16,623,390)	(813,529)	(9,636,002)	(677,749)
<b>Net financial income (expense)</b>	<b>37</b>	<b>7,490,349</b>	<b>14,258,950</b>	<b>8,479,640</b>	<b>7,898,087</b>
<b>Profit before tax</b>		<b>5,162,676</b>		<b>(16,912,751)</b>	
Income taxes	38	(2,079,350)		5,895,317	
<b>Profit/(Loss) for the period</b>		<b>3,083,326</b>		<b>(11,017,434)</b>	

## OTHER COMPONENTS OF THE COMPREHENSIVE INCOME STATEMENT

	Notes	2024	of which related parties	2023	of which related parties
<b>Profit/(Loss) for the period</b>		<b>3,083,326</b>		<b>(11,017,434)</b>	
<b>Other Components of the Consolidated Statement of Comprehensive Income</b>					
<b>Components which will not be later reclassified in profit/(loss) for the year</b>	<b>3</b>				
Revaluations of net defined benefit liabilities/(assets)	21	(29,800)		(1,447,421)	
Taxes on items that will not be reclassified to (loss)/profit for the year	21	7,152		347,381	
<b>Total components which will not be later reclassified in profit/(loss) for the year</b>		<b>(22,648)</b>		<b>(1,100,040)</b>	
<b>Components that will or may be reclassified subsequently to (loss)/profit for the year</b>	<b>3</b>				
Available-for-Sale Financial Assets - Held to Collect and Sell Reserve	21	1,235,014		2,032,964	
Taxes on Available-for-Sale Financial Assets - Held to Collect and Sell Reserve	21	(325,416)		469,166	
<b>Total components that will or may be reclassified subsequently to (loss)/profit for the year</b>		<b>909,598</b>		<b>2,502,130</b>	
<b>Total Other Components of the Consolidated Statement of Comprehensive Income</b>		<b>886,950</b>		<b>1,402,090</b>	
<b>Total comprehensive Income Statement for the year</b>		<b>3,970,276</b>		<b>(9,615,344)</b>	

## ATM S.P.A. STATEMENT OF CHANGES IN EQUITY

Net equity	31.12.2023	Destination of profit	Other transactions	Result of other components of compr. income	Profit for the year	31.12.2024
Share Capital	700,000,000					700,000,000
Legal reserve	119,304,576	(11,017,434)				108,287,142
Other Reserves	273,417,936	-	(1,753)	886,950	-	274,303,133
Rounding off reserve	(1)		(1)			(2)
FTA reserve	155,710,246					155,710,246
Actuarial Loss Reserve	(3,895,356)			(22,648)		(3,918,004)
Real estate fair value reserve	125,287,882					125,287,882
Held to collect and sell reserve	(3,728,405)			909,598		(2,818,807)
OCI reserve	43,570		(1,752)			41,818
Profit (Loss) for the year	(11,017,434)	11,017,434			3,083,326	3,083,326
<b>Total Net Equity</b>	<b>1,081,705,078</b>	<b>-</b>	<b>(1,753)</b>	<b>886,950</b>	<b>3,083,326</b>	<b>1,085,673,601</b>

Net equity	31.12.2022	Destination of profit	Other transactions	Result of other components of compr. income	Loss for the year	31.12.2023
Share Capital	700,000,000					700,000,000
Legal reserve	119,048,468	256,108				119,304,576
Other Reserves	272,058,374		(42,528)	1,402,090		273,417,936
Rounding off reserve	(2)		1			(1)
FTA reserve	155,710,246					155,710,246
Actuarial Loss Reserve	(2,795,316)			(1,100,040)		(3,895,356)
Real estate fair value reserve	125,287,882					125,287,882
Held to collect and sell reserve	(6,230,535)			2,502,130		(3,728,405)
OCI reserve	86,099		(42,529)			43,570
Profit (Loss) for the year	256,108	(256,108)			(11,017,434)	(11,017,434)
<b>Total Net Equity</b>	<b>1,091,362,950</b>	<b>-</b>	<b>(42,528)</b>	<b>1,402,090</b>	<b>(11,017,434)</b>	<b>1,081,705,078</b>



## ATM S.P.A. CASH FLOW STATEMENT

	2024	2023
<b>A. Cash flows from operations Profit/(Loss) for the year</b>	<b>3,083,326</b>	<b>(11,017,434)</b>
income taxes	2,079,350	(5,895,317)
interest expense/(interest income) net of impairment of financial assets and dividends and imputed interest expense on LL IFRS 16	(636,063)	(3,212,608)
dividends	(6,865,216)	(5,207,100)
Capital gains/losses deriving from disposal of assets	(272,611)	(357,286)
Extraordinary capital gains/losses deriving from disposal of assets	-	-
<b>1. Profit for the year before income taxes, interest, dividends and capital gains/losses on disposals</b>	<b>(2,611,214)</b>	<b>(25,689,745)</b>
<i>Adjustments for non-monetary items with no balancing entry in net working capital</i>		
change in provisions for risks and charges	11,859,652	(17,126,627)
change in provision for severance pay	135,267	(76,628)
change in cash and cash equivalents provision	19,896	(56,148)
amortisation	80,996,954	82,405,073
value adjustments of fixed assets	-	-
value adjustments to investments	-	-
Impairment of financial assets	10,930	(59,932)
other changes	(1,753)	(42,528)
<i>Total adjustments of non-monetary items</i>	<i>93,020,946</i>	<i>65,043,210</i>
<b>2. Cash flow before changes in NWC</b>	<b>90,409,732</b>	<b>39,353,465</b>
<i>Changes in net working capital:</i>	<i>(32,306,142)</i>	<i>99,382,253</i>
inventory	(174,409)	(172,269)
trade accounts receivable	(35,029,331)	20,646,819
trade receivables from subsidiaries and associates	(6,330,126)	(12,134,087)
other receivables	(15,988,198)	13,441,607
other receivables from subsidiaries and associates	3,933,533	(458,568)
accrued income and prepaid expenses	(1,195,237)	(877,465)
trade payables	(21,483,915)	87,760,223
IFRS 16 short-term lease liability	29,430	(39,385)
trade payables to subsidiaries and associates	1,298,906	3,331,488
other payables	41,949,264	(12,249,102)
other payables to subsidiaries and associates	18,395	26,797
accrued expenses and deferred income	665,546	106,195
dividends payable to shareholders	-	-
<i>Changes in assets not covered by the NWC</i>		
<b>3. Cash flow after changes in NWC</b>	<b>58,103,590</b>	<b>138,735,718</b>
<i>Other adjustments</i>	<i>(17,488,005)</i>	<i>(11,411,858)</i>
interest received/(paid)	(10,520,144)	(1,005,353)
interest received/(paid) on leased assets IFRS 16	(301,408)	(141,285)
(income tax, paid)	-	-
dividends collected	6,865,216	5,207,100
(use of provision for risks and charges)	(4,097,268)	(5,252,996)
(utilisation of severance pay fund)	(9,434,401)	(10,219,324)
<b>Cash flow from operations (A)</b>	<b>40,615,585</b>	<b>127,323,860</b>

## ATM S.P.A. CASH FLOW STATEMENT

	2024	2023
<b>B. Cash flows from investment/disinvestment activities</b>		
<i>Tangible fixed assets</i>		
(Investments)	(104,788,661)	(194,697,141)
Realisable price of disinvestments	257,930	1,034,891
<i>Intangible fixed assets</i>		
(Investments)	(1,553,378)	(1,128,560)
Realisable price of disinvestments	15,600	45,321
Increase/decrease in payables to suppliers for tangible assets	1,529,196	(27,916,620)
<i>Financial fixed assets</i>		
(Investments)	(4,734,178)	(234,102,759)
Realisable price of disinvestments	100,000	9,917,939
<i>Current financial assets</i>		
(Investments)	(21,278,743)	(115,991,254)
Realisable price of disinvestments	57,813,850	113,878,159
change in equipment grants	77,812,013	176,335,974
<b>Cash flows from investing/disinvestment activities (B)</b>	<b>5,173,629</b>	<b>(272,624,050)</b>
<b>C. Cash flows from financing activities</b>		
<i>Third-party funds</i>		
Increase/(Decrease) in short-term payables to banks	-	149,490,080
Increase in short-term payables to banks	69,440,946	
Decrease in short-term payables to banks	(70,000,000)	
Loan repayments	(10,801,083)	(46,212,300)
Repayment of principal on leased assets IFRS 16	(3,764,396)	(1,919,770)
Cash Pooling Increase (decrease)	1,591,071	(687,139)
<i>Equity</i>		
Dividends (and advances on dividends) paid	-	-
<b>Cash flows from financing activities (C)</b>	<b>(13,533,462)</b>	<b>100,670,871</b>
Currency exchange effect	201,908	(97,772)
Increase/(decrease) in cash and cash equivalents	<b>32,457,659</b>	<b>(44,727,091)</b>
<b>Cash and cash equivalents at the beginning of the year *</b>	<b>109,228,933</b>	<b>153,956,024</b>
<b>Cash and cash equivalents at year-end **</b>	<b>141,686,592</b>	<b>109,228,933</b>

(\*) Gross of provision for cash and cash equivalents



## General information

ATM S.p.A. (hereinafter also referred to as the "Company" or "ATM") is a company incorporated and domiciled in Milan and organised under the laws of the Italian Republic. The Company has its registered office in Milan - Foro Buonaparte, 61.

The company manages the public transport service for the urban and regional areas of Milan and Monza, the management service of car parks, parking spaces and removals, Area B and C, cable cars management, as well as integrated vehicle and infrastructure maintenance activities.

The publication of these Financial Statements was authorised by the Directors on 31 March 2025 and the same will be submitted to the Shareholders' Meeting for approval and subsequent filing, within the terms provided by law. The Shareholders' Meeting has the power to make amendments to these Financial Statements.

The company Deloitte & Touche S.p.A. is entrusted with the legal audit of the accounts until the approval of the financial statements for the year ending 31 December 2025.

The same accounting principles have been applied in the preparation of these Annual Financial Statements as those adopted in the preparation of the Annual Financial Statements for the year ended 31 December 2023, supplemented by the matters described in Section 3 "Valuation Criteria".

In line with the provisions of IAS 8 (paragraphs 41 and 42), the Company reclassified as at 31 December 2023:

- payments on account made to suppliers for works pursuant to Art. 35 of Legislative Decree No. 50/2016 from "Non-current financial assets" to "Other non-current receivables and assets" in the amount of EUR 39,491,264.
- advances received from ATM S.p.A. and paid by the Municipality of Milan for extraordinary maintenance services reclassified from "Trade receivables" to "Other noncurrent payables and liabilities" for EUR 33,692,502.

## Criteria for the Preparation of Annual Financial Statements

These Financial Statements for the year ended 31 December 2024 have been prepared in accordance with the IFRS (*International Accounting Standards* - IFRS) issued by the *International Accounting Standards Board* (IASB), and interpretations issued by the *IFRS Interpretations Committee* (IFRIC) and the *Standing Interpretations Committee* (SIC), recognised in the European Union pursuant to European Regulation (EC) no. 1606/2002 of 19 July 2002 and in force at the end of the financial year (all the above-mentioned standards and

interpretations are hereinafter referred to as "IAS-IFRS Standards"). In particular, Legislative Decree No. 38 of 28 February 2005, which governed this regulation in Italy, introduced the obligation to apply the IAS-IFRS standards for the preparation of financial statements to companies issuing financial instruments admitted to trading on regulated markets in any EU Member State.

Also, these Financial Statements have been prepared on the basis of the best knowledge of IAS-IFRSs and taking into account the best doctrine on the subject; any future guidelines and interpretative updates will be reflected in subsequent years, in accordance with the procedures provided by the relevant applicable accounting standards.

The financial statements have been prepared on a going concern basis, in accordance with paragraphs 24 and 25 of IAS 1, as the Directors have verified that there are no financial, managerial, operational or other indicators that may indicate critical issues regarding the Company's ability to meet its obligations in the foreseeable future and in particular over the next 12 months, taking into account the Company's high levels of capitalisation and liquidity and access to the financial market. This assessment also takes into account what is described in the Report on Operations in paragraph *"Going concern"* regarding Managerial Determination No. 12608 of 28 December 2023 of the Municipality of Milan by which the current service contract with the Municipality of Milan for local public transport is extended, in accordance with the tender documents and the original contract, until 31 December 2026 pursuant to Article 24, par. 5-bis of Decree-Law No. 4/2022.

In relation to the above, on 29 December 2023, the Entrusting Entity - Municipality of Milan and ATM S.p.A. signed the extension of the following contracts:

- Local Public Transport Service and related and complementary services: until 31 December 2026;
- Parking Spaces control, Car park management and vehicle removal service: until 31 December 2026;
- Service for the implementation and operation of the Bike Sharing sustainable mobility system: until 31 December 2026.

On 12 January 2024, the Contracting Entity - Municipality of Milan and ATM S.p.A. signed the deed for the continuation until 31 December 2026 of the contract for the management of the payment and collection channels, on behalf of the Municipality of Milan, of the revenues deriving from the accesses to the L.T.Z. Cerchia dei Bastioni - "Area C" as well as back office, front office and call centre services dedicated to the management of the fulfilments required by the traffic regulations L.T.Z. Cerchia dei Bastioni - "Area C" and "Area B".

Finally, the activities related to the routine maintenance and management of the systems technologies and equipment constituting the Integrated Traffic and Territorial Control System (SCTT) and to the management of the payment systems for access to the LTZ Cerchia dei Bastioni "Area C" and the subsequent adaptation of the computerised system for managing transit and the recording procedures, have been included in the concession, by means of project financing pursuant to art. 183 - paragraph 15 of Legislative Decree no. 50/2016 as amended, for design, implementation and maintenance services of Smart City IT systems and applications for security and mobility "Minново". The concessionaire of the agreement is the Temporary Grouping of Companies formed by A2A Smart City S.p.A. (agent) and ATM S.p.A. (principal). The agreement will be effective from 1 April 2024 and lasts twelve years.

As already mentioned in the Report on Operations attached to the 2024 financial statements, the current year was characterised not only by the still unresolved conflict between Russia and Ukraine, but also by the geopolitical choices of the new US administration, which are potentially capable of rewriting established balances.

In this context, the volatility of energy commodity prices can still be a risk factor for the public transport sector, unless the government intervenes to protect it. Thus, also for the three-year period 2025 - 2027, the trend of this production factor may represent a potentially critical element. During 2024, the Company once again entered into *commodity hedging* transactions on the price of electricity, which expired by 31 December 2024, seizing the opportunity represented by price levels recorded in the first part of the year, which were favourable compared to *budget estimates*.

During the preparation of the Annual Report 2024, the Parent Company performed an *impairment test*, to verify the recoverability of property, plant and equipment and intangible assets (including rights of use for leased assets), as well as equity investments recognised in the balance sheet. The results of the *Impairment Test* confirmed that the book values of these *assets* of the *business* lines analysed were stable (see Note 4 "*Use of estimates*" below).

A description of how the Company manages financial risks is contained in Note 5 - "*Financial Risk Management*" below.

The Financial Statements consist of the Statement of Financial Position, the Income Statement, the Statement of Other Comprehensive Income, the Statement of Changes in Shareholders' Equity, the Cash Flow Statement and the Notes thereto.

In particular, the Statement of Financial Position was prepared according to the format that shows the breakdown of "current/non-current" assets and liabilities as allowed by IAS 1. An asset/liability is classified as current when it meets one of the following criteria:

- expected to be realised/extinguished or expected to be sold or used in the normal operating cycle; or
- is held primarily to be traded; or
- is expected to be realised/extinguished within twelve months from the balance sheet date.

In the absence of all three conditions, assets/liabilities are classified as non-current. The credit and debit items also detail the values referring to transactions with related parties.

The Profit and Loss Account is drawn up according to the classification scheme of revenues and expenses by nature, highlighting the intermediate results relating to EBITDA, operating profit and pre-tax profit, in order to allow for a better representation of normal operating performance. The form chosen is in accordance with internal reporting and management methods of *business*, is in line with international practice and is therefore considered more representative than presentation by destination, providing more reliable and more relevant information for the sector. The income and expenses items also detail the values referring to transactions with related parties. Expenses and revenues to and from related parties are also broken down by counterparty in the table in Note 41.

The Statement of Other Components of the Statement of Comprehensive Income includes changes occurring during the year, generated by transactions other than those entered into with Shareholders and on the basis of specific IAS-IFRS standards. Changes in "*other comprehensive income (loss)*" are shown separately from the related tax effects.

The Statement of Changes in Shareholders' Equity has been prepared in accordance with IAS 1 and illustrates the changes in shareholders' equity items related to:

- Allocation of the net profit for the year;
- each item of profit and loss net of any tax effects, which, as required by IAS-IFRS, are either recognised directly in equity (actuarial gains and losses generated by the valuation of defined benefit plans, valuation of financial assets at fair value) or have a balancing entry in an equity reserve whose impact is then reflected directly in equity;
- the effect of any changes in accounting standards or the introduction of new accounting standards.

The Cash Flow Statement presents cash flows during the year classified into operating, investing and financing activities; cash flows from operating activities are presented using the indirect method.

The Financial Report is also accompanied by the Report on Operations that accompanies the Financial Statements. In addition, in compliance with the requirements introduced by Legislative Decree no. 125 of 6 September 2024 implementing Directive 2022/2464/EU, and

in compliance with the ESRS Standards - published by the EFRAG (*European Financial Reporting Advisory Group*) - the Company has prepared the Consolidated Sustainability Report, which constitutes a specific section within the Report on Operations and contains information on the Company's management and organisational methods, the policies practised, the risks and how they are managed, and the performance with regard to ESG sustainability issues relevant to the Company. ATM S.p.A. therefore benefited from the exemption from the preparation of the Sustainability Document referring to its own activity due to the publication of the Consolidated Sustainability Document.

### **Measurement criteria**

#### ***Property, plant and equipment***

Real estate, consisting of land, warehouses and offices (excluding warehouses decommissioned from the production process and those for which renovation and redevelopment work is planned) are valued at cost restated at *fair value*, a criterion that allows the value of the asset to be periodically restated so as to align it with a value equal to the *fair value* at the date of restatement, net of accumulated depreciation and any impairment losses.

Plant and machinery are recorded at purchase or production cost. The value is recorded net of accumulated depreciation and any impairment losses. The purchase or production cost includes charges directly incurred to make their use possible, as well as any dismantling and removal charges that will be incurred as a result of contractual obligations requiring the asset to be restored to its original condition.

Costs for improvements, modernisation and transformation that increase the value of tangible assets are recognised as assets. In particular, the maintenance activities defined as "General Overhaul" or "Medium General Overhaul" are to be considered in this context, having the objective of restoring the metro and tram rolling stock to a condition comparable to that of a corresponding vehicle acquired as new, envisaging the substantial reconstruction of the vehicles starting from bare chassis or, as for the interventions defined as *revamping*, including significant technological improvements/adaptations. These interventions are carried out from a time perspective, depending on the type of rolling stock, the degradation it has undergone and therefore the operating stresses to which it is subjected, the distance travelled, and the need for technological improvements/adaptations. The capitalisation of the above-described expansion, modernisation or improvement is made to the extent that they meet the requirements to be separately classified as an asset or part of an asset, applying the

*component approach*, according to which each component susceptible to an independent assessment of its useful life and related value must be treated individually.

Charges incurred for maintenance and repairs of an ordinary nature are directly charged to the income statement when incurred.

Depreciation is calculated on a straight-line basis at rates deemed representative of the estimated economic-technical life of the tangible assets. Depreciation is computed from the time the asset is available for use, as intended by management. Land is not depreciated.

The estimated useful lives of the year are as follows:

	Service life years
Property, plant and equipment	
Buildings	50
Plant and machinery	
- Line installations	
- Fixed Workshop Equipment	20
- Fuelling Plant	9
- Installations and technologies on lines	10
- Building Plants	17
- Signalling Equipment	25
- Operating rooms	17
- Power supply substations	17
- Self-localisation	17
- Magnetic-electronic ticketing	10
- Line rolling stock	
- Railway rolling stock	30
- Road rolling stock	7 ÷ 13
Industrial and commercial equipment	
- Auxiliary vehicles	5 ÷ 13
- Miscellaneous equipment	5 ÷ 10
Other assets	5 ÷ 8

The economic-technical life of tangible assets and their residual value are reviewed and updated, where necessary, at least at the end of each financial year.

Tangible assets are also tested for impairment annually or whenever there is an indication that the asset may be impaired. Please refer to the following paragraph "*Asset Impairment*" for the criteria for determining any write-downs.

Real estate also includes owned real estate of a non-instrumental nature. Like land, warehouses and offices, investment property is valued at cost revalued to *fair value*, a criterion that allows the value of the asset to be periodically revalued to a value equal to the *fair value* at the date of revaluation, net of accumulated depreciation and any impairment losses.

In the case of the sale of real estate, any price received in excess of the real estate's book value is credited to equity under the item "Other Reserves", which also includes the residual portion of OCI attributable to the real estate or land sold.

### **Intangible assets**

Intangible assets consist of non-monetary items that are identifiable and lack physical substance, controllable, and capable of generating future economic benefits. Such elements are recorded at purchase and/or production cost, including directly attributable expenses to prepare the asset for use, net of accumulated amortization and any impairment losses.

Depreciation begins when the asset is available for use, according to management's intentions, and is allocated systematically in relation to the residual possibility of use of the asset, i.e. on the basis of its estimated useful life.

In particular, licence costs for software, including expenses incurred to make the software ready for use, are amortised on a straight-line basis over the relevant term (5 years), while costs related to software maintenance are charged to the income statement as incurred.

Intangible assets with a finite useful life are also tested for impairment whenever there is an indication that the asset may be impaired. Please refer to the following paragraph "Asset Impairment" for the criteria for determining any write-downs.

### **Rights of use on leased assets**

Property, plant and equipment held under leases through which control (*right of use*) of an asset is acquired, are recognised by the lessee as an asset of the Company through the recognition of the *lease* asset as an asset with a balancing entry of a financial liability. The discriminating elements of *leases* are the following: the identification of the asset, the right to substitute the asset, the right to obtain substantially all economic benefits derived from the use of the asset and, finally, the right to direct the use of the asset underlying the contract.

Rights of use are systematically amortised from the time the asset is available for use, as intended by management, over the contractual term of the lease.

### **Investments in subsidiaries, associates and other companies**

Investments in subsidiaries, associates and other companies are valued at acquisition cost, reduced by any impairment losses. Please refer to the following paragraph "Asset Impairment" for the criteria for determining any write-downs.

The positive difference, when arising at the time of the acquisition with third parties, between the acquisition cost and the Company's share of equity at current values of the investee is, therefore, included in the carrying value of the investment.

Investments in associates, subsidiaries and other companies are tested for impairment. If there is evidence that these investments have suffered an impairment loss, it is recognised in the income statement as a write-down. In the event that the Company's share of the investee's losses, if any, exceeds the carrying value of the investment, and the Company has an obligation to cover those losses, the value of the investment is written off and the Group's share of further losses is recognised as a provision for risks and charges in the balance sheet liabilities. If, subsequently, the impairment loss ceases to exist or is reduced, a reversal of the impairment loss is recognised in the income statement within the limits of the original cost.

Please refer to the following section "Adjustments to asset values" for a more detailed examination of the recoverability of these investments.

### **Asset value adjustments**

- Property, Plant and Equipment, Intangible Assets (including Right of Use for Leased Assets) and Equity Investments

At each balance sheet date, a test is performed to determine whether there is any indication that property, plant and equipment, intangible assets (including rights to use them, the impairment of which relates to the occurrence of conditions to use the asset under an onerous contract within the meaning of IAS 37) and investments may be impaired and whether with reference to the value of land and buildings, the fair value may be different from the cost restated to fair value at the date of the review (therefore including accumulated depreciation recognised between the two dates of measurement of fair value). Both internal and external sources of information are considered for this purpose. For the former (internal sources), the following are considered: the obsolescence or physical deterioration of the asset, any significant changes in the use of the asset, and the economic performance of the asset compared to what was expected. As far as external sources are concerned, the following are considered: the market price development of assets, any technological, market or regulatory



discontinuities, the development of market interest rates or the cost of capital used to evaluate investments.

If the presence of such indicators is identified, the recoverable value of these assets is estimated (Impairment test), and any impairment is charged against the related carrying value in the income statement. The recoverable amount of an asset is the higher of its *fair value*, net of incidental selling costs, and its value in use, the latter being the present value of estimated future cash flows for that asset. In determining the value in use, expected future cash flows are discounted using a discount rate that reflects current market assessments of the cost of money, relative to the period of the investment and the specific risks of the asset. For an asset that does not generate largely independent cash flows, recoverable amount is determined in relation to the *cash generating unit* (CGU) to which that asset belongs.

An impairment loss is recognised in profit or loss if the carrying amount of the asset, or the related *cash generating unit* to which it is allocated, is greater than its recoverable amount. Impairment losses of the *cash generating unit* are recognised as a reduction of assets, in proportion to their carrying amount and within the limits of their recoverable amount, including utilisation rights. If the conditions for a previously recognised impairment loss are no longer met, the carrying amount of the asset is reinstated and charged to profit or loss, up to the net carrying amount that the asset in question would have had if the impairment loss had not been recognised and, for tangible and intangible assets with a finite useful life, depreciation had been recognised.

The CGUs identified by the Group are: Local Public Transport and Complementary Services, Local Public Transport in Intercity Areas, Local Public Transport abroad Copenhagen, Local Public Transport abroad Thessaloniki, Other Activities.

- Land and buildings measured at cost restated to fair value

In the year of restatement of *fair value*, the positive differential between *the restated fair value* and the carrying value (*fair value* at the previous restatement adjusted for depreciation) is recognised in equity while in the case of a negative differential, the same is recognised in equity (OCI) up to the residual value of the restatement of the *fair value* of each property and for the excess part to the income statement.

### **Financial assets**

Financial assets are classified into the following three categories: (i) financial assets measured at amortised cost; (ii) financial assets measured at fair value with the effects recognised in

other comprehensive income (hereinafter also FVTOCI); (iii) financial assets measured at fair value with the effects recognised in profit or loss (hereinafter also FVTPL).

Financial assets are initially recognised at *fair value*.

- (i) financial assets measured at amortised cost  
Subsequent to initial recognition, financial assets that generate contractual cash flows represented solely by principal and interest payments are measured at amortised cost if they are held for the purpose of collecting the contractual cash flows (held to collect business model). According to the amortised cost method, the initial recognition value is subsequently adjusted for principal repayments, any write-downs and the amortisation of the difference between the repayment value and the initial recognition value. Amortisation is performed on the basis of the effective internal interest rate, which represents the rate that makes the present value of expected cash flows and the initial recognition value equal at the time of initial recognition. Receivables and other financial assets measured at amortised cost are presented in the balance sheet net of the related allowance for impairment.
- (ii) financial assets at fair value through other comprehensive income (hereinafter also FVTOCI)  
Financial assets representing debt instruments whose business model envisages both the possibility of collecting the contractual cash flows and the possibility of realising capital gains on disposal (business model held to collect and sell), are valued at fair value with the effects being charged to OCI (FVTOCI). In this case, changes in the fair value of the instrument are recognised in equity, among other components of comprehensive income. The cumulative amount of the changes in fair value, charged to the equity reserve that contains the other components of comprehensive income, is reversed to the income statement upon derecognition of the instrument.
- (iii) financial assets at fair value through profit or loss (hereinafter also FVTPL)  
A financial asset that is not measured at amortised cost or FVTOCI is measured at fair value with the effects recognised in profit or loss (FVTPL); this category includes financial assets held for trading purposes as well as financial assets whose cash flows have characteristics that do not meet the conditions for measurement at amortised cost or FVTOCI.  
The assessment of the recoverability of financial assets not measured at fair value with effects on the Profit and Loss Account is made on the basis of the Expected Credit Losses.  
Transferred financial assets are derecognised when the contractual rights to obtain the cash flows associated with the financial instrument expire or are transferred to a third party.

With regard to value adjustments (*impairment*), loans and debt securities classified as financial assets at amortised cost, financial assets measured at fair value with impact on comprehensive income and significant off-balance sheet exposures are subject to value adjustments.

In this regard, such instruments are classified into stage 1, stage 2 or stage 3 depending on their absolute or relative credit quality with respect to the initial disbursement. More specifically:

- Step 1: includes (i) newly originated or acquired credit exposures, (ii) exposures that have not experienced a significant deterioration in credit risk since initial recognition, and (iii) exposures with low credit risk ("*low credit risk exemption*").
- Step 2: includes credit exposures that, although not impaired, have experienced a significant deterioration in credit risk since initial recognition.
- Step 3: includes impaired credit exposures. For stage 1 exposures, total value adjustments are equal to the expected loss calculated over a time horizon of up to one year. For stage 2 or stage 3 exposures, overall value adjustments are equal to the expected loss calculated over a time horizon equal to the entire duration of the related exposure.

The Company has developed specific models for calculating expected loss that leverage the probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD") parameters used for regulatory purposes and to which specific adjustments are made to ensure full consistency with accounting regulations. This also included the inclusion of forward-looking information through the development of specific scenarios.

### **Inventories**

Inventories - referring to materials to be used for rolling stock maintenance activities - are recorded at the lower of purchase cost (including ancillary charges) and net realisable value. Cost is determined according to the weighted average cost method. The net realisable value is the replacement cost.

Obsolete inventories and/or slow moving, are written down in relation to their presumed possibility of use or future realisation, by reporting a specific provision to adjust the value of inventories. The writedown is eliminated in later years if the reason for it cease to exist.

### **Trade receivables, other receivables and current assets**

Trade receivables, other receivables and current assets are initially recognised at fair value and subsequently measured according to the amortised cost method net of the allowance for doubtful accounts. If there is objective evidence of indicators of impairment, the asset is reduced to the extent that it is equal to the discounted value of the cash flows obtainable in

the future. Objective evidence of impairment is tested by considering, inter alia, material contractual defaults, significant financial difficulties, risk of counterparty insolvency. Receivables are shown net of provisions for bad debts. If, in subsequent years, the impairment of the asset is ascertained, the impairment provision is utilised; conversely, if the reasons for the previous write-downs no longer apply, the value of the asset is reinstated up to the value that would have resulted from the application of amortised cost if the write-down had not been made.

### **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, available bank deposits, other short-term investments with a maturity of three months or less. Items included in cash and cash equivalents are valued at *fair value*.

### **Financial liabilities**

Loans, trade payables and other financial liabilities are initially recorded at *fair value*, net of directly attributable incidental costs, and are subsequently measured at amortised cost, applying the effective interest rate method. If there is a change in the expected cash flows, the value of the liabilities is recalculated to reflect this change on the basis of the present value of the new expected cash flows and the internal rate determined initially. Loans, trade payables and other financial liabilities are classified as current liabilities, except for those that have a contractual maturity of more than 12 months after the balance sheet date and those for which the company has an unconditional right to defer their payment for 12 months after the balance sheet date. Loans, trade payables and other financial liabilities are removed from the balance sheet when they are extinguished and when the Company has transferred all risks and charges relating to the instrument.

### **Employee benefits**

The Company has both defined contribution and defined benefit plans in place.

Defined contribution plans are managed by third-party fund managers, in relation to which there are no legal or other obligations to pay further contributions if the fund does not have sufficient assets to meet its commitments to employees. For defined contribution plans, the Company makes contributions, either voluntary or contractually agreed, to public and private insurance pension funds. Contributions are recorded as personnel costs on an accrual basis. Advanced contributions are recorded as an asset that will be repaid or offset against future payments, should they be due.

A defined benefit plan is a plan that cannot be classified as a defined contribution plan. In defined benefit schemes, the amount of the benefit to be paid to the employee is quantifiable only after the termination of employment, and is linked to one or more factors such as age, years of service and salary. The obligations for defined benefit plans are therefore determined by an independent actuary using the "*projected unit credit method*". The present value of the defined benefit plan is determined by discounting the future cash flows at an interest rate equal to that of bonds (*high-quality corporate*) issued in the currency in which the liability will be settled and taking into account the duration of the relevant pension plan. Gains and losses resulting from the actuarial calculation are fully recognised in equity, in the year of reference, taking into account the related deferred tax effect.

In particular, it should be noted that the company manages a defined benefit plan, represented by the Staff Severance Fund ("TFR"). TFR is compulsory for Italian companies under Article 2120 of the Civil Code; it is in the nature of deferred remuneration and is related to the length of the employee's working life and the remuneration received during the period of service rendered. As of 1 January 2007, Law No. 296 of 27 December 2006, "2007 Budget Law", and subsequent Decrees and Regulations, introduced significant changes in the rules governing severance pay, including the worker's choice as to whether to allocate his accruing severance pay to complementary pension funds or to the "Treasury Fund" managed by INPS. It follows, therefore, that the obligation to INPS and the contributions to supplementary pension schemes have assumed, pursuant to IAS 19 "Employee Benefits", the nature of defined contribution plans, while the amounts recorded in the TFR fund as of 1 January 2007 maintain the nature of defined benefit plans.

### **Provisions for risks and charges**

Provisions for risks and charges are recorded for losses and charges of a definite nature, of certain or probable existence, the amount and/or date of occurrence of which, however, cannot be determined. Recognition is made only when there is a current obligation (legal or implied) for a future outflow of economic resources as a result of past events, and it is probable that such an outflow will be required to fulfil the obligation. This amount represents the best estimate of the burden to settle the obligation. When the financial effect of time is significant and obligation payment dates can be reliably estimated, funds are valued at the present value of the expected outlay using a rate that reflects market conditions, the change in the cost of money over time, and the specific risk associated with the obligation. The increase in the value of the fund determined by changes in the cost of money over time is accounted for as passive interest.

Risks for which the occurrence of a liability is only possible are reported in the appropriate disclosure section on contingent liabilities, and no provision is made for them.

### **Revenue recognition**

Revenues are recognised at the amount equal to the fair value of the consideration received or receivable, to the extent that the economic benefits flow to the Group and are reliably determined.

For revenues from Service Contracts relating to Local Public Transport services, the performance obligation is represented by the delivery of the local public transport service runs and routes carried out in the reporting year.

The associated consideration is recognised over time on an accrual basis in relation to the distances and routes covered in the year of reference, net of penalties, discounts, rebates and premiums, as well as directly related taxes.

Revenues from services (in particular, parking spaces management, car parks, car removal) are recognised - point in time - when the service is performed, sales revenues when the transfer occurs or when the counterparty obtains control of the asset.

Rental income for commercial space, advertising and sponsorship is recognised in the year in which it accrues, based on the contractual agreements signed.

### **Public grants**

Public grants, where there is a formal allocation resolution, are recognised on an accrual basis in direct correlation with the costs incurred. In the event of uncertainty of attribution, they are recognised on a cash basis in the financial year in which they are definitively received.

- **Capital grants**  
Government capital grants refer to sums disbursed for the acquisition of rolling stock or for the construction, rehabilitation and expansion of property, plant and equipment. Capital grants are accounted for as a direct reduction of the assets to which they relate and contribute, as a reduction, to the calculation of depreciation allowances.
- **Grants for operating expenses**  
Operating grants refer to sums disbursed by the Municipality of Milan or other public bodies to the company as a reduction of costs and charges incurred. Operating grants are charged to "Other proceeds" as a positive component of the income statement.

### **Entry of Costs**

Costs are recognised when they relate to goods and services purchased or consumed during the financial year or by systematic allocation.

### **Dividends**

They are recognised in the income statement when the shareholders' right to receive payment arises, which normally corresponds to the shareholders' resolution to distribute dividends.

### **Financial income**

Financial income is recognised on an accrual basis and includes interest income on invested financial assets, gains on the sale of financial assets or on the adjustment of the fair value of financial assets, and exchange rate gains. Interest income is charged to the Income Statement as it accrues, taking into account the effective yield.

### **Financial expenses**

Borrowing costs are recognised on an accrual basis and include interest expense on borrowings calculated using the effective interest method, losses on the sale of financial assets or on the adjustment of the fair value of financial assets, and foreign exchange losses.

### **Income taxes**

Current taxes are calculated on the basis of taxable income for the year, applying the tax rates in effect at the balance sheet date. Deferred taxes are calculated for all differences arising between the tax base of an asset or liability and its book value.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which they can be recovered. Deferred taxes are determined using the tax rates that are expected to apply in the years in which the differences will be realised or settled. The recoverability of deferred tax assets is reviewed at each period end. Deferred tax assets not recognised in the financial statements are reanalysed at each balance sheet date and are recognised to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

Current and deferred taxes are recognised in the Income Statement, except for those relating to items directly debited or credited to equity, in which case the tax effect is recognised directly in equity and in the Statement of Comprehensive Income. Taxes are set off when levied by the same tax authority and when there is a legal right of set-off and a settlement of the net balance is expected.

The company adheres to the ATM Group's National Tax Consolidation as the consolidating company; this allows IRES to be determined on the algebraic sum of the taxable amounts of the individual participants. The economic relations, responsibilities and reciprocal obligations between the consolidating company (ATM S.p.A.) and the consolidated Group companies are defined in the "Agreement for the joint exercise of the option for national consolidation by ATM Group companies", which is valid for three years and is tacitly renewed, unless revoked.

IRAP is determined solely by reference to the Company.

Other taxes not related to income, such as property taxes, are included in "Other operating expenses and charges".

### **Conversion of foreign currency items**

The translation of currencies other than the functional currency are reported at the exchange rate existing on the transaction date. Monetary assets and liabilities denominated in a currency different from the euro are later adjusted to the exchange rate existing at the end of the reporting period. Non-monetary assets and liabilities denominated in a currency different from the euro are reported at historic cost using the exchange rate in effect on the initial date the transaction was reported. Any exchange rate differences arising are reported in profit or loss.

### **IFRS accounting standards, amendments and interpretations not yet endorsed by the European Union**

At the date of this document, the competent bodies of the European Union have not yet completed the endorsement process necessary for the adoption of the amendments and standards described below:

- On 30 May 2024, the IASB published "**Amendments to the Classification and Measurement of Financial Instruments-Amendments to IFRS 9 and IFRS 7**". The paper clarifies a number of problematic issues that emerged from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary when ESG objectives are met (i.e. *green bonds*). In particular, the amendments aim to:
  - Clarify the classification of financial assets with variable returns and linked to environmental, social and corporate governance (ESG) objectives and the criteria to be used for the SPPI test;
  - determine that the date of settlement of liabilities through electronic payment systems is the date on which the liability is extinguished. However, an entity is permitted to adopt an accounting policy to allow a financial liability to be



derecognised before delivering cash on the settlement date under certain specified conditions.

With these amendments, the IASB also introduced additional disclosure requirements with regard to investments in equity instruments designated as FVOCI.

The amendments will apply as of the financial statements for financial years beginning on or after 1 January 2026. The directors do not expect a significant effect on the financial statements of the Company from the adoption of this amendment.

- On 18 July 2024, the IASB published a document entitled ***“Annual Improvements Volume 11”***. The document includes clarifications, simplifications, corrections and changes to improve the consistency of several IFRS Accounting Standards. The modified principles are:
  - IFRS 1 First-time Adoption of International Financial Reporting Standards;
  - IFRS 7 Financial Instruments: Disclosures and related guidance on the implementation of IFRS 7;
  - IFRS 9 Financial Instruments;
  - IFRS 10 Consolidated Financial Statements; and
  - IAS 7 Statement of Cash Flows.

The changes will apply from 1 January 2026, but earlier application is permitted. The directors do not expect a significant effect on the financial statements of the Company from the adoption of this amendment.

- On 18 December 2024, the IASB published an amendment entitled ***“Contracts Referencing Nature-dependent Electricity - Amendment to IFRS 9 and IFRS 7”***. The document aims to support entities in reporting the financial effects of renewable electricity purchase agreements (often structured as *Power Purchase Agreements*). On the basis of these contracts, the amount of electricity generated and purchased can vary depending on uncontrollable factors such as weather conditions. The IASB made targeted amendments to IFRS 9 and IFRS 7. The amendments include:
  - a clarification regarding the application of the own use requirements to this type of contract;
  - of the criteria for allowing such contracts to be accounted for as hedging instruments;
  - of the new disclosure requirements to enable users of financial statements to understand the effect of these contracts on an entity's financial performance and cash flows.

The change will apply from 1 January 2026, but earlier application is permitted. The directors do not expect a significant effect on the financial statements of the Company from the adoption of this amendment.

- On 9 April 2024, the IASB published a new standard **IFRS 18 Presentation and Disclosure in Financial Statements** that will replace IAS 1 *Presentation of Financial Statements*. The new standard aims to improve the presentation of the financial statements, with particular reference to the income statement. In particular, the new principle requires:
  - to classify revenues and expenses into three new categories (operating section, investment section and financial section), in addition to the tax and discontinued operations categories already present in the income statement;
  - to present two new sub-totals, operating profit and earnings before interest and taxes (i.e. EBIT).

The new principle also:

- requires more information on the performance indicators defined by management;
- introduces new criteria for the aggregation and disaggregation of information; and,
- introduces a number of changes to the format of the cash flow statement, including the requirement to use the operating result as the starting point for the presentation of the cash flow statement prepared under the indirect method and the elimination of certain classification options for some items that currently exist (such as interest paid, interest received, dividends paid and dividends received).
- The new principle will enter into force on 1 January 2027, but earlier application is permitted. The directors are currently evaluating the possible effects of the introduction of this new standard on the Company's financial statements.

**IFRS accounting standards, amendments and interpretations endorsed by the European Union, not yet mandatorily applicable and not early adopted by the Group as at 31 December 2024**

As of the date of this document, the competent bodies of the European Union have not completed the endorsement process necessary for the adoption of the amendments and standards described below, but these standards are not mandatory and have not been adopted early by the Group as at 31 December 2024:

- On 15 August 2023, the IASB published an amendment entitled **"Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability"**. The document requires an entity to apply a consistent methodology for verifying whether one currency can be converted into another and, when this is not possible, how to determine the exchange rate to be used and the disclosures to be made in the notes to the financial statements. The change will apply from 1 January 2025, but earlier application is permitted. The directors do not expect a significant effect on the financial statements of the Company from the adoption of this amendment.

**IFRS accounting standards, amendments and interpretations not yet endorsed by the European Union as at 31 December 2024**

The following IFRS accounting standards, amendments and interpretations were applied for the first time by the Group as of 1 January 2024:

- On 23 January 2020, the IASB published an amendment entitled "Amendments to IAS 1 Presentation of Financial Statements: **Classification of Liabilities as Current or Noncurrent**" and on 31 October 2022 published an amendment entitled "**Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants**". Such changes are intended to clarify how to classify debts and other short-term or long-term liabilities. In addition, the amendments also improve the information that an entity must provide when its right to defer settlement of a liability for at least twelve months is subject to compliance with certain parameters (i.e. covenants). The adoption of these amendments had no impact on the Company's financial statements.
- On 22 September 2022, the IASB published an amendment entitled "Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback". The document requires the seller-lessee to measure the lease liability arising from a sale and leaseback transaction so as not to recognise an income or loss that relates to the retained right of use. The adoption of these amendments had no impact on the Company's financial statements.
- On 25 May 2023, the IASB published an amendment entitled "Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: **Disclosures: Supplier Finance Arrangements**". It requires an entity to provide additional disclosures about reverse factoring arrangements that enable users of financial statements to evaluate how financial arrangements with suppliers may affect the entity's liabilities and cash flows and to understand the effect of those arrangements on the entity's exposure to liquidity risk. The adoption of these amendments had no impact on the Company's financial statements.

**Use of estimates**

The application of IAS-IFRS to prepare the Financial Statements requires the Directors to make accounting estimates, which are often based on complex and/or subjective evaluations, based on past experience and assumptions considered reasonable and realistic in relation to the information known at the time of the estimate, including with the support of experts. The use of these estimates is reflected in the carrying value of assets and liabilities and in the disclosure of contingent assets and liabilities at the date of the Financial Statements, as well as in the amount of income and expenses in the accounting period represented. Actual results may differ from those estimated due to the uncertainty surrounding the assumptions and conditions on which the estimates are based. For this reason, estimates and assumptions are reviewed periodically and the effects of any changes are reflected in the Income Statement.

For a better understanding of the Financial Statements, the most significant estimates in the process of preparing the Financial Statements are indicated below, as they involve a high degree of reliance on subjective judgements, assumptions and estimates relating to matters that are by their nature uncertain. Changes in the conditions underlying the judgments and assumptions made could have a material impact on subsequent years' results.

**Recoverability of the value of property, plant and equipment and intangible assets (including rights of use for leased assets)**

The valuation of property, plant and equipment and intangible assets requires that they be carried at a value not exceeding their recoverable amount ( *Impairment test*). The recoverable amount is the higher of *fair value less cost to sell* and value in use. Value in use is determined as the present value of future cash flows expected to arise from the asset being measured. These flows are determined in line with the most recent business plan approved by the management, which is based not only on the evolution of the regulatory framework for LPT, but also on estimates related to the development of energy commodities, labour costs, and investment decisions. In the process of determining the recoverable amount, flows are discounted using a discount rate (post-tax WACC) that reflects current market assessments, the time value of money and the risks specific to the asset.

In the analyses carried out for the construction of the future cash flows, the Directors took as a reference the Economic and Financial Plan 2025 ÷ 2035 that takes into account the extension of the service contract with the Municipality of Milan for local public transport until 31 December 2026, as indicated in the Managerial Determination no. 12608 of 28 December 2023 of the Municipality of Milan, to then consider reasonable economic forecasts for the subsequent period until 31 December 2035 both in terms of revenue flows linked to the adjustment of the service contract, and in terms of costs with reference to the impacts linked to the savings and efficiency-boosting actions envisaged and resulting from the "full electric" project, and with reference to the trend of electricity costs determined prospectively on the basis of reasonable assumptions inferred from the prospective trends. Investments were determined on the basis of the 2025 ÷ 2027 Investment Plan projected for the period until 31 December 2035. The Directors, in order to evaluate the Plan's time horizon - longer than 5 years - have taken into account both the timeframe reasonably required to complete the procedures for entrusting the service and, above all, the considerable investments related to the "full electric" project that will begin to generate returns in terms of economic results and cash flows in the years following the 5th year of the plan.

The impairment test implied - in estimating the value in use - - the use of projections that are based on a set of assumptions and hypotheses concerning future events and actions of the administrative bodies and competent regulatory bodies of LPT services, which will not necessarily occur. In fact, the assumptions concerning future performance and the consequent forecast data used to perform the *impairment test* are characterised, due to their forecasting nature, by a certain degree of uncertainty and, therefore, it cannot be excluded that the occurrence of future results that differ from those estimated may require possible adjustments to the value of tangible and intangible assets recognised in the financial statements.

### **Recoverability of investments**

Also with reference to the impairment test of investments in subsidiaries and associates, the Company checks at each balance sheet date for indicators of impairment. If such indicators are identified, the impairment test is performed on the basis of the estimated value in use.

*Cash-generating units* (CGUs) have been identified in line with the Group's organisational and business structure, as assets that generate independent cash inflows from their continuous use. The CGUs are therefore represented by the individual legal entities and, specifically, the SPV Linea M4 S.p.A., Metro 5 S.p.A., Movibus S.p.A. and the other minority interests.

As mentioned in the previous paragraph, the Company considered various external indicators of impairment during 2024, such as the increase in bank interest rates reflected in the discount rate, the sudden increase in the inflation rate, as well as geopolitical uncertainty factors, mainly arising from the conflict between Russia and Ukraine and the Israeli-Palestinian conflict.

The future cash flows used for the calculation are based on the most recent business plans prepared by management. In particular, reference was made in the elaboration of future cash flows:

On the other hand, no indicators of impairment were identified with reference to the other CGUs identified with the other associated companies, as they are characterised by positive economic trends with future growth prospects over the medium-term time horizon.

As regards information on investee companies, whose financial statements refer to the latest available financial statements prepared in accordance with Italian GAAP, please refer to the information contained in Note 10 of the Notes.

### **Restated cost at fair value of land and buildings**

The valuation of the *fair value* of the land and buildings taken as reference for the periodic redetermination of cost is a complex estimative process that depends on the characteristics of the properties, the criteria for identifying the market parameters used for the valuation, and the methodological approach adopted in determining the portfolio discount.

### **Useful life of tangible and intangible assets**

Tangible and intangible assets with a finite useful life are amortised over the estimated useful life of the related assets. The economic-technical life of assets is determined by the Directors at the time the asset is acquired; it is based on historical experience for similar assets, market conditions and anticipations regarding future events that could impact the useful life. Therefore, the actual economic-technical life may differ from the estimated useful life. The Company periodically evaluates technological and industry changes to update the remaining useful life. This periodic update could lead to a change in the depreciation period and thus also in the depreciation rate for future years. It should be noted that as at 31 December 2017, on the occasion of the first adoption of the IAS-IFRS standards, updates were made to the useful lives referring to metro and tram rolling stock, while in the 2018 financial year, as part of the change in the valuation criterion for Buildings, a new economic-technical life was defined for Buildings subject to valuation at fair value.

### **Recoverability in inventories**

Inventory valuation is an estimative process subject to the uncertainty of determining the replacement value of rolling stock and consumable components that varies over time and according to market conditions as well as the conditions of use of the different types of vehicles that make up the fleet based on fleet renewal plans that may vary over time.

### **Recoverability of Deferred Tax Assets**

The financial statements include deferred tax assets, mainly related to income components with deferred tax deductibility, for an amount whose recovery in future years is deemed highly probable. Significant judgement calls by the Directors are required to determine the amount of deferred tax assets that may be recognised in the financial statements based on the timing and amount of future taxable income.

In addition, it should be noted that in these Financial Statements, deferred tax assets have been recognised in respect of income components with deferred tax deductibility for the portion that the Directors believe will be recoverable against the future taxable income

hypothesised, subsequent to the end of the current expiry date of the Service Contract with the Municipality of Milan, which was extended until 31 December 2026.

#### **Processes for estimating provisions for risks and charges**

The Company is subject to legal and tax lawsuits as well as environmental risks that may arise from complex and difficult issues, which are subject to varying degrees of uncertainty, including the facts and circumstances surrounding each lawsuit, jurisdiction and different applicable laws. Given the uncertainties surrounding these issues, it is difficult to predict with certainty the payout that could result from such disputes. Accordingly, the Directors, after consulting with their legal, tax and environmental advisors and experts, establish a liability for such litigation when they believe it is probable that a financial outlay will be incurred and when the amount of the resulting losses can be reasonably estimated. This estimate involves assumptions that depend on factors that may change over time and therefore could have significant effects with respect to the current estimates made by the directors in preparing the Company's financial statements.

#### **Factors for the Valuation of Employee Benefits**

Employee benefit liabilities are measured using an actuarial method that requires the use of estimates and assumptions to determine the value of the obligation. The estimates and assumptions inherent in actuarial valuation involve exogenous factors such as the discount rate and subjective factors such as the rate of future salary increases, mortality and resignation.

#### **Determining the Fair Value of Financial Assets**

The fair value of certain financial assets that are not quoted in active markets is determined using valuation techniques. The Company uses valuation techniques that use inputs that are directly or indirectly observable by the market at the balance sheet date, related to the assets being valued. Although we consider the estimates of the above fair values to be reasonable, possible changes in the estimation factors on which the calculation of these values is based could lead to different valuations.

#### **Climate change risk disclosure**

As already reported in previous sections of this paper, the decarbonisation and electrification process of the global economy is underway worldwide and is crucial in achieving the goal of 'Net Zero'. This goal should make it possible to avoid a temperature increase of more than 1.5 °C and avoid serious consequences for the environment.

In this context, the Company has considered the risks related to climate change in preparing these Financial Statements as at 31 December 2024, which appropriately reflect the effects of achieving carbon neutrality in the assets, liabilities and income statement by highlighting their significant impacts as required by the Conceptual Framework of International Accounting Standards.

In this regard, in accordance with the IFRS Foundation's "IFRS Standards and climate-related disclosures" and as required by ESMA in its "European Common Enforcement Priorities", the Company provides explicit information in the Notes to these financial statements on how climate change is reflected in the accounts.

For a more effective and organic communication in relation to the climate change disclosure prepared within the Notes to these Financial Statements, the different climate change issues are outlined below.

### **Pillar Two information**

During 2021, more than 135 countries ( Inclusive Framework on Base Erosion and Profit Shifting, or, more simply, Inclusive Framework) have reached agreement on an international tax reform introducing a global minimum tax ( 'Global Minimum Tax' or 'GMT') for large multinational companies. In particular, these countries have reached a political agreement on an international taxation model based on two pillars aimed at alleviating some of the tax issues arising from the digitisation of the economy. Pillar Two proposes the introduction of the aforementioned Global Minimum Tax.

Within the EU, the Council therefore adopted on 12 December 2022 Directive (EU) 2022/2523 introducing this Global Minimum Tax into EU law, which sets a minimum level of effective taxation of 15% for domestic and multinational groups with consolidated revenues of more than EUR 750 million per year and which applies from tax periods beginning on or after 31 December 2023. To date, several non-EU countries have also implemented a similar framework, based on the work of the Inclusive Framework.

In order to regulate the radical changes resulting from the introduction of the Global Minimum Tax by such a significant number of states in terms of financial statement disclosure, the IASB subsequently published an update of IAS 12. In particular, the changes to the accounting standard introduce a mandatory temporary exception not to recognise deferred taxation that would result from the implementation of Pillar Two in the relevant countries. This exception, which the Group also uses for the purposes of this disclosure, is immediately applicable and



retroactive. There are also specific disclosure requirements for companies to which these rules apply.

The Italian legislator transposed Directive (EU) 2022/2523 with Legislative Decree No. 209/2023, introducing three related tax mechanisms: (i) the supplementary minimum tax ("IIR"), payable by parent companies located in Italy with respect to foreign enterprises subject to low taxation and forming part of the group; (ii) the supplementary minimum tax ("UTPR"), payable by one or more enterprises of a multinational group located in Italy with respect to the profits of enterprises, not controlled by them, which are part of the group and subject to low taxation, when a sufficient IIR has not been applied in the countries of the controlling companies; (iii) the domestic minimum tax ("QDMTT"), payable with respect to the enterprises of the group subject to low taxation and located in Italy

In the face of these complex regulatory changes, the Group (which falls within the scope of application of the GMT) is currently engaged in implementing the internal procedures necessary to manage in the most effective and efficient manner the requirements imposed by the Pillar Two regulations, with reference to both Italian and foreign operations. In this context, thorough analyses have been carried out to estimate the likelihood that, in the jurisdictions where the Group is present, the requirements for the application of the simplified transitional regime, the "Safe Harbour" (governed in our legal system by the Ministerial Decree of 20 May 2024), which - if complied with - would make it possible not to apply the more complex regulatory system envisaged at regime. In addition, analyses were performed to estimate whether, in certain of these jurisdictions, a GMT was due in respect of the results achieved in the tax period ending 31 December 2023.

These audits revealed that in 2023, the requirements for the application of the simplified transitional regime are met in all jurisdictions in which the Group operates and that, therefore, no Global Minimum Tax would have been due in the same jurisdictions if the regime had already been in place.

In order to provide more complete and detailed information in the financial statements, a preliminary assessment was also conducted on the figures as at 31 December 2024. On the basis of this preliminary assessment, with reference to the jurisdictions in which the group operates, the fulfilment of the Safe Harbour requirements. Accordingly, based on currently available information and the procedures implemented to date, no Global Minimum Tax is expected to be payable in respect of this period.

## **IAS 1 - Presentation of Financial Statements**

IAS 1 requires entities to disclose information, for example, climate-related issues, that are not specifically required by IFRS standards and not presented elsewhere, but that are relevant to an understanding of the financial statements.

With regard to assumptions and estimates, IAS 1 requires disclosure of assumptions that an entity makes about the future that have a significant risk of causing a material adjustment within the next financial year. Therefore, it may be necessary to make assumptions about climate-related issues explicit.

With regard to this area, management does not identify any specific impacts arising from climate-related risks to be considered in the application of accounting standards.

It should be noted, however, that the assessment, and more specifically, the quantification, of climate-related risks generally requires the application of assumptions about highly uncertain future developments, such as future technological developments, political developments, and government actions have been considered in the preparation of the financial statements with regard to the following.

## **IAS 36 - Impairment of Assets**

The *impairment test* is carried out starting from the Group Business Plan, which in turn is derived from the short, medium and long-term strategic objectives. The cash flows used are therefore derived from this plan and include both risks and opportunities related to climate change (e.g. CO2 reduction, replacement of energy supply sources, development of activities as a solution provider etc.). Specific sensitivities are also performed to take into account different future scenarios.

## **IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets**

IAS 16 and IAS 38 define the criteria for the capitalisation of costs. Costs, including those of developing new solutions that reduce consumption, are capitalised when they meet the requirements of the two standards. The useful life of property, plant and equipment, as well as that of intangible assets, is determined in a manner consistent with the Group's strategic objectives and business plan.

## **IAS 37 Provisions, Contingent Liabilities and Contingent Assets**

Legislation introduced in response to climate change may give rise to new obligations that did not exist before. Furthermore, an entity may make a public commitment to behave in a certain way or undertake certain activities in response to climate change.

It is possible, again, that previously recognised provisions for future events may have a faster realisation with the resulting change in estimate to be recognised. Climate change and associated legislation may require this assumption to be reconsidered, resulting in the need to recognise previously unrecognised liabilities. A specific disclosure of contingent liabilities is also provided, if the conditions are met.

### **Financial risk management**

This section briefly describes the Company's policies for managing and controlling the financial risks to which it is exposed:

1. credit risk arising from the possibility of default by a counterparty;
2. liquidity risk arising from a lack of financial resources to meet short-term commitments;
3. risk of non-compliance with the debt covenants and possible default;
4. risk arising from exposure to interest rate fluctuations, exchange rate fluctuations, commodity price fluctuations and rating downgrades on m/l-term debt.

During the financial year 2024, the Company made use of derivative financial instruments to partially hedge its exposure to the risk of fluctuations in commodity prices, particularly electricity.

#### **1) Credit risk**

The credit risk represents the Company's exposure to potential losses deriving from the non-fulfilment of obligations undertaken by commercial counterparties, mainly represented by the Municipality of Milan and its investee companies, as well as financial counterparties in relation to the portfolio of financial assets, deposits with banks and capital contributions also in the form of loans granted to investee companies.

As part of its risk management of financial instruments subject to investment, the Company, in accordance with the approved policy, and with the aim of preserving the capital invested in real terms, uses instruments to monitor any deterioration of credit risk.

In particular, with reference to counterparty credit risk, the Company adopts procedures and tools to assess, select and monitor investments on the basis of credit standing (including but not limited to explicit rating assessments, monitoring of CDS - Credit Default Swaps and Loss Given Default, IDR - Implicit Default Rate), and periodically develops stress test scenarios.

In management, priority is given to investment security before liquidity and liquidity before return. The parameters subject to ongoing assessment include the aforementioned indicators, as well as compliance with the minimum rating thresholds defined by policy, and the minimum

size of individual assets included in the portfolio; the overall weighted average duration profile is also assessed for portfolio sensitivity mitigation purposes.

ATM's portfolio of invested assets includes cash securities, for the choice of which the rating constraints are respected, equal to at least, for the preponderant part of them, an 'Investment Grade' rating, as well as duration and issuer weighting with respect to the total portfolio, and units of UCITS with a limited risk profile, EU harmonised and with broad sector and geographical diversification.

The Company is also exposed to credit risk in relation to the financial guarantees (pledges on shares) issued in favour of the financing entities on the *project finance* transactions for the associated companies Metro 5 S.p.A. and SPV Linea M4 S.p.A. The Company's maximum exposure is equal to the value of the pledged shares of the two project companies totalling EUR 30,062,900 million as at 31 December 2024.

However, in accordance with the provisions of the European Securities and Markets Authority ('ESMA') and in accordance with IFRS 9, the aforementioned value contributes to the formation of total financial debt only to the extent of the related expected credit loss, i.e., the cash shortfall, which ATM as guarantor may have to bear.

The low exposure to counterparty credit risk is confirmed by the findings of the impairment analysis, as detailed in the next section.

With reference to commercial counterparties, ATM has internal tools for selecting and assessing the economic-financial reliability of customers and suppliers, as well as external sources for monitoring their credit situation. The continuous monitoring of exposure to the various counterparties and the implementation of appropriate mitigation actions also provide for the adoption of measures aimed at credit recovery.

The following table shows the Company's credit risk exposure as at 31 December 2024 compared to the balance as at 31 December 2023.

	31.12.2024	31.12.2023
Non-current financial assets	174,138,906	159,801,723
<b>Non-current financial assets net of allowance for doubtful accounts</b>	<b>174,138,906</b>	<b>159,801,723</b>
Other receivables and noncurrent assets	54,080,509	39,491,264
<b>Other receivables and noncurrent assets net of bad debt provision</b>	<b>54,080,509</b>	<b>39,491,264</b>
Current financial assets	133,265,908	163,877,626
<b>Current financial assets net of bad debt provision</b>	<b>133,265,908</b>	<b>163,877,626</b>
Current trade receivables	267,540,140	226,694,019
Write-down fund	(11,545,932)	(11,876,587)
<b>Current trade receivables net of bad debt provision</b>	<b>255,994,208</b>	<b>214,817,432</b>
Other receivables and current assets	76,080,992	90,609,574
Write-down provision	-	(2,208,992)
<b>Other receivables and current assets net of bad debt provision</b>	<b>76,080,992</b>	<b>88,400,582</b>
Cash and cash equivalents	141,596,945	109,159,182
<b>Cash and cash equivalents</b>	<b>141,596,945</b>	<b>109,159,182</b>
<b>Total exposure net of impairment provision*</b>	<b>835,157,468</b>	<b>775,547,809</b>

\* Tax credits are not included.

The change in current financial assets and cash and cash equivalents reflects the effect of investment trends and operating expenses, as well as resources allocated to the settlement of loan instalments with the European Investment Bank.

Non-current financial assets include loans to related parties and third parties; the increase in the year is mainly attributable to the loan granted by the Parent Company to the Greek subsidiary THEMA S.A.

The decrease in the provision for doubtful trade receivables is related to the dynamics connected to the utilisations and releases made during the year (for further details, please refer to Note 17 - *Trade Receivables*) of which the main ones refer to the utilisation of the provision for doubtful trade receivables for EUR 225,468 against the transfer to loss on receivables of sine open positions and to the allocation of EUR 159,108 to the provision for doubtful trade receivables from the Municipality of Milan.

The decrease in other current receivables and assets is due, on the one hand, to lower receivables for government grants for plant and equipment and, on the other hand, to the

lower receivable relating to the 'transport bonus' grant, established by Decree-Law No. 50 of 17 May 2022 and converted with amendments into Law No. 91 of 15 July 2022, partly offset by the increase in receivables for regional grants for plant.

The following tables show the exposure to credit risk by counterparty, in absolute terms and as a percentage, shown excluding cash and cash equivalents, as well as current and non-current financial assets:

	31.12.2024	Inc. %	31.12.2023	Inc. %
Municipality of Milan	203,698,879	52.8%	168,808,221	49.3%
Receivables from subsidiaries	9,642,951	2.5%	10,714,000	3.1%
Tax receivables	1,586,954	0.4%	1,975,208	0.5%
Receivables from Entities (State, Region, Province)	67,923,895	17.6%	82,102,435	24.0%
Receivables from ordinary customers	22,326,952	5.8%	20,803,237	6.1%
Receivables from affiliates	20,208,554	5.2%	14,230,058	4.1%
Other accounts receivable	60,650,652	15.7%	43,814,203	12.8%
Receivables from subsidiaries of parent companies	116,872	0.0%	261,916	0.1%
<b>Total trade receivables, other current and non-current receivables</b>	<b>386,155,710</b>	<b>100%</b>	<b>342,709,278</b>	<b>100%</b>

It should be noted that a significant portion of trade and other receivables is attributable to the parent company, the Municipality of Milan. The amount of financial assets deemed to be of doubtful collectability and of insignificant amount is covered by appropriate allocations to the allowance for doubtful accounts, which also take into account the generic risk of impairment of receivables that are not past due, determined on the basis of historical experience.

The tables below provide a breakdown of receivables as of 31 December 2024 and 31 December 2023, net of allowance for impairment, grouped by maturity and shown excluding cash and cash equivalents, as well as current and non-current financial assets:

	31.12.2024	Not expired	0-180	180-360	360-720	beyond 720
Receivables from subsidiaries (gross)	9,642,951	9,170,086	-	268,680	61,546	142,639
<b>Receivables from subsidiaries (net)</b>	<b>9,642,951</b>	<b>9,170,086</b>	<b>-</b>	<b>268,680</b>	<b>61,546</b>	<b>142,639</b>
Tax receivables (gross)	1,586,954	1,458,954	-	-	32,000	96,000
<b>Tax receivables (net)</b>	<b>1,586,954</b>	<b>1,458,954</b>	<b>-</b>	<b>-</b>	<b>32,000</b>	<b>96,000</b>
Receivables from institutions (gross)	67,923,895	34,257,763	-	17,556,121	11,071,694	5,038,317
<b>Receivables from Entities (net)</b>	<b>67,923,895</b>	<b>34,257,763</b>	<b>-</b>	<b>17,556,121</b>	<b>11,071,694</b>	<b>5,038,317</b>
Receivables from ordinary customers (gross)	33,342,764	17,066,415	5,538,704	206,262	(147,107)	10,678,490
Write-down fund	(11,015,812)	(109,795)	(4,896)	(22,815)	(289,773)	(10,588,533)
<b>Receivables from ordinary customers (net)</b>	<b>22,326,952</b>	<b>16,956,620</b>	<b>5,533,808</b>	<b>183,447</b>	<b>(436,880)</b>	<b>89,957</b>
Receivables from affiliates (gross)	20,242,189	20,004,604	61,683	84,322	1,086	90,494
Write-down fund	(33,634)	(32,631)	(13)	11	(778)	(224)
<b>Receivables from associates (net)</b>	<b>20,208,554</b>	<b>19,971,973</b>	<b>61,670</b>	<b>84,333</b>	<b>308</b>	<b>90,270</b>
Receivables from others (gross)	60,650,652	5,705,108	(285,376)	(12,705)	54,658,239	585,386
<b>Receivables from others (net)</b>	<b>60,650,652</b>	<b>5,705,108</b>	<b>(285,376)</b>	<b>(12,705)</b>	<b>54,658,239</b>	<b>585,386</b>
Municipality of Milan (gross)	204,195,183	110,046,664	72,501,922	6,850,579	4,347,686	10,448,332
Write-down fund	(496,304)	(207,857)	(106,793)	3	(1,281)	(180,376)
<b>Municipality of Milan (net)</b>	<b>203,698,879</b>	<b>109,838,807</b>	<b>72,395,129</b>	<b>6,850,582</b>	<b>4,346,405</b>	<b>10,267,956</b>
Receivables from subsidiaries of parent companies (gross)	117,054	36,289	5,665	-	22,693	52,407
Write-down fund	(182)	(57)	(8)	-	(35)	(82)
<b>Receivables from subsidiaries of parent companies (net)</b>	<b>116,872</b>	<b>36,232</b>	<b>5,657</b>	<b>-</b>	<b>22,658</b>	<b>52,325</b>
<b>Total trade receivables, other current and non-current receivables net of bad debt provision</b>	<b>386,155,710</b>	<b>197,395,543</b>	<b>77,710,888</b>	<b>24,930,458</b>	<b>69,755,970</b>	<b>16,362,850</b>



	31.12.2023	Not expired	0-180	180-360	360-720	beyond 720
Receivables from subsidiaries (gross)	10,714,000	10,468,529	-	102,830	65,761	76,880
<b>Receivables from subsidiaries (net)</b>	<b>10,714,000</b>	<b>10,468,529</b>	-	<b>102,830</b>	<b>65,761</b>	<b>76,880</b>
Tax receivables (gross)	1,975,208	1,769,874	-	109,334	96,000	-
<b>Tax receivables (net)</b>	<b>1,975,208</b>	<b>1,769,874</b>	-	<b>109,334</b>	<b>96,000</b>	-
Receivables from institutions (gross)	82,102,435	68,290,549	6,727,440	7,084,446	-	-
<b>Receivables from Entities (net)</b>	<b>82,102,435</b>	<b>68,290,549</b>	<b>6,727,440</b>	<b>7,084,446</b>	-	-
Receivables from ordinary customers (gross)	32,178,630	16,146,365	4,361,639	279,710	329,147	11,061,770
Write-down fund	(11,375,393)	(141,148)	(690,430)	(161,680)	(252,110)	(10,130,025)
<b>Receivables from ordinary customers (net)</b>	<b>20,803,237</b>	<b>16,005,217</b>	<b>3,671,208</b>	<b>118,029</b>	<b>77,037</b>	<b>931,745</b>
Receivables from affiliates (gross)	14,259,996	13,812,041	(106,917)	335,377	76,758	142,735
Write-down fund	(29,938)	(27,372)	-	(232)	(1,690)	(644)
<b>Receivables from associates (net)</b>	<b>14,230,058</b>	<b>13,784,669</b>	<b>(106,917)</b>	<b>335,145</b>	<b>75,068</b>	<b>142,091</b>
Receivables from other debtors (gross)	46,023,195	5,341,172	210,904	291,161	39,698,488	481,470
Write-down fund	(2,208,992)	(1,018,233)	(210,904)	(291,161)	(207,224)	(481,470)
<b>Receivables from other debtors (net)</b>	<b>43,814,203</b>	<b>4,322,939</b>	-	-	<b>39,491,264</b>	-
Municipality of Milan (gross)	169,279,005	74,404,979	61,795,079	11,889,171	12,607,034	8,582,742
Write-down fund	(470,784)	(194,069)	(111,098)	(1,576)	-	(164,041)
<b>Municipality of Milan (net)</b>	<b>168,808,221</b>	<b>74,210,910</b>	<b>61,683,981</b>	<b>11,887,595</b>	<b>12,607,034</b>	<b>8,418,701</b>
Receivables from subsidiaries of parent companies (gross)	262,388	65,943	78,881	62,975	914	53,675
Write-down fund	(472)	(119)	(142)	(113)	(2)	(96)
<b>Receivables from subsidiaries of parent companies (net)</b>	<b>261,916</b>	<b>65,824</b>	<b>78,739</b>	<b>62,862</b>	<b>912</b>	<b>53,579</b>
<b>Total trade receivables, other current and non-current receivables net of bad debt provision</b>	<b>342,709,278</b>	<b>188,918,511</b>	<b>72,054,451</b>	<b>19,700,241</b>	<b>52,413,077</b>	<b>9,622,996</b>

During the course of the year, the impairment provisions were adjusted according to the riskiness observed for each type of credit. Please refer to the comment sections of the Explanatory Notes for details on changes in the provisions.

### Impairment of financial assets

At each balance sheet date, financial assets other than those measured at fair value with impact on profit or loss (FVTPL) and securities classified as FVTOCI undergo an assessment to identify a change in credit risk, in order to include this change in the estimate of the expected credit loss ('ECL'). The quantification of the ECL of each registered financial instrument is based on financial parameters provided by leading market providers. A similar analysis is also performed for current account and cash balances, commitments to provide loans to third



parties, and guarantees issued that fall within the scope to be subject to impairment under IFRS 9.

IFRS 9 requires that the related provision be quantified in relation to the presumed impairment of financial assets classified in three categories (*stage allocation*) based on the degree of creditworthiness deterioration. The measurement of the expected loss on financial assets depends on the borrower's credit risk at the initial recognition date, and the change in that risk observed between initial recognition and the balance sheet date. In detail:

- Stage 1 classifies financial assets that have not suffered a significant deterioration in creditworthiness compared to the creditworthiness at initial recognition; exceptions are financial assets that were impaired at the time of purchase. For classification purposes, the maintenance of "*investment grade*" status, as defined by the ECB-accredited rating agencies, is a discriminating factor. On the exposures included in this category, the Company quantifies the provision for losses equal to the expected credit losses from a possible default event in the following 12 months (*12-months expected credit loss -ECL*);
- Stage 2 classifies financial assets for which there has been a significant increase in credit risk since the date of initial recognition. Financial assets are considered, however, *performing* but their quality is lower than in Stage 1. On exposures included in this category, the Company assesses the provision for an amount equal to the expected losses over the entire life of the financial instrument (lifetime expected credit loss - ECL, taking into account potential future income);
- In Stage 3, "*impaired*" financial assets are classified, i.e. assets for which a loss event has occurred that permanently impairs creditworthiness. Similarly to assets classified in Stage 2, the Company assesses the provision at an amount equal to the expected losses over the entire life of the financial instrument (lifetime expected credit loss - ECL, but without considering future income from the financial instrument).

The following tables show the ECL values ("*Expected Credit Loss*") as at 31 December 2024 and 31 December 2023:

	31.12.2024	Expected Credit Loss		
		Stage 1 - 12m ECL	Stage 2 - ECL Lifetime	Stage 3 - ECL Lifetime
Cash and cash equivalents	89,647	89,647		
Financial Assets Held to Collect & Sell	41,818	41,818		
Financial Guarantees	46,898	46,898		
Trade receivables	11,545,932	11,545,932		
<b>Total</b>	<b>11,724,295</b>	<b>11,724,295</b>	-	-

	31.12.2023	Expected Credit Loss		
		Stage 1 - 12m ECL	Stage 2 - ECL Lifetime	Stage 3 - ECL Lifetime
Cash and cash equivalents	69,751	69,751		
Financial Assets Held to Collect & Sell	43,570	43,570		
Financial Guarantees	54,113	54,113		
Trade receivables	11,876,587	11,876,587		
Other receivables	2,208,992	2,208,992		
<b>Total</b>	<b>14,253,013</b>	<b>14,253,013</b>	-	-

In view of the credit risk detected, all financial assets other than trade receivables fall into Stage 1, with the probability of default measured at 12 months.

## 2) Liquidity risk

Liquidity risk is the risk that financial resources will not be sufficient to meet financial and commercial obligations on the agreed terms and deadlines, including due to difficulties in raising funds or liquidating assets on the market.

The Company manages liquidity risk by maintaining adequate reserves, committed credit lines and has the capital capacity to obtain additional funding, either through access to the capital market or by resorting to primary financial institutions, including supranational ones. Risk management is performed in the first instance by continuously monitoring expected and current cash flows and correlating the maturity profiles of financial assets and liabilities.

The following tables provide a breakdown of the remaining maturities of financial liabilities based on undiscounted cash flows, according to the first maturity at which the Company will be required to repay them. The amounts include both flows related to the repayment of principal and flows related to interest. In the event that interest flows are at a variable rate,

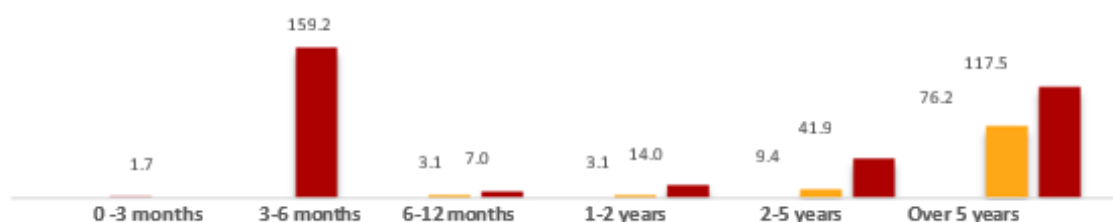
the undiscounted value of the interest flows is estimated by applying, for subsequent maturities, the latest variable rate applied by the lending institution in 2024.

	31.12.2024	Contractual cash flows	0-3 months	3-6 months	6-12 months	1-2 years	2-5 years	Over 5 years
Bonds	70,801,855	91,868,700	-	-	3,124,100	3,124,100	9,372,300	76,248,200
Loans from banks	318,908,210	341,369,446	1,683,750	159,243,564	6,990,505	14,013,079	41,896,916	117,541,632
<b>Total</b>	<b>389,710,066</b>	<b>433,238,146</b>	<b>1,683,750</b>	<b>159,243,564</b>	<b>10,114,605</b>	<b>17,137,179</b>	<b>51,269,216</b>	<b>193,789,832</b>

	31.12.2023	Contractual cash flows	0-3 months	3-6 months	6-12 months	1-2 years	2-5 years	Over 5 years
Bonds	70,413,095	71,312,500	-	-	71,312,500	-	-	-
Loans from banks	330,131,161	360,113,638	1,551,287	9,026,790	161,193,845	14,156,489	42,273,249	131,911,978
<b>Total</b>	<b>400,544,256</b>	<b>431,426,138</b>	<b>1,551,287</b>	<b>9,026,790</b>	<b>232,506,345</b>	<b>14,156,489</b>	<b>42,273,249</b>	<b>131,911,978</b>

\* financial abilities resulting from the application of IFRS 16 are not included

Contractual cash flow maturities 31.12.2024 (EUR mln)



The Company is able to meet its payment obligations both through the generation of cash flows from operations and by drawing on its ample and diversified available liquidity. The Company can count on committed credit lines of the type Hot Money / Mixed for a total of EUR 46.5 million as at 31 December 2024, as well as on RCF - Revolving Credit Facilities outstanding for EUR 160 million as at the same date.

On both types of lines as at 31 December 2024, there were no outstanding drafts.

The capital structure as outlined above was positively rated by the S&P Global Ratings agency when it was first assigned a rating of BBB with a stable outlook in May 2024. Subsequently, in November 2024, FitchRatings in their periodic review of the rating they extended, confirmed the 'BBB' level and improved the outlook from stable to positive.

On 10 May, the Company subscribed to the first EMTN "Euro Medium Term Notes" bond issue programme, listed on the Dublin Stock Exchange and amounting to EUR 400,000,000, with a

rating assigned by Fitch Ratings and S&P Global Ratings of BBB, which followed the publication of the first Green Financing Framework, certified by Sustainalytics.

In 2021, the Company had a 'RAF - Risk Appetite Framework' policy and related group-level KRIs (Key Risk Indicators) aimed at defining the maximum risk-taking thresholds that do not jeopardise prospective financial equilibrium and balance sheet strength.

### 3) Default risk and debt covenants

The risk of default consists in the possibility that upon the occurrence of precise circumstances, contained in the loan agreements or in the bond indentures, the lenders are entitled to trigger contractual protections that may go as far as early repayment of the loan, (*"acceleration"*) thus generating a potential liquidity risk.

As of 31 December 2024, the Company has loan agreements with the European Investment Bank and a bond in the form of a Green Private Placement listed on the Dublin Stock Exchange under the EMTN Programme, which is scheduled to be repaid in a lump sum in 2031.

Loan agreements, as well as bonds, in line with international practice for similar transactions, generally provide for the right of the lender/debenture holder to request repayment of its claim by terminating the relationship with the debtor early in all cases where the latter is declared insolvent and/or is the subject of bankruptcy proceedings, or has commenced liquidation or other proceedings with similar effects.

In particular, the loan agreements and the bond indentures, as is customary in the market, contain a number of typical clauses, the breach of which entails the issuer's obligation to immediately redeem the bonds issued. These include the main ones: (i) negative pledge clauses, whereby the financed company undertakes not to pledge collateral on ATM's assets in favour of new lenders, above a specifically identified threshold (ii) cross default clauses that provide, in the event of the declaration of insolvency for an obligation, for the extension of the insolvency status to all outstanding financial liabilities and cross acceleration clauses that entail the obligation of immediate repayment of the debt upon the occurrence of specific events of default (iii) clauses obligating ATM to treat lenders similarly to other unsecured creditors (*pari passu*).

Specifically:

- loans granted by the EIB include the obligation to respect, throughout the duration of the loans, pre-established levels of financial ratios such as:

$$\frac{\text{Net equity}}{\text{Group Indebtedness}} > 2$$

$$\frac{\text{Cash Flow from operating activities before NWC}}{\text{Yearly Debt Servicing}} > 3$$

$$\frac{\text{Personal security interests and liens}}{\text{Net equity}} \leq 18\%$$

On 15 April 2024, an amendment to the above first ratio was agreed with the EIB to apply to the verification dates falling between 30 June 2025 (inclusive) and 31 December 2027 (inclusive), with the obligation to comply with a more favourable ratio of 1.6 during this period.

- The bond provides for the obligation to comply with the following financial ratio throughout the life of the debt:

$$\frac{\text{Net equity}}{\text{Group Indebtedness}} > 2$$

As at 31 December 2024, as in previous years, the covenants are complied with.

ATM S.p.A. is also obliged to ensure, throughout the duration of the loans and the bond loan, that the debt of Subsidiaries is less than 10% of the Group's debt. In this case, too, the parameter is largely respected, as the parent company ATM, which manages the centralised treasury, extends its lines to the subsidiaries.

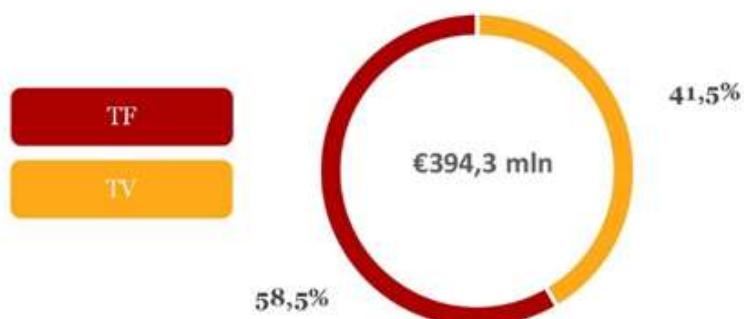
Compliance with the covenants is monitored by the Company on a half-yearly basis. As at the date of approval of the financial statements, the Company is not aware of the existence of any default situation or events that could jeopardise compliance with the covenants in the future.

#### **4) Risk arising from exposure to interest rate fluctuations, exchange rate fluctuations, commodity price fluctuations and rating downgrades on m/l-term debt**

**Interest rate risk:** Interest rate risk is related to interest rate fluctuations that affect the market value of the Company's financial assets and liabilities and the level of net financial expenses. In particular, the Company is exposed to fluctuations in interest rates (mainly Euribor and IRS) on financial assets and to a marginal extent on loans payable, considering that approximately 60% of financial debt is indexed at a fixed rate.

The following table shows the medium- and long-term loans payable at variable and fixed rates:

### Breakdown of fixed and variable rate 2024 (%)



	31.12.2024	Contractual cash flows	Current share	1 and 2 years	2 and 5 years	beyond 5 years
Variable rate	159,104,795	165,322,028	154,877,270	972,530	2,775,267	6,696,961
Fixed Rate	230,605,270	267,916,120	16,164,650	16,164,650	48,493,949	187,092,871
<b>Total</b>	<b>389,710,065</b>	<b>433,238,148</b>	<b>171,041,920</b>	<b>17,137,180</b>	<b>51,269,216</b>	<b>193,789,832</b>

	31.12.2023	Contractual cash flows	Current share	1 and 2 years	2 and 5 years	beyond 5 years
Variable rate	159,610,410	171,025,671	158,731,373	1,115,940	3,151,601	8,026,757
Fixed Rate	240,933,851	260,400,470	84,353,050	13,040,550	39,121,649	123,885,221
<b>Total</b>	<b>400,544,261</b>	<b>431,426,141</b>	<b>243,084,423</b>	<b>14,156,490</b>	<b>42,273,250</b>	<b>131,911,978</b>

Below is the sensitivity analysis on financial liabilities that illustrates the effects on the income statement of a hypothetical shift of the rate curves by +50 or -50 basis points relative to the rate levels recorded in 2024 and 2023:

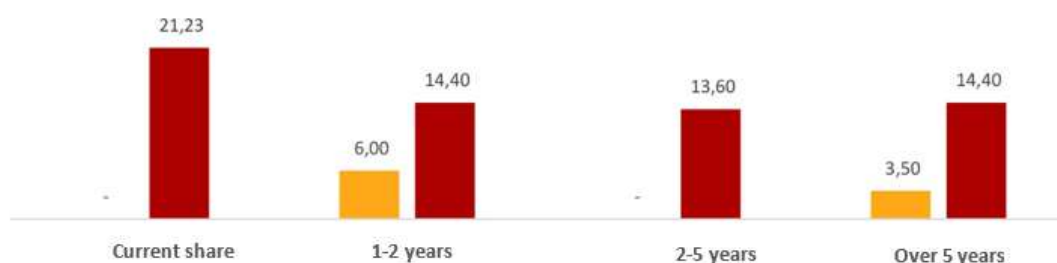
2024	Shift + 50 bps	Shift - 50 bps
Higher/(lower) interest expenses for variable-rate debt	239,145	(239,145)
<b>Total</b>	<b>239,145</b>	<b>(239,145)</b>

2023	Shift + 50 bps	Shift - 50 bps
Higher/(lower) interest expenses for variable-rate debt	625,389	(625,389)
<b>Total</b>	<b>625,389</b>	<b>(625,389)</b>

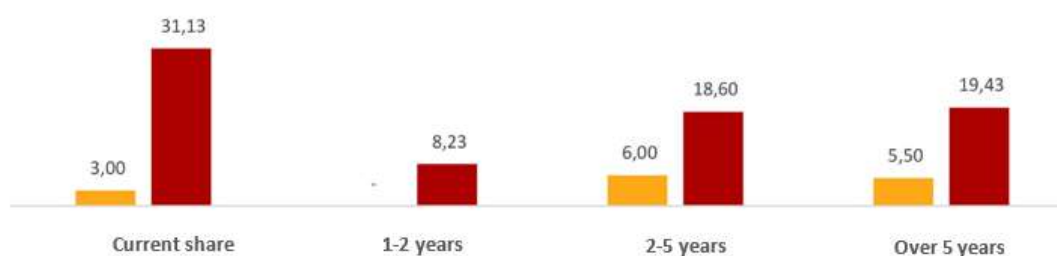
With regard to financial assets, the following table shows the breakdown of fixed-rate and variable-rate government and corporate bonds based on the undiscounted redemption flows of the nominal value of the instruments at their respective maturities:

	31.12.2024	Contractual cash flows	Current share	1 and 2 years	2 and 5 years	beyond 5 years
Variable rate	9,437,893	9,500,000	-	6,000,000	-	3,500,000
Fixed Rate	59,028,510	60,550,000	18,800,000	14,400,000	13,600,000	13,750,000
<b>Total</b>	<b>68,466,403</b>	<b>70,050,000</b>	<b>18,800,000</b>	<b>20,400,000</b>	<b>13,600,000</b>	<b>17,250,000</b>

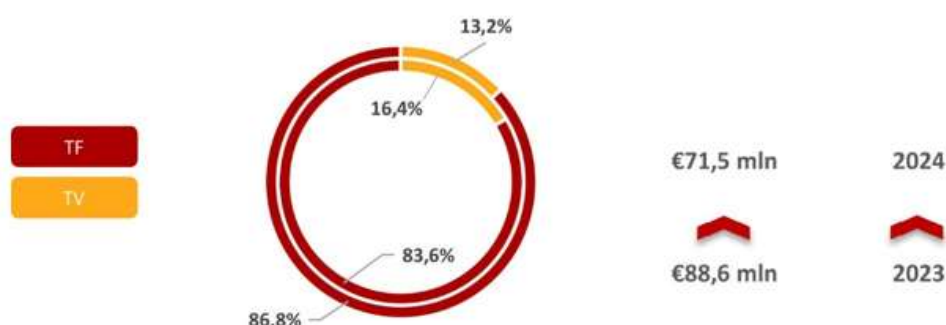
Contractual cash flow refund 31.12.2024 (EUR mln)



Contractual cash flow refund 31.12.2023 (EUR mln)



## Breakdown of TF and TV by CASH securities (2024 vs 2023)



*N.B.: the comparative pie chart shows the 2024 data externally and the 2023 data internally respectively*

Completing the analysis is the sensitivity analysis on the bond portfolio carried out by using the modified duration of the individual securities in the portfolio as a benchmark, assuming a 50, 150 and 250 basis point change in interest rates respectively. The assumption of the analysis is the linear relationship between the prices of securities and their yields.

No account was taken of coupon flows, given the presence in the portfolio of a component of variable-rate index-linked securities.

	31.12.2024	Sensitivity analysis		
		0.50%	1.50%	2.50%
Bonds	68,466,403	(710,255)	(1,875,801)	(3,041,346)
<b>Total</b>	<b>68,466,403</b>	<b>(710,255)</b>	<b>(1,875,801)</b>	<b>(3,041,346)</b>

	31.12.2023	Sensitivity analysis		
		0.50%	1.50%	2.50%
Bonds	82,094,609	(658,482)	(1,971,556)	(3,284,630)
<b>Total</b>	<b>82,094,609</b>	<b>(658,482)</b>	<b>(1,971,556)</b>	<b>(3,284,630)</b>

For assets invested in UCIs, a sensitivity parametric is reported for a hypothetical +/- 10% change in market value as of 31 December 2024 and 31 December 2023.



	31.12.2024	Sensitivity analysis	
		+10%	-10%
CIUs	64,799,505	6,479,951	(6,479,951)
<b>Total</b>	<b>64,799,505</b>	<b>6,479,951</b>	<b>(6,479,951)</b>

	31.12.2023	Sensitivity analysis	
		+10%	-10%
CIUs	81,701,584	8,170,158	(8,170,158)
<b>Total</b>	<b>81,701,584</b>	<b>8,170,158</b>	<b>(8,170,158)</b>

ATM did not enter into any interest rate derivatives during the financial year 2024.

### Foreign exchange risk

The Company operates in the domestic market; it holds - to a ma extent - financial assets denominated in foreign currencies and is therefore exposed to exchange rate risk from fluctuations in exchange rates.

	31.12.2024		
Countervalue in euro	USD	AUD	TRY
Bonds	2,238,753	-	-
<b>Total</b>	<b>2,238,753</b>	<b>-</b>	<b>-</b>

	31.12.2023		
Fair Value in Euro	USD	AUD	TRY
Bonds	2,073,869	-	-
<b>Total</b>	<b>2,073,869</b>	<b>-</b>	<b>-</b>

The following table details the Company's sensitivity analysis to a hypothetical change of +10 or -10 basis points in the exchange rates applied to financial assets as at 31 December 2024 and 31 December 2023:

	31.12.2024	
	Shift + 10 bps	Shift - 10 bps
Exchange rate change	(196,571)	238,444
<b>Total</b>	<b>(196,571)</b>	<b>238,444</b>

	31.12.2024	
	Shift + 10 bps	Shift - 10 bps
Exchange rate change	(172,105)	206,355
<b>Total</b>	<b>(172,105)</b>	<b>206,355</b>

There are no material exchange rate risks for trade receivables and payables.

### Commodity price risk

The Company is exposed to the price risk of energy commodities, i.e. electricity and petroleum products, since supplies are affected by fluctuations in the prices of these commodities either directly or through indexation formulas. Moreover, since some contracts contain exchange rates with other currencies within the price indexing formulas, the Company is also exposed to exchange rate risk.

In order to stabilise the cost of energy, within the limits of the annual budget, the exposure to the risk of fluctuations in the price of the commodity was mitigated through the signing of derivative contracts for purely hedging purposes, amounting to slightly less than half of the estimated annual consumption as of 31 December 2024. This hedging strategy also made it possible to benefit from the price drop recorded during the year for the remaining variable component.

### Rating on m/I-term debt

Without prejudice to the "*credit linkage*" with the State and, consequently, with the Municipality of Milan, Sole Shareholder, the Group constantly monitors the performance of the indicators underlying the rating assessment, as well as the evolution of the capital structure, in order to maintain or improve the rating assigned by the rating agency.

### Financial assets and liabilities by category

To complement the disclosure on financial risks, the following table provides a reconciliation between financial assets and liabilities as reported in the statement of financial position and categories of financial assets and liabilities identified on the basis of the requirements of IFRS 7:

31.12.2024	Financial Assets and Liabilities at Amortised Cost	Financial assets and liabilities with reserve fair value	Non-financial assets and liabilities	Total
Non-current financial assets		174,138,906		174,138,906
Current financial assets		133,265,908		133,265,908
Current trade receivables			255,994,208	255,994,208
Other receivables and current assets			76,080,992	76,080,992
Other receivables and noncurrent assets			54,080,509	54,080,509
Non-current financial liabilities	233,638,456			233,638,456
Current financial liabilities	190,078,491			190,078,491
Current trade payables			301,033,938	301,033,938
Other current payables and liabilities			121,531,273	121,531,273
Other noncurrent payables and liabilities			66,095,619	66,095,619

31.12.2023	Financial Assets and Liabilities at Amortised Cost	Financial assets and liabilities with reserve fair value	Non-financial assets and liabilities	Total
Non-current financial assets		159,801,723		159,801,723
Current financial assets		163,877,626		163,877,626
Current trade receivables			181,124,930	181,124,930
Other receivables and current assets			88,400,582	88,400,582
Other receivables and noncurrent assets			39,491,264	39,491,264
Non-current financial liabilities	173,317,910			173,317,910
Current financial liabilities	257,630,139			257,630,139
Current trade payables			319,660,550	319,660,550
Other current payables and liabilities			111,319,580	111,319,580
Other noncurrent payables and liabilities			33,692,502	33,692,502

### Determining Fair Value

The *fair value* of financial assets and liabilities is determined in accordance with IFRS 13, which requires it to be classified according to a hierarchy of levels, reflecting the characteristics of the inputs used in its determination:

- Level 1: valuations made on the basis of quoted prices in active markets for financial assets and liabilities identical to those being valued;

- Level 2: valuations made on the basis of inputs, other than the quoted prices referred to in Level 1, which for the financial asset or financial liability are observable either directly (prices) or indirectly (price derivatives);
- Level 3: valuations using parameters that cannot be observed in the market.

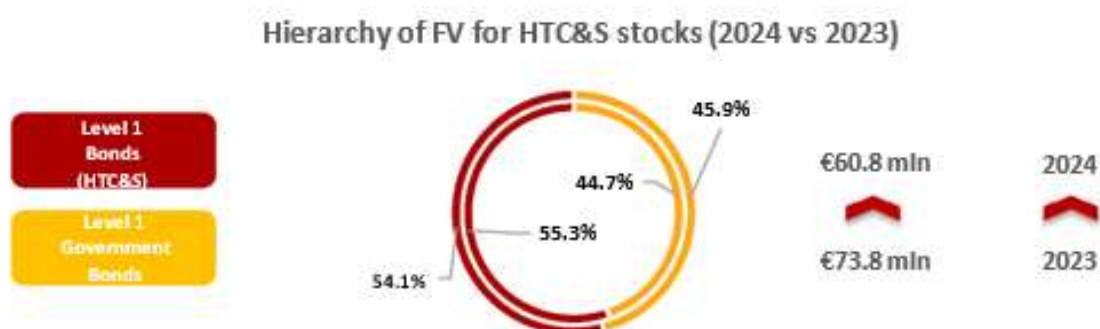
Using the above classification as a reference, valuation procedures were implemented for assets and liabilities outstanding as at 31 December 2024 and 31 December 2023 with reference to observable market parameters:

- the *fair value* of financial assets and liabilities with standard terms and conditions, quoted in an active market is measured by reference to prices published in the market itself by leading market contributors (info provider Bloomberg);
- the *fair value* of other financial assets and liabilities is measured, where applicable, through the application of the discounted cash flow method, using as reference quantities the prices recorded for recent market transactions by primary market contributors for similar instruments. In particular, for the valuation of certain investments in bond instruments, in the absence of regular market functioning, i.e. a sufficient and continuous number of transactions and a bid-ask spread and volatility sufficiently contained, the determination of fair value is made with reference to specific quotations of primary contributors issued at the Company's request;
- In the valuation of investments in UCIs, the fair value is determined on the basis of the NAVs calculated and disclosed by the relevant fund administrator at the balance sheet date. In cases where such information is not available at the date of preparation of the financial statements, the latest available official communication, however not earlier than one month after the balance sheet date, is used.

	31.12.2024	Fair Value as at balance sheet date		
		Level 1	Level 2	Level 3
<b>HTC&amp;S financial assets</b>	<b>60,825,601</b>	<b>60,825,601</b>	-	-
Government Bonds	27,947,237	27,947,237	-	-
Corporate bonds	32,878,364	32,878,364	-	-
<b>Other financial assets</b>	<b>72,440,308</b>	<b>65,236,289</b>	<b>7,204,019</b>	-
Corporate bonds	7,640,803	7,640,803	-	-
CIUs	64,799,505	57,595,486	7,204,019	-
<b>Total</b>	<b>133,265,909</b>	<b>126,061,890</b>	<b>7,204,019</b>	-

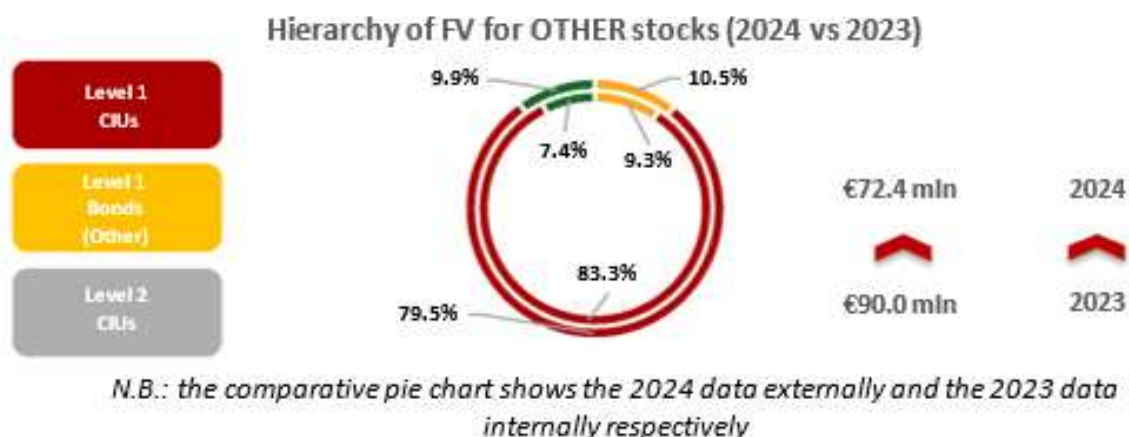
	31.12.2023	Fair Value as at balance sheet date		
		Level 1	Level 2	Level 3
<b>HTC&amp;S financial assets</b>	<b>73,760,190</b>	<b>73,760,190</b>	-	-
Government Bonds	32,956,731	32,956,731	-	-
Corporate bonds	40,803,459	40,803,459	-	-
<b>Other financial assets</b>	<b>90,036,003</b>	<b>83,350,174</b>	<b>6,685,829</b>	-
Corporate bonds	8,334,419	8,334,419	-	-
CIUs	81,701,584	75,015,755	6,685,829	-
<b>Total</b>	<b>163,796,193</b>	<b>157,110,364</b>	<b>6,685,829</b>	-

The following table shows the financial assets measured at fair value, and classified according to the hierarchy of levels defined above:



*N.B.: the comparative pie chart shows the 2024 data externally and the 2023 data internally respectively*

In accordance with the provisions of IFRS 13, the fair value of the financial liabilities at 31 December 2024 and 31 December 2023:



	31.12.2024	31.12.2023
Bonds	59,779,468	68,835,930
Loans from banks	290,905,883	295,823,015
<b>Total</b>	<b>350,685,351</b>	<b>364,658,945</b>

In order to facilitate the financing of the M4 operation, the Company finalised in December 2023 the underwriting of a loan known as Bridge to Bond loan, for EUR 150,000,000, indexed to a variable rate with a maturity of one year that can be extended, at the Company's option, for 6 months and a maximum of two times.

In December 2024, the first renewal option was exercised for a period of 6 months, expiring on 15 June 2025.

### Employment data

The average company workforce, broken down by category, changed as follows compared to the previous year:

Contract Type	31.12.2024	31.12.2023	Change
Managers	31	29	2
Managers/middle managers	386	355	31
Office workers	876	843	33
Blue-collars	7,952	8,186	(234)
<b>Total</b>	<b>9,245</b>	<b>9,413</b>	<b>(168)</b>

The workforce at the end of the year changed as follows:

	31.12.2023	Hirings (+)	Leaving (-)	Intra-Group Transfers	31.12.2024
Force Detail	9,315	676	(679)	1	9,313

The headcount as at 31 December 2024 was 9,313, compared to 9,315 as at 31 December 2023. The net change is mainly attributable to 676 recruitments and 679 departures. The figure for terminations is slightly higher than in recent years and includes all the reasons related to the termination of employment; among these, the most frequent are retirement and spontaneous resignation and therefore in the period under review, the Company did not make any dismissals of an objective nature in accordance with the provisions of Legislative Decree no. 137/2020, known as "Restorals Decree" and its subsequent amendments.

## Notes to the Statement of Financial Position

### Assets

#### Property, plant and equipment

The value of "*Property, Plant and Equipment*" as at 31 December 2024 amounted to EUR 1,095,325,404 net of accumulated depreciation, plant grants and accumulated write-downs.

	31.12.2024	31.12.2023
Plant and machinery	650,032,769	696,272,041
Land and buildings	352,615,082	361,367,350
Industrial and commercial equipment	10,827,745	11,232,950
Other assets	3,347,861	3,578,134
Fixed assets under development	78,501,947	63,625,412
<b>Total</b>	<b>1,095,325,404</b>	<b>1,136,075,887</b>

This item refers to:

- "*Plant and Machinery*", in the amount of EUR 650,032,769, related to line rolling stock and equipment for the operation of transport services owned by the Company;
- "*Land and Buildings*", amounting to EUR 352,615,082, mainly relating to warehouses for rolling stock and office buildings. This item also includes "*Investment property*" represented by owned real estate of a non-instrumental nature leased for commercial

purposes, the net book value of which as at 31 December 2024 was EUR 11,386,545 (EUR 11,544,155 as at 31 December 2023);

- "*Industrial and Commercial Equipment*", amounting to EUR 10,827,745, mainly related to auxiliary vehicles;
- "*Other Assets*", for EUR 3,347,861;
- "*Assets under construction*", amounting to EUR 78,501,947.

"*Assets under construction*" refers to advances paid to suppliers for supplies and investments in tangible assets that are not yet completed and ready for use at the balance sheet date. This item is stated net of the recognised accrued contributions of EUR 118,091,679. The main components are outlined below:

- Fleet renewal or expansion including:
  - 21 metro trains on the M1 line for EUR 28,802,682 and 25 metro trains on the M3 line for EUR 26,005,575;
  - 50 bidirectional urban trams for EUR 17,895,688, 10 bidirectional intercity trams for EUR 25,312,500 and 14 bidirectional high-capacity trams for EUR 12,025,090;
  - 12 m electric buses for 15,630,400 euro, 18 m electric buses for 11,733,750 euro and short buses for 373,890 euro;
  - 18-metre trolleybus for EUR 11,537,404;
  - CBCT (Communication Based Train Control) signalling for new M1 trains for EUR 2,508,000;
  - RCS installations for new two-way trams and eurotram restyling ancillary activities in the amount of EUR 1,862,917.
- Modernisation of facilities and infrastructure including:
  - extraordinary maintenance and expansion of company warehouses and design of new warehouses in the amount of EUR 11,876,737;
  - infrastructure renewal and *refresh* metro operations room technology for EUR 6,281,955;
  - new signalling for M3 - on-board equipment for EUR 5,013,631;
  - new equipment and technology on lines and modernisation of CCTV system in M3 for EUR 4,281,661;
  - construction of electric vehicle supply/charging facilities at depots and terminals in the city in the amount of EUR 3,251,121;
  - magnetic-electronic ticketing system and new station turnstiles M1 and M2, for EUR 1,933,164;
  - refurbishment of power supply and traction equipment for the M2 underground line for EUR 718,504;
  - adaptation of the San Donato car park fire-fighting system to standards for 606,533 euro
  - M1 signalling renewal, for EUR 588,620.
- Other investments include:
  - 2 lathes in the pit for Gorgonzola and San Donato metro depots, for EUR 1,507,257;
  - other tangible assets in progress for EUR 951,816;



- service vehicles and related accessories for EUR 874,360.

Below are the details of the contributions referring to investments classified as “*Current fixed assets*”:

- 25 underground trains for the M3 line, for EUR 26,005,575;
- 21 underground trains for the M1 line, for EUR 28,802,682;
- 350 electric city buses for EUR 24,825,250;
- 50 two-way urban trams, for EUR 15,689,190;
- 14 bi-directional high-capacity trams, for EUR 12,025,090;
- Renewal of the M3 signalling equipment, for EUR 5,013,630;
- 8 two-way urban trams related to the Milan - Limbiate line, for EUR 4,013,640;
- 10 trolleybuses, for EUR 1,716,622.

The following table shows the changes during the year and in the previous year.

Property, plant and equipment	Plant and machinery	Land and buildings	Industrial and commercial equipment	Other assets	Assets under construction and advances	Total
Historical Cost	2,869,018,198	518,722,906	66,735,221	48,191,388	161,652,462	3,664,320,175
Depreciation fund	(1,677,959,225)	(140,026,866)	(55,502,271)	(43,817,191)	-	(1,917,305,553)
Cumulative contributions	(490,760,614)	(16,236,391)	-	(796,063)	(98,027,050)	(605,820,118)
Accumulated write-downs	(4,026,318)	(1,092,299)	-	-	-	(5,118,617)
<b>Net book value as at 31.12.2023</b>	<b>696,272,041</b>	<b>361,367,350</b>	<b>11,232,950</b>	<b>3,578,134</b>	<b>63,625,412</b>	<b>1,136,075,887</b>
<b>Historical Cost</b>						
<i>Investments and Acquisitions of the Year</i>	-	-	-	-	104,788,661	104,788,661
<i>Transfers to finished plants</i>	65,847,304	251,714	2,028,581	1,735,497	(69,863,096)	-
<i>Disposals, Divestments and Reclassifications</i>	(36,838,747)	(5,444,889)	(923,149)	(111,053)	15,600	(43,302,238)
<b>Depreciation fund</b>						
<i>Depreciation for the year (Note 36)</i>	(116,112,336)	(4,757,962)	(2,433,786)	(2,185,007)	-	(125,489,092)
<i>Disposals, Divestments and Reclassifications</i>	36,838,747	781,577	923,149	110,135	-	38,653,608
<b>Grants</b>						
<i>Increases</i>	(43,811,780)	-	-	-	(20,064,629)	(63,876,409)
<i>Amounts deferred in the year (Note 36)</i>	47,837,540	391,692	-	220,155	-	48,449,388
<b>Write-downs</b>						
<i>Uses to adjust depreciation</i>	-	25,600	-	-	-	25,600
Historical Cost	2,898,026,755	513,529,731	67,840,653	49,815,833	196,593,626	3,725,806,598
Depreciation fund	(1,757,232,814)	(144,003,251)	(57,012,908)	(45,892,064)	-	(2,004,141,037)
Cumulative contributions	(486,734,854)	(15,844,699)	-	(575,908)	(118,091,679)	(621,247,140)
Accumulated write-downs	(4,026,318)	(1,066,699)	-	-	-	(5,093,017)
<b>Net book value as at 31.12.2024</b>	<b>650,032,769</b>	<b>352,615,082</b>	<b>10,827,745</b>	<b>3,347,861</b>	<b>78,501,947</b>	<b>1,095,325,404</b>

Property, plant and equipment	Plant and machinery	Land and buildings	Industrial and commercial equipment	Other assets	Assets under construction and advances	Total
Historical Cost	2,831,821,706	518,722,906	63,098,836	46,158,713	74,617,865	3,534,420,026
Depreciation fund	(1,629,086,708)	(134,601,863)	(52,489,134)	(42,138,180)	-	(1,858,315,885)
Cumulative contributions	(451,237,266)	(16,628,083)	-	(1,043,073)	(21,093,683)	(490,002,105)
Accumulated write-downs	(4,026,318)	(1,117,899)	-	-	-	(5,144,217)
<b>Net book value as at 31.12.2022</b>	<b>747,471,414</b>	<b>366,375,061</b>	<b>10,609,702</b>	<b>2,977,460</b>	<b>53,524,182</b>	<b>1,180,957,819</b>
<b>Historical Cost</b>						
<i>Investments and Acquisitions of the Year</i>	-	-	-	-	194,697,141	194,697,141
<i>Transfers to finished plants</i>	101,477,455	-	4,110,842	2,119,568	(107,707,865)	-
<i>Disposals, Divestments and Reclassifications</i>	(64,280,963)	-	(474,457)	(86,893)	45,321	(64,796,992)
<b>Depreciation fund</b>						
<i>Depreciation for the year (Note 36)</i>	(113,438,042)	(5,425,003)	(2,484,342)	(1,761,669)	-	(123,109,056)
<i>Disposals, Divestments and Reclassifications</i>	64,565,525	-	(528,795)	82,658	-	64,119,388
<b>Grants</b>						
<i>Increases</i>	(83,045,248)	-	-	-	(98,027,050)	(181,072,298)
<i>Amounts deferred in the year (Note 36)</i>	43,521,900	391,692	-	247,010	-	44,160,602
<i>Disposals, Divestments and Reclassifications</i>	-	-	-	-	21,093,683	21,093,683
<b>Write-downs</b>						
<i>Uses to adjust depreciation</i>	-	25,600	-	-	-	25,600
Historical Cost	2,869,018,198	518,722,906	66,735,221	48,191,388	161,652,462	3,664,320,175
Depreciation fund	(1,677,959,225)	(140,026,866)	(55,502,271)	(43,817,191)	-	(1,917,305,553)
Cumulative contributions	(490,760,614)	(16,236,391)	-	(796,063)	(98,027,050)	(605,820,118)
Accumulated write-downs	(4,026,318)	(1,092,299)	-	-	-	(5,118,617)
<b>Net book value as at 31.12.2023</b>	<b>696,272,041</b>	<b>361,367,350</b>	<b>11,232,950</b>	<b>3,578,134</b>	<b>63,625,412</b>	<b>1,136,075,887</b>

As can be inferred from the movement tables, capital expenditure of EUR 104,788,661 was made during the year under item *"Property, Plant and Equipment"*.

The main investments of the year concerned:

- The renewal or expansion of the fleet including:
  - purchase of 12-metre electric buses for EUR 21,718,260, of which EUR 19,179,360 financed through state resources and EUR 1,936,165 through regional resources;
  - purchase of 18-metre trolleybuses, for EUR 19,249,669, entirely financed through state resources;
  - purchase of two-way trams for EUR 8,899,616, of which EUR 2,669,885 was financed through state resources and EUR 3,559,846 through regional resources;
  - purchase of 21 trains for the M1 metro line for EUR 6,957,999, entirely financed through state resources;
  - application of blind spot detection device on buses, trolley buses and service vehicles for EUR 3,501,786;
  - purchase of bi-directional high-capacity trams for EUR 1,568,490, fully financed through state resources;
  - RCS installations for new two-way trams and eurotram restyling ancillary activities in the amount of EUR 1,317,059;
  - service vehicles in the amount of EUR 804,772;
  - purchase of electrical minibuses for EUR 373,890, of which EUR 281,128 was financed through regional resources.
- The modernisation of facilities and infrastructure including:
  - new equipment and software development for the magnetic-electronic ticketing system, for EUR 11,810,713, of which EUR 1,128,258 financed through municipal resources;
  - construction of electric vehicle supply/charging facilities at depots and terminals in the city, amounting to EUR 5,446,172 entirely financed through state resources;
  - extraordinary maintenance work and expansion of depots and planning of new depots in the amount of EUR 4,482,268;
  - infrastructure renewal and *refresh* metro operations room technology for EUR 3,441,868;
  - video surveillance on the M3 line, for EUR 1,727,756;
  - modernisation and upgrading of computer network and equipment, in the amount of EUR 1,296,630;
  - refurbishment of SSE Precotto depot and Monterosa civil apparatus electrical cabin for EUR 2,065,811 thousand;
  - Adaptation to the fire-fighting system regulations of the San Donato lato Emilia/Paullese car park on the Emilia/Paullese side for EUR 1,087,962;
  - TETRA radio network modernisation for EUR 802,000;
  - 2 tandem-type lathes in the pit for Gorgonzola and San Donato metro depots, for EUR 802,000;
  - Wayside-type diagnostic systems for monitoring the wheels of trains on MM lines to be applied in the metro for EUR 786,940;

- refurbishment of power supply and traction equipment for the M2 underground line for EUR 679,182, of which EUR 244,186 financed by state resources;
- new generator sets coupled with ups at the M2 Caiazzo and Udine stations for EUR 393,583;
- system upgrades and new signalling functions on the M1, M2 and M3 metro lines, for EUR 516,243;
- systems for ultrasonic testing of axles and wheels MM trains for EUR 372,000;
- trolley for automated diagnostics of underground line switches for EUR 347,000;
- new gantries for maintenance of metro-tram cars at the Teodosio depot for EUR 288,987;
- modernisation of the remote control system of the SSE station in Zara for EUR 239,891;
- purchase of new land adjacent to the Trezzo Sull'Adda depot for EUR 251,714.

The financing mechanism for these investments provides for the recognition of public grants only after the expenditure incurred has been accounted for and/or after the fixed asset has been placed in service, in accordance with the provisions of the various financing acts.

During the year, assets with a historical cost of EUR 43,302,238 and a depreciation reserve of EUR 38,653,608 were sold/disposed of/reclassified.

Capital gains realised during the period amounted to EUR 273,530 and mainly related to the sale of 22 trolleybuses, 61 buses and 12 tramcars owned by ATM S.p.A., as described under 'Other income' (Note 30), while capital losses amounted to EUR 919.

The historical cost and accumulated depreciation of EUR 4,663,311 related to the hotel building in Bordighera, in view of its possible sale in the year 2025, have been reclassified under "*Discontinued Assets*" (Note 20).

In addition, the provision for "*Land and Buildings*" was utilised for the depreciation charges recognised in the period in the amount of EUR 25,600.

The "*Depreciation and Amortisation*" recorded in the Profit and Loss Account amounted to EUR 125,463,492 and is adjusted by the portion of grants to cover capital expenditures for the year, which totalled EUR 48,449,388. These grants are broken down by financing institution as follows:

- EUR 23,449,103 from the State;
- EUR 15,271,114 from the Lombardy Region;
- EUR 9,729,171 from the Municipality of Milan.

The "*Property, plant and equipment*" acquired with regional co-financing are subject to inalienability restriction pursuant to D.G.R. 14795/2003 and subsequent amendments and integrations. Details of the regulatory constraints are given below:

- city buses: 8 years;
- suburban buses: 10 years;
- trolleybus: 15 years;
- underground trains and trams: 30 years;
- technologies: 7 years;
- infrastructure: 30 years.

For the automotive rolling stock co-financed by the Lombardy Region with the 2009 allocation plan, pursuant to Laws No. 296/2006 and No. 133/2008, the inalienability constraints refer to the entire useful life of the bus fixed, unless otherwise established by the Service Contracts, at 15 years as specified by D.G.R. No. IX/4619 of 28 December 2012.

The net residual value of "*Property, Plant and Equipment*" under finance leases was EUR 9,500,848 (EUR 9,647,016 as at 31 December 2023).

Taking into account that real estate is valued at re-determined *fair value*, for the year 2024, a leading independent third party was commissioned to conduct an analysis to provide an update on real estate market trends. Considering the intended uses to which the individual properties of the Company belong, the analysis carried out did not reveal the need to make any value adjustments with respect to the amounts recorded in these financial statements.

### **Impairment Test**

The current context is characterised not only by the continuing Russian-Ukrainian and Middle Eastern conflict, but also by growing geopolitical and macroeconomic instability as a consequence of the recent US election results.

In this framework, characterised by a level of fees linked to the Service Contract with the Municipality of Milan that is historically static, expiring on 31 December 2026, the volatility of energy commodity prices and the continuing inflationary effects represent a trigger event such as to have caused the Directors to deem it necessary to carry out an impairment test to verify the recoverability of property, plant and equipment and intangible assets (including rights of use for leased assets), related to the CGU "Local Public Transport and Complementary Services" identified with the company's net invested capital.

In the analyses carried out for the construction of the future cash flows, the Directors took as a reference the Economic and Financial Plan 2025 ÷ 2035 that takes into account the extension of the service contract with the Municipality of Milan for local public transport until 31 December 2026, as indicated in the Managerial Determination no. 12608 of 28 December 2023 of the Municipality of Milan, to then consider reasonable economic forecasts for the subsequent period until 31 December 2035 both in terms of revenue flows linked to the

adjustment of the service contract, and in terms of costs with reference to the impacts linked to the savings and efficiency-boosting actions envisaged and resulting from the *"full electric"* project, and with reference to the trend of electricity costs determined prospectively on the basis of reasonable assumptions inferred from the prospective trends. Investments were determined on the basis of the 2025 ÷ 2027 Investment Plan projected for the period until 31 December 2035. The Directors, in order to evaluate the Plan's time horizon - longer than 5 years - have taken into account both the timeframe reasonably required to complete the procedures for entrusting the service and, above all, the considerable investments related to the *"full electric"* project that will begin to generate returns in terms of economic results and cash flows in the years following the 5th year of the plan.

On 27 March 2025, the Board of Directors approved the content and assumptions of the Economic and Financial Plan 2025 ÷ 2035, as well as the results of the *impairment* test and the *sensitivity analysis*.

The test showed the recoverability of the net invested capital referred to the CGU 'Local Public Transport and Complementary Services', with a cover deemed appropriate by the Directors.

With regard to the discounting of future cash flows, the post-tax WACC was used as the discount rate, which takes into account the specific risks of the business and reflects current market valuations of the cost of money, based on a weighting between the cost of debt and the cost of equity, drawn up on the basis of the values of comparable groups and subject to impairment as they operate in the same business sector. The WACC thus determined was 6.62% (pre-tax 8.71%), down from last year when it was 7.37% (pre-tax 9.70%).

### Intangible assets

The value of the *"Intangible Assets"* amounted to EUR 3,242,038 as at 31 December 2024, broken down as follows:

	31.12.2024	31.12.2023
Software licences	3,061,688	2,636,075
Intangible Assets in Progress	180,350	52,950
<b>Total</b>	<b>3,242,038</b>	<b>2,689,025</b>

The following table shows the changes during the year and in the previous year.

Intangible assets	Software licences	Intangible Assets in Progress	Total
Historical Cost	10,556,135	52,950	10,609,085
Depreciation fund	(7,920,060)	-	(7,920,060)
<b>Net book value as at 31.12.2023</b>	<b>2,636,075</b>	<b>52,950</b>	<b>2,689,025</b>
<b>Historical Cost</b>			
<i>Investments and Acquisitions of the Year</i>	-	1,553,378	1,533,378
<i>Transfers to finished plants</i>	1,410,378	(1,410,378)	-
<i>Disposals, Divestments and Reclassifications</i>	-	(15,600)	(15,600)
<b>Depreciation fund</b>			
<i>Depreciation for the year (Note 36)</i>	(984,765)	-	(984,765)
Historical Cost	11,966,513	180,350	12,146,863
Depreciation fund	(8,904,825)	-	(8,904,825)
<b>Net book value as at 31.12.2024</b>	<b>3,061,688</b>	<b>180,350</b>	<b>3,242,038</b>

Intangible assets	Software licences	Intangible Assets in Progress	Total
Historical Cost	9,381,010	144,836	9,525,846
Depreciation fund	(6,894,465)	-	(6,894,465)
<b>Net book value as at 31.12.2022</b>	<b>2,486,545</b>	<b>144,836</b>	<b>2,631,381</b>
<b>Historical Cost</b>			
<i>Investments and Acquisitions of the Year</i>	1,175,125	(46,565)	1,128,560
<i>Transfers to finished plants</i>	1,175,125	(1,175,125)	-
<i>Disposals, Divestments and Reclassifications</i>		(45,321)	(45,321)
<b>Depreciation fund</b>			
<i>Depreciation for the year (Note 36)</i>	(1,025,595)		(1,025,595)
Historical Cost	10,556,135	52,950	10,609,085
Depreciation fund	(7,920,060)	-	(7,920,060)
<b>Net book value as at 31.12.2023</b>	<b>2,636,075</b>	<b>52,950</b>	<b>2,689,025</b>

Software licences amounting to EUR 3,061,688 relate to operational management systems.



During the year, investments under "*Intangible Assets*" in the amount of EUR 1,533,378 were made and related entirely to the purchase of software.

For an analysis of the recoverability of intangible assets, please refer to Note 7 above.

### Rights of use on leased assets

As at 31 December 2024, rights of use for leased assets in the amount of EUR 8,023,328 were recorded as detailed below.

	31.12.2024	31.12.2023
Equipment	1,223,152	1,374,413
Buildings	4,967,564	2,023,425
Motor vehicles	1,452,524	1,605,733
Computer equipment	358,600	455,801
Other	21,488	5,598
<b>Total</b>	<b>8,023,328</b>	<b>5,464,970</b>

The following table shows the changes during the year and in the previous year. The most significant change relates to the increase in the item "*Buildings*" and refers mainly to the stipulation of the new lease agreement for the office building located in San Donato; on the other hand, with reference to the item "*Vehicles*", in the year 2024, numerous contracts were terminated, offset, however, by the renewal and leasing of new vehicles as *benefits*.

	Rights of use on leased assets					
Rights of use on leased assets	Equipment	Buildings	Motor vehicles	Computer equipment	Other assets	Total
Historical Cost	1,779,355	4,308,983	7,868,447	868,625	1,072,739	15,898,149
Depreciation fund	(404,943)	(2,285,558)	(6,262,714)	(412,823)	(1,067,141)	(10,433,179)
<b>Net book value as at 31.12.2023</b>	<b>1,374,412</b>	<b>2,023,425</b>	<b>1,605,733</b>	<b>455,802</b>	<b>5,598</b>	<b>5,464,970</b>
<b>Historical Cost</b>						
<i>Rights of use acquired during the year</i>	29,427	4,040,033	1,464,034	-	22,949	5,556,443
<b>Depreciation fund</b>						
<i>Depreciation for the year (Note 36)</i>	(180,687)	(1,095,895)	(1,617,242)	(97,202)	(7,059)	(2,998,085)
Historical Cost	1,808,782	8,349,016	9,332,481	868,625	1,095,688	21,454,592
Depreciation fund	(585,630)	(3,381,453)	(7,879,956)	(510,025)	(1,074,200)	(13,431,264)
<b>Net book value as at 31.12.2024</b>	<b>1,223,152</b>	<b>4,967,563</b>	<b>1,452,525</b>	<b>358,600</b>	<b>21,488</b>	<b>8,023,328</b>

	Rights of use on leased assets					
Rights of use on leased assets	Equipment	Buildings	Motor vehicles	Computer equipment	Other assets	Total
Historical Cost	331,790	4,308,983	7,388,150	862,212	1,072,739	13,963,874
Depreciation fund	(292,697)	(1,749,306)	(4,798,588)	(317,220)	(818,744)	(7,976,555)
<b>Net book value as at 31.12.2022</b>	<b>39,093</b>	<b>2,559,677</b>	<b>2,589,562</b>	<b>544,992</b>	<b>253,995</b>	<b>5,987,319</b>
<b>Historical Cost</b>						
<i>Rights of use acquired during the year</i>	1,447,565	-	480,297	6,413	-	1,934,275
<b>Depreciation fund</b>						
<i>Depreciation for the year (Note 36)</i>	(112,246)	(536,252)	(1,464,126)	(95,603)	(248,397)	(2,456,624)
Historical Cost	1,779,355	4,308,983	7,868,447	868,625	1,072,739	15,898,149
Depreciation fund	(404,943)	(2,285,558)	(6,262,714)	(412,823)	(1,067,141)	(10,433,179)
<b>Net book value as at 31.12.2023</b>	<b>1,374,412</b>	<b>2,023,425</b>	<b>1,605,733</b>	<b>455,802</b>	<b>5,598</b>	<b>5,464,970</b>

## Equity Investments

The "Interests" amounted to EUR 110,129,390 as at 31 December 2024 and are broken down as follows:

	31.12.2023	Increases Decreases	31.12.2024
<b>Subsidiaries</b>			
CityLink S.r.l. – Smart Mobility By ATM	100,000		100,000
Ge.SAM S.r.l.	20,000		20,000
International Metro Service S.r.l.	357,000		357,000
Nord Est Trasporti S.r.l.	715,631		715,631
Rail Diagnostics S.p.A.	13,000,000		13,000,000
TheMa Sa	2,028,933		2,028,933
<b>Total subsidiary companies</b>	<b>16,221,564</b>	<b>-</b>	<b>16,221,564</b>
<b>Related companies</b>			
CO.MO Fun&Bus S.c.a.r.l	4,000		4,000
Full Green Consortium	150,000		150,000
SBE Consortium	45,000		45,000
Metro 5 S.p.A.	10,660,000		10,660,000
SPV Linea M4 S.p.A.	80,902,036		80,902,036
Movibus S.r.l.	2,146,790		2,146,790
<b>Total Associated Companies</b>	<b>93,907,826</b>	<b>-</b>	<b>93,907,826</b>
<b>Total</b>	<b>110,129,390</b>	<b>-</b>	<b>110,129,390</b>

**Impairment Test**

Also with regard to verifying the recoverability of investments in associates, the Group checks at each balance sheet date for indicators of impairment. If such indicators are identified, the impairment test is performed on the basis of the estimated value in use. *Cash-generating units* (CGUs) have been identified in line with the Group's organisational and business structure, as assets that generate independent cash inflows from their continuous use. The CGUs are therefore represented by the individual legal entities and, specifically, the SPV Linea M4 S.p.A., Metro 5 S.p.A., Movibus S.p.A. and the other minority interests.

With regard to the verification of the recoverability of the carrying value of Metro 4, the Directors updated the value of the cost of equity. The Directors did not deem it necessary to perform the impairment test because, despite the negative economic result for the year, the associate renegotiated the Financial Economic Plan underlying the concession. This update provides for a higher IRR impact than previous trading, which will generate higher future cash flows.

On the other hand, no indicators of impairment were identified with reference to the other CGUs identified with the other associated companies, as they are characterised by positive economic trends with future growth prospects over the medium-term time horizon. As regards information on investee companies, whose financial statements refer to the latest available financial statements prepared in accordance with Italian GAAP, please refer to the information contained in Note 10 of the Notes to ATM S.p.A.'s separate financial statements.

Below is information on significant subsidiaries and associates, the figures for which refer to the latest available financial statements (in thousands of euros):

Companies in the group	Registered office	% ownership of the group	Book value	Share Capital	Net equity	Profit / loss	Equity attributable
CITYLINK S.r.l. - Smart Mobility by ATM	Milan, Foro Bonaparte 61	100	100	100	806	170	806
Ge.SAM S.r.l.	Milan, Foro Bonaparte 61	100	20	20	691	6	691
International Metro Service S.r.l.	Milan, Via Monte Rosa 89	51	357	700	17,263	9,608	8,804
Nord Est Trasporti S.r.l.	Milan, Via Monte Rosa 89	100	716	925	17,089	4,310	17,089
Rail Dignostics S.p.A.	Milan, Via Teodosio 125	97.27	13,000	5,500	15,540	1,153	15,116
Thema SA	Thessaloniki, Venizelou, 43	51	2,029	3,978	4,457	458	2,273
Metro 5 S.p.A.	Milan, Via Adige, 19	20	10,660	53,300	78,857	14,038	15,771
SPV Linea M4 S.p.A.	Milan, Piazza Castello 3	31.53	80,902	61,532	247,121	(1,710)	77,917
CO.MO. Fun&Bus S.c.a r.l.	Como, Via Asiago, 16/18	20	4	20	20	-	4
Full Green Consortium	Milan, Foro Bonaparte 61	30	150	500	525	4	158
SBE Consortium	Milan, Piazzale Cadorna, 14	45	45	100	101	-	45
Movibus S.r.l.	Milan, Piazza Castello 1	26.18	2,147	780	9,447	2,871	2,473

**Subsidiaries:****CITYLINK S.R.L. - SMART MOBILITY BY ATM**

The investee company is responsible for the development of the Smart Mobility initiative and the management of the "flagship" project aimed at implementing MaaS (*Mobility as a Service*) in the Milan metropolitan area.

**Company data:**

**Stockholders:** ATM S.p.A.

**Percentage of ownership:** 100%

**Income statement:** not available

**Balance Sheet Value:** 100.000 euros

**Profit for the year:** 169.628 euros

**Balance sheet:**

ASSETS		LIABILITIES	
Net fixed assets	-	Net equity	805,979
Inventories		Provisions	
Receivables	570,139	Employee Severance Indemnity	21,601
Current financial assets	926,588	Payables	671,354
Availability			
Accruals and Deferrals	2,207	Accruals and Deferrals	-
<b>Total assets</b>	<b>1,498,934</b>	<b>Total Liabilities</b>	<b>1,498,934</b>

## GESAM S.R.L.

The investee carries out consultancy activities in the insurance sector, including all related specialist support for the investigation and settlement of claims, excluding insurance mediation activities.

### Company data:

**Stockholders:** ATM S.p.A.

**Percentage of ownership:** 100%

**Income statement:** not available

**Balance Sheet Value:** 20.000 euros

**Profit for the year:** 6.452 euros

### Balance sheet:

ASSETS		LIABILITIES	
Net fixed assets	-	Net equity	690,894
Inventories	-	Provisions	-
Receivables	355,912	Employee Severance Indemnity	267,208
Current financial assets	844,076	Payables	245,928
Availability	500		
Accruals and Deferrals	3,542	Accruals and Deferrals	-
<b>Total assets</b>	<b>1,204,030</b>	<b>Total Liabilities</b>	<b>1,204,030</b>

**INTERNATIONAL METRO SERVICE S.R.L.**

The object of the investee company is the management of passenger and goods transport services with related planning and operational organisation activities, all for the purpose of executing contracts for the operation and maintenance of metro systems.

**Company data:**

**Stockholders:** ATM S.p.A. and Hitachi Rail STS S.p.A

**Percentage of ownership:** 51% and 49%

**Income statement:** not available

**Balance Sheet Value:** 357.000 euros

**Profit for the year:** 9.608.134 euros

**Balance sheet:**

ASSETS		LIABILITIES	
Net fixed assets	4,260,854	Net equity	17,263,244
Inventories	-	Provisions	-
Receivables	5,173	Employee Severance Indemnity	-
Current financial assets	-	Payables	212,201
Availability	13,209,417		
Accruals and Deferrals	-	Accruals and Deferrals	-
<b>Total assets</b>	<b>17,475,445</b>	<b>Total Liabilities</b>	<b>17,475,445</b>

# **NET S.R.L.**

The investee company carries out the management of transport services for persons, goods and information, in the metropolitan city of Milan, the city of Monza and the province of Monza Brianza, with the related activities of planning and operational organisation, as well as the services related and connected to transport and mobility in general.

## **Company data:**

**Stockholders:** ATM S.p.A.

**Percentage of ownership:** 100%

**Income statement:** not available

**Balance Sheet Value:** 715.631 euros

**Profit for the year:** 4.309.552 euros

## **Balance sheet:**

ASSETS		LIABILITIES	
Net fixed assets	7,042,023	Net equity	17,089,349
Inventories	3,240,843	Provisions	1,354,756
Receivables	9,316,506	Employee Severance Indemnity	1,855,729
Current financial assets	15,214,700	Payables	14,522,854
Availability	660		
Accruals and Deferrals	8,892	Accruals and Deferrals	936
<b>Total assets</b>	<b>34,823,624</b>	<b>Total Liabilities</b>	<b>34,823,624</b>



**RAIL DIAGNOSTICS S.p.A.**

The object of the investee company is the design, construction, maintenance and integrated diagnostics of metro and tramway control systems.

**Company data:**

**Stockholders:** ATM S.p.A. and SIAI Servizi Immobiliari Agricoli e Ittici S.r.l

**Percentage of ownership:** 97.27% and 2.73%

**Income statement:** not available

**Balance Sheet Value:** 13.000.000 euros

**Profit for the year:** 1.153.093 euros

**Balance sheet:**

ASSETS		LIABILITIES	
Net fixed assets	6,875,798	Net equity	15,539,727
Inventories	-	Provisions	-
Receivables	4,010,543	Employee Severance Indemnity	955,135
Current financial assets	8,128,443	Payables	3,700,050
Availability	1,178,799		
Accruals and Deferrals	17,890	Accruals and Deferrals	16,560
<b>Total assets</b>	<b>20,211,473</b>	<b>Total Liabilities</b>	<b>20,211,473</b>

# THEMA SA

The subsidiary, established on 3 October 2023, has as its purpose the operation of the automatic metro system of the city of Thessaloniki.

## Company data:

**Stockholders:** ATM S.p.A. and Egis Projects S.A.S

**Percentage of ownership:** 51% and 49%

**Income statement:** not available

**Balance Sheet Value:** 2.028.933 euros

**Profit for the year:** 458.451 euros

## Balance sheet:

ASSETS		LIABILITIES	
Net fixed assets	-	Net equity	4,456,667
Inventories	-	Provisions	221,382
Receivables	2,068,596	Employee Severance Indemnity	6,785
Current financial assets	9,419,344	Payables	13,060,735
Availability	6,257,629		
Accruals and Deferrals	-	Accruals and Deferrals	-
<b>Total assets</b>	<b>17,745,569</b>	<b>Total Liabilities</b>	<b>17,745,569</b>

## Associates

### SPV LINEA M4 S.p.A.

The associate carries out the construction and maintenance of Milan's metro line 4 and the provision of related public transport services.

#### Company data:

**Stockholders:** Municipality of Milan, ATM S.p.A. and Private partners

**Percentage of ownership:** 66.67%, 31.53% and 1.8%

**Income statement:** not available

**Balance Sheet Value:** 80,902,036 euros

**Profit for the year:** 1,709,542 euros

#### Balance sheet:

ASSETS		LIABILITIES	
Net fixed assets	758,528,565	Net equity	247,121,333
Inventories	-	Provisions	280,780
Receivables	84,835,063	Employee Severance Indemnity	212,711
Current financial assets	-	Payables	651,966,799
Availability	56,781,765		
Accruals and Deferrals	9,342,411	Accruals and Deferrals	9,906,181
<b>Total assets</b>	<b>909,487,804</b>	<b>Total Liabilities</b>	<b>909,487,804</b>

**METRO 5 S.p.A.**

The associate carries out the definitive and executive design, expropriation, works management, execution of civil works and technological works, supply of rolling stock and management of metro line 5 and its possible extensions.

**Company data:**

**Stockholders:** Ferrovie dello Stato Italiane, Hitachi Rail STS S.p.A, ATM S.p.A, Alstom Ferroviaria S.p.A, Partecipazioni Italia S.p.A

**Percentage of ownership:** 36.7%, 31.9%, 20%, 9.4% and 2%

**Income statement:** not available

**Balance Sheet Value:** 10.660.000 euros

**Profit for the year:** 14.037.908 euros

**Balance sheet:**

ASSETS		LIABILITIES	
Net fixed assets	384,948,867	Net equity	78,856,939
Inventories	-	Provisions	8,859,731
Receivables	54,602,946	Employee Severance Indemnity	84,750
Current financial assets	-	Payables	372,095,824
Availability	53,385,109		
Accruals and Deferrals	14,925,043	Accruals and Deferrals	47,964,721
<b>Total assets</b>	<b>507,861,965</b>	<b>Total Liabilities</b>	<b>507,861,965</b>

**MOVIBUS S.R.L.**

The associated company, incorporated on 15 May 2008, operates in the Local Public Transport sector where it operates Lot 6 of the Milan West provincial sub-network.

**Company data:**

**Stockholders:** Ferrovie dello Stato Italiane, Hitachi Rail STS S.p.A, ATM S.p.A, Alstom Ferroviaria S.p.A, Partecipazioni Italia S.p.A

**Percentage of ownership:** 52.4%, 26.2% and 21,5%

**Income statement:** not available

**Balance Sheet Value:** 2.146.790 euros

**Profit for the year:** 2.871.243 euros

**Balance sheet:**

ASSETS		LIABILITIES	
Net fixed assets	4,268,169	Net equity	9,447,046
Inventories	260,471	Provisions	4,224,693
Receivables	4,648,708	Employee Severance Indemnity	1,250,121
Current financial assets	-	Payables	3,827,646
Availability	9,549,234		
Accruals and Deferrals	27,540	Accruals and Deferrals	4,616
<b>Total assets</b>	<b>18,754,122</b>	<b>Total Liabilities</b>	<b>18,754,122</b>

**Non-current financial assets**

As at 31 December 2024, "Non-current financial assets" amounted to EUR 174,138,906 and consisted entirely of "Loans and receivables":

	31.12.2024	31.12.2023
Financing and credit	174,138,906	159,801,723
SPV Linea M4 S.p.A.	168,563,935	158,989,159
Thema	4,856,171	-
Coop S.E.D. ATM/S.C.C.A.T.I.	718,800	812,564
<b>Total</b>	<b>174,138,906</b>	<b>159,801,723</b>

The "Loans and receivables" as at 31 December 2024 are broken down as follows:

- subordinated shareholder loan for EUR 168,563,935, granted to SPV Linea M4 S.p.A., of which EUR 126,000,000 in principal, EUR 41,755,165 in interest and EUR 808,770 in cumulative positive effect related to the valuation at *fair value*. Interest on the subordinated loan will be collected, as contractually provided for, according to the terms of the business and financial plan, updated on 29 November 2024 following the green refinancing transaction. When preparing the 2024 financial statements for the purposes of IFRS 9 analyses, the Directors valued this loan at fair value as at 31 December 2024;
- shareholder loan of EUR 4,856,171, granted to the Greek subsidiary THEMA S.A., of which EUR 4,734,177 in principal and EUR 121,994 in interest. It was disbursed in two tranches, the first in March 2024 for EUR 714,000 and the second in September 2024 for EUR 4,020,177. The interest on the subordinated loan will be collected as defined in the agreement between the parties signed in October 2023. When preparing the 2024 financial statements, the directors valued this financing using the amortised cost method;
- loans amounting to EUR 718,800 disbursed to the building cooperatives SED-ATM and SCCATI for the realisation of social housing projects, of which EUR 832,000 in principal and EUR 113,200 in cumulative negative effect related to the valuation at fair value. In the financial year 2024, the loans were repaid in the amount of EUR 100,000, while the effect related to the valuation at fair value was positive and amounted to EUR 6,236;

Changes in the year are shown below:

	31.12.2023	Refunds	Payments	Accrued Interest	IFRS 9	31.12.2024
SPV Linea M4 S.p.A.	158,989,159			8,082,763	1,492,013	168,563,935
Coop S.E.D. ATM/S.C.C.A.T.I.	812,564	(100,000)			6,236	718,800
THEMA S.A.	-		4,734,177	121,994	-	4,856,171
<b>Total</b>	<b>159,801,722</b>	<b>(100,000)</b>	<b>4,734,177</b>	<b>8,204,757</b>	<b>1,498,249</b>	<b>174,138,906</b>

The cumulative effects, gross of the tax effect, related to the fair value variations of "Non-current financial assets" are shown below:

	Shareholder s' equity as at 01.01- 2024	Economic result 2024	Total
SPV Linea M4 S.p.A.	(683,242)	1,492,013	808,771
Coop S.E.D. ATM/S.C.C.A.T.I.	(119,437)	6,236	(113,201)
<b>Total</b>	<b>(802,679)</b>	<b>1,498,249</b>	<b>695,570</b>

	Shareholder s' equity as at 01.01- 2023	Economic result 2023	Total
Metro 5 S.p.A.	(96,308)	96,308	-
SPV Linea M4 S.p.A.	(1,111,792)	428,550	(683,242)
Coop S.E.D. ATM/S.C.C.A.T.I.	(123,789)	4,352	(119,437)
<b>Total</b>	<b>(1,331,889)</b>	<b>529,210</b>	<b>(802,679)</b>

#### Deferred tax assets

	31.12.2024	31.12.2023
Deferred tax assets	32,293,969	35,599,116
<b>Total</b>	<b>32,293,969</b>	<b>35,599,116</b>

Deferred tax assets of EUR 32,293,969 are calculated in relation to the amount of temporary differences with reference to taxed provisions. The nature of temporary differences that generated deferred tax assets is summarised below:

	Deferred Tax Assets as at 31.12.2023	Ascribed to Income statement	Ascribed to Equity	Deferred Tax Assets as at 31.12.2024
Provisions for Risk Reserves	34,456,847	(2,743,086)	-	31,713,761
Severance indemnity Evaluation	1,724,359	-	7,152	1,731,511
Fair Value Financial Assets	(994,213)	2,623	(325,416)	(1,317,006)
Plant and machinery	412,122	(246,420)	-	165,702
<b>Total</b>	<b>35,599,116</b>	<b>(2,986,883)</b>	<b>(318,264)</b>	<b>32,293,969</b>

The value of ATM S.p.A.'s IRES tax losses resulting from the last tax return filed, for tax year

2023, is equal to EUR 859,882 thousand fully deductible and EUR 44,866 thousand limitedly deductible.

Even considering the 2024 tax result, the value of the loss carry-forwards would not change, as they would be included in the National Tax Consolidation in accordance with the existing Group contract.

### Other receivables and noncurrent assets

	31.12.2024	31.12.2023
Other receivables and noncurrent assets	54,080,509	39,491,264
<b>Total</b>	<b>54,080,509</b>	<b>39,491,264</b>

This item, amounting to EUR 54,080,509, includes advances paid to suppliers for works pursuant to Art. 35 of Legislative Decree no. 50/2016. The increase over the previous year is mainly related to advances paid to lift supplier companies that will replace lifts in the underground stations of the M1, M2 and M3 lines, and to advances paid to companies in charge of civil fire-fighting works in the above-mentioned underground lines.

### Inventories

The balance of the item "Inventories" as at 31 December 2024 is broken down as follows:

	31.12.2024	31.12.2023
Maintenance consumables	111,635,111	114,863,346
Diesel	672,155	748,478
Other material in stock	1,464,770	1,598,841
<b>Total inventory</b>	<b>113,772,036</b>	<b>117,210,665</b>
Provision for inventory write-down	(28,320,393)	(33,590,834)
<b>Total net inventory</b>	<b>85,451,643</b>	<b>83,619,831</b>
Advances on supplies	-	1,657,403
<b>Total</b>	<b>85,451,643</b>	<b>85,277,234</b>

Inventories, before 'Advances on supplies' and 'Provision for inventory write-downs', decreased by EUR 3,438,629 compared to 31 December 2023. As regards the change in ATM S.p.A.'s inventories, the decrease mainly refers to materials for the maintenance of the trolleybus structure and the maintenance of electrical and electronic systems.

As a result of the inventory reconnaissance, obsolete assets in the amount of EUR 7,031,369 were disposed of and, consequently, the "Inventory write-down provision" set up in previous years for this purpose was used for the same amount. In addition, at 31 December 2024, a



provision of EUR 1,760,928, having considered, on the one hand, assets with a low turnover rate and, on the other hand, the results of the analyses carried out to assess the obsolescence of materials in inventory to be disposed of, with reference mainly to vehicles that at the date of the financial statements have left the production process or are expected to be taken out of service and consistent with maintenance requirements.

Changes in the "inventory write-down provision" are shown below.

	31.12.2023	Increases	Decreases	31.12.2024
Provision for inventory write-down	33,590,834	1,760,928	(7,031,369)	28,320,393
<b>Total</b>	<b>33,590,834</b>	<b>1,760,928</b>	<b>(7,031,369)</b>	<b>28,320,393</b>

The provision for "Allowance for inventory write-downs" is included in the profit and loss account item "Costs for purchases of goods and changes in inventories" (Note 31).

### Current financial assets

	31.12.2024	31.12.2023
Current financial assets	133,265,908	163,877,626
<b>Total</b>	<b>133,265,908</b>	<b>163,877,626</b>

Current financial assets as at 31 December 2024 are broken down as follows:

- Government securities "Held to Collect & Sell" classified as FVTOCI in the amount of EUR 27,947,236, whose changes in fair value continue to be recognised with a balancing entry in the equity reserve (recognised in OCI) until realised or reclassified;
- Corporate bonds "Held to Collect & Sell" classified as FVTOCI in the amount of EUR 32,878,364, whose changes in fair value continue to be recognised with a balancing entry in the equity reserve (recognised in OCI) until realised or reclassified;
- Corporate bonds "Other" classified as FVTPL in the amount of EUR 7,640,803, whose changes in fair value are recognised in the Statement of Operations and contribute to the profit or loss for the year;
- Units of "Other" OICRs classified as FVTPL in the amount of EUR 64,799,505, whose changes in fair value are recognised in the Income Statement and contribute to the economic result for the year.

The net change from 31 December 2024 is attributable to changes in the portfolio of invested assets and its management. The analysis of portfolio movements is set out in the cash flow statement, to which reference should be made.

## Current Tax Assets

The balance of the item "*Current tax assets*" as at 31 December 2024 is broken down as follows:

	31.12.2024	31.12.2023
Withholding tax credit	8,838,837	8,359,988
Credits for tax advances (IRAP)	5,656,433	8,308,517
<b>Total</b>	<b>14,495,270</b>	<b>16,668,505</b>

The "*Receivables from Tax Authorities for Withholding Taxes*", amounting to EUR 8,838,837, relates to receivables for withholding taxes incurred.

The "*Advances on taxes (IRAP)*" amounting to EUR 5,656,433 refers for EUR 1,823,377 to the residual credit to be used in offsetting deriving from the IRAP 2024 - tax year 2023 return, and for EUR 4,296,904 to the IRAP credit to be reimbursed by the Revenue Agency following Supreme Court of Cassation ruling no. 35633/2023, which has become final and is favourable to the ATM company.

## Trade receivables

Item "*Trade Receivables*" as at 31 December 2024 shows a balance of EUR 255,994,208, broken down as follows:

	31.12.2024	31.12.2023
Receivables from third parties	22,326,952	20,803,237
Receivables from related parties	233,667,256	194,014,195
<i>Receivables from parent companies</i>	203,698,879	168,808,221
<i>Receivables from subsidiaries</i>	9,642,951	10,714,000
<i>Receivables from affiliates</i>	20,208,554	14,230,058
<i>Receivables from subsidiaries of parent companies</i>	116,872	261,916
<b>Total</b>	<b>255,994,208</b>	<b>214,817,432</b>

"*Receivables from third parties*" mainly refer to receivables from Italian and European Union entities and concern services rendered for advertising, sponsorships and rental of commercial premises in underground stations. The increase compared to 31 December 2023 of EUR 1,523,715 is mainly related to higher trade receivables from IGP Decaux S.p.A. in addition to higher receivables from resellers, both due to an increase in turnover.

Receivables are shown net of the specific allowance for doubtful accounts, which as at 31 December 2024 amounted to EUR 11,015,812 (EUR 11,375,392 as at 31 December 2023), set

up to specifically cover doubtful receivables and receivables for which legal action is currently pending.

Changes in the provision for bad debts are as follows:

	31.12.2023	Increases	Releases	Uses	31.12.2024
Provision for bad debts	11,375,392	-	(134,112)	(225,468)	11,015,812
<b>Total</b>	<b>11,375,392</b>	<b>-</b>	<b>(134,112)</b>	<b>(225,468)</b>	<b>11,015,812</b>

During the year, the reserve was used to cover losses on receivables recognised during the year previously set aside in the amount of EUR 225,468 and released in the amount of EUR 134,112 against new and more complete information on the status of certain disputes with some creditors, with these amounts recognised under *"Other operating expenses and charges"* (Note 34).

*"Receivables from related parties"* comprise:

- *"Receivables from parent company"* in the amount of EUR 203,698,879 (EUR 168,808,221 as of 31 December 2023) net of the specific allowance for impairment which amounted to EUR 496,304 as of 31 December 2024. This item refers to receivables from the Municipality of Milan, mainly for invoices issued for the consideration of the Local Public Transport (LPT) Service Contract for the month of December 2023 (EUR 58,741,667) as well as withholdings as guarantee of the aforementioned contract equal to 5% of the consideration for the months of January - May 2024 (totalling EUR 15,458,333) and for invoices to be issued for the same reasons for the months of June to December 2024 (EUR 19,674,242).

Finally, there are invoices to be issued for work on the metro and tram infrastructure (EUR 32,856,039), services for area C (EUR 2,374,720), miscellaneous services including the construction of the traffic control system (EUR 1,596,235) and the judgment of the new M4 line systems, additional school service (EUR 1,450,845) and management of the bike sharing service (EUR 800,000).

At the date of preparation of this financial report, the receivable from the Municipality of Milan related to the consideration for the LPT Service Contract for December 2024 was collected in the amount of EUR 53,401,515.

Changes in the provision for bad debts due from the parent company are shown below:

	31.12.2023	Increases	Releases	31.12.2024
Allowance for doubtful accounts with subsidiaries	470,784	159,108	(133,588)	496,304
<b>Total</b>	<b>470,784</b>	<b>159,108</b>	<b>(133,588)</b>	<b>496,304</b>

During the year, the *"Allowance for doubtful accounts receivable from parent company"* was released in the amount of EUR 133,588 and accrued in the amount of EUR 159,108 against new and more precise information on certain specific positions, with these amounts recognised in *"Other operating expenses and charges"* (Note 35).

- *"Receivables from subsidiaries"* in the amount of EUR 9,642,951 (EUR 10,714,000 as at 31 December 2023) refer to services rendered under existing contracts. The decrease is mainly related to the receivable from the tax authorities for withholding taxes transferred to the subsidiary Net s.r.l. within the scope of the National Tax Consolidation.

	31.12.2024	31.12.2023
CityLink S.r.l.	87,687	51,249
GeSAM S.r.l.	78,920	108,098
Thema SA	92,546	-
International Metro Service S.r.l.	116,224	157,967
Metro Service A/S	48,283	60,824
Nord Est Trasporti S.r.l.	8,142,604	9,574,572
Rail Diagnostics S.p.A.	1,076,687	761,290
<b>Total</b>	<b>9,642,951</b>	<b>10,714,000</b>

- *"Receivables from associated companies"* in the amount of EUR 20,208,554 (EUR 14,230,058 as of 31 December 2023) net of the specific allowance for doubtful accounts, which amounted to EUR 33,634 as of 31 December 2024 (EUR 29,938 as of 31 December 2023). The balance is broken down as follows:

	31.12.2024	31.12.2023
Full Green Consortium	170,278	-
Co.Mo. Fun&Bus S.c.a r.l.	281,334	313,930
SBE Consortium	3,547	
SPV Linea M4 S.p.A.	17,566,600	11,727,301
Metro 5 S.p.A.	2,178,521	2,185,794
Movibus S.r.l.	41,908	32,971
<b>Total</b>	<b>20,242,188</b>	<b>14,259,996</b>
Provision for bad debts	(33,634)	(29,938)
<b>Total</b>	<b>20,208,554</b>	<b>14,230,058</b>

Receivables mainly refer to services rendered under existing contracts. The increase in the item is mainly related to the increase in receivables from SPV M4 S.p.A. due to the increase in the consideration following the entry into service, on 12 October 2024, of the entire route of the M4 line (from Linate Airport to San Cristoforo station).

During the year, the "Allowance for doubtful accounts receivable from affiliates" was adjusted. Changes in the year are shown below:

	31.12.2023	Increases	Releases	31.12.2024
Allowance for doubtful accounts with associates	29,938	8,588	(4,892)	33,634
<b>Total</b>	<b>29,938</b>	<b>8,588</b>	<b>(4,892)</b>	<b>33,634</b>

The provision of EUR 8,588 as well as the release of EUR 4,892 were recognised in the Profit and Loss Account under "Other Operating Costs and Charges" (Note 35).

- "Receivables from subsidiaries of parent companies" for EUR 116,872 (EUR 261,916 as at 31 December 2023).

The decrease compared to 31 December 2023 relates to fewer services rendered under existing contracts.

The value is expressed net of the specific provision for bad debts, which amounted to EUR 182 as at 31 December 2024.

	31.12.2023	Increases	Releases	31.12.2024
Allowance for doubtful accounts with subsidiaries of the parent company	473	-	(291)	182
<b>Total</b>	<b>473</b>	<b>-</b>	<b>(291)</b>	<b>182</b>

In order to adjust the value of the allowance for doubtful accounts receivable from subsidiaries of the parent company, an amount of EUR 291 was released with a balancing entry in the income statement under "Other operating costs and expenses" (Note 35).

## Other receivables and current assets

Other *current receivables and assets* as at 31 December 2024 showed a balance of EUR 76,080,992 (EUR 88,400,582 as at 31 December 2023).

	31.12.2024	31.12.2023
Receivables for contributions	67,923,895	82,102,435
Other tax receivables	1,586,954	1,975,208
Prepaid expenses	4,856,690	3,661,453
Other receivables	1,713,453	661,486
<b>Total</b>	<b>76,080,992</b>	<b>88,400,582</b>

The most significant change, with respect to 31 December 2023, relates to the item "*Credits for grants*", which recorded a decrease of EUR 14,178,540 as a result, on the one hand, of lower receivables for state grants for plants for EUR 25,015,416 and the lower receivable relating to the grant for the "*bonus transportation*", established by Decree-Law no. 50 of 17 May 2022 and converted with amendments into Law no. 91 of 15 July 2022, partly offset by the increase in receivables for government grants for plant for EUR 11,079,813.

As at 31 December 2024, the National Labour Collective Agreement contributions pertaining to the financial year 2024 have almost been fully collected.

Below is a breakdown of the item "Receivables for contributions":

- EUR 42,047,060 (EUR 57,359,590 at 31 December 2023) related to grants requested for investments subject to contributions by public entities. The grants recognised refer for EUR 30,105,838 (EUR 55,121,254 in 2023) to receivables relating to investments financed by the State, (EUR 9,270,706 for rolling stock, EUR 14,294,204 for electric bus recharging systems, and EUR 6,540,928 for infrastructure), for EUR 11,908,722 (EUR 2,205,836 in 2023) to receivables financed by the Lombardy Region for the purchase of buses for EUR 32,500 to receivables financed by the Municipality for the bike sharing project;
- EUR 25,831,568 related to contributions recorded on an accrual basis, of which EUR 20,763,000 related to the purchase of rolling stock, EUR 4,543,631 related to recharging equipment, and EUR 524,937 related to infrastructure;
- EUR 38,910 (EUR 37,481 in 2023) relating to free circulation cards issued to entitled persons and EUR 6,357 (EUR 6,357 as of 31 December 2023) relating to contributions due to Como Fun&Bus S.r.l. as reimbursement for the National Labour Collective Agreement renewals pursuant to L.47/2004, L.58/2005 and L.296/2006;

The "*Other tax credits*" refer for EUR 1,522,954 (EUR 1,780,541 as of 31 December 2023) to the diesel excise tax credit relating to the 3rd and 4th quarters of 2024 and for EUR 64,000 (EUR 194,667 in 2023) to the tax credits provided for in Article 1, paragraphs 184 to 194 of Law No. 160 of 27 December 2019.



"Prepaid expenses" refer to insurance premiums and fee-based maintenance services pertaining to the following year, the financial manifestation of which occurred in the year 2024.

"Other receivables" mainly refer to advances paid to employees in accidents on behalf of INAIL, to receivables from employees for passes issued to employees, and to deposits made to various entities.

During the year, against doubtful receivables related to credit card collections, having ascertained that they were unrecoverable, the specific provision for doubtful receivables was fully utilised with a balancing entry in the income statement under '*Other operating costs and expenses*' (Note 35).

### Cash and cash equivalents

	31.12.2024	31.12.2023
Cash and cash equivalents	141,596,945	109,159,182
<b>Total</b>	<b>141,596,945</b>	<b>109,159,182</b>

The balance includes current account balances, cash funds, prepaid company credit card balances, as well as teller allocations and issuer allocations.

The item "*Cash and cash equivalents*" is stated net of the related provision to cover losses totalling EUR 89,647. In the financial year 2024, the fund was increased in the amount of EUR 19,896.

### Windfall assets

The net book value of the land and buildings located in Bordighera, Via Bel Soggiorno 2, was reclassified in 2024, as it is assumed that they will be sold in 2025. The value reclassified under discontinued assets is EUR 4,663,311.

## Liabilities

### Net equity

The "Share Capital" amounts to EUR 700,000,000 and consists of 70,000,000 ordinary shares with a nominal value of EUR 10 each. It is fully subscribed and paid up. There were no changes during the year or in the previous year and the Municipality of Milan is the sole shareholder.

The item "Other Reserves" includes the "Reserve actuarial gains/(losses) from defined benefit plans" which includes the effects of accounting under "Other Comprehensive Income" for gains/(losses) from defined benefit plans net of the related tax effect.

The changes shown in the Statement of Other Components of the Income Statement are detailed and described in the "Statement of Changes in Equity".

Please note that the Shareholders' Meeting of 30 April 2024 resolved to cover the loss for the year amounting to EUR 11,017,628 through the partial use of the "Legal Reserve".

The composition of shareholders' equity with reference to availability and distributability is as follows:

Net equity	31.12.2023	31.12.2024	
Share Capital	700,000,000	700,000,000	
Legal reserve	119,304,576	108,287,142	B
Other Reserves	273,417,936	274,303,133	
<i>Rounding off reserve</i>	(1)	(2)	
<i>FTA reserve</i>	155,710,246	155,710,246	
<i>Actuarial Loss Reserve</i>	(3,895,356)	(3,918,004)	
<i>Real estate fair value reserve</i>	125,287,882	125,287,882	
<i>Held to collect and sell reserve</i>	(3,728,405)	(2,818,807)	
<i>OCI reserve</i>	43,570	41,818	
Profits carried forward	-	-	A, B, C
Profit / (Loss) for the year	(11,017,434)	3,083,326	
<b>Net equity</b>	<b>1,081,705,078</b>	<b>1,085,673,601</b>	

(\*) A) for capital increase; B) to cover losses; C) for distribution to shareholders

The portion of the First Time Adoption reserve that became available during the year amounted to EUR 131,602,852. Please refer to the Statement of Changes in Equity shown above for a discussion of the events that occurred during the 2024 financial year.

### Non-Current and Current Financial Liabilities

	31.12.2024	31.12.2023
Non-current financial liabilities	233,638,456	173,317,910
Current financial liabilities	190,078,491	257,630,139
<b>Total</b>	<b>423,716,947</b>	<b>430,948,049</b>

The item "Non-current Financial Liabilities" increased as a result of the issuance of the bond, in the form of a *private placement green* under the EMTN programme, issued on 26 July 2024 by the Company.

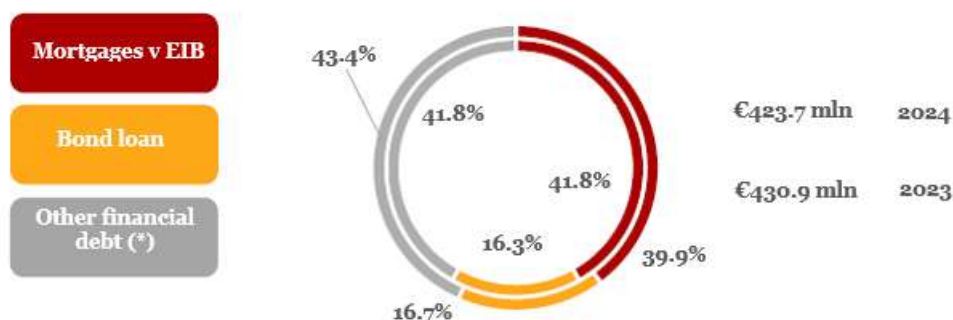


The item "*Current financial liabilities*" decreased due to the repayment of the bond placed on 8 August 2017 by the Company and maturing on 8 August 2024.

The breakdown of financial liabilities by their nature and maturity is shown below:

Loans	Within 12 months	Between 1 year and 5 years	Over 5 years	Total
<i>EIB loan</i>	11,510,161	47,585,745	109,895,674	168,991,580
<i>Bond</i>	-		69,440,946	69,440,946
<i>Bridge to Bond</i>	149,490,080			149,490,080
<b>Total Loans</b>	<b>161,000,241</b>	<b>47,585,745</b>	<b>179,336,620</b>	<b>387,922,606</b>
<b>Accrued interest</b>				
<i>Bond</i>	1,360,909			1,360,909
<i>Bridge to Bond</i>	426,550			426,550
<b>Total accrued interest</b>	<b>1,787,459</b>			<b>1,787,459</b>
<b>Liabilities for L.L. IFRS 16</b>	<b>2,176,984</b>	<b>6,716,090</b>		<b>8,893,074</b>
<b>Cash pooling payables</b>	<b>25,113,808</b>			<b>25,113,808</b>
<b>TOTAL</b>	<b>190,078,492</b>	<b>54,301,835</b>	<b>179,336,620</b>	<b>423,716,947</b>

### Breakdown of financial debt (2024 vs 2023)



N.B.: the comparative pie chart shows the 2024 data externally and the 2023 data internally respectively \* includes Bridge to Bond, lease liabilities and cash pooling liabilities.

### Financial debt repayment 31.12.2024 (EUR mln)



The amount of EUR 423,716,947 refers to:

- EUR 168,991,580 (of which EUR 11,510,161 current and EUR 157,481,420 non-current) to the loans, net of repayments, activated under the loan agreement for a total of EUR 250,000 thousand signed with European Investment Bank for the financing of the new underground trains on the M1 and M2 lines. The loan agreement places an obligation on the Company to comply with certain parameters of an equity and financial nature. As at 31 December 2024, as in previous years, the covenants contractually set forth in the loan agreement have been fulfilled. The debt is fully due on 30 June 2038 and is therefore mainly recorded under "*Non-current financial liabilities*";
- EUR 70,801,855 to the bond loan, in private placement green format under the EMTN programme, issued on 26 July 2024 by the Company (of which EUR 69,440,946 related to the principal portion of the bond loan and EUR 1,360,909 related to interest accrued during the period that will be paid on the maturity date), not backed by collateral and intended only for qualified investors with a total nominal value of EUR 70 million. The bonds mature on 26 July 2031 and interest is calculated at a fixed annual rate of 4.463%. The stock is listed on the Dublin Stock Exchange (ISIN code XS2867280658). In November 2024, Fitch Ratings confirmed ATM's long-term rating at 'BBB' (Long Term Issuer Default Rating) with improvement of the outlook from stable to positive, 'F2' for short-term and 'a' as a single rating on the Company. The bond is valued at amortised cost, which therefore took into account the expenses incurred. The effective, fixed

interest rate for the entire term of the loan is deemed representative of market conditions as at 31 December 2024. At year-end, the Company has the financial resources necessary to repay the loan in full, as can be seen from the balance of the items cash and securities;

- EUR 149,490,080 to a Bridge to Bond loan in principal and EUR 426,550 in interest. The loan was signed on 15 December 2023, drawn on 20 December 2023 and the natural maturity date was 15 December 2024; a renewal option was exercised on the same, extending the natural maturity date to June 2025;
- EUR 8,893,074 to the value of the lease liability recognised following the entry into force from 2019 of IFRS 16 Leases (of which EUR 2,176,984 due within 12 months and EUR 6,716,090 due beyond 12 months). During the year, this item changed due to the recognition of new contracts for EUR 5,556,443, the recognition of implicit interest for EUR 301,408, and the payment of fees in the amount of EUR 3,764,396.
- EUR 25,113,808 to the debit balance of the cash pooling current account with subsidiaries. For more details on the composition and nature of receivables, please refer to Note 41 "Information on intercompany and related party transactions".

With reference to the loans granted by the European Investment Bank (EIB), the Company signed loans totalling EUR 250,000,000, of which EUR 235,366,996 at a fixed rate.

Details of EIB disbursements are given below:

EUR thousands	Date of draught	Currency	Initial amount of debt	Amount of debt to be repaid as at 31/12/2024	Interest rate as at 31/12/2024	Maturity
Disbursement 1	29/11/2013	euro	14,633,004	9,188,165	4.549% (*)	30/06/2038
Disbursement 2	28/11/2014	euro	40,000,000	27,061,791	1.99%	30/06/2038
Disbursement 3	23/04/2015	euro	55,366,996	36,087,054	0.96%	30/06/2038
Disbursement 4	15/03/2017	euro	70,000,000	48,386,810	1.45%	30/06/2038
Disbursement 5	31/01/2018	euro	40,000,000	27,581,577	1.37%	30/06/2038
Disbursement 6	31/01/2018	euro	30,000,000	20,686,183	1.37%	30/06/2038
<b>Total</b>			<b>250,000,000</b>	<b>168,991,580</b>		

(\*) variable-rate indexed disbursement

Disbursements are recorded at amortised cost represented by the nominal value as there are no contractual start-up charges and the effective interest rate of each disbursement, fixed for the entire duration of the loan, was considered to be representative of market conditions as at 31 December 2024. Similarly, the variable-rate tranche is recorded at nominal value, since, with reference to *forward* rates, in the medium term the rate is considered representative of market conditions.

## Employee benefits

Defined benefit plans are calculated by estimating, using actuarial techniques, the amount of future benefit that employees have accrued in the current and prior periods. The calculation is carried out by an independent actuary using the *"Projected Unit Credit Method"*. For the purposes of the calculation, the interest or discount rate used is given by the price on 31 December of each year of the iBoxx Corporate EUR benchmark index with duration 7-10 and AA rating.

	31.12.2024	31.12.2023
Employee Severance Indemnity	73,316,216	80,244,465
<b>Total</b>	<b>73,316,216</b>	<b>80,244,465</b>

The TFR, governed by Article 2120 of the Civil Code, includes the estimated obligation relating to the amount to be paid to employees upon termination of employment. The allowance, which is paid in the form of a lump sum, is equal to the sum of allowances calculated on the salary items paid in respect of the employment relationship and revalued up to the time of termination thereof. As a result of legislative changes introduced as of 1 January 2007, for companies with more than 50 employees, the accrued termination indemnity is classified as a defined-contribution plan insofar as the company's obligation is represented solely by the payment of contributions to pension funds, i.e. to INPS. The liability for severance pay prior to 1 January 2007 represents a defined benefit plan to be valued using actuarial techniques. The termination benefits fall under defined benefit plans that are unfunded and therefore there are no plan assets.

The following changes occurred during the financial year with regard to severance pay:

	Change
<b>Opening balance</b>	<b>80,244,465</b>
Severance benefits transferred from Group companies	75,667
Interest cost	2,400,685
Actuarial (gains)/losses	29,800
Benefits Paid	(9,434,401)
<b>Closing balance</b>	<b>73,316,216</b>

The amount of the provision for severance pay calculated in accordance with Art. 2120 of the Civil Code is EUR 73,316,216.

The actuarial loss for the period, amounting to EUR 29,800, was recognised in other comprehensive income by adjusting the balance of the Staff Leaving Indemnity Reserve with a balancing entry in a special equity reserve and is composed as follows:

	Change
Actuarial (gains)/losses due to experience	(448,158)
Actuarial (gains)/losses due to changes in financial assumptions	477,958
<b>Closing balance</b>	<b>29,800</b>

With reference to the severance indemnity, the valuations by the external actuary were made on the basis of the economic-financial and demographic assumptions summarised in the tables below.

	31.12.2024	31.12.2023
Mortality rate	IPSS5 tables	IPSS5 tables
Disability rates	INPS-2000 tables	INPS-2000 tables
Staff turnover rate	5.81%	5.81%
Discount rate*	2.93%	3.08%
Rate of salary increase	1.50%	1.50%
Rate of advances	0.64%	0.64%
Inflation rate	2.00%	2.00%

\* Quotation at 31/12/2024 of the iBoxx Corporate EUR benchmark index with 7-10 duration and AA rating

The sensitivity analysis on the discount rate represents the change in the value of the actuarial liability that results from year-end valuation data by varying the discount rate, subject to other assumptions:

	Change
Turnover rate +1%	73,396,839
Turnover rate -1%	73,230,879
Inflation Rate +0.25%	73,905,461
Inflation Rate -0.25%	72,733,278
With discount rate +0.25%	72,399,940
With discount rate -0.25%	74,253,144

**Provisions for risks and charges**

	<b>31.12.2024</b>	<b>31.12.2023</b>
Provision for environmental disputes and risks	56,500,781	47,559,075
Provision for damages/claims	12,624,955	13,797,062
Other provisions	46,898	54,113
<b>Total</b>	<b>69,172,634</b>	<b>61,410,250</b>

The most significant items contributing to the balance are as follows:

- from the "Fund for disputes and environmental risks" in the amount of EUR 56,500,781, referring to contingent liabilities towards suppliers, customers, third parties, employees, related parties and the environment, arising from ordinary business operations, the occurrence of which is deemed probable. The fund is established for *i)* EUR 17 million relating to the environmental fund *ii)* EUR 15 million for the guarantee provided when submitting the project finance proposal pursuant to Article 183, paragraph 15 of Legislative Decree no. 50/2016 *iii)* for EUR 7 million for disputes concerning the allocation of tariff revenues; *iv)* EUR 16 million for disputes with personnel *v)* the remaining part, amounting to approximately EUR 1.6 million, refers to legal expenses and disputes with suppliers. During the year, the amount of the provision was updated on the basis of the hypothesised impact of pending litigations and the outcome of those concluded, as well as on the basis of revised estimates of future environmental charges, resulting in accruals of EUR 13,482,735, utilisations of EUR 2,226,544, and releases of EUR 2,314,484, as detailed below.

In the year 2024, provisions were made mainly for:

- EUR 10,808,358 related to a dispute with staff related to overtime;
- EUR 2,337,424 related to disputes with personnel and mainly to the dispute concerning the recognition of specific remuneration parameters during the holiday period;
- EUR 166,000 for legal expenses related to various pending litigations;
- EUR 160,953 for the litigation in progress with the carrier Caronte of which detailed information is provided in the Report on Operations in the section on "Main Outstanding Litigations";
- EUR 10,000 related to disputes with suppliers.

Movements in fund utilisation refer to:

- EUR 1,407,012 for payments made in connection with a dispute with CTP, which was fully disclosed in the Report on Operations in the section on "Main Outstanding Litigations";
- EUR 446,418 for specific maintenance work carried out at certain company sites and facilities;
- EUR 276,663 to utilisation related to the settlement of disputes with personnel;

- EUR 96,451 for legal fees.

The releases, made in consideration of new and more up-to-date information refer to:

- EUR 2,088,284 related to disputes with personnel;
  - EUR 90,000 to the release of the provision set up for disputes with suppliers;
  - EUR 136,200 for legal fees.
- the "*Provision for settlement of claims*" for EUR 12,624,955, the value of which is commensurate with the estimated compensation to be paid in future years for damages/accidents related to the circulation of scheduled passenger vehicles, limited to the risk band not covered by the insurance policies taken out with the various Companies. Non-performing claims were assessed by examining individual files open as at 31 December 2024.

The value of the above provisions includes the best estimate of litigation-related legal expenses.

Changes in the provisions for liabilities and charges are shown below:

	31.12.2023	Increases	Uses	Releases	31.12.2024
Provision for environmental disputes and risks	47,559,075	13,482,735	(2,316,544)	(2,224,484)	56,500,781
Liquidated damages/claims fund	13,797,062	601,403	(1,773,510)	-	12,624,955
Other provisions	54,113	-	(7,214)	-	46,898
<b>Total</b>	<b>61,410,250</b>	<b>14,084,138</b>	<b>(4,097,268)</b>	<b>(2,224,484)</b>	<b>69,172,634</b>
	31.12.2022	Increases	Uses	Releases	31.12.2023
Provision for environmental disputes and risks	67,161,789	4,196,270	(1,538,294)	(22,260,690)	47,559,075
Liquidated damages/claims fund	16,612,716	899,048	(3,714,702)	-	13,797,062
Other provisions	15,368	38,745	-	-	54,113
<b>Total</b>	<b>83,789,873</b>	<b>5,134,063</b>	<b>(5,252,996)</b>	<b>(22,260,690)</b>	<b>61,410,250</b>

Please refer to Note 4 "*Use of Estimates*" for considerations on the estimative processes underlying the valuation of disputes and contingent liabilities.



**Deferred tax liabilities**

	31.12.2024	31.12.2023
Deferred tax liabilities	48,241,593	48,471,462
<b>Total</b>	<b>48,241,593</b>	<b>48,471,462</b>

The nature of temporary differences that generated deferred taxes is summarised below:

	Liabilities for Deferred Tax Liabilities as at 31.12.2023	Recognised in Income Statement	Liabilities for Deferred Tax Liabilities as at 31.12.2024
Fair Value Rolling Stock and Financial Leases	5,034,506	(248,133)	4,786,373
Land and Buildings - IAS 16	43,444,165	(341,316)	43,102,849
Fair Value Financial Assets	(7,209)	359,580	352,371
<b>Total</b>	<b>48,471,462</b>	<b>(229,869)</b>	<b>48,241,593</b>

**Other noncurrent payables and liabilities**

The item, amounting to EUR 66,095,619 at 31 December 2024, includes advances received by ATM S.p.A. and paid by the City of Milan for the performance by the Company of extraordinary maintenance services on municipal-owned assets.

These amounts, until the year 2023, were represented within the item *"Trade Receivables"*.

**Current tax liabilities**

As of 31 December 2024, as well as 31 December 2023, no taxes are recognised for IRES and IRAP purposes.

	31.12.2024	31.12.2023
Payables to third parties	241,168,932	260,514,631
Payables to related parties	59,865,006	59,145,919
<i>Payables to parents</i>	<i>48,363,201</i>	<i>48,707,092</i>
<i>Due to parent company</i>	<i>7,306,120</i>	<i>6,852,563</i>
<i>Payables to affiliates</i>	<i>3,737,778</i>	<i>2,914,705</i>
<i>Payables to subsidiaries of parent companies</i>	<i>457,907</i>	<i>671,559</i>
<b>Total</b>	<b>301,033,938</b>	<b>319,660,550</b>

**Trade Payables**

The amount of EUR 241,168,932 for *"Obligations to third parties"* (EUR 260,514,631 as at 31 December 2023) includes payables for invoices not yet paid and payables for invoices to be received that arose for the purchase of materials, services and capitalised goods, mainly to



Italian and European Union suppliers. The decrease is mainly attributable to the different invoicing methods and the consequent timing of payments to suppliers.

"Payables to related parties" mainly include "Payables to parent company", which showed a balance of EUR 48,363,201 as at 31 December 2024 (EUR 48,707,092 as at 31 December 2023), and are entirely attributable to the City of Milan. The decrease is mainly related to the decrease in the number of passengers transported, which led to a consequent decrease in the sale of tickets and a lower liability for refunds for the month of December 2024 compared to the same period in 2023.

"Payables to parent company" mainly refer to:

- for EUR 32,452,832 (EUR 35,386,703 as at 31 December 2023) to the debt for the repayment to the Municipality of Milan of the proceeds from ticket sales in December 2024;
- payables for the repayment of parking revenues to the Municipality as defined in the "Parking Agreement" of 27 April 2017 in the amount of EUR 10,983,288;
- EUR 3,290,000 for penalties attributable to the non-achievement of KPIs related to quality standards;
- EUR 1,637,081 for the repayment of Area C revenues for the month of December 2024.

The "Debts to subsidiaries" showed a balance of EUR 7,306,120 as at 31 December 2024 (EUR 6,852,563 as at 31 December 2023). They refer to services rendered under existing contracts.

	31.12.2024	31.12.2023
CityLink S.r.l.	553,366	1,156,259
GeSAM S.r.l.	271,255	249,594
International Metro Service S.r.l.	5,098	5,098
Nord Est Trasporti S.r.l.	3,487,872	2,806,176
Rail Diagnostics S.p.A.	2,988,529	2,635,436
<b>Total</b>	<b>7,306,120</b>	<b>6,852,563</b>

The most significant change from the previous year relates to payables to the subsidiary CityLink S.r.l., and is related to the different invoicing methods and the consequent timing of payment related to the Intercompany contract of Smart Mobility. In addition, with reference to the subsidiary NET S.r.l., the change from the previous year is related to the closure of the STIBM adjustments for the years 2020 - 2023. Other changes mainly relate to payables to the subsidiary Rail Diagnostics S.p.A., which increased by EUR 354,835, due to the increase in services rendered to ATM S.p.A.

The "Payables to affiliated companies" are detailed below:

	31.12.2024	31.12.2023
Co.Mo. Fun&Bus S.c.a.r.l.	18,308	17,886
SBE Consortium	703,693	250,060
SPV LINEA M4 S.p.A.	2,238,219	1,927,212
Metro 5 S.p.A.	1,077	108,866
Movibus S.r.l.	776,482	610,681
<b>Total</b>	<b>3,737,779</b>	<b>2,914,705</b>

They refer to services rendered under existing contracts. The most significant changes from the previous year concern the company SPV LINEA M4 S.p.A. due to the increase in the ALL RISK policy debt and the company Metro 5 S.p.A. due to the contract related to the leasing of spaces within the stations of the M5 line for the installation of vending machines.

There was also an increase in the liability for consortium contributions to the SBE Consortium of EUR 453,633.

The "Payables to subsidiaries of parent companies" of EUR 457,907 mainly refer to payables arising from services rendered to MM S.p.A.

#### Other current payables and liabilities

	31.12.2024	31.12.2023
Payables to employees	24,091,703	26,031,260
Payables to pension and social security institutions	28,530,139	29,275,531
Payables for holidays not taken	23,049,364	22,559,623
Other tax liabilities	12,719,200	9,609,683
Other payables	30,636,793	19,383,720
Waste collection tax	28,533	3,074,202
VAT payable	1,012,331	587,897
Accrued expenses and deferred income	1,463,210	797,664
<b>Total</b>	<b>121,531,273</b>	<b>111,319,580</b>

The item "Other current payables and liabilities" amounted to EUR 121,531,273 as at 31 December 2024. The main changes are related to the increase in "Other payables" and "Other tax payables" partially offset by the decrease in the items "Tarsu", "Social security payables" and "Payables to employees".

The main components of this item are as follows:

- EUR 24,091,703 from payables to employees. The decrease is related to the payment in 2024 of the redundancy incentives signed in 2023, the reduction in payables related to variable and deferred components of remuneration, and the settlement and

correlated payment of the amount due for a dispute with employees related to the quantification of remuneration during holiday periods;

- EUR 28,530,139 from payables to INPS, as well as to the industry pension funds, settled in accordance with legal deadlines in the first months of 2025;
- EUR 23,049,364 from the economic valuation of employees' unused holidays, as well as the countervalue of overtime worked, usable as paid leave, not yet used;
- EUR 30,636,793 from various types of payables, including payables for security deposits in the amount of EUR 2,522,690 and the payable to the ATM Foundation for contributions and payments for services rendered in the amount of EUR 726,690. The increase is related to the recognition of the portion of investment grants, not yet received, amounting to EUR 18,647,701 related to the purchase of rolling stock that has not yet been delivered;
- EUR 12,719,200 to the Irpef withholdings made by the Company as withholding agent on employee income;
- 28,533 to the debt for Tarsu 2024. The decrease is related to the fact that, whereas in 2023 the debt was settled in February 2024, this year the debt was almost entirely settled in the reporting year;
- EUR 1,463,210 in deferred income that relates to revenues invoiced during the year and pertaining to 2025.

## Notes to the Income Statement

### Revenues and other operating income

The value of "*Revenues and other operating income*" consists mainly of:

- "*Revenues from core business*", which refer to revenues generated by the Service Contract for the management of the Local Public Transport (LPT) service stipulated with the Municipality of Milan, the fee for the management of the M5 metro line under the contract stipulated with Metro 5 S.p.A, the consideration for the management of the M4 underground line based on the contract entered into with SPV Metro 4 S.p.A. and, residually, revenues for the management of parking spaces, car parks and removals, revenues for the management of the Como - Brunate, Argegno - Pigra and Varese Vellone - S. Maria del Monte funiculars and the POMA 2000 light metro service. As far as the consideration of the M4 line management contract is concerned, reference is made, for the entire year, to the functional section Linate - San Babila, while there will be an increase in the same from October 2024 in conjunction with the opening of the last section from San Babila to San Cristoforo;
- "*Other revenues*", which include revenues from advertising and property rentals, revenues for work performed on municipally owned assets, including maintenance services on infrastructure, and for services performed for the management of Area B and Area C;
- "*Other proceeds*", which mainly comprises operating grants, damage reimbursements and penalties charged to suppliers.

Revenues are made in Italy.

	2024	2023
Revenues from core business	835,390,835	790,150,114
Other revenues	64,614,035	66,627,095
Other proceeds	72,962,611	80,920,061
<b>Total</b>	<b>972,967,481</b>	<b>937,697,270</b>

The following is a breakdown of "Revenues from core business":

	2024	2023
Revenues from LPT	795,887,259	754,982,550
Municipality of Milan Service Contract Fee	724,415,546	693,567,322
Regional Area Service Contract Fee	3,530,687	4,337,557
Line 5 management contract fee	30,153,364	28,867,167
Line 4 management contract fee	29,081,071	19,104,858
Fare income - Regional area	4,016,925	3,795,532
Special/dedicated transport services	4,689,666	5,310,114
Revenues from Parking Spaces management	18,441,149	15,875,621
Revenues from car park management	10,430,451	9,518,688
Revenues from car removal management	3,469,989	3,569,984
Sundry revenues	7,161,987	6,203,271
<b>Total</b>	<b>835,390,835</b>	<b>790,150,114</b>

The "Revenues from LPT" amounted to EUR 795,887,259 (EUR 754,982,550 as at 31 December 2023) and increased in total by EUR 40,904,709 compared to the previous year.

The main changes in item "Revenues from LPT" refer to:

- "Service Contract Fee Municipality of Milan" decreasing compared to 2023 by EUR 30,848,224. The variation is linked to contractual trends. The amount includes EUR 3,290,000 in penalties attributable to the non-achievement of KPIs related to quality standards;
- "Line 5 management contract fee" increased by EUR 1,286,197 compared to the previous year. The increase is related both to the adjustment of the fee according to the change in the inflation rate and to the increase of the service due to more mileage travelled;
- "Line 4 Management Contract Fee" for EUR 29,081,071 and deriving from the single management contract for the Line M4 underground between ATM S.p.A. and the concessionaire company SPV Linea M4 S.p.A. The increase is linked to both the full calendar year operation of the functional San Babila-Linate Aeroporto section and the opening of the last San Babila - San Cristoforo section to service on 12 October 2024;

- *"Regional Area Service Contract Fee"* decreased by EUR 806,870 compared to the previous year. This effect is mainly related to the discontinuation (in December 2023) of the entrusting of ATM S.p.A. with the management of the S5 Bypass;
- *"Special/dedicated transport services"* decreased by EUR 620,448 compared to the previous year. This change is mainly due to the reduction in additional services requested by the Awarding Bodies in the amount of EUR 421,586, partly offset by the activity of the Restaurant Tram, which increased by EUR 127,071 compared to the previous year;
- *"Fare revenues - regional area"*: the increase of EUR 221,393 compared to the previous year is mainly due to higher revenues from passenger traffic related to the management of the Como - Brunate and Varese Vellone – Santa Maria del Monte and Argegno - Pigra cableways for EUR 190,454 and higher fees revenues from adjustments referring to previous years.

In addition, complementary services under the Service Contract with the Municipality of Milan increased by a total of EUR 3,377,296 and refer to *"Revenues from parking management"*, which increased by EUR 2,565,528, and *"Revenues from car parks management"*, which increased by EUR 911,763. These amounts are offset by *"Revenues from car removal management"* which decreased by EUR 99,995.

	2024	2023
Revenue from services rendered	36,090,073	38,206,177
Revenues from advertising and sponsorship	18,853,374	16,594,670
Rental of commercial premises in underground stations	5,873,701	6,596,130
Other revenues	3,796,887	5,230,118
<b>Total</b>	<b>64,614,035</b>	<b>66,627,095</b>

*"Other Income"* decreased by EUR 2,013,060 compared to the previous year. More specifically:

- *"Revenues for services rendered"* decreased by EUR 2,116,104 due to lower services rendered and related to maintenance activities on municipal-owned infrastructure, the Area B and C payment system and the Traffic and Territory Control system. There was also a reduction of EUR 1,475,726 in consultancy work for third parties;
- *"Advertising and sponsorship revenue"* increased by EUR 2,258,704. The increase was mainly due to the higher fee recognised by IGP Decaux in the amount of EUR 996,477 and EUR 114,750 to Findomestic's recognition of an advertising contribution;
- *"Commercial premises rents in underground stations"* decreased by EUR 722,429;
- *"Other revenues"* decreased by EUR 1,433,231. The decrease is mainly related to lower revenues from the sale of operating materials in the amount of EUR 1,100,599, revenues related to the disposal of inventory materials, the effects of which were also reflected in the inventory write-down provision, and to a residual extent to higher revenues from the sale of magnetic cards in the amount of EUR 332,632.

Below is a breakdown of the item "*Other income*", which decreased by EUR 7,957,450 compared to last year.

	2024	2023
Insurance reimbursements and costs incurred on behalf of third parties	9,877,970	8,860,233
Income from penalties invoiced to suppliers	2,558,756	4,143,169
Capital gains on disposal of property, plant and equipment	273,530	681,505
Grants	53,163,511	61,772,120
Other proceeds	7,088,844	5,463,034
<b>Total</b>	<b>72,962,611</b>	<b>80,920,061</b>

The item "*Insurance reimbursements and costs incurred on behalf of third parties*" increased by EUR 1,017,737, mainly due to the adjustments related to the STIBM fee adjustment related to previous years in the amount of EUR 888,997.

Item "*Income from penalties invoiced to suppliers*" decreased by EUR 1,584,413. During the financial year 2024, penalties were mainly invoiced to suppliers of road rolling stock and contractors.

The item "*Capital gains on disposal of property, plant and equipment*" decreased by EUR 407,975 and refers to the gain on the sale of 22 trolleybuses, 61 buses and 12 tram cars owned by the Company for a total of EUR 273,530 (Note 7).

The item "*Contributions*" refers for EUR 48,643,856 euros to the National Labour Collective Agreement contributions pertaining to the year and whose amount is unchanged from the previous year, allocated by Law No. 47 of 27 February 2004 to cover the charges deriving from the renewal of the collective labour agreement for the two-year period 2002/2003, by Law No. 58 of 22 April 2005 to cover the charges deriving from the renewal of the National Labour Collective Agreement for the two-year period 2004/2005, and by Law No. 296 of 27 December 2006 (2007 Budget) to cover the charges for the renewal of the National Labour Collective Agreement for the two-year period 2006/2007. In addition, contributions received against the price compensation fund for the adjustment of maintenance costs totalled EUR 609,044. During the year under review, EUR 1,959,995 in investment grants pertaining to previous years was received.

This item also includes contributions for the production of electricity through photovoltaic plants and contributions for personnel training.

"Other income" increased by EUR 1,625,810 compared to the previous year. The main items relate to "Passenger fines" for EUR 4,273,470 (EUR 4,564,543 as at 31 December 2023) and "Canteen revenue" for EUR 912,268 (EUR 851,649 as at 31 December 2023).

#### Costs for purchases of goods and changes in inventories

	2024	2023
Purchases of goods	67,351,541	76,227,810
Changes in inventories	(1,831,812)	(172,269)
Consumption of raw materials for internal work	(3,808,168)	(1,970,026)
<b>Total</b>	<b>61,711,561</b>	<b>74,085,515</b>

This item, which totalled EUR 61,711,561, includes purchase costs for materials required for vehicle and plant maintenance, diesel fuel and travel and Parking Spaces tickets, as well as the change in inventories net of utilisations and provisions made to the "Inventory write-down reserve".

The item "Variation in inventories" shifted by EUR 1,659,543 compared to 2023, as already mentioned in Note 14, due to the changes in provisions and utilisations of the reserve for obsolete inventories.

Under "Purchase of goods" there was an overall reduction in costs due to lower purchases of materials. Also contributing to the overall decrease in the item is the collection, occurring during the year 2024, of the government grant related to the reimbursement of fuel purchase expenses incurred during 2022 in the amount of EUR 5,724,078. The above is partially offset by the reimbursement of excise duty on diesel of EUR 3,207,141 in 2024, a decrease of EUR 442,752 compared to 2023.

The value is adjusted for the consumption of materials for internal works related to extraordinary maintenance work on the metro and tram fleet amounting to EUR 3,808,168 (EUR 1,970,026 in 2023).



**Costs for services**

	2024	2023
Maintenance and cleaning costs	128,860,586	142,784,060
Traction electricity	56,936,860	65,243,169
Subcontracted transport services	21,215,857	20,408,008
Utilities	24,338,499	27,129,024
Production and distribution of travel documents	6,767,998	8,212,101
Insurance	6,870,249	6,540,969
Customer services, advertising and marketing	6,149,627	5,555,367
Staff services	6,042,183	4,409,244
Various services	12,073,846	10,824,842
Professional services	21,439,047	16,973,067
Supervisory costs	2,301,609	2,149,957
<b>Total</b>	<b>292,996,361</b>	<b>310,229,808</b>

The item "*Maintenance and cleaning costs*", a decrease of EUR 13,923,474 compared to 2023, refers to work by third party companies for routine maintenance in the amount of EUR 100,159,297 (EUR 112,651,792 in 2023) and EUR 28,701,289 (EUR 30,132,268 in 2023) for cleaning work carried out on plants, depots, premises and vehicles during the year.

The decrease in maintenance costs incurred during the year, totalling EUR 12,492,495, is related to the following: *i*) lower charges incurred for rolling stock maintenance activities totalling EUR 7,929,699 euros; *ii*) lower charges for the period relating to maintenance work carried out on rolling stock and infrastructure, totalling EUR 5,598,570; *iii*) higher positive balances relating to previous years of EUR 2,833,070 partly offset by higher charges relating to the maintenance of *hardware and software* of EUR 1,459,607.

Cleaning, which decreased by EUR 1,430,979 compared to 2023, was mainly affected by the reduction in costs related to vehicle cleaning.

In 2024, the environmental risk fund set up in previous years was used in the amount of EUR 446,418 for specific maintenance work.

Charges for "*Traction electricity*" decreased by EUR 8,306,309. The change from the same period last year reflects the effect of the generalised decrease in raw material prices. There was also an increase in revenues from the hedging of traction electricity in the amount of EUR 9,855,937 thousand, obtained as a result of hedging transactions on forward purchase prices.

In an effort to take all possible actions to mitigate the effects of the variability of EELL prices during 2024, the parent company continued monitoring the energy price per Mw/h. During this period, market benchmarks were below budgeted levels, so between March and April,



three hedging transactions were concluded (using the commodity swap tool) for the period April - December 2024 on a total reference quantity of 114,990.00 Mw/h.

The lower costs for "*Utilities*" of EUR 2,790,525 are mainly due to lower charges for *Gas and District Heating* of EUR 1,912,929 as well as an increase in revenue from the coverage of lighting electricity of EUR 2,323,246. This positive effect is partially adjusted by the increase in lighting costs, which rose by EUR 1,018,085.

The item "*Subcontracted transport services*" includes fees paid to subcontractors of transport services in the Milan urban area and of the removal service. The increase compared to the previous year is mainly related to the ISTAT 2024 adjustment.

The item "*Professional Services*" refers mainly to professional services provided by third parties in the IT, legal, corporate and engineering fields. The increase compared to 2023, amounting to EUR 4,465,980, is related to the greater number of assignments carried out in the period by the Company in reference to the support requested from professionals for preliminary operations for the placement of bonds, participation in international tenders, the expansion of ATM S.p.A.'s *business* and IT services.

The item "*Miscellaneous services*" increased by EUR 1,249,004 compared to 2023 and mainly refers to bank commission charges of EUR 7,734,738 (EUR 6,444,537 in 2023) and transport services for material handling and waste disposal of EUR 2,250,248 (EUR 2,145,640 in 2023).

The item "*Production and distribution of tickets*" refers to the remuneration due to resellers for the sale of travel, Parking Spaces and Parking Spaces tickets, Area B and Area C. The decrease in this item of EUR 1,444,103 compared to 2023 is directly connected to the recovery in ticket sales volumes.

The item "*Insurance*" refers to costs in the insurance business and is in line with the previous year.

Item "*Customer services, advertising and marketing*" mainly refers to expenses incurred for customer communication and information and increased by EUR 594,260 compared to 2023. The increase is related to higher charges incurred for *comarketing initiatives* in the amount of EUR 636,779, offset by lower costs for various publications.

The item "*Services for employees*" increased compared to 2023 by EUR 1,632,939 and refers mainly to training expenses of EUR 2,925,661 (EUR 1,543,645 in 2023), medical expenses incurred due to legal obligations and health checks of EUR 1,811,372 (EUR 1,819,607 in 2023). The increase over 2023 is primarily attributable to training activities for employees, which increased by EUR 1,382,016, and to travel expenses, which increased by EUR 197,434.

The item *"Security costs"* decreased by EUR 151,652 compared to 2023 and refers to the valuables transport service and security services carried out in order to combat vandalism and to ensure the safety of passengers on board vehicles.

### Operating Leases Costs

	2024	2023
Fees and rents payable	867,465	262,642
Vehicle rentals	333,072	270,285
Plant and equipment rental	3,215,764	2,080,378
<b>Total</b>	<b>4,416,301</b>	<b>2,613,305</b>

The costs incurred in 2024 increased compared to the previous year due to the simultaneous increase in costs related to rental expenses of EUR 604,823, plant and equipment rental of EUR 1,135,386, and vehicle rental of EUR 62,787.

### Costs for employee benefits

	2024	2023
Wages and salaries	363,228,902	357,524,120
Social security contributions	108,034,611	104,090,632
Charges for defined contribution plans	23,103,828	24,103,158
Other costs	30,123,457	(4,625,373)
Personnel costs for internal work	(1,417,506)	(302,419)
<b>Total</b>	<b>523,073,292</b>	<b>480,790,118</b>

*"Employee benefit costs"* of EUR 523,073,292 include costs incurred for wages and social security contributions, accruals pursuant to law and industry agreements, as well as costs for accrued but unused holiday and paid time off. The overall increase of EUR 42,283,174 is related to the increase in *"Wages and salaries"* in the amount of EUR 5,704,782, *"Social security charges"* in the amount of EUR 3,943,979, and *"Other costs"* in the amount of EUR 34,748,830. Finally, the item reflects the decrease in *"Charges for defined contribution plans"* by EUR 999,330 and the increase in recoveries for *"Personnel costs for internal work"* by EUR 1,115,087.

The increase in the item *"Wages and salaries"* is due to higher charges related to the second-level company agreements signed in May and November 2024 for one-off payments of EUR 500 and EUR 350 per person respectively. These effects are partially offset by a decrease in the average workforce of around 150 people.

The item *"Social security charges"* is affected by the contribution component linked to the salary increases described above.

Costs are recognised net of capitalised personnel costs for internal work in the amount of EUR 1,417,506 (EUR 302,419 in 2023) and refer to the portion of capitalised personnel costs for extraordinary maintenance work carried out on the metro train fleet and trams.

The increase in the item 'Other Costs' is related, for more than EUR 20 million, to the release of provisions made in 2023 in connection with disputes with personnel concerning the potential recognition of specific remuneration allowances during the holiday period. In addition, the movement was affected by the provision of EUR 10,808,358 for risks related to a dispute with personnel concerning overtime.

The workforce as at 31 December 2024 stood at 9,313 people (9,315 as at 31 December 2023).

ATM	31.12.2023	New hires	Leavers	31.12.2024
Managers	30	4	(4)	30
Managers/middle managers	368	27	(14)	381
Office workers	845	90	(53)	882
Workers/operational staff	8,072	557	(609)	8,020
<b>Total</b>	<b>9,315</b>	<b>678</b>	<b>(680)</b>	<b>9,313</b>

In 2024, the employment trend decreased, including internal transfers, by 2 persons. Recruitment relates to operational areas: these include bus, tram and trolleybus drivers, station agents, security personnel, and other operational support figures.

It should be noted that the change in the outgoing workforce relates to voluntary resignations and therefore no dismissals of an objective nature were made in the period under review, in accordance with the provisions of Legislative Decree no. 137/2020, known as "Restorals Decree" and its subsequent amendments.

### Other operating costs and charges

	2024	2023
Municipal taxes	5,356,274	4,997,541
TPL damage management	1,358,377	1,301,107
Contingencies	1,121,076	656,425
Various taxes and duties	694,473	671,783
Other Operating Charges	1,996,216	1,958,834
Provisions (releases) for bad debts	1,403,316	961,607
Provisions (releases) for risks and charges	170,953	2,418,545
<b>Total</b>	<b>12,100,685</b>	<b>12,965,842</b>

"Other operating costs and expenses" showed a decrease of EUR 865,157 compared to the previous year.

The items that present the main changes refer to 'Municipal taxes', up EUR 358,733, to provisions/releases for bad debts, up EUR 441,709, the dynamics of which are fully explained in Note 18 - 'Other receivables and current assets' of these Notes, to provisions/releases for risks and charges, down EUR 2,247,592, which is fully explained in Note 24 of these Notes and in the Report on Operations in the section on 'Main Outstanding Litigations', to higher charges for the period related to management of LPT damages for EUR 57,270, to the increase in the item 'Other operating charges' for EUR 37,382.

The most significant cost items include:

- "*Municipal taxes*" that mainly refer to the charge for waste collection tax in the amount of EUR 3,624,860 and property tax in the amount of EUR 1,696,755;
- "*LPT damage management*" related for EUR 2,409,576 to the charge incurred for the settlement of damages related to the circulation of vehicles and for EUR 120,908 for motor vehicle practices, as well as for EUR 619,803 to provisions and for EUR 1,773,510 to the utilisation of the specific provision recorded under "*Provisions for risks and charges*" (Note 24);
- "*Other operating expenses*" mainly relate to memberships of associations, expenses for notarial deeds, entertainment expenses, and miscellaneous expenses. The item includes the amount of EUR 1,407,012 related to the payment by the Parent Company of the same amount against the notification of writ of summons by CTP and the related utilisation of the Provision for litigation following the disclosure in Note 24 "Provisions for risks and charges" of the Notes to the Financial Statements and in the Report on Operations in the section on "Main outstanding Litigations";
- "*Provisions (release) for doubtful debts*" refers for EUR 272,883 to the release of provisions for doubtful debts and for EUR 1,676,199 to provisions made to cover risks on receivables recorded in the financial statements, of which EUR 1,508,502 for "*Sundry receivables*", EUR 159,108 for "*Receivables from parent companies*", and finally EUR 8,589 for "*Receivables from associated companies*". Please refer to Note 17 - "*Trade Receivables*" and Note 18 - "*Other Current Receivables and Assets*" of these Notes for comments on the constituent elements, respectively;
- "*Provisions (releases) for risks and charges*" which refer to provisions made to adjust the "*Provisions for risks and charges*" (Note 24) following the revision of estimates and in view of the events of the period and in view of new and more complete information compared to that available at the time the original estimates were made. The amount as at 31 December 2024 is EUR 170,953.

During the year, losses on receivables of EUR 3,942,961 were recognised, which were entirely covered by the utilisation of the provision for bad debts.

**Depreciation and impairment losses**

	2024	2023
Depreciation - Property, plant and equipment	125,463,492	123,083,456
<i>Plant and machinery</i>	116,086,736	113,412,442
<i>Buildings</i>	4,757,962	5,425,003
<i>Industrial and commercial equipment</i>	2,433,786	2,484,342
<i>Other assets</i>	2,185,008	1,761,669
Equipment grants	(48,449,388)	(44,160,602)
Amortisation - Intangible assets	984,765	1,025,595
<i>Software licences</i>	984,765	1,025,595
Depreciation of right of use for leased assets	2,998,085	2,456,624
<i>Equipment</i>	180,687	112,246
<i>Buildings</i>	1,095,895	536,252
<i>Motor vehicles</i>	1,617,242	1,464,126
<i>Computer equipment</i>	97,202	95,603
<i>Other</i>	7,059	248,397
<b>Total</b>	<b>80,996,954</b>	<b>82,405,073</b>

“*Depreciation and impairment losses*” totalling EUR 80,996,954 are charged to the financial year, an amount that includes the portion of grants for plant and equipment pertaining to the financial year totalling EUR 48,449,388.

No write-downs were recorded for the period under review.

During the financial year 2023, the useful lives of 10 Eurotrams had been revised as a result of the revision of the operating programmes, and the increased depreciation charged to the income statement following the change in useful lives totalled EUR 4,756,564.

**Net financial income (expense)**

	2024	2023
Financial income	24,113,739	18,115,642
<i>Interest income</i>	10,555,010	2,647,639
<i>Gains on securities</i>	1,673,894	322,290
<i>Fair Value Adjustment Income</i>	4,533,334	5,225,692
<i>Other</i>	486,285	4,712,921
<i>Dividends</i>	6,865,216	5,207,100
Financial expenses	(16,623,390)	(9,636,002)
<i>Interest on defined benefit plans for employees</i>	(2,400,685)	(2,954,969)
<i>Interest expenses on loans and bonds</i>	(12,682,217)	(5,343,787)
<i>Other interests expenses</i>	(819,324)	(798,082)
<i>Losses on securities</i>	(134,623)	(134,567)
<i>Fair Value Adjustment Charges</i>	(111,089)	(16,110)
<i>Impairment of financial assets</i>	(10,930)	59,932
<i>Other</i>	(163,114)	(307,134)
<i>Interest expense IFRS 16</i>	(301,408)	(141,285)
<b>Total</b>	<b>7,490,349</b>	<b>8,479,640</b>

Interest income is broken down as follows:

	2024	2023
Interest income on deposits and current accounts	864,178	648,003
Interest income on securities	1,483,671	1,407,609
Interest income from subsidiaries	2,404	1,398
Interest income on loans to subsidiaries	-	(5)
Interest income on loans to associates	8,082,763	590,634
Interest income Loan Thema	121,994	-
<b>Total</b>	<b>10,555,010</b>	<b>2,647,639</b>

The most significant components are represented by:

- "*Interest income on securities*" amounting to EUR 1,483,671 (EUR 1,407,609 as at 31 December 2023) related to interest on government securities and bonds;
- "*Interest income on loans to associates*" amounting to EUR 8,082,763 (EUR 590,634 as of 31 December 2023), which refers exclusively to interest accrued on the loan granted to SPV M4 S.p.A. These increased from the previous year because on 20 December 2023 ATM S.p.A. increased its stake in the company to 31.53%, becoming its second largest shareholder. On the other hand, the interest on the loan that had been granted to the company Metro 5 S.p.A. and that had been fully repaid on 29 April 2023 ceased to exist with respect to 2023.

The *"Gains on securities"* of EUR 1,673,894 (EUR 322,290 as at 31 December 2023) refer to realised gains on securities.

*"Fair value adjustment income"* net of *"Fair value adjustment charges"* refers to income related to the fair value valuation of financial receivables due from the associated company SPV M4 S.p.A. for EUR 1,492,013, to income of EUR 6,236 due to the building cooperatives SED-ATM and SCCATI, and to income of EUR 2,923,997 related to the fair value valuation of financial instruments designated FVTPL.

The item *"Dividends"* refers mainly to dividends received from the subsidiary International Metro Service S.r.l. in the amount of EUR 4,080,000, from the associated company Metro 5 S.p.A. in the amount of EUR 1,999,816, and EUR 785,400 from the associated company Movibus S.r.l.

The item *"Others"* includes miscellaneous financial income in the amount of EUR 15,170, which decreased compared to last year as 2023 also included interest accrued on the amounts settled by the Revenue Agency following the sentences issued by the Supreme Court of Cassation, as well as income related to the amortised cost valuation of HTC&S designated securities in the amount of EUR 226,056.

*"Financial expenses"* mainly refer to *"Interest on defined benefit plans for employees"* in the amount of EUR 2,400,685 and *"Interest expenses on loans and bonds"* recorded under payables in the amount of EUR 12,682,217. These comprise, in addition to the interest expense recognised on the bond issue and on the European Investment Bank's disbursements totalling EUR 4,972,396 (as at 31 December 2023, EUR 4,333,636), also the interest expense accrued on the credit lines for a total of EUR 7,709,821, entirely referring to the interest accrued on the Bridge to Bond.

The *"Losses on securities"* during the year under review amounted to EUR 134,623.

The *"Interest Expense"* resulting from the application of IFRS 16 Leases amounted to EUR 301,408.

**Income taxes for the year**

Taxes for the year were recognised as detailed below:

	2024	2023
Current taxes	(634,920)	(252,312)
<i>IRAP</i>	463,848	-
<i>Income (expenses) from tax consolidation</i>	(1,098,768)	(252,312)
Prior year taxes	(42,744)	(10,810,588)
<i>IRES</i>	(18,624)	88,088
<i>IRAP</i>	(24,120)	(10,898,676)
Change in deferred tax liabilities	2,757,014	5,167,583
<b>Total</b>	<b>2,079,350</b>	<b>(5,895,317)</b>

The "*Charges from tax consolidation*" refer to the transfer of the IRES, to the extent provided for by current legislation, by the companies included in the National Tax Consolidation.

The "*Deferred Taxes*" mainly include the release of deferred tax assets recognised against taxed provisions. Deferred tax assets and deferred tax liabilities transferred to the Profit and Loss Account amounted to EUR 2,986,883 and EUR 229,869 respectively, as detailed in Note 12 and Note 25. Deferred tax assets mainly refer to the release of deferred tax assets on provisions for risks in the amount of EUR 2,743,086.

The amount recorded under item "*Taxes from previous years IRAP*" and amounting to EUR 24,120 refers to the settlement of a dispute with the Revenue Agency and in particular to the Supreme Court Order No. 35633/23 - ATM wedge 2008.

The change from the previous year is due to the fact that the following disputes were settled in 2023:

- Supreme Court Order No. 35633/23 - ATM wedge 2008 for EUR 3,465,244;
- Supreme Court Order No. 10225/23 - ATM wedge 2010 for EUR 2,764,816;
- Supreme Court Order No. 25742/23 - ATM Servizi wedge 2010 for EUR 2,297,664;
- Judgment of the 2nd Lombardy Tax Court No. 1570/03/23 - ATM wedge 2012 for EUR 1,709,894;

Supreme Court Order No. 10225/23 - ATM Servizi wedge 2007 for EUR 676,330.



The reconciliation between theoretical tax and actual tax is shown below:

THEORETICAL TAXES DUE	ATM	
	IRES	IRAP
VALUE OF PRODUCTION		972,967
OPERATING COSTS		(975,295)
<b>DIFFERENCE BETWEEN PRODUCTION VALUE AND COSTS</b>		<b>(2,328)</b>
PERSONNEL COSTS (NOT RELEVANT FOR IRAP PURPOSES)		523,073
<b>PRE-TAX PROFIT/LOSS</b>	<b>5,163</b>	
<b>THEORETICAL TAX BURDEN RATE</b>	<b>24.00%</b>	<b>4.20%</b>
<b>TAXABLE AMOUNT THEORETICAL TAX BURDEN</b>	<b>5,163</b>	<b>520,746</b>
<b>THEORETICAL TAXES DUE</b>	<b>1,239</b>	<b>21,871</b>
<b>COSTS NOT ALLOWED AS DEDUCTIONS - NON-TAXABLE INCOME</b>	<b>IRES</b>	<b>IRAP</b>
COORDINATED AND CONTINUOUS/OCCASIONAL COLLABORATIONS	0	36
NON-DEDUCTIBLE TAXES	(3,026)	1,697
TELEPHONE	149	149
<b>OTHER NON-DEDUCTIBLE COSTS</b>		
- staff	35,102	0
- depreciation (item B10)	12,297	1,982
- provisions not provided for by Tuir/L.446/97	4,226	4,226
- other non-deductible costs	294	4,256
<b>NON-TAXABLE REVENUES</b>		
- release/utilisation of taxed funds	(12,100)	(15,150)
- staff	(27,462)	0
- other non-taxable income	(15,582)	(9,060)
<b>TOTAL INCREASE ( + )</b>	<b>(6,102)</b>	<b>(11,864)</b>
<b>COSTS ALLOWED AS DEDUCTIONS - DIFFERENT IRAP TAX BASE</b>	<b>IRES</b>	<b>IRAP</b>
IFRS	122	(926)
EXPENSES INCURRED FOR DISABLED PERSONNEL	0	66
AGENZIA DELLE ENTRATE CIRCULAR NO. 22/E OF 09/06/2015 AND MISCELLANEOUS	0	498,610
FURTHER DEDUCTION/INCREASE IN EMPLOYMENT	6,778	0
SUPER DEPRECIATION	913	0
DEDUCTION OF SUPPLEMENTARY PENSION CONTRIBUTIONS	0	88
<b>TOTAL DECREASES ( - )</b>	<b>7,813</b>	<b>497,838</b>
<b>TOTAL VARIATIONS FOR IRES PURPOSES ( - )</b>	<b>0</b>	<b>-</b>
<b>ACTUAL TAX BURDEN</b>	<b>IRES</b>	<b>IRAP</b>
<b>ACTUAL TAXABLE INCOME</b>	<b>0</b>	<b>11,044</b>
<b>ACTUAL TAX BURDEN</b>	<b>0</b>	<b>464</b>
<b>ACTUAL TAX INCOME</b>	<b>0</b>	<b>0</b>
<b>ACTUAL TAX RATE</b>	<b>0.00%</b>	<b>0.09%</b>

### Directors' and auditors' fees

In accordance with the law, the remuneration of the Directors and Statutory Auditors is shown, and it should be noted that the amount is shown gross of any contribution and accessory charges.

	2024	2023
Directors' fees	266,261	239,509
Statutory Auditors Fees	139,669	139,648
<b>Total</b>	<b>405,930</b>	<b>379,157</b>

As of the date of preparation of this Financial Report 2024, the Board of Directors consists of five members, including the Chairman and the Chief Executive Officer; the Board of Statutory Auditors, on the other hand, consists of three members, one of whom is the Chairman.

The remuneration paid to the individual directors in office is expressed before social security deductions of EUR 45,551 and amounts to EUR 221,030. Travel expenses of the Chairman of the Board of Directors due to the performance of office duties amount to EUR 232.

The amount of remuneration paid in 2024 to the Board of Directors increases as a result of the appointment by the Shareholders' Meeting held on 18 September 2024 of two additional members.

### Fees of the Auditing Company

The fees paid by ATM S.p.A. to the auditing company Deloitte & Touche S.p.A. for 2024 amount to EUR 347,124 for activities related to the statutory audit of the accounts and EUR 168,206 for audit services for the issuance of other certificates.

Type of services	Subject who supplied the service	Recipient	Fees
<b>Audit</b>			<b>347,124</b>
Statutory audit of the statements of financial year and the consolidated financial statements, including the Corporate Sustainability Reporting Directive, and periodic checks on the regularity of the accounting	Parent Company Auditor	Parent Company	285,000
Limited audit of the situation consolidated half-yearly, prepared on a voluntary basis, of ATM Group companies from 30.06.2018 to 30.06.2025	Parent Company Auditor	Parent Company	62,124
<b>Certification services</b>			<b>168,206</b>
Annual and half-yearly certification of Covenants to European Investment Bank	Parent Company Auditor	Parent Company	12,706
Signature of the certificates/certifications required by the laws and regulations in force at the time	Parent Company Auditor	Parent Company	37,500
Professional services preparatory to the issuance of EMTN Bonds	Parent Company Auditor	Parent Company	118,000
<b>Total</b>			<b>515,330</b>

No services other than auditing or attestation were rendered by Deloitte & Touche S.p.A. and the companies belonging to its network.

**Information on intra-group and related party transactions**

Transactions with related parties with which the Company engages in commercial and financial dealings at arm's length terms and conditions pursuant to Article 2427, No. 22-bis of the Italian Civil Code are summarised below.

The *"trade receivables from parent companies"* refer to receivables for services rendered to the Parent Company within the scope of the Local Public Transport Service Contract and the management services for parking spaces, car parks and car removal with the Municipality of Milan, and receivables for works carried out on municipal property. The value of receivables is adjusted by the provision for bad debts of EUR 496,303 set up to align the value of receivables to their estimated realisable value.

*"Trade receivables from subsidiaries"* refer to receivables for services rendered to companies within the scope of consolidation, for which ATM S.p.A. performs service activities.

The *"financial receivables from subsidiaries"* refer to the positive balances of current accounts in cash pooling as at 31 December 2024. Accrued interest is recognised in line *"Net financial income"* of the Income Statement.

The *"tax receivables from subsidiaries"*, as described elsewhere in this document, relate to the receivable arising from contracts entered into with subsidiaries to participate in the National Tax Consolidation and Group VAT regime.

*"Trade receivables from affiliates"* refer to receivables for services rendered under existing contracts. The value of receivables is adjusted by the provision for bad debts of EUR 33,634 set up to align the value of receivables to their estimated realisable value.

The *"trade receivables from subsidiaries of parent companies"* refer to receivables for services rendered under existing contracts.

RECEIVABLES	Trade	Financial	Grants	tax	31.12.2024
<b>- from parent companies</b>					
Municipality of Milan	204,195,182	-	32,500	-	204,227,682
<b>- from subsidiaries</b>					
City Link S.r.l.	18,062	-	-	69,625	87,687
Gesam S.r.l.	75,107	-	-	3,813	78,920
Thema SA	92,546	4,856,171	-	-	4,948,717
International Metro Service S.r.l.	14,812	-	-	101,412	116,224
Metro Service A/S	48,283	-	-	-	48,283
Nord Est Trasporti S.r.l.	4,875,633	-	-	3,266,971	8,142,604
Rail Diagnostics S.p.A.	743,462	-	-	333,225	1,076,687
<b>- to associate companies</b>					
Full Green Consortium	170,279	-	-	-	170,279
Brianza Trasporti S.c.a r.l. in Liquidity	-	-	-	-	-
Co.mo. Fun&Bus S.c.a r.l.	281,333	-	-	-	281,333
Metro 5 S.p.A.	2,178,521	-	-	-	2,178,521
Movibus S.r.l.	41,908	-	-	-	41,908
SBE Consortium	3,547	-	-	-	3,547
SPV Linea M4 S.p.A.	17,566,600	167,755,165	-	-	185,321,765
<b>- from other companies</b>					
Fondazione Teatro alla Scala	(269)	-	-	-	(269)
Scuole Civiche Milano	2,036	-	-	-	2,036
Metropolitana Milanese S.p.A.	81,889	-	-	-	81,889
SEA S.p.A.	25,887	-	-	-	25,887
Agenzia Mobilità Ambiente e Territorio S.r.l.	290	-	-	-	290
MilanoSport S.p.A.	3,465	-	-	-	3,465
Milano Ristorazione S.p.A.	3,959	-	-	-	3,959
Metropolitan City Basin LPT Agency	-	-	38,617	-	38,617
Piccolo Teatro Foundation	(203)	-	-	-	(203)
<b>- Other associate relationships</b>					
Coop S.E.D. ATM/S.C.C.A.T.I.	-	718,800	-	-	718,800
<b>Total gross write-downs and initial delta</b>	<b>230,422,329</b>	<b>173,330,136</b>	<b>71,117</b>	<b>3,775,046</b>	<b>407,598,628</b>
<b>- Allowance for doubtful accounts</b>					
- from parent companies	(496,303)	-	-	-	(496,303)
- to associate companies	(33,634)	-	-	-	(33,634)
- from other companies	(182)	-	-	-	(182)
<b>- SPV Linea M4 S.p.A.- IFRS 9 CORRECTION</b>	<b>-</b>	<b>808,770</b>	<b>-</b>	<b>-</b>	<b>808,770</b>
<b>Total</b>	<b>229.892.210</b>	<b>174.138.906</b>	<b>71.117</b>	<b>3.775.046</b>	<b>407.877.279</b>

The "trade payables to parent companies" refer to payables for services rendered under the Local Public Transport Service Contract and parking spaces, car parks and car removal management services with the Municipality of Milan.

"Trade payables to subsidiaries" refer to payables for services rendered by subsidiaries under existing contracts.

"Financial payables to subsidiaries" refer to the debit balances of current accounts in cash pooling as at 31 December 2024.

*"Tax payables to subsidiaries"*, as described elsewhere in this document, relate to withholding taxes paid by subsidiaries to ATM S.p.A. as a result of adhering to the National Tax Consolidation Agreement.

*"Trade payables to associates"* refer to payables for services rendered by associates under existing contracts.

*"Trade payables to subsidiaries of parent companies"* refer to payables for services rendered by the companies to ATM S.p.A. under existing contracts.

PAYABLES	Trade	Financial	tax	Advances from customers	31.12.2024
<b>- from parent companies</b>					
Municipality of Milan	48,363,201	-	-	66,095,619	114,458,820
<b>- from subsidiaries</b>					
City Link S.r.l.	360,722	926,588	192,644		1,479,954
Gesam S.r.l.	271,255	844,076	-		1,115,331
Thema SA		-	-		-
International Metro Service S.r.l.	-	-	5,098		5,098
Metro Service A/S	-	-	-		-
Nord Est Trasporti S.r.l.	2,271,527	15,214,700	1,216,345		18,702,572
Rail Diagnostics S.p.A.	2,988,526	8,128,443	3		11,116,972
<b>- to associate companies</b>					
Brianza Trasporti S.c.a r.l. in liquidazione	-	-	-		-
Co.mo. Fun&Bus S.c.a r.l.	18,308	-	-		18,308
Metro 5 S.p.A.	1,077	-	-		1,077
Movibus S.r.l.	776,482	-	-		776,482
SBE Consortium	703,693	-	-		703,693
SPV Linea M4 S.p.A.	2,238,218	-	-		2,238,218
<b>- from other companies</b>					
Fondazione Teatro alla Scala	-	-	-		-
Scuole Civiche Milano	-	-	-		-
Metropolitana Milanese S.p.A.	459,154	-	-		459,154
SEA S.p.A.	2,253	-	-		2,253
AGENZIA MOBILITA' AMBIENTE E TERRITORIO S.r.l.	-	-	-		-
<b>Total gross initial delta</b>	<b>58,454,416</b>	<b>25,113,807</b>	<b>1,414,090</b>	<b>66,095,619</b>	<b>151,077,932</b>
<b>IFRS 16</b>					
- to associate companies	-				-
- from other companies	(3,500)				(3,500)
<b>Total</b>	<b>58,450,916</b>	<b>25,113,807</b>	<b>2,828,180</b>	<b>66,095,619</b>	<b>151,074,432</b>

ECONOMIC RELATIONS	Revenues from core business	Other revenues	Other proceeds	Financial income
<b>- from parent companies</b>				
Municipality of Milan	726,140,455	30,570,281	1,925,174	-
<b>- from subsidiaries</b>				
City Link S.r.l.	5,351	6	12	2,404
Gesam - Multi-risk Insurance Claims Management S.r.l.	357,917	71,308	16	-
Thema SA	555,250	-	16	121,994
International Metro Service S.r.l.	14,806	4	2	4,080,000
Metro Service A/S	500,963	-	24	-
Nord Est Trasporti S.r.l.	4,755,864	305,008	750,993	-
Rail Diagnostics S.p.A.	521,575	54,942	16	-
<b>- from other companies</b>				
Agenzia Mobilità Ambiente e Territorio S.r.l.	-	1,380	-	-
Metropolitana Milanese S.p.A.	154,488	65,365	265	-
Fondazione Piccolo Teatro di Milano - Teatro d'Europa	-	66,170	-	-
SEA S.p.A.	-	-	37,000	-
<b>- to associate companies</b>				
Full Green Consortium	-	499,838	439	-
CO.MO. Fun&Bus S.C.a R.L.	966,674	-	-	-
Metro 5 S.p.A.	30,153,364	2,019,219	20,004	1,999,816
Movibus S.r.l.	-	-	600,695	785,400
SBE Consortium	-	-	8,549	102
SPV Linea M4 S.p.A.	29,137,577	271,432	284,827	8,082,763
<b>Total</b>	<b>793,264,284</b>	<b>33,924,953</b>	<b>3,628,032</b>	<b>15,072,479</b>

ECONOMIC RELATIONS	Costs for services	Operating Leases Costs	Costs for employee benefits	Other operating costs and charges	Financial expenses
<b>- from parent companies</b>					
Municipality of Milan	-	(1,275,000)	-	-	-
<b>- from subsidiaries</b>					
City Link s.r.l.	(1,910,279)	-	-	-	(16,559)
Gesam - Multi-risk Insurance Claims Management S.r.l.	(903,971)	-	-	(4)	(34,533)
Nord Est Trasporti S.r.l.	(844,560)	-	-	(2)	(459,097)
Rail Diagnostics S.p.A.	(10,002,335)	-	-	-	(303,340)
<b>- from other companies</b>					
Metropolitana Milanese S.p.A.	(2,261,118)	(10,500)	-	(460)	-
Fondazione Piccolo Teatro di Milano - Teatro d'Europa	(62,170)	-	(6,500)	(3,050)	-
SEA S.p.A.	(1,130)	(11,229)	-	-	-
<b>- to associate companies</b>					
CO.MO. Fun&Bus S.C.a R.L.	-	(235,732)	-	(306)	-
Metro 5 S.p.A.	-	(19,375)	-	(1,077)	-
Movibus S.r.l.	(271,325)	-	-	(6,286)	-
SBE Consortium	-	-	-	(453,633)	-
SPV Linea M4 S.p.A.	(1,174,756)	-	-	(8,294)	-
<b>Total</b>	<b>(17,431,644)</b>	<b>(1,551,836)</b>	<b>(6,500)</b>	<b>(473,112)</b>	<b>(813,529)</b>



**Commitments, guarantees and contingent liabilities not recognised in the balance sheet**

The item is broken down below:

	31.12.2024	31.12.2023
Assets in use	6,600,234,872	6,148,174,761
Guarantees, of which:	484,997,590	411,827,123
- Guarantees in favour of third parties	32,494,512	32,337,804
- Third-party guarantees	407,410,760	336,212,267
- Guarantees to investees	45,092,318	43,277,052
<b>Total</b>	<b>7,085,232,462</b>	<b>6,560,001,884</b>

The amount of EUR 6,600,234,872 relating to '*assets in use*' refers to:

- EUR 6,415,112,818 to the value of assets in use for the management by the Municipality of Milan of the LPT service;
- for EUR 176,200,246 to the value of Parking Spaces areas and car parks in use pursuant to the Service Agreements;
- for EUR 8,800,440 to materials owned by Metro 5 S.p.A. and SPV Linea M4 S.p.A. received for maintenance activities under warranty;
- EUR 121,368 to the value of goods in use by the Municipality of Milan (works of art).

The "*guarantees in favour of third parties*", amounting to EUR 32,494,512, refer to sureties issued in favour of third parties.

The "*third-party guarantees*", amounting to EUR 407,410,760, refer to sureties or guarantees issued by third parties in favour of the Company.

The "*guarantees to investees*", amounting to EUR 45,092,318, refer to:

- for a total of EUR 10,660,000 to the pledge recorded on 106,600 shares of the company Metro 5 S.p.A. and a total of EUR 19,402,900 to the pledge recorded on 194,029 shares of the company SPV Linea M4 S.p.A. in favour of a *pool* of financing banks within the scope of the related projects for the construction and management of the new M5 and M4 lines;
- for EUR 15,029,418 to co-obligations and guarantees provided in favour of the associated companies Metro 5 S.p.A. and SPV Linea M4 S.p.A.

The value of contractual commitments for investment supply contracts is EUR 853,388,159.

### **Disclosure of public disbursements - Article 1, paragraphs 125 to 129 of Law No. 124/2017**

The amounts collected in the financial year 2024 by way of contributions are shown by type and entity:

- National Collective Labour Agreement grants, paid by the Lombardy Region through the TPL Agency for EUR 48,643,856, paid during the year, gross of 4% withholding tax;
- Grants for renewal of on-board signalling equipment for M3 trains M.D. 607/19, disbursed by the State in the amount of EUR 7,052,000;
- Grants for the purchase of 14 high-capacity bidirectional trams Ministerial Decree 448/21- PNRR, disbursed by the State in the amount of EUR 8,003,600;
- Grants for the purchase of 67 electric buses Ministerial Decree No. 234/20- PSNMS, disbursed by the State in the amount of EUR 24,195,600;
- Grants for the purchase of 10 buses Trolleybuses Ministerial Decree No. 448/21- PNRR, disbursed by the State in the amount of EUR 836,622;
- Grants for the purchase of 350 electric buses Ministerial Decree No. 530/21- PNRR, disbursed by the State in the amount of EUR 26,208,720;
- Grants for the purchase of 21 metro trains on the M1 line Ministerial Decree No. 607/19, disbursed by the State in the amount of EUR 14,484,744;
- Grants for the purchase of 51 electric buses Regional Decree No. 5640/21, disbursed by the State in the amount of EUR 7,693,743;
- Contributions related to fuel aid Law Decree No. 115 of 9 August 2022, disbursed by the LPT Agency, for EUR 5,772,238;
- Contributions for Covid-19 Refund Decree of 2021, granted by the Lombardy Region, 60,567 euro;
- Investment Tax Credit L.160/2019, L.178/2020 and Decision Decree-Law No. 50/2017 for EUR 134,947.

### **Resolutions of the Shareholders Meeting**

Dear Shareholder,

We submit for your approval the financial statements of ATM S.p.A. for the year ended 31 December 2024, which show a profit of EUR 3,083,326 that we propose to allocate entirely to the Legal Reserve.

Milan, 31 March 2025

For the Board of Directors

The Chairwoman

Gioia Maria Ghezzi

ATM S.p.A.  
Azienda Trasporti Milanesi S.p.A.  
Head Office - Foro Buonaparte, 61  
20121 Milan (MI)

VAT number: 12883390150  
Tax Code and identification number in Business Register: 97230720159  
Chamber of Commerce No.: 1573142

Write to: [atmspa@atmpec.it](mailto:atmspa@atmpec.it)