Integrated report 2023

Tper
Cambia il movimento

Summary

Integrated Report on Operations

LETTER TO STAKEHOLDERS NFS

GRI STANDARDS	2-22

In a continued climate of significant geopolitical uncertainties and profound cultural and industrial transformations, 2023 was marked by considerable instability. The conflict in Ukraine persisted, and the Middle East experienced destabilisation due to the Israeli-Palestinian crisis. Economically and industrially, persistent inflation eroded purchasing power and worsened inequalities, while restrictive monetary policies slowed down post-pandemic growth.

On the environmental front, 2023 saw the inevitable consequences of climate change, confirming the urgency of addressing the technological transition in many sectors, including mobility, in a structural manner, with defined targets and measurable results.

In this context, the mobility sector is experiencing extraordinary changes driven by the demand for sustainable mobility, the development of highly innovative and evolving technologies in transport and power supply systems, and significant digital advancements in the organisation of activities and services. These changes are at the heart of the choices made by the entities and by TPER itself, as already highlighted in the business and investment plans approved and managed in recent years.

Even in consideration of the difficulties described above, in 2023 TPER recorded positive economic results thanks to the company's stability, the sound and prudent management established over the years, and the skills developed within the company to manage and implement short and long-term programmes.

The consolidated financial statements of TPER closed with a profit of Euro 8.5 million. The positive result was driven by group-wide results related to the rail sector and also by the recovery in passenger numbers, which partly influenced the dynamics of revenues, which in 2022 were in fact offset by the industry refunds from Covid. The total number of passengers increased by 20% compared to the previous year, almost completely making up for the gap compared to the 2019 figures.

The company's stability allows it to maintain its level of investments. On the contrary, TPER aims to intensify efforts to accelerate the ecological and technological transition. The company is implementing a highly ambitious yet essential investment plan to address the future challenges where the attractiveness of public transport will become increasingly important for people and regions.

The push for innovation will continue to be a strategic driver, with investments focusing on the latest technologies available for transport systems (from liquid methane to biomethane, electric and hydrogen fuel cells) in each different service area.

Equal effort is dedicated to innovation in digital technologies, with a focus on cybersecurity and the development of technologies for users (e.g., the Maas Roger platform and EMV payment systems) and the organisation of business activities.

Regarding social aspects, the primary focus was on employment and personnel management, emphasising people development and continuous improvement. The recruitment plan proceeded as scheduled, with welfare policies and training activities continuing. Particular attention was given to fostering positive industrial relations aligned with the company context, and staff bonuses were awarded based on the company's achieved results. The Group employs 2,346 people, more than 20% of whom are women, a slightly higher percentage than in previous years. Almost all personnel (98%) have permanent contracts, while 91% of contracts are full time. TPER maintains a strong commitment and constant focus on safety in the workplace.

The 2023 Financial Statements mark TPER's third integrated financial report, encompassing both the corporate and consolidated financial statements, along with sustainability reporting. This decision is not merely a formality, but rather the natural outcome of corporate strategies that integrate a dedication to services, tangible and intangible investments, and people, alongside meticulous and sustainable financial management. The financial statements therefore contain reporting indicators consistent with the choices made over the past few years in which specific attention was paid to ESG (Environmental, Social, Governance) issues and SDGs (Sustainable Development Goals) pursuing a consistent path of growth as a Sustainable Mobility Group.

In the Integrated Report on Operations, the integrated financial statements include the NFS and sustainability issues in accordance with the procedures set out in Italian Legislative Decree no. 254/2016 as well as in compliance with the international GRI standards. Therefore, this is a document that represents the Group as a whole and is intended to address not only shareholders, analysts and investors, but all stakeholders.

In recent years, the strong and growing attention to ESG issues has been accelerated by the legislative and regulatory drive coming from Europe, which has also influenced the dynamics of the financial market, tasked, through the ECB, with becoming the ecological transition engine.

The importance given to ESG factors within the text indicates, on the one hand, a strong focus on these issues from the point of view of reporting, and on the other hand, it demonstrates that all activities related to the environment, the social dimension and governance are the subject of strategic and operational planning by the company, in the logic of creating long-term value, also in terms of risk management, not only financial but also related to the human, ecological, governance and business management spheres.

In 2023, TPER confirmed 10 SDGs out of the 17 identified by the United Nations. With specific reference to SDG 5 – Gender Equality, TPER also obtained the UNI PDR 125:2022 certification during the year. The SDGs, together with the material goals, were also considered in the planning phase, also establishing specific assessment objectives (MBO) based on sustainability issues.

This is more than just reporting; it represents a toolkit for engaging the entire Group at all levels to effectively tackle significant challenges and attain tangible, measurable goals. It is a challenging journey due to rapid technological advancements impacting the entire mobility chain, compounded by uncertainties in the international context and regulatory framework, as well as public funding.

Therefore, fruitful cooperation with shareholders and institutions remains essential for achieving shared objectives. The contributions of the women and men within the TPER Group have been crucial and will continue to be so in the future. On behalf of the Board of Directors, I would like to formally express gratitude to them.

At company and Group level, TPER will continue to operate with conviction with the ambition of being a leading player in the sustainable mobility sector. It will achieve this by prioritising investments in innovation and personnel, placing a growing emphasis on service users. The company will also ensure proper and efficient management of its operations, serving the communities with a commitment rooted in competence, inclusivity and transparency, both internally and with all external stakeholders.

Chairperson and Chief Executive Officer of TPER

Giuseppina Gualtieri

TPER SUMMARY DATA

Operational indicators

		2021	2022	2023
Vehicles				
TPER Buses	Number	1,199	1,186	1,192
TPER partner buses in TPB - TPF	Number	277	275	266
TPER Trains	Number	16	16	16
Traffic, network and infrastructures				
Km covered - road	Millions of km (TPER Group)	45.9	45.0	44
Passengers - Customers (Millions of trips)		106.3	126.0	150.7
Registered for the “corrente” car-sharing service	Number	46,752	66,745	81,728

Economic–financial indicators

The KPIs (*Key Performance Indicators*) for the period and the main changes that characterised the Group's performance are shown below.

Economic KPIs (in millions of Euro)	2021	2022	2023
Revenues and other operating income	288	290	294
Costs and other operating expenses	250	257	258
Gross operating margin - EBITDA	39	33.2	36.2
% on "Revenues and other income"	*13%*	*11.4%*	*12.3%*
Operating margin - EBIT	14	2.7	5.3
% on "Revenues and other income"	*5%*	*0.9%*	*1.8%*
Net result	*7*	1.6	8.6
% on "Revenues and other income"	*2%*	*0.6%*	*2.9%*

Equity KPIs (in millions of Euro)	2021	2022	2023
Tangible assets	178	183	193
Intangible assets	19	16	13
Assets for rights of use	8	9	9
Shareholders’ equity	172	174	182
Net financial position	53	12	24

Financial KPIs (in millions of Euro)	2021	2022	2023
ROI	*6%*	*1.4%*	*3.4%*
Net invested capital	225	144.7	157.1
ROE	*4%*	*0.9%*	*4.7%*

Social indicators

		2021	2022	2023
Staff				
Employees	Number	2,320	2,345	2,346
Hours of training	Number	66,145	60,683	59,718

Environmental indicators

(Refers to the whole Group, including partners of the Bologna and Ferrara areas)

		2021	2022	2023
Journey in km with methane gas vehicles	Overall impact % of total	28%	38%	41%
Journeys in km with electric vehicles	Overall impact % of total	4%	5%	5%
Lower CO_2 produced compared to the previous year (overall, excluding railway services in 2019)	%	5.14%	-0.79%	4.67%
Reduction in particulate emissions compared to the previous year	%	-15.1%	-20.81%	-25.93%
Reduction in nitrogen oxide emissions compared to the previous year		-3.4%	-10.80%	-12.75%
Reduction in hydrocarbon emissions compared to the previous year	%	-2.1%	-1.31%	-7.96%
Reduction in carbon monoxide emissions compared to the previous year		+3.25%*	-12.89%	-8.89%
CO_2 saved thanks to the use of LPT compared to the use of a private car	Tonnes	-108 thousand T of which 255 for the Corrente service	-127 thousand T of which 256 for the Corrente service	-160 thousand tonnes of which 180 for the Corrente service

GUIDE TO INTEGRATED REPORTING NFS

The Integrated Financial Statements of TPER - Trasporto Passeggeri Emilia Romagna S.p.A. are made up of the following parts:

- Integrated Report on Operations: contains the information required by Article 2428 of the Italian Civil Code and applicable regulations. The Consolidated Non-Financial Statement (NFS) prepared pursuant to Italian Legislative Decree 254 of 30 December 2016 is included, as permitted by the Decree, in a specific section of the Report on Operations. The Report on Operations provides information on the results and performance of the TPER Group and the parent company TPER, as well as on significant events that occurred in 2023.
- Consolidated Financial Statements of the TPER Group as at 31 December 2023: consolidated financial statements (statement of financial position, income statement, statement of comprehensive income, statement of changes in shareholders' equity, cash flow statement) and related explanatory notes.
- Financial statements of the parent company TPER: (statement of financial position, income statement, statement of comprehensive income, statement of changes in shareholders' equity, cash flow statement) and related explanatory notes.
- Reports on the 2023 financial statements: Report of the Board of Statutory Auditors and Reports of the Independent Auditors.

The NFS was drafted in accordance with the methodologies and principles set out in the GRI Sustainability Reporting Standards ("In accordance - core" option), as defined by the Global Reporting Initiative (GRI Standards).

The consolidated financial statements of the TPER Group and the separate financial statements of TPER have been prepared in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and approved by the European Commission.

The drafting of a Report on Operations, including the Non-Financial Statement (NFS), requires a consistent and comprehensive approach to corporate reporting which, by recognising the strategic relevance of sustainability issues (ESG Environmental - Social - Governance), allows the overall quality of the information published and disseminated to be improved, to the benefit of all stakeholders. This approach has been confirmed and strengthened to a significant extent by the updated EU regulatory framework and the EU 2022/2464 CSRD Corporate Sustainability Reporting Directive, which was approved by the European Parliament in November 2022 and will be applied starting with corporate reporting for the next financial year 2024.

TPER

GRI STANDARDS	2-1 2-6 2-23

TPER – Trasporto Passeggeri Emilia-Romagna S.p.A. is a public capital company that provides local automotive and railway transport services and other related activities in the mobility chain, both directly and through subsidiaries and investee companies, representing itself as a mobility company in broad terms, with the aim of developing public transport and promoting sustainable and efficient mobility in the areas in which it operates. Since September 2017, TPER has been a Public Interest Entity, having issued bonds listed on regulated markets, more specifically, placed on the Irish Stock Exchange.

TPER operates exclusively in Italy, with headquarters in Bologna.

TPER is not subject to control by a majority shareholder. The Emilia-Romagna Region is the relative majority shareholder of TPER (46.13%). The other shareholders are the Municipality of Bologna (30.11%), the Metropolitan City of Bologna, (18.79%), the Azienda Consorziale Transport ACT of Reggio Emilia (3.06%), the Province of Ferrara (1.01%), the Municipality of Ferrara (0.65%), Ravenna Holding S.p.A. (0.04%) and the Province of Parma (0.04%).

Furthermore, TPER owns 111,480 treasury shares (0.16%), with a nominal value of Euro 1 each. Pursuant to Article 2428 of the Italian Civil Code, it should be noted that there were no purchases or disposals of TPER shares in 2021 and that no companies control TPER.

Shareholders	Stake %
Region of Emilia-Romagna	46.13%
Municipality of Bologna	30.11%
Metropolitan City of Bologna	18.79%
ACT Reggio Emilia	3.06%
Province of Ferrara	1.01%
Municipality of Ferrara	0.65%
Province of Parma	0.04%
Ravenna Holding	0.04%
Treasury shares	0.16%
Total	100.00%

The TPER Group is one of the leading passenger transport operators in Italy and is the Parent Company of the largest company in the Emilia-Romagna region in terms of turnover and volumes of service in the public passenger transport sector.

The Group operates on the basis of an industrial approach according to market rules as defined by the regional Italian law for the sector and as required by the company's founders. It is structured with an organisation that stems from specific needs for the performance and development of services and the choice to operate through industrial agreements with private and public partners, geared towards the development of mobility.

The Group's business areas cover different segments of the transport sector: automotive, trolley bus, rail. TPER manages road-based LPT (local public transport) in the provincial areas of Bologna and Ferrara and passenger transport in the regional railway domain, in partnership with Trenitalia through the associated jointly controlled company Trenitalia Tper (TT), based on specific service contracts, stipulated as a result of the awarding of the relevant public tender procedures.

The services provided, and in particular local public transport, satisfy general-interest needs that require a combination of sustainable management from an economic and financial point of view with the utmost attention to quality, social impact and environmental sustainability objectives. In order to pursue the objectives of sustainability and quality, the TPER Group has set its strategic position in an industrial and competitive perspective, carefully structured from the point of view of assets, resources and organisation, while at the same time focusing on management efficiency and quality of services for passengers, with the aim of expanding in terms of services and coverage.

Since October 2018, TPER has been running the CORRENTE service, a free-flowing car sharing service with electric cars, accessible through an application downloadable from Apple and Android stores. It is the only car sharing service in Italy with a fleet of exclusively electric cars, enabling users to start their journey in one city and complete it in another. The service is currently provided in the areas of Bologna, Ferrara, Casalecchio di Reno, Imola.

The development of intermodality is pursued both by developing specific transport services and by focusing on innovative services for users.

TPER also fulfils the role of implementing entity for important mobility development initiatives in the Bologna metropolitan area, such as the completion of the trolley bus conversion of the main bus lines and of the Metropolitan Railway Service, in addition to the road-based assisted driving public transport system, which involves the use of Crealis trolley vehicles.

TPER's vision is to improve quality of life and the environment, for the benefit of passengers and, more generally, of the area in which it operates.

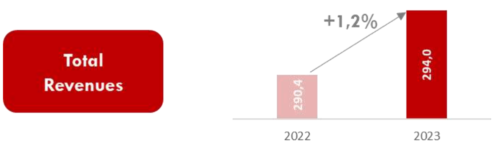
The mission is to encourage and expand the use of public transport services and other activities in the field of mobility, positioning itself as a sustainable, competitive, innovative and transparent mobility group, and to expand in terms of services and coverage area, responding effectively and efficiently to the needs of users in cost-effective way.

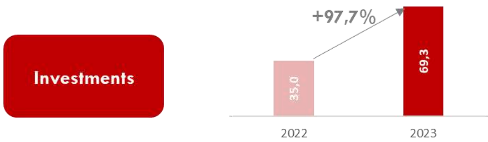
To fulfill its mission and achieve sustainability and quality goals, TPER has strategically positioned itself with an industrial perspective. The company has structured itself in terms of assets, resources and organisation to enhance management effectiveness, efficiency and service quality for passengers. TPER is dedicated to substantial investment and innovation efforts.

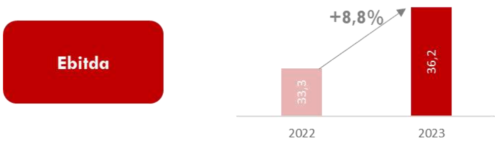
ECONOMIC AND FINANCIAL PERFORMANCE

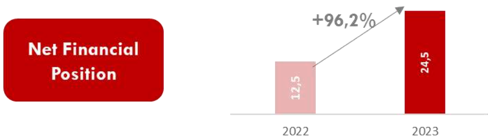
Financial highlights

Main consolidated economic and financial indicators *(Euro million)*









- Operating revenues of Euro 294.0 million, up by Euro 3.6 million compared to 2022 thanks to the improvement in revenues from the sale of travel tickets.
- Gross operating margin (EBITDA) of Euro 36.2 million, up by Euro 2.9 million compared to 2022 mainly due to the increase in operating revenues and the reduction in costs for materials, partially offset by the increase in personnel costs.
- Gross investments of Euro 69.3 million compared to 2022 gross investments of Euro 35.0 million.
- Net financial position of Euro 24.5 million, an increase of Euro 12.0 million compared to 2022 mainly due to the new loan lines finalised in 2023 and aimed at strengthening liquidity in view of the investments for which the Group is committed.

Economic and financial performance of the Group

In order to allow a better assessment of the economic and financial management performance, this Report includes some alternative performance indicators (hereinafter also "APIs") considered significant for the assessment of the results of the operating performance of the Group and the Parent Company. It is believed that the APIs ensure better comparability of the same results over time, although they are not a substitute or alternative to the results shown in the tables determined by applying the IFRS international accounting standards (hereinafter also "official data") and shown in the "Consolidated Financial Statements as at 31 December 2023" and "Financial Statements as at 31 December 2023" sections of these Integrated Financial Statements.

This chapter includes reclassified accounting statements other than those required by the IFRS international accounting standards included in the Consolidated Financial Statements and in the Financial Statements as at 31 December 2023 (official statements). In addition to the economic-financial and equity figures governed by the IFRS international accounting standards, these reclassified statements show some indicators and items deriving from them, even if not envisaged by the same standards and, therefore, identifiable as APIs.

For the purposes of preparing the 2023 data, the international accounting standards (IFRS) endorsed by the European Commission and in force as at 31 December 2023 were applied. These have not undergone significant changes compared to those used for the preparation of the consolidated financial statements as at 31 December 2022. For comparative purposes, certain income statement items have been reclassified. In particular, the changes in the provisions for qualified provisions classified in the tables by nature, where possible, have been included in the item “Change in operating provisions”. In addition, the financial effects deriving from the discounting of the aforementioned provisions have been reclassified by nature under financial charges net of financial income.

The scope of consolidation as at 31 December 2023 changed compared to that of 31 December 2022 due to the inclusion of the newly-formed TPH2 S.c.r.l., which operates in creation, the development of know-how, the management and marketing of innovative technologies in the field of plants and solutions for the production and hydrogen fuelling of transport vehicles.

Lastly, it should be noted that in the years under comparison, no non-recurring, atypical or unusual transactions were carried out with third parties or with related parties.

Consolidated economic management

RECLASSIFIED CONSOLIDATED INCOME STATEMENT			Change	
In thousands of Euro	**2023**	**2022**	**Absolute**	**%**
LPT line services	207,991	186,160	21,831	11.7%
Railway line services	27,549	28,223	(674)	-2.4%
Parking and Sharing mobility	2,256	2,062	194	9.4%
Other revenues	56,230	73,989	(17,759)	-24.0%
Operating Revenues	**294,026**	**290,434**	**3,592**	**1.2%**
Personnel costs	(108,431)	(102,636)	(5,795)	5.6%
Costs for services	(92,293)	(92,431)	138	-0.1%
Costs for materials	(47,462)	(53,205)	5,743	-10.8%
Use of third-party assets	(4,553)	(2,952)	(1,601)	54.2%
Other operating costs	(5,093)	(5,941)	848	-14.3%
Operating costs	**(257,832)**	**(257,165)**	**(667)**	**0.3%**
Gross operating margin (EBITDA)	**36,194**	**33,269**	**2,925**	**8.8%**
Amortisation/depreciation	(20,064)	(21,137)	1,073	-5.1%
Write-downs/(reversals) of impairment losses	(4,889)	(2,840)	(2,049)	72%
Change in funds for provisions	(5,993)	(1,653)	(4,340)	262%
Change in operating funds	96	(5,760)	5,856	-102%
Operating margin (EBIT)	**5,344**	**1,878**	**3,466**	**184.5%**
Financial charges net of financial income	(3,610)	(0)	(3,610)	100.0%
Share of profit/(loss) on equity investments accounted for using the equity method	7,162	(357)	7,519	-2,106.2%
PROFIT FROM OPERATING ACTIVITIES BEFORE TAXES	**8,896**	**1,521**	**7,375**	**484.9%**
Tax charges	(416)	84	(500)	-595.2%
PROFIT/(LOSS) FOR THE YEAR	**8,480**	**1,605**	**6,875**	**428.3%**
of which:				
Profit/(loss) for the year attributable to the Group	8,582	1,524	7,058	463.1%
Profit/(loss) attributable to minority interests	(102)	81	(183)	-225.9%

“**Operating revenues**” in 2023 amounted to Euro 294.0 million, up by Euro 3.6 million compared to 2022 (Euro 290.4 million).

Revenues relating to “**LPT line services**” amounted to Euro 208.0 million, up by Euro 21.8 million compared to 2022 (Euro 186.2 million) mainly due to:

- the growth in revenues from travel tickets of approximately Euro 10.7 million, attributable to the increase in passenger traffic;
- the recognition of the effects related to the deed of recognition of the contractual provisions regarding the regulation of the method for calculating the investments made by TPER in relation to the assets subject to lease of the business unit from SRM to TPER with reference to the metropolitan area of Bologna, through which the contractual provisions on the subject of tariff manoeuvring were met (Euro +5.5 million);
- the increase in fees for minimum services paid by agencies for approximately Euro 4.0 million;
- the growth in revenue volumes from sanctions for Euro 1.0 million.

Revenues from “**Railway line services**” amounted to Euro 27.5 million, down by Euro 0.7 million compared to 2022 (Euro 28.2 million) mainly due to the income recognised in 2022 by the Parent Company in relation to the closure of the previous railway service contract concluded in 2019, partially offset by the increase in revenues in 2023 for the railway freight service managed by the subsidiary Dinazzano Po.

Revenues related to the management of “**Parking and Sharing mobility**” equal to Euro 2.3 million, an increase of Euro 0.2 million compared to 2022 (Euro 2.1 million) essentially as a result of the improved actual performance as part of sharing mobility activities.

“**Other revenues**” amounted to Euro 56.2 million, a decrease of Euro 17.8 million compared to 2022 (Euro 74.0 million) mainly due to:

- lower revenues for railway maintenance activities through the subsidiary Mafer for approximately Euro 5.3 million;
- the recognition in 2022 of grants collected in reference to investments in railway vehicles made in previous years and recognised in the income statement for the part relating to the depreciation already charged in previous years (for a total of Euro 2.1 million);
- lower revenues recorded in 2023, amounting to approximately Euro 1.9 million, in connection with the concessions related to the recognition of an extraordinary tax credit to partially offset the higher charges incurred for the purchase of natural gas and electricity;
- the recognition in the financial year 2022 of refunds for lost revenues lost revenues, for approximately Euro 14.0 million, as a result of the COVID-19 epidemiological emergency;
- the increase in revenues for LPT rental services of approximately Euro 4.1 million.

“**Operating costs**” amounted to Euro 257.8 million and are substantially in line with the figure at the end of the previous year (Euro 257.2 million). With reference to the changes in the individual components of operating expenses, the following should be noted:

- the increase in “**Personnel costs**” of Euro 5.8 million due to the higher number of resources employed in the workforce during 2023, the contractual adjustments made and the closure of agreements with personnel relating to the recognition of certain arrears remuneration components;
- The decrease in “**Costs for materials**” of Euro 5.7 million mainly attributable to the lower costs for fuels and methane gas for transport as a result of the partial calming of commodity prices recorded in 2023 compared to the significant increase in the same recorded in 2022, a consequence also of the geopolitical uncertainties related to the escalation of the Russian-Ukrainian conflict;

- the increase in the “**Cost for use of third-party assets**” for Euro 1.6 million due to the recognition among costs of rental fees for vehicles dedicated to sharing mobility services pending the implementation of the vehicle fleet renewal process.

“**Amortisation and depreciation**” of Euro 20.1 million, down by Euro 1.1 million compared to 2022. It should be noted in this regard that in 2023, the depreciation schedule for assets used in the Bologna and Ferrara service contracts, which are slated for return, was adjusted to reflect the new contract expiration dates (28 February 2028 for the Bologna Service Contract and 31 December 2026 for the Ferrara Service Contract). In particular, for the purpose of defining the depreciation plan for rolling stock consisting of buses and trolleybuses, the value to be depreciated was defined on the basis of the difference between the book value at the beginning of the financial year and the residual value, which in this specific case is represented by an estimate of the market value that will be recognised at the end of each service contract by a possible new contractor.

“**Write-downs/(reversals) of impairment losses**” recorded a negative change of Euro 2.0 million and mainly refer to the write-down (for an amount of Euro 3.0 million) of the concession right held by the subsidiary Dinazzano Po (hereinafter “DP”) as a result of a specific impairment test that became necessary following the evidence of certain indicators of impairment, including: (i) the elimination of subsidies on the cost of gas oils used to power diesel locomotives, which took place through the reimbursement of the higher excise tax rate paid in accordance with Ministerial Decree 689/1996; (ii) the reduction of train kilometres eligible for track discount subsidies relating to the rail freight support rule set forth in Ministry of Infrastructure and Transport Decree No. 61 of 30 December 2016 only for kilometres produced with electric locomotives; (iii) the critical issues related to the network used in the reference traction market; (iv) the level of saturation reached by the airports managed under franchise by DP; (v) the results achieved in recent years, which show a contraction in business.

The “**Change in funds for provisions**” recorded a net provision of Euro 6.0 million (Euro 1.7 million in 2022), mainly attributable to: (i) the Euro 3.5 million provision made to cover risks related to a possible non-recognition of the benefit related to the recovery of the higher excise tax paid in relation to the use of diesel fuel used for passenger transport; (ii) the increased provision made to take into account the higher estimated charges in relation to the reclamation of the Sermide Railway Station locomotive refuelling area (for Euro 1.7 million); (iii) the increase of Euro 1.5 million in the provision allocated for the contract, qualifying as onerous pursuant to IAS 37, underlying the infrastructure management activities held by Marconi Express S.p.A. by virtue of a concession and which connects the airport to Bologna Central Station by means of an elevated electric monorail; (iv) the release of excess provisions in the amount of Euro 0.8 million, mainly due to the closure of certain risks connected to penalties for alleged privacy violations.

The “**Change in operating provisions**” includes the value of changes in provisions recognised in the financial statements by nature. In particular, at the end of 2023, the item showed a net provision of Euro 0.1 million as a combined effect of the changes in provisions set aside to cover risks related to disputes with personnel and the provision for inventory write-downs.

The “**Operating margin (EBIT)**” is therefore positive for Euro 5.3 million, recording an increase of Euro 3.5 million compared to 2022 (Euro 1.9 million).

“**Financial charges net of financial income**” totalled Euro 3.6 million and show an increase of the same amount compared to the previous year. The change was affected by: (i) charges arising from the new financing lines regulated at a variable rate, which were affected by the increase in interest rate levels related to the restrictive policies implemented by the European Central Bank to tackle inflationary pressure; (ii) the recognition of the financial charge arising from the restatement of the value of receivables due from the associated company Marconi Express S.p.A. by virtue of specific shareholders' loans and consequent to the revision of the due dates for the repayment thereof; (iii) the recognition of the financial income arising from the restatement of the value of the financial asset claimed by virtue of the investments made and to be made with reference to the Crealis project, consequent to a review of the cash inflows and outflows connected to the same activity.

The item "**Share of profit/(loss) on equity investments accounted for using the equity method**" shows a net profit of Euro 7.2 million, an increase of Euro 7.5 million compared to 2022 (Euro -0.4 million), mainly due to the overall economic performance recorded by the associated company Trenitalia Tper S. c.r.l., which was affected by the formalisation with the contracting station Ferrovie Emilia-Romagna of the adjustment reports of the relevant service contract with reference to the financial years 2020, 2021 and 2022, which had been postponed due to the health emergency resulting from the spread of COVID-19.

The "**Profit before tax from continuing operations**", up by Euro 7.4 million, was a positive Euro 8.9 million (Euro 1.5 million in 2022).

The item "**Tax (charges)/income**" shows a net charge of Euro 0.4 million and recorded a negative change of Euro 0.5 million. The increase in tax charges was mainly affected by the allocation of current tax payables applied by the Parent Company.

The "**Profit for the year**", equal to Euro 8.5 million, increased by Euro 6.9 million compared to 2022 (Euro 1.6 million).

The "**Profit for the year attributable to the Group**", equal to Euro 8.6 million, increased by Euro 7.1 million compared to 2022 (Euro 1.5 million).

The "**Loss for the year attributable to minority interests**", equal to Euro 0.1 million, recorded a negative change of Euro 0.2 million compared to 2022.

Consolidated Statement of Financial Position

CONSOLIDATED STATEMENT OF FINANCIAL POSITION In thousands of Euro		31/12/2023	31/12/2022	Change
Tangible assets		193,261	183,133	10,128
Intangible assets		12,952	16,277	(3,325)
Assets for rights of use		9,362	8,861	501
Equity investments		24,151	17,274	6,877
Net deferred tax assets/(liabilities)		3,453	2,823	630
Other non-current non-financial assets/(liabilities)		(17,811)	(23,469)	5,658
Net non-current non-financial assets	**A**	**225,368**	**204,899**	**20,469**
Inventories		25,416	24,659	757
Trade assets		64,270	64,016	254
Trade liabilities		(60,114)	(68,262)	8,148
Net income tax assets/(liabilities)		(254)	2,543	(2,797)
Other net assets/(liabilities)		(40,979)	(29,974)	(11,005)
Net working capital	**B**	**(11,661)**	**(7,018)**	**(4,643)**
Gross invested capital	**C=(A+B)**	**213,707**	**197,881**	**15,826**
Funds for provisions	**D**	(56,645)	(53,280)	(3,365)
NET INVESTED CAPITAL	**E=(C+D)**	**157,062**	**144,601**	**12,461**
Shareholders' equity attributable to the Group		179,224	171,155	8,069
Shareholders' equity attributable to minority interests		3,037	3,154	(117)
Shareholders' equity	**F**	**182,261**	**174,309**	**7,952**
Bond loans		0	31,429	(31,429)
Medium/long-term loans		24,232	25	24,207
Other non-current financial liabilities		392	1,459	(1,067)
Non-current liabilities for leased assets		5,893	4,572	1,321
Non-current financial assets		(38,283)	(35,290)	(2,993)
Net non-current financial debt	**G**	**(7,766)**	**2,195**	**(9,961)**
Current portion of bond loans		31,779	32,053	(274)
Current portion of medium/long-term loans		1,935	21	1,914
Current portion of liabilities for leased assets		3,747	3,318	429
Short-term loans		27,018	0	27,018
Other current financial liabilities		0	0	0
Financial assets for contributions		(10,815)	(4,622)	(6,193)
Other current financial assets		(600)	(2,286)	1,686
Cash and cash equivalents		(70,497)	(60,387)	(10,110)
Current net financial debt	**H**	**(17,433)**	**(31,903)**	**14,470**
COVERAGE OF NET INVESTED CAPITAL	**I=(F+G+H)**	**157,062**	**144,601**	**12,461**

As at 31 December 2023, "**Net non-current non-financial assets**" amounted to Euro 225.4 million, up by Euro 20.5 million compared to 31 December 2022 (Euro 204.9 million).

"**Tangible assets**", equal to Euro 193.3 million (Euro 183.1 million as at 31 December 2022), constitute the main part. The increase in the item compared to 31 December 2022, equal to Euro 10.1 million, is mainly due to the combined effect of:

- investments, amounting to Euro 55.4 million, essentially relating to rolling stock (Euro 44.5 million) and for the remainder to infrastructural works;
- amortisation and depreciation for the year, equal to Euro 16.1 million;
- grants on investments, for Euro 29.0 million.

"**Intangible assets**" show a decrease of Euro 3.3 million essentially attributable to the write-down of the concession right held by the subsidiary Dinazzano Po, which emerged as a result of an impairment test that became necessary following the identification of certain impairment indicators already indicated in the comment on the item "**Write-downs/(reversals) of impairment losses**" in the income statement.

The item **"Equity investments"** shows an increase of Euro 6.9 million compared to the end of the previous year, essentially attributable to the portion of net profit deriving from the valuation of equity investments in associates using the equity method. The positive final result of the joint venture Trenitalia Tper S.c.r.l. had a significant impact.

"**Other non-current non-financial assets/(liabilities)**" recorded a net decrease of Euro 5.7 million essentially as a result of the change in the value of the payable to the mobility agency Società Reti e Mobilità S.r.l. (hereinafter referred to as "SRM") related to the balance due, at the reference date, in relation to the adjustment value defined in the lease agreement concerning the business unit consisting of the networks, plants, capital equipment and contracts relating to the company complex intended for the operation of the LPT service in the Bologna province area.

As at 31 December 2023, "**Net working capital**" showed a total negative value of Euro 11.7 million and a negative change of Euro 4.6 million compared to the previous year (Euro 7.0 million as at 31 December 2022). With regard to the changes in the individual components of net working capital, the following should be noted:

- the reduction in "Trade liabilities" by Euro 8.1 million compared to 31 December 2022, mainly as a result of the higher payments made near the end of the year, as well as the lower costs for materials recorded;
- the negative change in the item "Net income tax assets/(liabilities)" for Euro 2.8 million essentially attributable to the utilisation of tax credits accrued at the end of the 2022 financial year and the allocation of current taxes for the 2023 financial year;
- the negative change in "Other net assets/(liabilities)" for Euro 11.0 million mainly attributable to the decrease in other current assets (Euro -7.1 million compared to 2022) as a result of the reduction, concurrently with the termination of benefits, of tax credits on gas and electricity consumption and receivables for contributions on fuel costs and the impairment of certain receivables related to the benefits connected with the recovery of the higher excise tax paid on the consumption of fuel for the traction of diesel trains, as well as the increase in other current liabilities for Euro 3.9 million, mainly attributable to the recognition of deferred income related to the effects of the deed of recognition (hereinafter the "Deed of Recognition") of the contractual provisions concerning the regulation of the method of calculating investments made by the parent company in relation to the assets subject to the lease of business unit from SRM to TPER with reference to the metropolitan area of Bologna. On the basis of the aforementioned deed, given that the Municipality of Bologna, the Metropolitan City of Bologna, SRM, TPB and TPER intended to quantify the effects of the tariff manoeuvre with effect from 1 August 2023, in compliance with the provisions of Article 12 bis of the service contract relating to the Bologna area, in a predefined amount, the same parties agreed that the needs of the manoeuvre would be met through the recognition by TPER, as tenant of the business unit

relating to the networks, plants and capital equipment intended for the disbursement of local public transport in the territorial area of the metropolitan area of Bologna, of certain contribution lines and calculation of investments for the purpose of determining the adjustment value. As a result of the above, TPER's accrued right to the tariff manoeuvre pursuant to the aforementioned Article 12-bis of the service contract will be satisfied through the recognition of certain accrued contributions on the investments made under the business branch lease agreement, in application of the calculation method with which the value of the adjustment that will be settled at the end of the business branch lease agreement has been redefined.

As a result of the above, "**Gross invested capital**" amounted to Euro 213.7 million at 31 December 2023, up by Euro 15.8 million compared to 31 December 2022 (Euro 197.9 million).

The "**Funds for provisions**" recorded a net increase compared to 31 December 2022 of Euro 3.4 million due essentially to the combined effect of:

- the reduction in provisions for employee benefits (Euro -1.4 million compared to 31 December 2022) attributable to the employee severance indemnity, mainly as a result of the disbursements made during the year (Euro 2.4 million) and accrued provisions (Euro 0.7 million);
- the increase in other provisions (Euro +4.8 million) in relation to provisions made to cover risks and charges, as described in the comments to the item **"Change in funds for provisions**" in the income statement, to which reference is made.

The "**Net invested capital**" as at 31 December 2023 therefore amounted to Euro 157.1 million, an increase of Euro 12.5 million compared to 31 December 2022 (Euro 144.6 million).

"**Shareholders' equity**" amounted to Euro 182.3 million (Euro 174.3 million at 31 December 2022).

"**Shareholders' equity attributable to the Group**", equal to Euro 179.2 million, showed an overall increase of Euro 8.1 million compared to the balance as at 31 December 2022 (Euro 171.2 million), due to the effect of the result of the statement of comprehensive income for the year.

"**Shareholders' equity attributable to minority interests**", equal to Euro 3.0 million, is substantially in line with the final value as at 31 December 2022.

"**Net non-current financial debt**" as at 31 December 2023 shows an excess of financial assets over liabilities of Euro 7.8 million, recording a change of Euro 10.0 million euro compared to the previous year, which was essentially affected by the reclassification in the current portion of the last instalment of the bond issued by the Parent Company and maturing on 15 September 2024, partially offset by the increase in medium/long-term loans taken out by TPER itself in 2023 and aimed at supporting the plan for investments in road and rail rolling stock and related infrastructures.

"**Current net financial debt**" as at 31 December 2023 also shows an excess of financial assets over financial liabilities of Euro 17.4 million, recording a change of Euro 14.5 million compared to 31 December 2022, mainly attributable to the increase in short-term debt (Euro 27.0 million) partially offset by the increase in cash and cash and cash equivalents of Euro 10.0 million.

The table below shows the Group's net financial position, determined by comparing total financial liabilities to cash and cash equivalents only.

In thousands of Euro	31/12/2023	31/12/2022	Change
Bond loans	31,779	63,482	(31,703)
Medium/long-term loans	26,167	46	26,121
Short-term loans	27,018	0	27,018
Other financial liabilities	392	1,459	(1,067)
Liabilities for leased assets	9,640	7,890	1,750
Cash and cash equivalents	(70,497)	(60,387)	(10,110)
NET FINANCIAL POSITION	**24,499**	**12,490**	**12,009**

As at 31 December 2023, 43% of the Group's financial debt is settled at a fixed rate, while 56% is settled at a floating rate. On the other hand, 62% of debt has a duration of less than 12 months.

At the same date, the Group had a liquidity reserve of Euro 70.5 million, consisting entirely of cash and cash equivalents, and sufficient credit lines to meet its financial commitments.

The following table shows the reconciliation of the shareholders' equity and the net result of TPER S.p.a. with the corresponding values of the consolidated financial statements.

RECONCILIATION OF THE SHAREHOLDERS 'EQUITY AND NET PROFIT OF TPER WITH THE CORRESPONDING VALUES OF THE CONSOLIDATED FINANCIAL STATEMENTS		
In thousands of Euro	Shareholders' equity (including result for the year)	Result for the year
Shareholders' equity and result of the Parent Company	162,494	3,295
Effect of subsidiary consolidation	6,143	(3,166)
Harmonisation of subsidiaries' financial statements with Group IFRS standards	1,223	(1,307)
Elimination of intercompany dividends	(66)	(66)
Consolidation adjustments	2,470	2,651
Effect of the measurement of equity investments using the equity method	6,960	7,176
Shareholders' equity and result pertaining to the Group	**179,224**	**8,582**
Share pertaining to third parties	3,037	(102)
Consolidated shareholders' equity and result for the year	**182,261**	**8,480**

Economic and financial performance of TPER S.p.A.

Economic management

In thousands of Euro	2023	2022	Change	% Change
LPT line services	180,242	159,386	20,856	13.1%
Railway line services	6,666	8,139	(1,473)	-18.1%
Parking and sharing mobility	2,256	328	1,928	587.8%
Other revenues	38,719	51,525	(12,806)	-24.9%
Operating Revenues	**227,883**	**219,378**	**8,505**	**3.9%**
Personnel costs	(94,962)	(89,741)	(5,221)	5.8%

Costs for services	(58,608)	(55,939)	(2,669)	4.8%
Costs for materials	(34,933)	(42,237)	7,304	-17.3%
Use of third-party assets	(2,419)	(1,095)	(1,324)	120.9%
Other operating costs	(3,738)	(4,186)	448	-10.7%
Operating costs	**(194,660)**	**(193,198)**	**(1,462)**	**0.8%**
Gross operating margin (EBITDA)	**33,223**	**26,180**	**7,043**	**26.9%**
Amortisation/depreciation	(16,422)	(16,921)	499	-2.9%
Write-downs/(reversals) of impairment losses	(3,989)	(2,894)	(1,095)	37.8%
Change in funds for provisions	(5,601)	(1,824)	(3,777)	207.1%
Change in operating funds	42	(3,613)	3,655	-101.2%
Operating margin (EBIT)	**7,253**	**928**	**6,325**	**681.6%**
Financial charges net of financial income	(3,403)	299	(3,702)	-1,238.1%
PROFIT FROM OPERATING ACTIVITIES BEFORE TAXES	**3,850**	**1,227**	**2,623**	**213.8%**
Tax charges	(555)	460	(1,015)	-220.7%
PROFIT/(LOSS) FOR THE YEAR	**3,295**	**1,687**	**1,608**	**95.3%**

“**Operating revenues**” in 2023 amounted to Euro 227.8 million, up by Euro 8.5 million compared to 2022 (Euro 219.4 million).

Revenues relating to “**LPT line services**” amounted to Euro 180.2 million, up by Euro 20.9 million compared to 2022 (Euro 159.4 million) mainly due to:

- the growth in revenues from travel tickets of approximately Euro 10.8 million, attributable to the increase in passenger traffic;
- the recognition, for an amount of Euro 5.5 million, of the effects of the deed of recognition of the contractual provisions regarding the regulation of the method for calculating the investments made by TPER in relation to the assets subject to lease of the business unit from SRM to TPER with reference to the metropolitan area of Bologna. On the basis of the aforementioned deed, given that the Municipality of Bologna, the Metropolitan City of Bologna, SRM, TPB and TPER intended to quantify the effects of the tariff manoeuvre with effect from 1 August 2023, in compliance with the provisions of Article 12 bis of the service contract relating to the Bologna area, in a predefined amount, the same parties agreed that the needs of the manoeuvre would be met through the recognition by TPER, as tenant of the business unit relating to the networks, plants and capital equipment intended for the disbursement of local public transport in the territorial area of the metropolitan area of Bologna, of certain contribution lines and calculation of investments for the purpose of determining the adjustment value. As a result of the above, TPER's accrued right to the tariff manoeuvre pursuant to the aforementioned Article 12-bis of the service contract will be satisfied through the recognition of certain accrued contributions on the investments made under the business branch lease agreement, in application of the calculation method with which the value of the adjustment that will be settled at the end of the business branch lease agreement has been redefined;
- the increase in fees for minimum services provided with reference to the Bologna and Ferrara areas for Euro 3.1 million.

Revenues from "**Railway line services**", which refer to the leasing of railway equipment to Trenitalia Tper and Dinazzano Po, amounted to Euro 6.7 million, down by Euro 1.5 million compared to 2022 (Euro 8.1 million) mainly due to the income recognised in 2022 in relation to the closure of the previous railway service contract concluded in 2019.

Revenues related to the management of "**Parking and Sharing Mobility**" amounted to Euro 2.3 million and show an increase of Euro 1.9 million compared to the previous year, essentially attributable to income deriving from sharing mobility activities which, as from 1 January 2023, are managed directly by TPER by virtue of a supplementary service agreement for free- flow car sharing signed with the previous owner Omnibus S.c.r.l. (a subsidiary of TPER) and the mobility agency SRM.

"**Other revenues**" amounted to Euro 38.7 million, a decrease of Euro 12.8 million compared to 2022 (Euro 51.5 million) mainly due to:

- the increase in insurance reimbursements for Euro 1.0 million;
- the recognition in 2022 of the value of the compensation for lost revenues resulting from the COVID-19 epidemiological emergency (for approximately Euro 14.0 million), as well as an estimate of the value of the contributions to cover the increase in fuel costs recorded in the second and third quarter of 2022 used to power local and regional public transport vehicles pursuant to Article 9 Decree Law No. 115/2022 and Article 6 Decree Law No. 144/2022 (for Euro 1.8 million);
- higher revenues of Euro 3.7 million, relating to rental services related to local public transport activities.

"**Operating costs**" amounted to Euro 194.6 million, up by Euro 1.4 million compared to 2021 (Euro 193.2 million). The change recorded is mainly attributable to:

- the increase in "**Personnel costs**" of Euro 5.2 million essentially attributable to the cost related to the payment to personnel of past due holidays (for Euro 3.1 million), the increase in the average workforce employed in 2023 compared to the previous year (+47 full time equivalent) and salary adjustments recognised during the year;
- the increase in "**Costs for services**" of Euro 2.7 million deriving from the combined effect of the increase in costs for transport services (Euro +3.1 million compared to 2022) and maintenance costs (Euro +1.2 million compared to 2022) partially offset by the reduction in cleaning costs (Euro -1.2 million compared to 2022) and electricity costs (Euro -1.0 million compared to 2022);
- the reduction in "**Costs for materials**" of Euro 6 million attributable to the reduction in costs for fuels (Euro -6.6 million compared to 2022), as a result of the partial reduction in prices, especially of methane, net of the increase in costs of other materials (mainly tyres and spare parts);
- the increase in the "**Cost for use of third-party assets**" for Euro 1.3 million essentially relating to the rental of vehicles used as part of sharing mobility activities.

"**Amortisation and depreciation**", equal to Euro 16.4 million, are substantially in line with those recorded in 2022. It should be noted in this regard that in 2023, the depreciation schedule for assets used in the Bologna and Ferrara service contracts, which are slated for return, was adjusted to reflect the new contract expiration dates (28 February 2028 for the Bologna Service Contract and 31 December 2026 for the Ferrara Service Contract). In particular, for the purpose of defining the depreciation plan for rolling stock consisting of buses and trolleybuses, the value to be depreciated was defined on the basis of the difference between the book value at the beginning of the financial year and the residual value, which in this specific case is represented by an estimate of the market value that will be recognised at the end of each service contract by a possible new contractor.

"**Write-downs/(reversals) of impairment losses**" recorded a negative change of Euro 1.1 million and mainly refer to the write-down (for an amount of Euro 3.5 million) of the interest held in the company Dinazzano Po S.p.a. as a result of a specific impairment test that became necessary following the evidence of certain indicators of impairment of the equity investment, including: (i) the elimination of subsidies on the cost of gas oils used to power diesel locomotives, which took place through the reimbursement of the higher excise tax rate paid in accordance with Ministerial Decree 689/1996; (ii) the reduction of train kilometres eligible for track discount subsidies relating to the rail freight support rule set forth in Ministry of Infrastructure and Transport Decree No. 61 of 30 December 2016 only for kilometres produced with electric locomotives; (iii) the critical issues related to the network used in the reference traction market; (iv) the level of saturation reached by the airports managed under franchise by DP; (v) the results achieved in recent years, which show a contraction in business.

The "**Change in funds for provisions**" recorded a net provision of Euro 5.6 million (Euro 1.8 million in 2022), essentially in relation to: (i) the Euro 3.5 million provision made to cover risks attributable to a possible non-recognition of the benefit connected with the recovery of the higher excise tax paid in relation to the use of diesel fuel used for passenger transport; (ii) the increased provision made to take into account the higher estimated charges in relation to the reclamation of the Sermide Railway Station locomotive refuelling area (for Euro 1.7 million); (iii) the increase of Euro 1.5 million in the provision allocated for the contract, qualifying as onerous pursuant to IAS 37, underlying the infrastructure management activities held by Marconi Express S.p.A. by virtue of a concession and which connects the airport to Bologna Central Station by means of an elevated electric monorail; (iv) the decrease for a total of Euro 0.8 million related to provisions previously set aside in connection with litigation risks with SRM and privacy risks.

The item "**Change in operating provisions**" includes the value of changes in provisions classified by nature in the financial statements. In particular, the item essentially includes (i) the change in provisions set aside to cover risks related to disputes with personnel, which had the net effect of releasing Euro 0.7 million; (ii) the accrual to the provision for inventory write-downs of Euro 0.6 million.

The "**Operating margin (EBIT)**" is therefore positive for Euro 7.3 million, recording an increase of Euro 6.3 million (Euro 0.9 million in 2022).

"**Financial charges net of financial income**" amounted to Euro 3.4 million and showed an increase of Euro 3.7 million compared to the previous year, mainly due to the effect of the charges related to the new financing lines regulated at a variable rate, and which therefore discount the increase in interest rate levels consequent to the restrictive policies implemented by the European Central Bank to tackle inflationary pressure.

The "**Profit before tax from continuing operations**", up by Euro 2.6 million, was a positive Euro 3.8 million (Euro 1.2 million in 2022).

The item "**Tax (charges)/income**" shows a net charge of Euro 0.5 million and recorded a change of Euro 1.0 million. This item reflects the estimated income taxes for the year (IRAP of Euro 0.8 million), partially offset by the positive effects of TPER and its subsidiaries Dinazzano Po S.p.A. and MAFER S.p.A. opting for the national tax consolidation scheme. This scheme allows companies within the same group to calculate IRES on a consolidated basis, resulting in a benefit of Euro 0.2 million.

The "**Profit for the year**", equal to Euro 3.3 million, increased by Euro 1.6 million compared to 2022 (Euro 1.7 million).

Economic and financial structure

In thousands of Euro		31/12/2023	31/12/2022	Change
Tangible assets		177,452	166,706	10,746
Intangible assets		459	394	65
Assets for rights of use		5,403	2,297	3,106
Equity investments		53,949	57,429	(3,480)
Net deferred tax assets/(liabilities)		(92)	(207)	115
Other non-financial assets/(liabilities)		(17,849)	(23,469)	5,620
Net non-current non-financial assets	**A**	**219,322**	**203,150**	**16,172**
Inventories		12,894	13,450	(556)
Trade assets		54,525	52,540	1,985
Trade liabilities		(50,847)	(59,595)	8,748
Net income tax assets/(liabilities)		(202)	1,990	(2,192)
Other net assets/(liabilities)		(39,795)	(28,156)	(11,639)
Net working capital	**B**	**(23,425)**	**(19,771)**	**(3,654)**
Gross invested capital	**C=(A+B)**	**195,897**	**183,379**	**12,518**
Funds for provisions	**D**	(52,135)	(49,247)	(2,888)
NET INVESTED CAPITAL	**E=(C+D)**	**143,762**	**134,132**	**9,630**
Shareholders' equity	**F**	**162,494**	**159,396**	**3,098**
Bond loans		0	31,429	(31,429)
Medium/long-term loans		24,211	0	24,211
Other non-current financial liabilities		366	1,253	(887)
Non-current liabilities for leased assets		4,148	837	3,311
Non-current financial assets		(38,283)	(35,296)	(2,987)
Net non-current financial debt	**G**	**(9,558)**	**(1,777)**	**(7,781)**
Current portion of bond loans		31,779	32,053	(274)
Current portion of medium/long-term loans		1,931	0	1,931
Current portion of liabilities for leased assets		1,414	1,593	(179)
Short-term loans		27,018	0	27,018
Financial assets for contributions		(10,884)	(5,893)	(4,991)
Other current financial assets		(400)	(2,286)	1,886
Cash and cash equivalents		(60,032)	(48,954)	(11,078)
Current net financial debt	**H**	**(9,174)**	**(23,487)**	**14,313**
COVERAGE OF NET INVESTED CAPITAL	**I=(F+G+H)**	**143,762**	**134,132**	**9,630**

As at 31 December 2023, "**Net non-current non-financial assets**" amounted to Euro 219.3 million, up by Euro 16.2 million compared to 31 December 2022 (Euro 203.2 million).

The item is mainly represented by “**Tangible assets**”, amounting to Euro 177.5 million (Euro 166.7 million as at 31 December 2022). The increase in the item compared to 31 December 2022, equal to Euro 10.7 million, is mainly due to the balance between:

- investments, amounting to Euro 54.6 million, essentially relating to rolling stock (Euro 47.6 million) and for the remainder to infrastructural works;
- amortisation and depreciation for the year, equal to Euro 14.7 million;
- grants on investments, for Euro 29.0 million.

“**Right-of-use assets**” show an increase of Euro 3.1 million compared to the end of the previous year essentially due to the increases recorded in assets for rights of use related to local public transport and rents for business units, as a result of the alignment of the duration of the underlying contracts to the new expiry dates of the local public transport service contracts for the areas served by the Company.

The item “**Equity investments**” recorded a negative change of Euro 3.5 million mainly attributable to the write-down made during the year 2023 of the equity investment held in Dinazzano Po S.p.a. after verification of its recoverability, which became necessary following the evidence of certain indicators of impairment of the equity investment, including: (i) the elimination of subsidies on the cost of gas oils used to power diesel locomotives, which took place through the reimbursement of the higher excise tax rate paid in accordance with Ministerial Decree 689/1996; (ii) the reduction of train kilometres eligible for track discount subsidies relating to the rail freight support rule set forth in Ministry of Infrastructure and Transport Decree No. 61 of 30 December 2016 only for kilometres produced with electric locomotives; (iii) the critical issues related to the network used in the reference traction market; (iv) the level of saturation reached by the airports managed under franchise by DP; (v) the results achieved in recent years, which show a contraction in business.

The item “**Other non-current assets/(liabilities)**” shows a negative net balance of Euro 17.8 million as at 31 December 2023 and essentially includes the balance of the payable to the Mobility Agency SRM - Società Reti e Mobilità S.r.l., equal to Euro 17.2 million, accrued by virtue of the business unit lease agreement signed on 4 March 2011 between the same agency and the company Trasporto Pubblico Bolognese S.c.r.l. at the same time as signing the service agreement for the management of the local public road transport in the Bologna area and subsequently transferred to TPER.

As at 31 December 2023, “**Net working capital**” showed a total negative value of Euro 23.4 million (compared to the negative balance of Euro 19.8 million as at 31 December 2022). The change, equal to Euro 3.6 million compared to the balance as at 31 December 2022, is mainly attributable to:

- the decrease in “**Trade liabilities**” of Euro 8.7 million compared to 31 December 2022, essentially as a result of lower costs for materials, partially offset by higher costs for services, recorded during the year 2023, as well as due to higher costs for services payments made near the end of the year;
- the negative change recorded in the item “**Income tax assets/(liabilities)**” generated as a result of the use of tax credits existing at the end of the previous year and the allocation of current tax payables for the year 2023;
- the negative change in “**Other net assets/(liabilities)**” of Euro 11.6 million, generated as a result of: (i) the reduction in other current assets of Euro 5.4 million, essentially due to the effect of the lower tax credits related to investments and the consumption of electricity and gas; (ii) the increase in other current liabilities, for Euro 6.2 million, mainly as a result of the increase in deferred income related to the effects of the deed of recognition of the contractual provisions on the regulation of the method for calculating the investments made by TPER in relation to the leased assets of the business unit from SRM to TPER with reference to the metropolitan area of Bologna, on the basis of which

the Municipality of Bologna, the Metropolitan City of Bologna, SRM, TPB and TPER have intended to implement the provisions on tariff adjustments in compliance with Article 12-bis of the service contract relating to the Bologna area.

As a result of the above, "**Gross invested capital**" amounted to Euro 195.9 million at 31 December 2023, up by Euro 12.5 million compared to 31 December 2022 (Euro 183.4 million).

The "**Funds for provisions**" recorded a net increase compared to 31 December 2022 of Euro 2.9 million due essentially to the balance between:

- the reduction in employee benefits provisions (Euro -1.5 million compared to 31 December 2022) mainly due to payments of employee severance indemnity liabilities;
- the increase in other provisions (Euro +4.4 million) in relation to provisions set aside to cover risks and charges, as already commented on in the income statement with reference to the items "Changes in funds for provisions" and "Changes in operating provisions".

The "**Net invested capital**" therefore amounted to Euro 143.8 million, an increase of Euro 9.6 million compared to 31 December 2022 (Euro 134.1 million).

"**Shareholders' equity**" amounted to Euro 162.5 million and increased compared to 31 December 2022 (Euro 159.4 million) as a result of the overall economic result for the year.

"**Net non-current financial debt**" as at 31 December 2023 shows an excess over liabilities of Euro 9.5 million and is up by Euro 7.7 million compared to 31 December 2022 mainly as a result of the reclassification in the current portion of the last instalment of the bond issued by the Company and maturing on 15 September 2024, partially offset by the increase in medium/long-term loans taken out in 2023 and aimed at supporting the plan for investments in road and rail rolling stock and related infrastructures.

"**Current net financial debt**" as at 31 December 2023 also showed an excess of assets over liabilities of Euro 9.2 million and a reduction of Euro 14.3 million compared to the end of the previous year. The change was mainly affected by the increase in short-term loans (Euro 27 million compared to 2022) and the increase in cash and cash equivalents of Euro 11.1 million.

The table below shows the net financial position of TPER determined as the differential between debt for bond loans, liabilities for leased assets and cash and cash equivalents.

In thousands of Euro	31/12/2023	31/12/2022	Change
Bond loans	31,779	63,482	(31,703)
Medium/long-term loans	26,142	0	26,142
Short-term loans	27,018	0	27,018
Liabilities for leased assets	5,562	2,430	3,132
Cash and cash equivalents	(60,032)	(48,954)	(11,078)
NET FINANCIAL POSITION	**30,469**	**16,958**	**13,511**

As at 31 December 2023, 65% of the financial debt has a maturity of less than 12 months while 35% has a maturity of between 4 and 9 years. With reference to the type of interest rate, note that 41% of the debt is at a fixed rate, while the remaining 59% is at a floating rate.

As at 31 December 2023, the Company had a liquidity reserve of Euro 60.0 million represented by cash and cash equivalents.

Operational management and main events of 2023

During 2023, TPER continued its activities aimed at relaunching LPT. In this regard, it should be noted that, overall, 2023 passengers show an increase of 19.5% compared to 2022, with still a slight reduction compared to 2019. These are positive figures, considering the slower recovery recorded at the national level, with the gap compared to 2019 still being very high in some cases.

In 2023, cooperation continued in the implementation of tariff integration policies and regional policies concerning free travel for high school children. In particular, the Company has contributed within its scope of responsibility to implementing tariff integration policies through maintaining the “MiMuovoancheincittà” programme, which enhances intermodality in public transport, especially between rail and road, as well as the “Grande” and “SaltaSu” initiatives, or other free-of-charge programmes for young students and the development of public transport.

Service contract extension - Ferrara area

Local public transport operations in the Ferrara area are carried out by the TPF consortium under the service contract originally approved by resolution No. 2/2006 by the shareholders' meeting of AMI (Agenzia per la Mobilità e il TPL della provincia di Ferrara). As a result of the amendments, this service contract was due to expire on 31 December 2023.

With the entry into force of Decree Law no. 4/2022, converted with amendments into Law no. 25/2022 (Official Journal no. 73 of 28/03/2022), Article 24, paragraph 5-bis provides that: “In order to support operators in the local and regional public transport sector and to mitigate the negative effects deriving from the prevention and containment measures adopted for the COVID-19 epidemiological emergency as well as in order to support investments, the competent authorities may apply Article 4, paragraph 4, of Regulation (EC) no. 1370/2007 of the European Parliament and of the Council of 23 October 2007, even if the local and regional public transport service operator undertakes to carry out, even partially self-financing and on the basis of a business plan which complies with the regulatory provisions and measures in force, significant investments, also in implementation or in addition to the measures pertaining to the National Recovery and Resilience Plan or other financial instruments, oriented towards environmental sustainability and the improvement of passenger transport services, with an amortisation period longer than the due date of the credit facility. In this case, the extension referred to in the aforementioned Article 4, paragraph 4, is deemed necessary and cannot exceed the deadline of 31 December 2026. For calculation purposes, the total duration of the credit facility, including all measures adopted under the regulation, is considered cumulatively”.

The Emilia-Romagna Region, with Regional Council Resolution no. 1828 of 2 November 2022, defined the guidelines for the implementation of paragraph 5-bis of Article 24 of Decree Law no. 4/2022, converted with Law no. 25/2022 - Extension of LPT service contracts pursuant to Article 4, paragraph 4 of EC Regulation no. 1370/2007.

Upon completing the necessary technical and administrative investigations, AMI, TPF, and TPER agreed to sign the Deed of Extension for the service contract, extending the operation of local public transport by car in the Ferrara area to 31 December 2026.

Integration between transport systems and promotion of intermodality

In 2023, the Group sustained its efforts in enhancing and focusing on the quality of the transport services provided. This included promoting MaaS (Mobility as a Service) platforms, which are designed to offer comprehensive information to users and deliver integrated mobility services. In 2023, TPER continued to promote the intermodality of transport services, focusing on tariff incentive policies, Mobility Management Agreements involving car-sharing and public transport, subsidies for complementary use of various forms of public mobility, and more.

The Mobility Management Agreements, which encompass over 40 agreements and correspond to 30,000 season tickets, were specifically designed to enhance integration among various transport systems. These agreements customise subsidised season ticket options for trains, buses, monorail, dedicated shuttles and car-sharing. They provide diverse season ticket options tailored for employees, encompassing both the regional railway system and urban and suburban LPT road networks.

Promotion and increase of accessibility to the service

The Group ensures and plans its actions to maximise service accessibility wherever feasible, and also bases its investment decisions on this principle (e.g., in specially equipped vehicles, technological initiatives, etc.). With regard to the accessibility of the service for specific travel needs, the percentage of low-floor vehicles is 89,7%. TPER has already equipped 92% of its vehicles for boarding and transporting passengers in wheelchairs. On 714 buses there are voice devices for the internal announcement of upcoming stops and the external announcement of line and direction. Vehicles bearing the appropriate sticker on the outside, side and front are equipped to transport persons using wheelchairs or similar devices. The service on these vehicles is accessible to all persons with reduced mobility who request it and does not incur additional costs over and above the normal fares. The Parent Company has established a reservation service enabling users to request, by calling a dedicated number at least 3 days prior to the intended travel date, the availability of a specially equipped vehicle for specific journeys on all low-frequency urban, suburban, and extra-urban lines (with journeys exceeding 15 minutes).

From a technological point of view, the Group continues to guarantee the “HelloBus” service and information apps that provide real-time information on the presence of the bus platform at a bus stop.

CORRENTE® electric car-sharing

When implementing the company plans, and in line with the regional objectives of developing sharing mobility, especially electric mobility, and regional regulations (Pact for PT, Pact for Work and for the Climate) and local planning (especially PUMS), in 2023 actions continued to promote the free-flow car-sharing service (and sharing-mobility in general), with a fully electric fleet, a service active in the cities of Bologna, Ferrara, Imola and Casalecchio di Reno. The service makes it possible to start a journey in one city and end it in another and offers its users maximum freedom of movement.

Starting at the end of 2023 (and with the launch in January 2024), there will be an awareness campaign for Corrente through an agreement that will put 300 EX30s, Volvo's new 100% electric cars, on the road. With its 82,000 users, Corrente car sharing now has a cross-section of users across different age groups. A transversal approach that has been further expanded since the summer of 2023 with the introduction of electric scooters in the city of Bologna. The new fleet upgrade will also be made available to companies with mobility management packages that allow them to offer their employees and collaborators the possibility of using a dual profile, both personal and corporate.

In 2023, another notable initiative was “Tper3”, a promotion exclusively for holders of local public transport season tickets (monthly or yearly), aimed at encouraging the use of car and scooter sharing services. The first 41 minutes of each rental are, in fact, free of charge for those with an LPT season ticket. These actions reaffirm the Group's commitment to promoting shared mobility, which is valuable as it complements collective transport while respecting the needs of both users and the local community.

Investments in compliance with environmental sustainability objectives

GRI STANDARDS	203-1

In 2023, TPER continued to update its investment plan for vehicles and recharging infrastructure, aiming to uphold and expand commitments to invest in vehicle procurement and related infrastructure. The goals include achieving sustainability objectives, lowering the average age of the vehicle fleet, fostering innovation, and reducing environmental impact. In particular, the investment project advanced with a focus on fleet rejuvenation, technological development and sustainability, contributing to the ecological transition and the increasing use of clean and renewable energies. Additionally, the 'integrated' transport system utilising various fuelling modes is reaffirmed, tailored to different service areas. This includes hydrogen buses, a project significantly advanced since 2023 with the awarding of a tender for 130 hydrogen vehicles, as well as other zero-emission options already in place or planned, such as full electric trolleybus lines, electric lines and shuttles, and CNG and LNG buses.

The Group acts in accordance with national, regional and local planning and with the goals related to Agenda 2030. The investment plans include purchases of vehicles and investments in infrastructures and technologies, taking into account the individual loan lines already considered in 2022, with the integration of the most recent ones (REACT-EU, NRRP complementary fund and new NRRP), which are in addition to the loans already provided for in the Prime Ministerial Decree of 28.11.2018 Ministry of Environment, L.232/2016, Article 1, paragraph 140, MIT, PSNMS RER, PSNMS Comuni 100k abitanti and PSNMS Comuni alto inquinamento (and to the resources allocated for the PIMBO Project).

In 2023, work continued on the modernisation of the fleet, including the complete electrification of some lines (e.g. line 21, in this case through the use of React-EU funds) and the remodelling of the PIMBO project for which TPER is the implementing party.

Development of infomobility tools and new sales channels

In 2023, the Group continued its efforts to further develop infomobility tools and innovative sales channels (electronic ticketing and the use of flexible forms of payment using digital technologies). Indeed, many thousands of citizens in Bologna and Ferrara routinely purchase and validate local public transport tickets using their smartphones or bank cards. Furthermore, starting in March 2023, direct payment by bank card has been extended to cover the entire suburban service, in addition to already fully covering the urban service. Even in suburban areas, users can now use their bank cards, selecting the required number of zones on the onboard devices and touchscreen.

The Group has been engaged for years in developing the EMV system for contactless payments on buses. In 2023, the Parent Company invested a total of Euro 3 million in the contactless payment system: Euro 1.4 million for the initial phase focused on urban services and Euro 1.6 million for the ongoing extension to extra-urban services. The investment is 50% financed with POR-FESR funds made available by the Emilia-Romagna Region and 50% with company resources.

In addition to the contactless payment system with bank cards, users can also utilise the Muver and Roger apps. The Roger app, in particular, serves as the exclusive MaaS (Mobility as a Service) system for the Emilia-Romagna Region. In addition to purchasing and validating bus and train tickets, it offers various features, such as travel planning assistance and providing real-time information on schedules and vehicle arrivals across the region. In 2023, 415,700 users were registered on the Roger app.

The 5.4 million virtual tickets issued in a year—through both the EMV system and the app—replaced an equal number of paper tickets, leading to considerable environmental benefits by significantly reducing paper production, packaging and distribution within the sales network.

Work continues for the operational start-up and implementation of the PIMBO project

In 2023, TPER remained actively engaged, within the scope of its responsibility, in advancing the final design of the PIMBO project, participating in regular meetings of the project's Supervisory Boards where discussions with relevant stakeholders were ongoing.

In September 2023, the Supervisory Board convened to review the Project's implementation procedures, focusing on updating the schedule subsequent to the signing of the Interministerial Decree by the Ministry of Infrastructure and Transport and the Ministry of the Economy, which allocates the necessary resources. Following the registration of the Decree, it was in fact possible to start the process to account for the incurred design costs and finalise the documentation for initiating tender procedures. This includes planning for the execution of necessary works and procurement of vehicles for the service, considering the technological advancements in trolley buses and electric buses.

In 2023, TPER participated in drafting the Project Review documentation for the final phase of PIMBO, aligning with guidance provided by local authorities.

Project for the integration of local public transport companies in the Emilia Romagna Region

In 2023, the process continued to achieve possible integration between LPT companies in the Emilia Romagna Region. Specifically, the companies finalised the update of the Study on the implementation of the industrial integration project. At the beginning of 2023, a Working Group was set up to start the feasibility checks and to collect the necessary documentation; the in-depth work was concluded in July 2023, with the finalisation of the Study, which was submitted for the approval of the companies' respective administrative bodies and subsequently presented to the companies' main shareholders and the other bodies involved.

The Parent Company also worked with the Emilia-Romagna Region to draft a Memorandum of Understanding aimed at enhancing coordination and cooperation among the Shareholders' Bodies of the Companies within the aggregation scope to facilitate the completion of the transaction in question.

New credit lines to support the investment plan

In order to strengthen liquidity, in view of the investments the Group is committed to, in May 2023 the Parent Company finalised a financing transaction divided into three separate loans, namely:

- a revolving loan, contracted with a pool of lenders, for a maximum principal amount of Euro 65 million to be used to support the investment plan relating to the renewal and improvement of the rolling stock and related infrastructure pending the provision by part of the competent mobility agency and/or other competent subject (Emilia-Romagna Region, Municipality of Bologna, Municipality of Ferrara, Ministry of Infrastructures) of an amount corresponding to certain public contributions intended in the last instance to TPER. The loan is regulated at a floating rate and has a duration of four years;
- a term loan, backed by a "Sace Green" guarantee, for a total principal amount of up to Euro 15 million to be used to support investments in the regulated bus fleet at a variable rate and with a duration of eight years;

- a term loan, backed by a “Sace Green” guarantee, for a total amount of principal of approximately Euro 12 million to be used to support investments in the train fleet regulated at variable rates and with a duration of 10 years.

The first two lines are sustainability-linked and envisage a margin adjustment linked to the achievement of specific ESG objectives.

To ensure compliance with the loan repayment obligations, a comprehensive set of guarantees, known as the 'Security Package', has been established, against which TPER, in accordance with the commitments set forth in the terms and conditions of the bond loan issued, has requested and obtained specific consent from the bondholders to extend the guarantees related to the receivables from the Bologna and Ferrara areas' termination indemnity also to the bondholders.

Events after 31 December 2023

Service contract extension – Bologna area

With decision of the Municipal Council of Bologna no. DC/PRO/2024/41 of 6 May 2024 and of the Council of the Metropolitan City of Bologna no. 15 of 24 April 2024 concerning “*Guidelines for contracting out local public transport services in the Bologna area, including the red and green tram lines (northern section), as well as services related to Bologna Municipality's parking plan and complementary services. Extensions*”, the Municipality of Bologna and the Metropolitan City of Bologna, having found the necessary conditions for extending the local public transport (LPT) service to the current operator, which includes the management of the tram lines under construction (Red Line and Green Line - Northern Section), until 28 February 2028, pursuant to Article 24 paragraph 5-bis of Decree Law no. 4/2022 and Article 5, paragraph 5 of EC Regulation no. 1370/2007, resolved, among other things, to instruct the mobility agency SRM S.r.l. (hereinafter “SRM”):

- to extend the duration of the current service contract concerning the local public transport services of the Bologna area, including the management of the Red and Green tram lines (Northern Section) and the San Donato metrobus service and related supply services, until 29 February 2028;
- to grant the extension on condition that an Economic and Financial Plan (hereinafter “PEF”) is presented by the operator, accompanied by a Business Plan, demonstrating a commitment to improve service efficiency, technological innovation, emissions reduction and user relations.

The Company and SRM have thus begun discussions to define a comprehensive PEF spanning the entire service contract duration. This plan includes proper risk identification and allocation, as mandated by the Transport Regulation Authority. SRM will verify and approve the PEF, involving entities in the agency's preliminary investigation to ensure scrutiny of objectives and key aspects.

Corrente®: new cars for Sharing Mobility

In January 2024, TPER formalised the agreement reached with Volvo Car Italia to replace its car fleet with 300 new 100% electric cars from Volvo.

The new fleet will consist of the EX30s, a new model from the Swedish manufacturer chosen by Corrente for its significant upgrade, aligned perfectly with Tper's project to launch and enhance shared mobility with a focus on safety and quality.

Corrente car sharing now has a cross-section of users across different age groups. A transversal approach that has been further expanded since the summer of 2023 with the introduction of electric scooters in the city of Bologna.

With the introduction of the new Volvos equipped with advanced safety features, scheduled to be on the roads starting from spring 2024, Corrente is poised to further embed itself in the hearts and routines of the communities it serves.

Dispute with ATC S.p.A. in liquidation

On 29 February 2024, ATC S.p.a. in liquidation (hereafter ATC) was notified of the appeal against the sentence of the Court of Appeal of Bologna No. 1748 of 29 August 2023 whereby the first instance sentence was confirmed, rejecting the appeal proposed by TPER.

On 1 February 2012, two partial demerger transactions were completed. With the first, there was the demerger of certain elements of the railway transport branch of FER - Ferrovie Emilia Romagna S.r.l. in favour of the new company FER Trasporti S.r.l. The second demerger, on the other hand, transferred some assets of the local public transport branch of ATC S.p.A. in favour of the new company ATC Trasporti S.p.A. At the same time, the aforementioned new companies - FER Trasporti and ATC Trasporti - were merged into a new company, Trasporti Passeggeri Emilia-Romagna TPER S.p.A. (TPER).

The facts originate from the writ of summons with which ATC summoned TPER requesting the assessment of the latter's obligation to indemnify it with reference to a tax payable relating to IRAP (Regional Tax on Productive Activities) declared by ATC for the years 2007, 2008, 2009 and 2010. In fact, the Revenue Agency had served ATC with four notices of assessment for those four tax years, prior to the demerger.

The four notices of assessment were challenged by ATC and the related litigation, in which ATC was unsuccessful in the two levels of merit, is not yet final. In response to enforcement actions initiated by the Revenue Agency, ATC asserted that the tax liability in question had essentially been settled by TPER in accordance with Article 10 of the demerger and merger agreement referenced earlier. This article, in fact, after identifying the assets transferred from ATC to ATC Trasporti (later merged into TPER) states that: “any contingent assets or liabilities that may arise from the date on which the demerger takes effect shall remain respectively to the benefit or to the expense of the assets transferred if pertinent”.

The Court of Bologna's ruling no. 2451 of 14 November 2019 confirmed TPER's obligation to indemnify ATC for the amount paid to the Tax Authorities. However, it specified that this obligation would only take effect once the tax judgment is finalised, thus solidifying the debt.

TPER filed an appeal against this ruling before the Court of Appeal of Bologna, which ruled with the aforementioned ruling no. 1748/2023.

It should be noted that the risk of losing is fully covered by the entry of a specific provision for risks. In any case, the decision of the Court of Appeal of Bologna was challenged by TPER before the Court of Cassation.

Business outlook

Despite the increasing global complexity driven by geopolitical instability—including the ongoing war in Ukraine, the onset of the Israeli-Palestinian conflict and the extension of tensions to other Middle Eastern areas—and the potential economic repercussions (such as the Red Sea crisis and blockades in the Suez Canal), the mobility sector showed a positive trend in key fundamentals. The traffic figures for 2023 confirmed the progressive recovery already observed in 2022.

However, the noted geopolitical instability creates an uncertain outlook for the current year concerning the international economic and financial situation, which could significantly impact the Group's operational and management performance.

In this context, we aim to further drive investments and maintenance to modernise and enhance mobility services. Our goal is to regenerate and upgrade both the vehicle fleet and the managed infrastructure system, thereby extending the useful life of mobility assets and bolstering their resilience against adverse weather events.

In 2024, the Group will continue its journey with objectives and targets aimed at mitigating risks and capitalising on ESG opportunities by 2030. Particular attention will continue to be given to the climate impact mitigation plan, which aims to minimise direct and indirect emissions along the value chain, supported by objectives to amplify the Group's positive impact on the people and communities in which it operates.

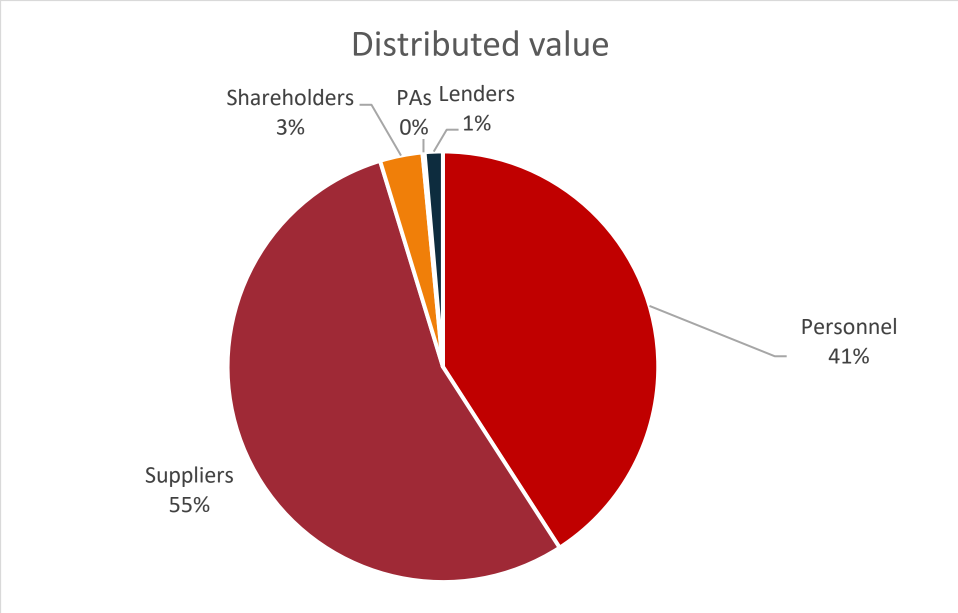
In addition, in 2024, the Company will be working towards full compliance with the requirements of the EU Directive on non-financial information CSRD (Corporate Sustainability Reporting Directive) effective as of the 2024 financial year reporting.

Distributed economic value

GRI STANDARDS	201-1 201-4

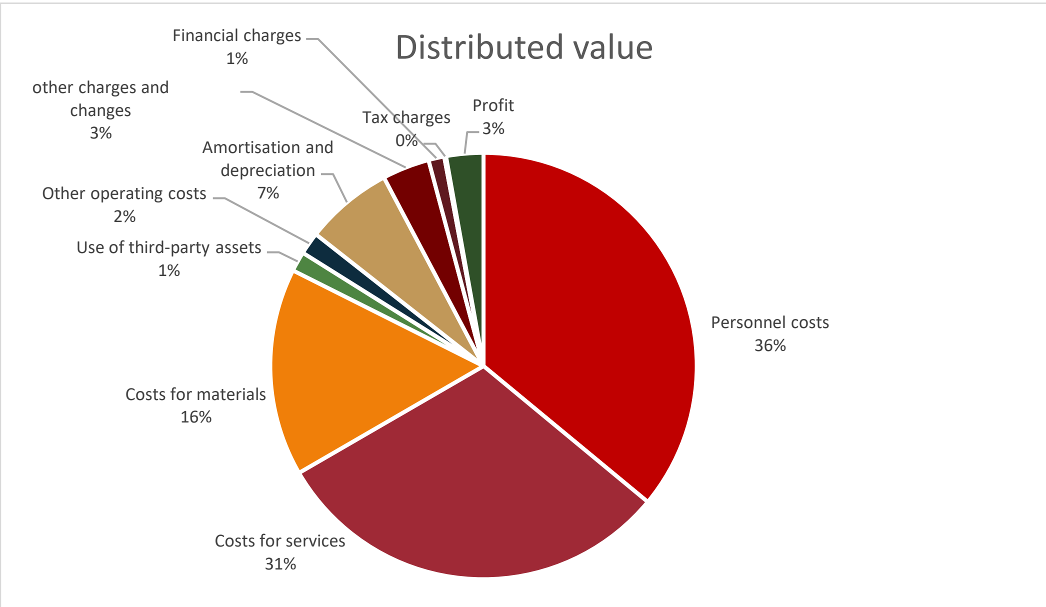
With reference to the distributed value (GRI 201-1), which considers shareholders, personnel, suppliers and public administration, it should be noted that 41% of the value is aimed at employees, 55% at suppliers and 3% at shareholders.

Amounts in Euro/000	2021	2022	2023
Personnel costs	89,159	**89,741**	**108,431**
Costs for services	56,416	**55,939**	**92,293**
Costs for materials	29,512	**40,971**	**47,462**
Use of third-party assets	5,942	**(1,095)**	**4,553**
Other operating costs	4,106	**4,185**	**5,093**
Amortisation/depreciation	16,630	**16,921**	**20,064**
Other charges and changes	1,605	**8,770**	**10,786**
Financial charges	597	**529**	**3,610**
Tax Charges	4,766	**84**	**416**
Profit	5,119	**1,687**	**8,480**



Extending the analysis to consider all TPER's employees, considering specifically all costs of the consolidated income statement and the corporate profit, it can be demonstrated that 36% is distributed by TPER to human resources (personnel). This circumstance relates to the nature of the managed activity, which can be defined as "labour intensive". Most of the employees reside in the area where TPER operates. The distribution of value to employees therefore also indirectly contributes to the creation of value for the local community, as this wealth is then redistributed in the form of further consumption and purchases in the reference area. Suppliers account for 50% of the distributed value (which includes raw materials, services, lease and rental costs and other costs), while 7% of the value goes towards the reconstruction of invested capital (depreciation and amortisation expenses). Smaller proportions go towards other charges and changes (3%) and to lenders for loan payments (1%).

Unlike the distributed value by recipient, the analysis of the distributed value based on the cost deriving from the income statement also takes into account depreciation and amortisation, write-downs, financial charges and the change in provisions.



Government grants

During the 2023 financial year, TPER received grants of Euro 46 million, of which Euro 5.8 million from the Revenue Agency for a tax credit in favour of companies for the purchase of electricity and natural gas (Decree Law 21/2022 and subsequent extensions) and Euro 2.4 million for fuel compensation pursuant to Decree Law 115/2022, Article 9.

With reference to plant grants for investments made, TPER received grants of Euro 16 million from the Municipality of Bologna, Euro 14.9 million from SRM, and Euro 3 million from AMI. The overall summary broken down by the Entities is shown below.

	Grants
Customs Agency	579,314
Revenue Agency	5,816,905
Mobility agencies	2,407,028
AMI Ferrara	2,960,195
Metropolitan City of Bologna	741,723
Municipality of Bologna	16,462,437
Municipality of Ferrara	704,578
Municipality of San Lazzaro	34,214
Ministry of Transport	526,126
Ministry of Labour	-
Ministry of Infrastructure and Transport	709,893
Emilia-Romagna Region	388,741
SRM Bologna	14,881,029
TOTAL RECEIVED	46,212,182

Analysis of the economic impact on the area –extended value analysis

GRI STANDARDS	2-6 203-2 204-1

In general, the development of a mobility company for public or collective transport in the area has significant impacts of both a direct and indirect nature. This impact concerns created and distributed wealth, the effect on the environment, on traffic congestion, on the reduction of road accidents, as well as on the development of knowledge and skills, the possibility of contributing to innovation and the creation of networks and relationships.

The increase in company size and its strengthening as an industrial group ensures a stable or growing demand for supplies and services on favourable terms. Whereas demand is guaranteed, favouring the retention of suppliers and service providers, on the other hand the definition of purchasing methods oriented to more economically advantageous offers means suppliers also become more efficient and are thus required to grow and focus on innovation and specialisations, thus creating a virtuous driving force in terms of maintaining employment and increasing specialisation and training.

The possibility of ensuring workers and families have an alternative and economical travel solution frees up resources which can be used on other things or put aside for savings, in both cases contributing to the welfare of consumers. In the event that the savings achieved by using public transport are used for other expenses, these expenses can have a direct and indirect impact on the area.

A first important effect can be seen on companies which should be viewed not only as suppliers but, including through their workers, as "customers" of transport services able to ensure consistent and comfortable transfers.

On this topic, with a view to regional planning with the competent bodies and dialogue with companies, it is possible to work on providing a widespread and prompt service that does not hinder, but rather advances, the development of businesses located in the area served.

At the same time, it is possible to envisage promotion/agreement initiatives for the workers of these companies, collaborating to ensure sustainable traffic flows, suitable connections and therefore an effective network between the workplace and housing, in other words convenient and punctual solutions for workers.

The use of local public transport systems in fact represents an ecological alternative to the use of private cars powered by fossil fuels, contributing to an improvement in the ecological footprint, the reduction of CO_2 and other greenhouse gases released into the atmosphere, the reduction in road traffic congestion and the number of serious accidents.

A widespread transport network can facilitate and provide incentives for companies to locate themselves strategically with regard to traffic flows, generating a positive impact on real estate values, particularly near the hubs of this network.

In light of all these aspects, investment, innovation, technology development and the quest for quality in the public transport sector are key elements for economic strategies both at national level and at the level of regional, provincial and local administrations. In fact, investments and development in this sector have a real multiplier effect that benefits a wide range of stakeholders.

TPER directs its business model towards the principles of innovation and sustainability, taking care to create "superior" value for its stakeholders, contributing to the sustainable development of the company and the territory in the broadest sense.

The indicators taken into consideration for assessing the impact of TPER are:

- The added value, i.e. the difference between the value of production and the costs incurred for the purchase of production input from outside the company (Economic Value Added, EVA), i.e. the value that the production factors used by the company, capital and labour, have "added" to the inputs purchased from outside and which thus remunerate the internal production factors.
- Taxation, or the share of wealth generated that will then be redistributed as public goods to the community.
- The number of workers employed directly and indirectly as a result of the Group's business activities.

It is therefore a matter of determining the direct economic impact due to the activity of the company, the indirect impact generated by lead suppliers, and finally the induced value. The estimate of the extended value in favour of the various social and economic players derives from the combination of these elements.

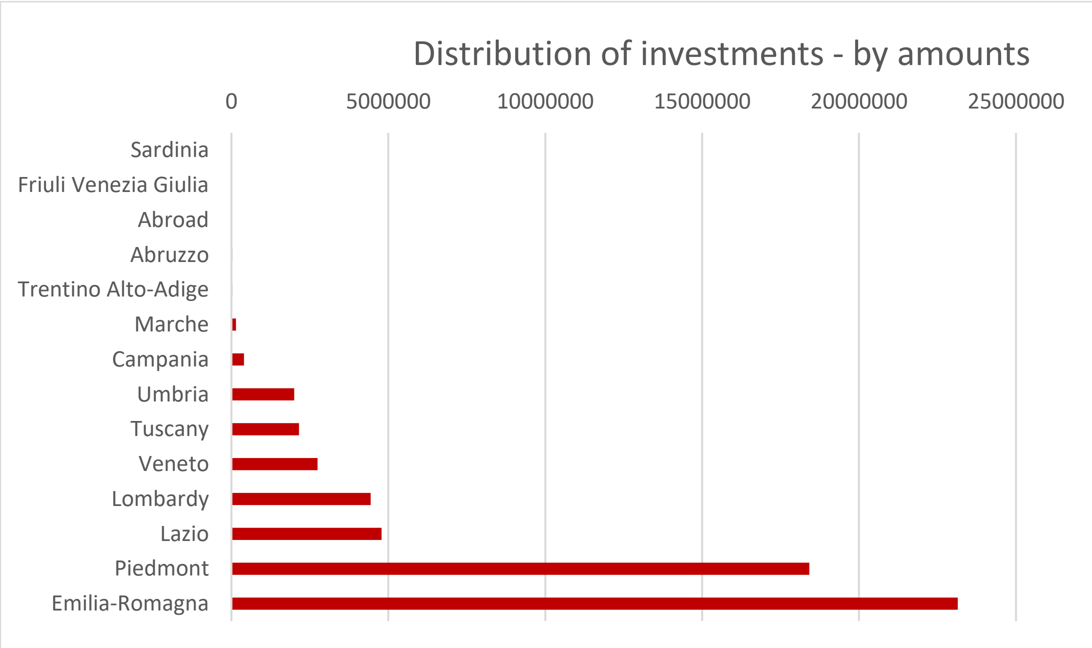
In particular, the direct impact of the business generated by TPER and its subsidiaries is defined as the impact that has a direct effect on households, businesses and the Public Administration, while indirect impact is that generated by the parties belonging to the TPER value chain, specifically TPER’s lead suppliers.

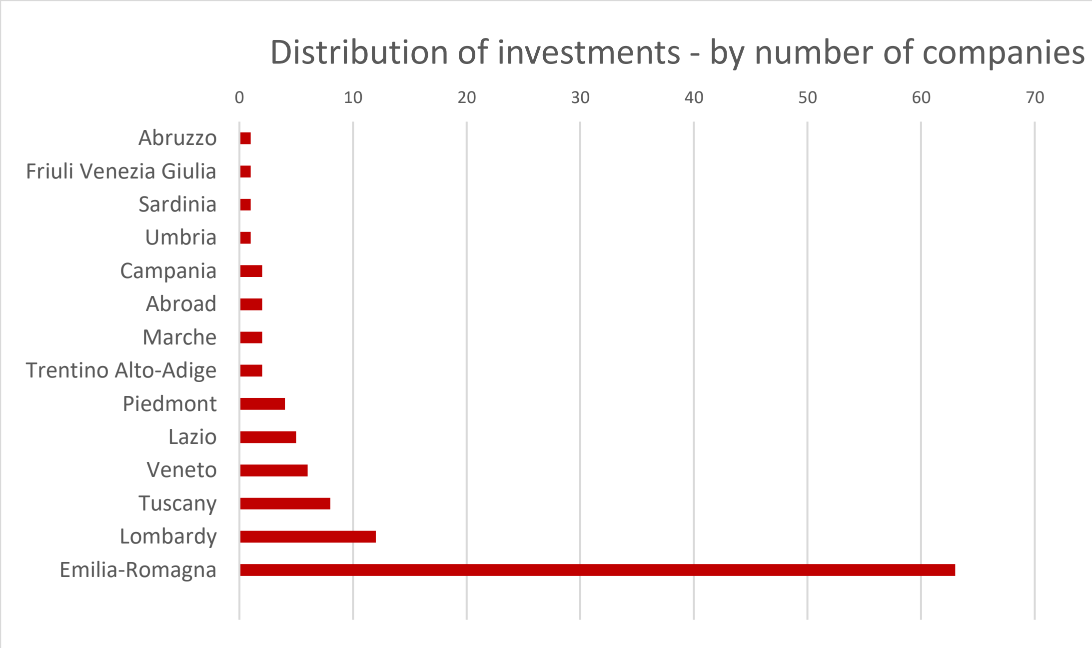
With reference to direct impact, the analysis is aimed at determining the economic impact due to the company's activity and was carried out taking into account the consolidated financial statements, considering both operations, i.e. income statement data, and expenses for investments.

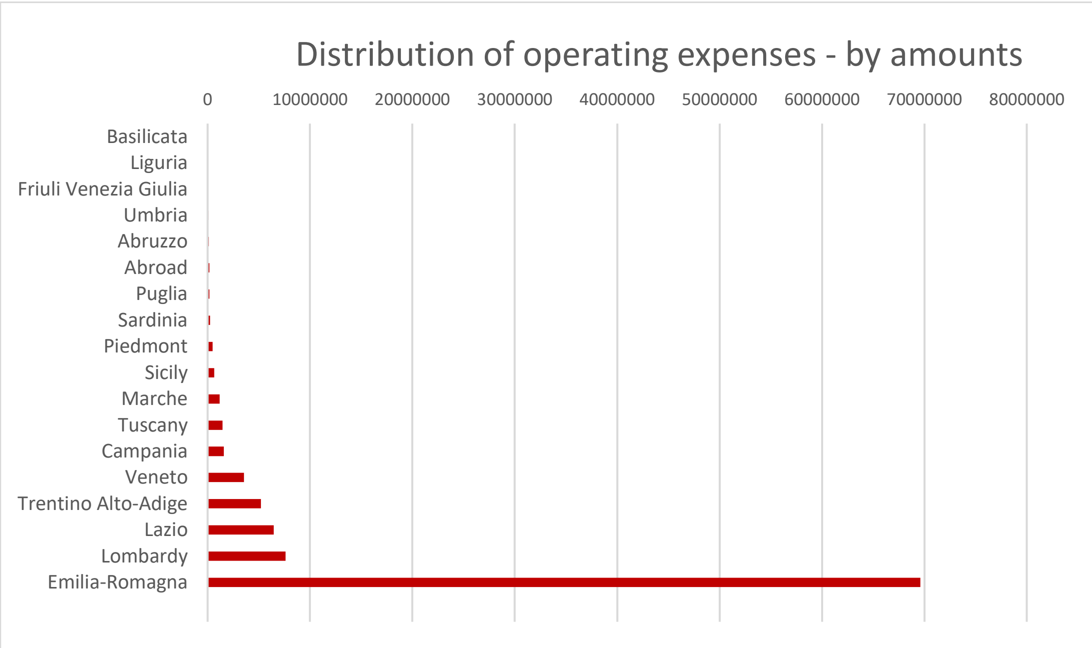
Indirect impact is generated by the subjects belonging to the TPER value chain, and more specifically TPER’s lead suppliers. For the assessment of indirect impacts, the information contained in the financial statements of suppliers collated in the AIDA - Bureau Van Dijk database was analysed. For the remaining suppliers, projections were made starting with the data measured for suppliers on which the highest percentage of cost is concentrated. The suppliers were divided according to product category and services carried out, in order to better represent the type of purchases made by TPER. The survey was carried out on a representative sample of companies, i.e. a number of suppliers representing 63% of TPER's operating expenses (the companies analysed represented overall costs of over Euro 62 million, including costs for services, raw materials and use of third-party assets) and 61% of investment costs. Overall, the financial statements of companies with expenses greater than Euro 30 thousand have been analysed, i.e. the top 178 companies in terms of expenses (63% of the total analysed costs).

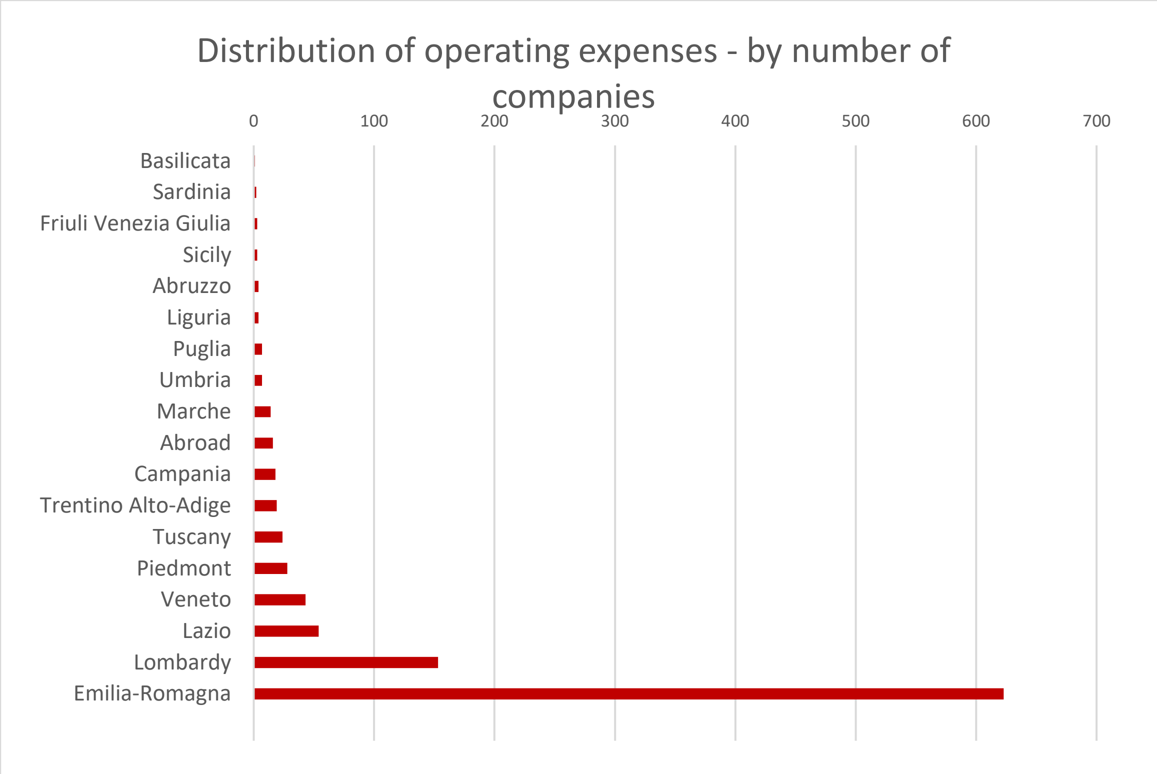
The analysis carried out shows the distribution of the main TPER suppliers in the area by number of suppliers and by amounts spent, taking into consideration both operating costs and investments. The data considered is that of the registered office as retrieved from the AIDA - Bureau Van Dijk data.

The analysis shown in the following graphs was carried out on a representative sample of companies, the same sample used for the analysis of extended value.




Distribution of investments - by number of companies
0
10
20
30
40
50
60
70
Abruzzo
Friuli Venezia Giulia
Sardinia
Umbria
Campania
Abroad
Marche
Trentino Alto-Adige
Piedmont
Lazio
Veneto
Tuscany
Lombardy
Emilia-Romagna


Distribution of operating expenses - by amounts
0
10000000
20000000
30000000
40000000
50000000
60000000
70000000
80000000
Basilicata
Liguria
Friuli Venezia Giulia
Umbria
Abruzzo
Abroad
Puglia
Sardinia
Piedmont
Sicily
Marche
Tuscany
Campania
Veneto
Trentino Alto-Adige
Lazio
Lombardy
Emilia-Romagna



Many operating suppliers are located in the region (intended as local suppliers) both in terms of number (over 60% of the sample analysed) and by expenditure amount (70% of the sample).

As regards investments, the distribution of companies changes: they are located in the region and are defined as local supplier for 57% of the sample in terms of the number of companies, and 40% by amounts.

In light of the direct and indirect impact, the induced value was estimated, i.e. the increase in production connected to the increase in income of which those who contributed to the direct and indirect impact are beneficiaries. The final goal of the analysis was to provide a direct, indirect and induced assessment of the Added Value, Employment and Taxation items.

A portion of this income is likely spent on the purchase of other goods and services, and therefore translates into consumption/new production. To calculate the induced value, an estimate of 5% of the total direct and indirect value was used.

Measuring the extended value is extremely important because the company is one of the potential drivers of growth in the region, its activities having a knock-on effect on other sectors of the economy and distributing wealth to its stakeholders. In this context, the analysis of the extended value generated by the activities of a business, calculated in terms of direct, indirect and induced impacts, effectively responds to the current need to expand the scope of reporting, going beyond purely economic-financial performance.

The economic effects due to the Covid-19 pandemic and the impacts of industrial destabilisation deriving from the war in Ukraine are reflected not only in the company's economic and financial dynamics, but also in indirect and induced impacts.

Direct impact (TPER Group)

The direct impact over the years is shown below.

	Value added VA (000/Euro)	Tax charges (000/Euro)	Number of employees (no.)
2023	126,961	555	2,346
2022	117,188	-460	2,345
2021	141,247	5,534	2,320

Indirect impact (lead suppliers)

2023:

	VA impact (000/Euro)	Tax charges (000/Euro)	No. employees (no.)
Ordinary operations	17,659	957	381
Investment management	5,547	315	60
Total	23,206	1,272	442

2022:

	VA impact (000/Euro)	Tax charges (000/Euro)	No. employees (no.)
Ordinary operations	27,033.48	1,279.39	614.11
Investment management	5,541.76	241.60	77.21
Total	32,575.24	1,521.00	691.31

2021:

	VA impact (000/Euro)	Tax charges (000/Euro)	No. employees (no.)
Ordinary operations	38,291	851	543
Investment management	6,966	139	92
Total	45,258	990	635

Induced impact

The following table shows the induced impact, estimated at 5% compared to the sum of other impacts.

2023

VA impact (Euro)	Tax charges (Euro)	No. employees (no.)
7,508	91	139

2022

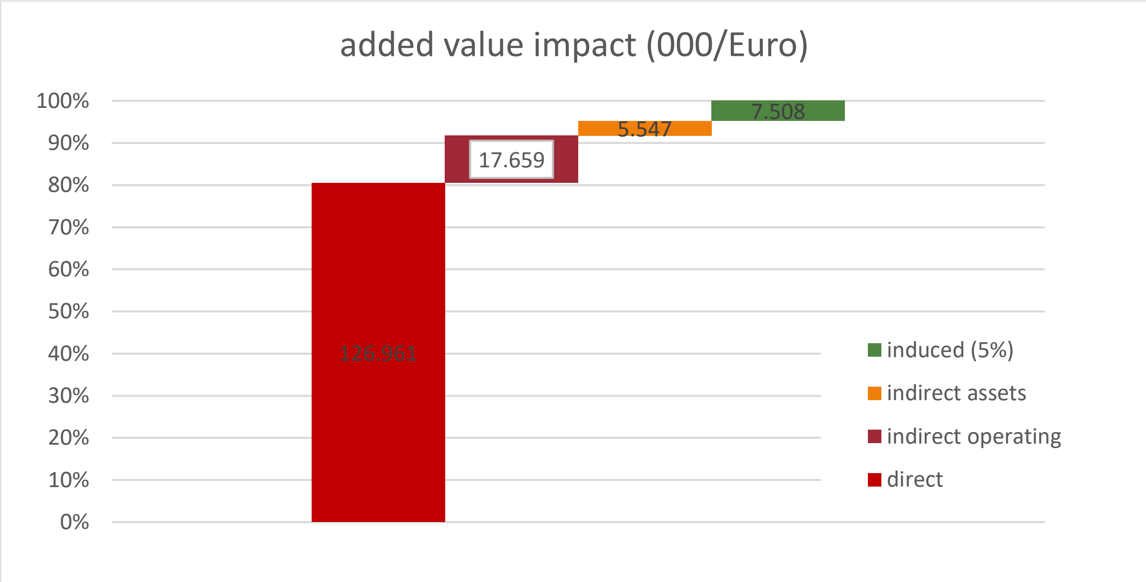
VA impact (Euro)	Tax charges (Euro)	No. employees (no.)
7,488	53	152

2021

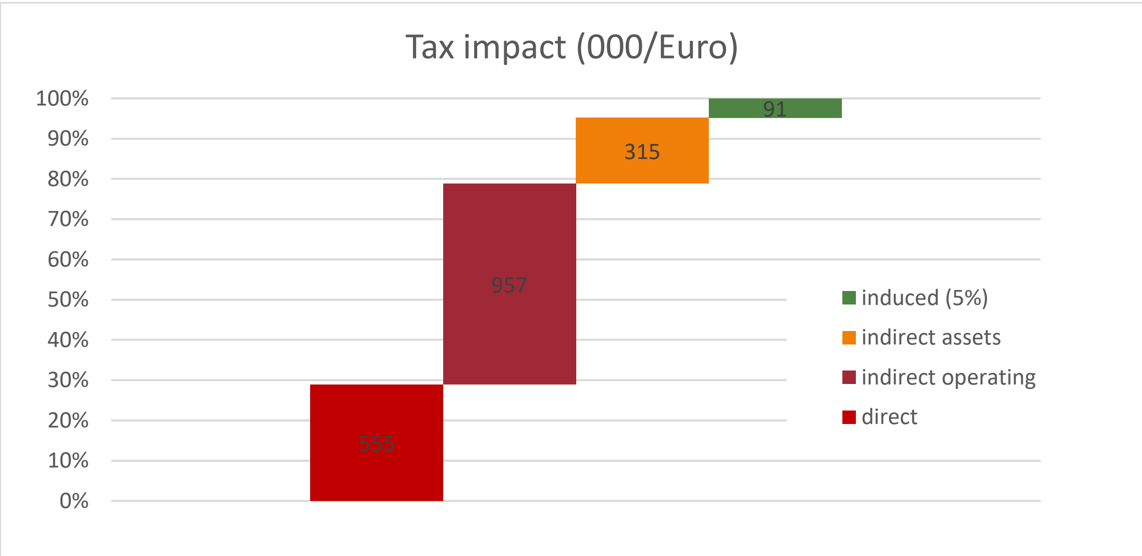
VA impact (Euro)	Tax charges (Euro)	No. employees (no.)
9,325	326	148

Extended value of TPER

	value added (000/Euro)	taxation	employees
direct	126,961	555	2,346
indirect operating	17,659	957	381
indirect assets	5,547	315	60
Induced (5%)	7,508	91	139
total extended value	157,676	1,918	2,927



Added value refers to resources intended for the remuneration of internal production factors. Therefore, these are resources intended for the remuneration of personnel, for costs for use of capital (depreciation and amortisation, financial charges), for economic redistribution and the purchase of public services (taxes), for shareholder remuneration or the creation of reserves (profits). The value created for ordinary management by TPER and subsidiaries, by lead suppliers and by investment management is indicated below.



Taxation indicates the portion of wealth generated which is intended for public goods and services.

The chart shows TPER's effect on employment, indicating the number of people who work for the group, the estimate of personnel involved in TPER's lead suppliers, the number of people in investment management, and finally the induced effect.

SUSTAINABILITY DISCLOSURE - CONSOLIDATED NON-FINANCIAL STATEMENT (ITALIAN LEGISLATIVE DECREE 254/2016) NFS

NFS Methodological Note

GRI STANDARDS	1-3 2-1 2-2 2-3 2-4 2-5 2-22 3-1

The Consolidated Non-Financial Statement (hereinafter also "Non-Financial Statement" or "NFS") of TPER - Trasporti Passeggeri Emilia-Romagna - S.p.A. and its subsidiaries (hereinafter "TPER", "TPER Group"), published annually, is drafted in compliance with Articles 3 and 4 of Italian Legislative Decree 254/2016 (hereinafter also "Decree"), implementing Directive 2014/95/EU. As the issuer of a bond, a financial instrument listed in 2017 on a regulated market in the European Union (Irish Stock Exchange), TPER is obligated to prepare the Non-Financial Statement.

The NFS contains information on environmental, social and personnel-related issues, respect for human rights and the fight against corruption, useful for guaranteeing an understanding of the activities carried out by the TPER Group, their progress, results and impacts.

As required by Italian Legislative Decree 254/2016, evidence is also provided of the main risks, generated or suffered, connected to the aforementioned issues and that derive from the company's activities, its products, services or commercial relationships, including, where relevant, supply chains and subcontracting, with an indication of the relative management methods.

The information relating to environmental, social, economic and governance issues reported in the NFS ensures a better understanding of the activities carried out by the TPER Group, its performance, its results and the impact produced by them. This allows those with access to such data to be able to make informed assessments and decisions about the impacts of TPER and its contribution to sustainable development.

The NFS was drafted in accordance with the methodologies and principles set out in the GRI Sustainability Reporting Standards, defined by the Global Reporting Initiative (GRI Standards). The summary index of the information related to the various areas covered (GRI Content Index), published in appendix to this document and an integral part of the same, allows the traceability of the indicators and other quantitative and qualitative information presented.

The quantitative data and the information that constitute the sustainability disclosure (NFS) of the TPER Group are included, unless otherwise indicated, in the Sustainability disclosure section of the Integrated Report on Operations and are identified by the reference to the GRI Standards discussed in the various paragraphs, through the GRI wording (number and description).

For the 2023 reporting year, the GRI standards published in 2021 were applied. These updated the preparation process, the general disclosure and the process for identifying and assessing material topics: GRI 1 Foundation; GRI 2 General disclosures; GRI 3 Material topics. The GRI 1 Foundation 2021 defines in particular the general sustainability reporting principles: accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability.

The GRI Standards and the related reported performance indicators are those representative of the relevant sustainability issues (material topics) analysed, consistent with TPER's activities and related impacts. The process of analysing, identifying, evaluating and prioritising material topics was conducted as required by Italian Legislative Decree 254/2016 and the

GRI Standards. This process is updated and progressively developed over time, as part of the TPER accountability process.

The contents of the Non-Financial Statement relating to topics linked to climate change take into account the European Commission Communication, published in June 2019, "Guidelines on non-financial reporting: Supplement on reporting climate-related information (2019/C 209/01)", which supplement the recommendation of the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board. The TCFD recommendations include four thematic areas: governance, strategy, risk management, metrics and objectives.

The NFS includes the information required by Article 8 of EU Regulation 2020/852, relating to the taxonomy of the European Union in the field of sustainable activities. The EU Taxonomy establishes the conditions that an economic activity must satisfy to be considered sustainable. This information is reported in the European Taxonomy Reporting section, as part of the reporting on environmental issues.

The reporting scope of qualitative and quantitative data and information is represented by the performance of the parent company TPER - Trasporto Passeggeri Emilia-Romagna - S.p.A. and subsidiaries, as per the Group's consolidated financial statements as at 31 December 2023 and for the entire reference year (for the period from 1 January 2023 to 31 December 2023).

In order to allow a comparison of the data over time and the evaluation of the progress of TPER's activities, the comparative data relating to the two previous years are shown.

Any use of estimates for some of the quantitative information is directly referred to in the various paragraphs of this document, commenting on the data presented.

To ensure consistency and comparability of information, where deemed necessary to correct any errors or to take into account the change in the indicators measurement methodology or in the nature of the activity, the quantitative data shown and relating to previous periods may be restated with respect to what was published in the NFS of the previous year. The relative indications, recalculation criteria and effects are highlighted in the corresponding chapters and paragraphs.

The contents of the NFS were also defined on the basis of the following sources: a) Regional Planning for sustainable mobility and air quality (PRIT, PAIR); b) Planning of the Metropolitan City regarding urban strategies (PSM, PTM) c) Planning of the Metropolitan City of Bologna and the Province of Ferrara regarding sustainable urban mobility (PUMS); d) "Social and environmental responsibility for public transport companies - Guidelines and indicators for drafting the Sustainability Report", published in 2019 by ASSTRA - Transport Association, the association of local public transport companies in Italy; e) Regulatory references that regulate the activities of local public transport companies.

The information and data related to the extended value of TPER (direct, indirect, induced), reported in the paragraph Analysis of the economic impact on the area –extended value analysis, are not related to specific indicators of the GRI Sustainability Reporting Standards. These are proprietary indicators defined through economic-statistical models, which do not fall within the scope of the limited audit activities.

Managers from the various Group functions were involved in the process of preparing the Non-Financial Statement. The validation of the issues reported and the identification of the contents are the result of a process of sharing with the Chairperson and all company departments.

This document has been approved by the TPER - Trasporto Passeggeri Emilia-Romagna S.p.A. Board of Directors on 27 May 2024.

Pursuant to Italian Legislative Decree no. 254/2016, the NFS has been subject to a limited scope audit by the appointed auditor PricewaterhouseCoopers S.p.A. in accordance with the principles and instructions given in ISAE3000 (International Standard on Assurance Engagement 3000 - Revised) of the International Auditing and Assurance Standard Board (IAASB). PricewaterhouseCoopers S.p.A. is also the company assigned to audit the Consolidated Financial Statements of the TPER Group. External assurance opinions also on non-financial reporting are attached to these financial statements.

This document is published on the TPER corporate website at the address www.TPER.it, in the "Transparent Company" area. To request further information in this regard, please contact the following address: sostenibilita@tper.it.

TPER notifies the GRI (Global Reporting Initiative) of the use of the GRI Standards and the related Statement of use.

The TPER Group – NFS

GRI STANDARDS	2-6

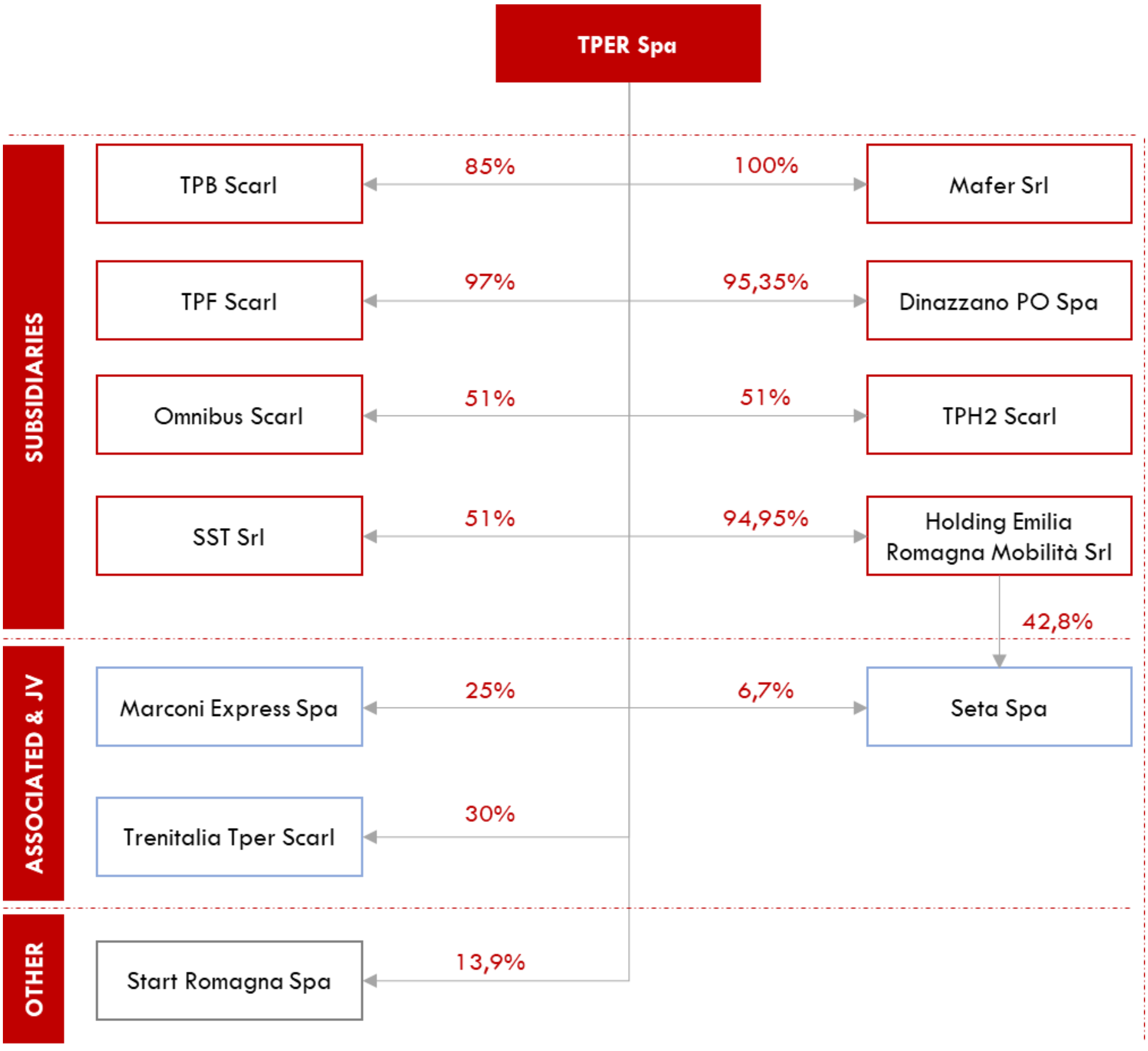
TPER holds equity investments in 12 companies, primarily operating in the passenger and freight transport sector, of which eight are subsidiaries, three are associates and one is an investee.

TPER S.p.A. is an operating holding company and, through the Group companies, carries out more specialised activities relating to the services managed (typically maintenance) or extends the scope of its transport services in the region. The current structure of the TPER Group is consistent with its role as public transport aggregator, the concept at the root of TPER's creation.

In addition to its subsidiaries Dinazzano Po and Mafer, TPER is the main shareholder of SETA, a company that provides local public transport services by road in the provinces of Modena, Reggio Emilia and Piacenza, and is a shareholder of START Romagna, which operates in the Romagna area.

As of 1 January 2020, the new jointly controlled company Trenitalia Tper will manage the railway service. Trenitalia Tper will manage the entire rail service of the Emilia-Romagna region for 15 years (extendable up to a maximum of 22).

The TPER Group's composition as at 31 December 2023 is as follows:



The different operating areas of investee companies can be distinguished as follows:

- In the automotive transport sector, the acquisition or retention of shareholdings stems from the need to achieve industrial and financial synergies, which are preliminary steps in an operational strengthening to take part in tenders for the awarding of public transport services. In the Ferrara and Bologna areas, TPER consequently decided to operate in partnership with private entities, giving rise to the consortium companies Omnibus, TPB, SST and TPF.
- In the regional rail transport sector, the new company Trenitalia TPER is active in the management of the regional rail transport.
- Also in the railway sector, TPER controls the entire capital of MA.FER S.r.l., active in the area of railway rolling stock maintenance, and has a 95.35% holding in Dinazzano Po S.p.A., a company dedicated to rail freight transport and the supply of rail freight services, in addition to the management of railway stations and intermodal terminals.
- TPER is the main shareholder, both directly and indirectly through Herm, of SETA, a company that provides local public road transport services in the provinces of Modena, Reggio Emilia and Piacenza; however, this company is not consolidated as controlling conditions do not exist. TPER is also a shareholder of Start Romagna, which provides its services in the Romagna area. The possession of these corporate shareholdings is linked to industrial logic as well as operational and financial synergies.

- the Group further expanded in 2023 with the establishment of TPH2 S.c.r.l., operating in the creation, development of know-how, management and marketing of innovative technologies in the field of plants and solutions for the production and hydrogen fuelling of means of transport.

Some information on subsidiaries is provided below. For the company results, please refer to the Explanatory Notes to the consolidated financial statements.

MA.FER S.r.l.

The company's purpose is to provide services connected and/or inherent to ordinary, extraordinary and scheduled maintenance activities on railway rolling stock and vehicles.

With reference to the year ended as at 31 December 2023, the company recorded operating revenues of Euro 23,755 thousand and a profit of Euro 18 thousand.

TPF S.c.r.l.

Following a public tender, the company has been assigned the service contract for urban and interurban public transport in the Ferrara area. In the interest of its consortium members (TPER S.p.A., which holds a 97% share, and FEM S.c.r.l., which holds a 3% share), TPF operates in the field of local public transport services and related ancillary activities.

At the end of the 2023 financial year, the company recorded operating revenues of Euro 22,370 thousand and a profit for the year of Euro 360.

Dinazzano Po S.p.A.

The company operates in the sector of intermodal terminals management, handling intermodal units and in general the logistics of goods leaving and arriving at railway stations. In addition to TPER S.p.A. (which holds a 95.55% share), the company's investors include the Ravenna Port Authority, the Intermodal Port of Ravenna SAPIR S.p.A. and Mercitalia Rail S.r.l., each with 1.55% of the share capital

As at 31 December 2023, the company recorded operating revenues of Euro 24,849 thousand and a loss for the year of Euro 3,445 thousand.

TPB S.c.r.l.

The corporate purpose of TPB, established in 2011 following the tender for the public transport service in the Bologna area, consists of local public transport and all ancillary activities in the Bologna area, where the Company holds the service contract for urban and interurban bus transport, sharing the activities between the consortium members. In addition to TPER S.p.A., Omnibus S.c.r.l. and Autoguidovie S.p.A. have equity investments in the company, with a 10% and 5% equity investment respectively.

In 2023, the company recorded operating revenues of Euro 102,646 thousand, and a profit of Euro 208.

HERM Holding Emilia-Romagna Mobilità S.r.l.

Herm is a holding company that holds 21,416,074 shares (equal to 42.841%) of Seta S.p.A.. A subsidiary of TPER S.p.A., which holds 94.95% of the share capital, is also owned by Nuova Mobilità S.c.r.l., with 5.05% of the share capital.

At the end of the 2023 financial year, the company recorded operating revenues of Euro 1 thousand and a loss for the year of Euro 9 thousand.

Omnibus S.c.r.l.

Omnibus manages transport and mobility services in general, in the interest of its consortium members. The other shareholders are Cosepuri S.c.p.a. with 17% of the share capital, Saca S.c.r.l. with 17% of the share capital, and Coerbus S.c.r.l. with 15% of the share capital.

In 2023, the company recorded operating revenues of Euro 29,054 thousand, and a profit of Euro 1,379 thousand.

SST S.r.l.

SST manages school transport services, transport in general and mobility services in the Bologna and Ferrara areas.

The company is owned by TPER, which holds 51% of the share capital, and by FE.M. S.c.r.l., with 49% of the share capital.

As at 31 December 2023, the company recorded operating revenues of Euro 6,263 thousand and a profit for the year of Euro 213 thousand.

TPH2 S.c.r.l.

TPH2 operates in the creation, development of know-how, management and marketing of innovative technologies in the field of systems and solutions for the production and hydrogen fuelling of means of transport.

The company is owned by TPER, which holds 51% of the share capital, and by H Generation S.r.l., with 49% of the share capital.

As at 31 December 2023, the company recorded operating revenues of Euro 3,131 thousand and a profit for the year of Euro 325.

NFS offices

The company carries out its activities at the following sites: Bologna (BO), Ferrara (FE), Castel di Casio - Località Prati (BO), Imola (BO), Casalecchio di Reno (BO), Codigoro (FE), Comacchio (FE), Sermide (MN), Modena (MO), and Reggio Emilia (RE).

NFS reference context and scenarios

GRI STANDARDS	2-6

In 2023, the global economic landscape deteriorated, and the outlook for the future is marked by significant uncertainty. This is largely due to escalating geopolitical tensions, the ongoing conflict in Ukraine, the outbreak of additional conflict in the Middle East, potential repercussions on commodity prices and increased fragmentation of international production.

Global manufacturing activity suffered a substantial setback after the strong rebound following the Covid shock. A number of factors weighed in: the dynamics of consumption and the partial shift from goods to services, the weakening of European industry that gravitates around Germany, the more difficult conditions for demand, especially for investment, due to the credit crunch and the gradual exhaustion of emergency policies.

Particularly in Europe and the US, the negative effects of persistent high inflation and monetary tightening are taking a toll. Additionally, other countries are affected by the dynamics of the Chinese economy, which is experiencing growth significantly below pre-pandemic levels. Overall, there is a significant decline in global trade in goods, driven by high geo-economic uncertainty, the strengthening of the dollar (the primary currency for much of the trade), and the proliferation of trade barriers.

Regarding Gross Domestic Product, Italy experienced a significant slowdown in GDP growth in 2023, achieving an increase of just 0.9% compared to 2022.

The slowdown in growth was driven by several factors: the rise in energy and raw material prices, which eroded household purchasing power and curbed business investments; the ongoing war in Ukraine, which created financial market uncertainty and triggered a wave of inflation; recent tensions in the Middle East; and the global economic slowdown, which reduced demand for Italian goods and services. In addition, the tightening of credit conditions, due to restrictive monetary policies, negatively impacted certain industrial sectors and private investments.

Overall in the Eurozone, the average GDP growth result in 2023 was modest. The Euro area average of +0.4%, a significant deceleration from +3.4% in the previous year, reflects diverse performances across countries: Spain grew by 2.5%, Germany experienced a GDP decline of -0.3%, while France and Italy both recorded a +0.9% growth.

During 2023, overall inflation in the main EU countries also fell as a result of restrictive monetary conditions and falling energy commodity prices, registering 5.7% compared to 8.1% in the previous year. By 2024, the EU aims to achieve an inflation rate below 2%, which could lead to a relaxation of monetary policies and a reduction in interest rates. This, in turn, is anticipated to positively impact the recovery of investments and stimulate domestic economic dynamics.

By the end of 2023, the unemployment rate stood at 7.7%, highlighting disparities between the north and south, between men and women, and particularly among young people.

The employment rate in the North (69.4%) is 21 points higher than in the South (48.2%) and the unemployment rate in the Southern regions (14.0%) is about three times that in the North (4.6%).

The disparity for women is approximately 18 percentage points for employment and inactivity rates, and 2 percentage points for the unemployment rate. Among individuals aged 50-64, the increase in the employment rate is more marked than in the younger age groups (+1.9 points compared to +1.2 points for young people aged 15-34 and +1.1 point for 35-49 year-olds). The unemployment rate, on the other hand, decreased more among young people (-1.1 points), compared to 35-49 year-olds (-0.1 points) and over 50s (-0.3 points).

With reference to the forecasts for 2024, Istat estimates a GDP growth of 0.6%, with a downside risk. The main risks for the Italian economy in 2024 are represented by continuing geopolitical instability, the global economic slowdown and uncertainty in the financial markets, which could dampen business investment.

The NFS legislative and regulatory framework

GRI STANDARDS	2-6

EU legislation

The regulations for passenger transport services by road and rail are established at the European level by Regulation (EC) 1370/2007, as amended by Regulation 2016/2338. This regulation also specifies the conditions under which competent authorities can compensate public service operators for the costs incurred and/or grant them exclusive rights in exchange for fulfilling public service obligations when imposing or contracting these obligations.

The Regulation (Article 5) outlines three possible methods for awarding the service effective from 3 December 2019: by tender, through direct management by the competent local authorities, or by direct assignment to a separate entity, known as in-house awarding.

The Italian legislature, with Article 61 of Law No. 99/2009, permits the use of all three awarding methods outlined in European regulations, explicitly empowering competent authorities to award service contracts directly, even deviating from sector regulations, by making use of the provisions of Article 5, paragraphs 2, 4, 5 and 6, and Article 8, paragraph 2, of Regulation (EC) No. 1370/2007.

Efforts continue at European level to accelerate the transition to zero-emission mobility, focusing on decarbonising the transport sector and enhancing energy efficiency. The Commission's communications ‘European Strategy for Low Emission Mobility’ of July 2016 and ‘Europe on the Move’ of May 2017 point in this direction. The EU Commission is imposing increasingly stricter regulatory limits for motor vehicle emissions and has introduced new Real Driving Emissions (RDE) test procedures as of 1 September 2017.

National regulations

The main reference regulations for the local public transport sector are set forth in Italian Legislative Decree no. 422 of 18 November 1997 as amended (the Burlando Decree). Decree Law No. 50 of 2017 then introduced important changes on the way services are entrusted and the choice of contractor, compensation, local public transport service levels, and the definition of public service areas and zones.

Concerning the entrusting of local and regional public transport services, Article 27 (paragraphs 1-8) promotes the use of public procedures, with consequences for the allocation of the LPT Fund.

Paragraph 12-quater of Article 27 then established the principle of separating the functions of regulation, policy, organisation and control from those of managing local and regional public transport services. Decree Law No. 50/2017 also addressed (Article 27, paragraph 6) the establishment of appropriate standards for local and regional public transport services by road and rail, which also serve as criteria for distributing the Local Public Transport (LPT) Fund.

Article 27, paragraph 11-quinquies did not affect the procedures for the selection of the contractor that had already been started before the entry into force of the law converting the Decree Law, and established that the contracts for regional and local transport, stipulated after 31 December 2017, must provide that the charges for the maintenance and renewal of the rolling stock and facilities, excluding extraordinary maintenance of publicly owned facilities and infrastructures, are to be borne by the entrusted companies. The provision also stipulates that companies are bound on the basis of the same service contracts to allocate at least 10% of the contractual fee to the renewal of the vehicle fleet on the basis of an economic and financial plan prepared by them.

According to paragraphs 11-bis and 11-ter, service contracts signed after 31 December 2017 must not include the operation of regional and local public transport motor vehicles classified as M2 or M3 that run on petrol or diesel with Euro 0 or Euro 1 anti-pollution standards. Additionally, these contracts must ensure that regional and local public transport vehicles are equipped with electronic passenger counting systems or other technologies that facilitate demand detection and electronic service monitoring.

Decree Law No. 50 of 2017 also addressed the definition of public service areas in local public transport.

Regarding sustainable mobility, the 2017 budget law introduced the Strategic Plan for Sustainable Mobility. This plan aims to renew the bus fleet for local and regional public transport services, promote and improve air quality through innovative technologies, and implement international agreements on emission reduction, along with European guidelines and regulations.

Also in this context, on 30 December 2015, the Ministry of the Environment, the Conference of Regions and the National Association of Municipalities (ANCI) signed the so-called anti-smog protocol with the aim of improving air quality, encouraging the shift to low-emission public transport modes, discouraging the use of private vehicles, reducing emissions, and promoting measures to increase energy efficiency.

With reference to the regulatory framework concerning national funding for the sector, the resources allocated to the National Transport Fund have been confirmed with adjustments for the three-year period 22-24. On this issue, the necessity for an adjustment of the Fund became evident in 2023, due to significant cost increases associated with inflation trends. The issue is currently under consideration by various institutional stakeholders. This includes discussions at the Ministry/Government level, as well as at the Conference of Regions and ANCI, especially in light of regulatory forecasts related to fiscal federalism and fund allocation rules.

Regional legislation

Specifically, Regional Law no. 30/1998 comprehensively regulates the system of regional and local public transport in compliance with the competences attributed under the Constitution. Among other things, the principles that inspire the regional rules include the containment of energy consumption, a reduction in the causes of environmental pollution and the protection of air quality from atmospheric pollution to protect the health of citizens.

The regional principles also seek to guarantee citizens and businesses optimum access to the services provided in the area, promote the central role of local public transport (LPT) as an engine for civil and economic development and social cohesion, incentivise the streamlined organisation of traffic and circulation and promote the culture of sustainable mobility.

The same Regional Law no. 30/1998 implemented the powers established by Italian Legislative Decree no. 422 of 1997 and the subsequent transfer of the railway lines formerly run by government-appointed commissions from the State to the Region, assigning the Emilia-Romagna Region with the railway services for which it is responsible.

With specific guidelines, the Emilia-Romagna Legislative Assembly establishes lines of action for the planning and administration of regional public transport which regulate the car-trolley bus sector and urban mobility. More recently, the administration issued its 2016-2018 guidelines of 3 August 2015 on the planning and administration of regional and local public transport, pursuant to art. 8 of Regional Law no. 30 of 1998. These guidelines establish the main sources of financing for the sector, providing for:

1) Regional resources deriving mainly from the National Fund for the State financial assistance to the costs of local public transport, including rail transport;

2) Regional and other resources (European, state, provincial, council and even private) for investments and infrastructural interventions, aimed at the purchase of buses and trolley buses, bicycle and pedestrian mobility and, more generally, sustainable mobility promoting air quality.

The division of services and contributions between the provincial councils was approved by the Regional Council with the "Resolution of minimum local public transport services for 2016-2018" of 16 May 2016, subsequently updated with the addendum to the 2019-2020 guidelines.

National legislation

With reference to the regulation of the sector, the Italian Transport Regulatory Authority (ART) was established, which, pursuant to Article 37 of Italian Decree Law no. 201/2011, must ensure, according to methodologies that encourage competition, the production efficiency of the management and the containment of costs for users, businesses and consumers. To this end, ART defines the conditions of fair and non-discriminatory access to infrastructures and passenger mobility, verifies the consistency of service areas with respect to sector regulations, establishes minimum conditions of service quality and minimum content of specific rights, prepares the schedules of calls for tenders for the assignment of services and conventions. In 2022, there were no significant changes in regulations in force.

Paragraph 6 of Article 48 of Decree Law No. 50 of 2017 assigned the Transport Regulatory Authority the responsibility of establishing general rules for the procedures used to select contractors for local and regional public transport services. This includes, in particular, the following tasks:

- defining criteria for determining exceptions to the principle of smaller territorial extension of tender lots compared to planning areas, considering actual and potential demand, as well as economies of scale and service integration.
- defining the outline of service contracts exercised in-house by public companies or companies with a majority public shareholding, as well as for those entrusted directly
- determining, for both calls for tender and for in-house or directly entrusted service contracts, the 'type of effectiveness and efficiency targets to be met by the operator', as well as the financial balance targets.

NFS Local planning

GRI STANDARDS	2-6

Consistent and in compliance with international and local provisions and plans on energy, climate, sustainability and the quality of life of residents, even at local level plans and programmes are created laying out actions over the coming years, taking into account the reference context and scenarios. The main local planning documents are described below.

PTR

The Regional Territorial Plan (PTR), in accordance with Article 23 of Regional Law 20/2000, serves as the planning tool through which the Region establishes objectives to promote development and social cohesion, enhance the competitiveness of the regional territorial system, and ensure the sustainability, quality and improvement of social and environmental resources.

The current PTR was designed to provide a comprehensive vision for the future of regional society, guiding the programming and planning decisions of institutions. It also serves as a reference framework for the actions of both public and private stakeholders in the development of the regional economy and society. For this reason, the PTR emphasises a vision that is not immediately regulatory but instead promotes governance innovation through an open and collaborative partnership with local institutions.

Prit – The integrated regional transport plan

The PRIT 2025 is currently in force, approved by Regional Shareholders' Meeting Resolution no. 59 of 23 December 2021 and published in BUR no. 379 of 31 December 2021.

The general and sectoral planning tools of Local Authorities, as well as their respective planning acts, implement the strategies and guidelines of the PRIT 2025. They ensure the coherence of identified objectives and coordinate between different plans, aligning with unified analyses of the cognitive framework and projected scenarios.

Planning at every level should outline a territorial arrangement that integrates the overall settlement system with mobility networks. This approach aims to guide mobility demand towards a multimodal model, promoting network integration, enhancing performance, and reducing environmental impact.

The various planning levels must therefore be integrated into a unified framework of strategic coherence that outlines how objectives related to the mobility system will be pursued.

The regional energy plan (REP)

The Regional Energy Plan establishes the strategy and objectives of the Emilia-Romagna Region for climate and energy until 2030 regarding the strengthening of the green economy, energy saving and efficiency, the development of renewable energy, interventions on transportation, research, innovation and training.

In particular, the Plan adopts the European objectives at 2020, 2030 and 2050 on climate and energy as drivers of regional economic development. Therefore, the reduction in climate-altering emissions by 20% in 2020 and 40% in 2030 compared to 1990 levels, the increase to 20% in 2020 and 27% in 2030 of the share of consumption covered by renewable sources, and the increase in energy efficiency to 20% in 2020 and 27% in 2030, become strategic for the region.

The priority action for the Emilia-Romagna Region is dedicated to decarbonisation measures, where regional intervention may be more effective, therefore in particular in the mobility, decentralised industry (SMEs), residential, tertiary and agriculture sectors. In particular, the main areas of intervention will be energy savings and efficient energy use in the various sectors, production of electricity and heat from renewable sources and energy streamlining in the transportation sector.

The REP is carried out through Three-year implementation plans (TIP).

Labour and climate pact

In December 2020, even with the difficulties connected to the second wave of Covid-19, in Emilia-Romagna the Labour and climate pact, founded on environmental, social and economic sustainability, was signed. The objective is to create quality work, govern the ecological transition, combat inequalities and reduce distances between people, communities and local areas, also taking into account the difficulties deriving from the crisis provoked by the pandemic. The Pact aims to reach carbon neutrality by 2050 and 100% renewable energy by 2035.

The Labour and climate pact was signed by the Emilia-Romagna Region and by another 55 signatories: local authorities, trade unions, businesses (industry, crafts, trade, cooperation), the four regional universities (Bologna, Modena e Reggio Emilia, Ferrara, Parma), the Regional education office, environmental associations (Legambiente, Rete Comuni Rifiuti Zero), Third sector and volunteer organisations, professional associations, the Chamber of Commerce and the banks (ABI - Italian Banking Association).

The Regional Mobility Pact

In May 2022, the Pact for regional and local public transport and sustainable mobility 2022-2024 was signed. The Pact was signed, as well as by TPER, by the regional councillor for Infrastructures and Transport and by the representatives of the Provinces and Metropolitan City of Bologna, Municipalities - with more than 50 thousand inhabitants -, associations of Local Authorities, Local Mobility Agencies, other LPT companies, business associations, regional trade union confederations, trade unions, regional railway service users 'committee and provincial users' advisory committees.

The new Pact provides for investments of over Euro 320 million, including the purchase of 700 new buses. The pact also provides for the allocation of resources dedicated to digitisation and tariff integration (approximately Euro 35 million, to be also allocated to the Grande initiatives, free under 14 subscription, and Salta su, free subscription for under 19 with family ISEE equal or lower to Euro 30 thousand).

An important chapter of the Pact concerns the protection of work with the enhancement of professionalism and the safeguarding of the employment levels of the personnel employed in the local public transport services.

The most challenging objectives of the Pact also include the creation, over the next few years, of a regional transport holding, a structured system capable of keeping up with global challenges.

As part of the commitments made by the European Union in 2015 with the Paris Agreement on climate change, to reduce CO2 emissions by at least 40% by 2030, and in implementation of the "European strategy for low-emission mobility", the European Commission presented a package of measures in 2018 related to the "Europe on the move" initiative.

The overall objective is to create the right conditions and the right incentives to develop an industry that is competitive at the global level, innovative and capable of increasing employment, especially in the transport sector, considered one of the main culprits for the deterioration in air quality in urban areas.

Metropolitan agenda for sustainable development

The Metropolitan Agenda for Sustainable Development is a voluntary document that the Metropolitan City has drafted on the basis of the commitment made on sustainable development. The Agenda is connected with the documents attributed by law to the Metropolitan Cities, such as the Metropolitan Strategic Plan, in addition to sector planning instruments and entity programming documents such as the Single Programming Document (SPD).

The document contains a detailed guide for the various steps of a circular planning, implementation and monitoring process which is considered a useful basis for the implementation of the Metropolitan Agenda for Sustainable Development.

PSM - The Metropolitan Strategic Plan

The Metropolitan Strategic Plan (PSM) aims to provide precise and consistent indications for the operation of the functions of the Metropolitan City of Bologna, the municipal unions and the city councils that fall within in the metropolitan area, defining:

- General and transversal objectives that must guide the administrative action of the metropolitan area as a whole;
- Actions and priorities for intervention in the individual matters overseen by the metropolitan city.

The PSM must, therefore, be considered hierarchically superior and logically more important than the directives, plans, programmes, instructions, circulars and every act of the Metropolitan City and the local administrations on organisational and functional matters, objectives and administrative proceedings.

The strategic mobility objective in the metropolitan area of Bologna is 20% reduction in private traffic flows by 2020 and progressive reduction of climate-changing emissions by up to 40% no later than 2030. The objectives of the PSM, consistent with the guidelines given in previously described plans, are based on a new way of planning mobility: the PSM is the first integrated mobility plan that focuses not only on travel but also on improving the quality of life in cities and the local area. For this reason it is a transversal plan which addresses critical consistency and coordination issues with the policies and intervention tools designed for other sectors (such as urban planning, environment, economic activities, tourism, social services, health, safety, energy and education) that are available to the various authorities. With this in mind, we must carefully focus on maintaining a virtuous balance between the effectiveness and efficiency of the mobility system and the layout and urban and territorial developments. In particular, the PSM establishes that:

- Urban planning activities are only possible if an adequate supply of sustainable transport is guaranteed, and in particular public transport directly serving the site
- Urban planning actions (residence, trade, functional centres) must be preceded by the necessary infrastructures that guarantee sustainable mobility and the identification of the necessary economic coverage for the realisation of the services
- Initiatives to counter urban sprawl is a priority, and consistency between the mobility system, the layout and the development of the territory is instead pursued. In particular, recoveries that do not exceed the loads given by the existing types are allowed in the rural area.
- The constant improvement of the quality of the existing road and urban space must be a goal.

Metropolitan territorial plan (MTP)

In the course of 2020, the Metropolitan City of Bologna worked to define the first Metropolitan Territorial Plan in Italy, for all intents and purposes inaugurating an unprecedented urban planning season focusing on regeneration and equalisation.

The challenges identified by the new metropolitan planning instrument: protection of the soil (combating fragmented settlement patterns and safeguarding ecosystems), safety (for people and for the territory, considering the effects of the climate crisis), inclusion and liveability (combating social, economic and demographic fragility), sustainable attractiveness (strengthening and qualifying metropolitan networks and nodes from the sustainable perspective to attract investments), the Apennines, via Emilia and the Plains just one territory (territorial cohesion and equalisation fund). The MTP was approved by the council in May 2021.

PUMS - The Urban Plan for Sustainable Mobility

Metropolitan City of Bologna

The PUMS is a strategic plan that manages mobility in a sustainable way over the medium-long term, but with checks and monitoring at predefined intervals, and develops a systemic vision of mobility, correlated and coordinated with overarching and municipal sectoral and urban plans. The guiding principles of PUMS are therefore integration, participation, evaluation and monitoring. The PUMS for the Metropolitan City of Bologna has the entire metropolitan area as its reference territory and addresses the transversal and radial relations between city councils, carefully analysing movements to and from the capital, considering its high level of attraction, as well as Imola.

The objectives:

- Guarantee a high level of accessibility
- Comply with the objectives of the Paris Climate Agreement 2015 - COP 21
- Observe the objectives for healthy air - PAIR 2015 - Emilia-Romagna Regional Council
- Reduce road accidents to a minimum.

The objectives to be achieved by 2030 are driven by the Paris Climate Agreement (COP21). Though not explicitly defined in the Agreement, with the adoption of the PUMS the Administrations commit to reducing "climate-changing" emissions, including in the mobility sector, by at least 40% by 2030 and to creating the conditions that will make it possible to reduce emissions to the minimum levels by 2050.

Province of Ferrara

The PUMS of the Province of Ferrara is inspired by the principles of integration, participation and value over time, has a medium/long-term horizon (10 years), develops a systemic vision of mobility and is correlated and coordinated with overarching and municipal sectoral and urban plans. This plan represents a transition from transport planning to sustainable mobility, going beyond the ex-post approach, which saw traffic as the critical element requiring action, instead assessing people's mobility requirements and the relative offer of sustainable transport methods.

The objectives:

- To guarantee all citizens transport options that enable them to access key destinations and services
- To improve safety conditions
- To reduce atmospheric and noise pollution, greenhouse gas emissions and energy consumption
- To improve the efficiency and affordability of people and goods transport
- To contribute to improving the attractiveness of the province and the quality of the urban environment and the city in general, for the benefit of citizens, the economy and society as a whole.

Municipality of Bologna SECAP

After the 2018 Paris conference, the community of the united nations sounded a new alarm due to the worsening of climate change and the need to reduce climate-altering emissions by at least 40% by 2030 and achieve carbon neutrality by 2050. Therefore, in April 2019, the Municipality of Bologna became a signatory to the Covenant of Mayors for energy and climate, launching work to monitor and draft the new Action plan (SECAP). The Plan will also contain the monitoring of the inventory of emissions and the assessment of vulnerabilities and climate risks.

NFS Strategy and objectives

GRI STANDARDS	2-23 2-24

Transport system and sustainable mobility

The global mobility system is undergoing a significant transformation. Technologies enable innovative related activities and the promotion of smarter, cleaner and more inclusive mobility (World Economic Forum Strategic Intelligence (weforum.org).

The transport system is essential for people. The sector is essential to ensure sustainable development and to meet the needs to improve people's lives, environmental conditions and to meet the expectations of future generations. Transport allows access to what is needed.

The sector is facing a period of challenges and changes: the energy costs dynamics are accelerating the transition to sustainable mobility systems, where electricity will play a decisive role (the EU has set itself the goal of registering exclusively zero-emission buses by 2030); the definitive post-Covid-19 recovery will allow public transport to operate at full capacity, but in a different work and society organisation conditions compared to before the pandemic (smart working, expansion of sharing mobility proposals, etc.); dialogue with Smart City and other transport systems, in a world where digital technology drives transformation.

Sustainable mobility entails above all a decision to use public transport as the means of transport that is of high quality, more efficient and safe, effectively able to guarantee better mobility and generate benefits for users, the community and the environment. The value and social function of public transport, which enables the public to exercise their right to mobility (both in economic and physical terms), is fully reflected in the strategic objective entailing the necessary extension of its use, enabling people to take advantage of the actual opportunity, in terms of safety, time, convenience, effectiveness and comfort. The use of public transport makes it feasible to strengthen road safety and reduce the numbers of accidents and fatalities.

Sustainable mobility is a safe, economic, fair and accessible, efficient system, capable of contributing to mitigating the impacts of climate change in terms of emissions reduction and adaptation, minimising any other type of environmental impact.

Italy/NRRP - National Recovery and Resilience Plan

The NRRP is the economic relaunch project forming part of the EU Next Generation European Plan. Guided by transversal priorities (New generations, gender equality and reduction in the citizenship gap) is divided into 6 Missions (main topic areas) consistent with the 6 pillars of the Next Generation EU, including the mission defined as the Green Revolution and ecological transition that directly affects the renewal of fleets (Mission 2, *renewable energy component, hydrogen, network and sustainable mobility* - Measure 4 *Developing a more sustainable local transport*) and under various profiles, including the development of rapid mass transport, the development of biomethane, the experimentation of hydrogen for road transport from renewable sources. Renewal of green bus and train fleets, installation of electric charging infrastructures, electric buses-industrial chain.

European Union - Green Deal

The transport sector contributes around 5% to the EU's GDP and employs over 10 million people in Europe. At the same time, transport has a significant cost in terms of greenhouse gas emissions and pollutants, noise, road accidents and traffic congestion. The transport sector contributes 25% of the greenhouse gas emissions of the countries of the European Union.

The European goal is to reduce greenhouse gas emissions from the transport sector by 90% by 2050. Urban mobility is responsible for 23% of European transport emissions. A total of 70% of European citizens live in cities, a percentage that will rise to 84% by 2050. By 2050, the number of fatal accidents related to transport activities must be close to zero in all EU countries. Today, 38% of fatal accidents occur in cities and 70% concern the most vulnerable road users (such as children and cyclists). [Transport and the Green Deal | European Commission (europa.eu)].

EU Mobility strategy (abstract)	
1 Sustainable mobility	
Reduce its dependence on fossil fuels: By 2030, there will be at least 30 million zero-emission cars in operation/By 2030, there will be at least 100 climate-neutral cities in Europe. Planned collective journeys of less than 500 km are expected to be carbon neutral by 2030 within the EU.	
Make alternative choices available: All large and medium-sized cities implement their sustainable urban mobility plans by 2030.	
2 Smart mobility	
By 2030, integrated electronic ticketing will facilitate seamless multimodal passenger transport. Freight transport will be dematerialised.	
3 Resilient mobility	
Creating a strong and resilient market: Investments in transport infrastructures in all EU member states/By 2050, a fully operational multimodal trans-European transport network for sustainable and intelligent transport with high-speed connectivity.	

Creating a fair and just mobility system for all: Making mobility accessible and affordable in all regions and for all passengers/Improve the conditions of transport workers. **Ensuring the highest standards of safety and protection in European transport:** By 2050, the death toll for all modes of transport in the EU will be close to zero.

Integrating sustainability in TPER's business plans

The TPER 2022-2026 Plan approved by the Board of Directors on 21 April 2023 provides for concrete actions to respond to the need to contribute to sustainable development.

The strategic guidelines are designed to have a significant impact on the prospects for business development and contribute to the pursuit of economic, environmental and social sustainability objectives.

The Plan's targets are focused on **investments in transport methods with higher sustainability** as well as implementing and completing **infrastructure projects**. The pursuit of sustainable development requires capacity for innovation and technological development, to improve the efficiency and quality of the services offered. The realisation of investments and a business plan that meets the environmental and social needs linked to mobility must be supported and accompanied by the development of the knowledge and skills of the people/organisational structure.

Business Plan - Strategic objectives	
Technological development	Drivers of technological innovation, in support of businesses and development of new opportunities
Quality	High quality standards in all activities for the benefit of all stakeholders
Sustainability	Carrying out our role in the communities in which we operate, with respect for the law and the environment
Economic balance	Business continuity and development, always seeking to maintain the economic and financial equilibrium
Increasing competitiveness	Developing strengths and improving weaknesses, including through partnerships and the management of innovative forms of mobility
Efficiency	Constant improvement of internal processes - high levels of efficiency

Business Plan - Sustainability objectives	
Environment	Optimisation of energy consumption, reduction in the use of fossil fuels and a consequent reduction in emissions of CO_2 and other substances that are harmful to human health and the environment
Efficiency and quality	Maintaining high levels of affordability, profitability and productivity with the aim of respecting the company's goals by making the best possible use of available resources, also guaranteeing economic sustainability in the process
Accessibility	Improved comfort for travellers and the guarantee of a sustainable service for all, including those who can't afford alternative modes of transport
Safety	Reduction in the likelihood of accidents, safety on board and for company personnel

TPER's commitment to the SDGs

OBIETTIVI PER LO SVILUPPO SOSTENIBILE

The objective of the TPER's Business Plan is consistent with the European Union's objectives in terms of sustainable mobility policies and it refers to the United Nations Agenda 2030 and the SDGs - Sustainable Development Goals that are an integral part of it.

Through its industrial strategy and business model, TPER has made a commitment to contribute to the achievement of 10 SDGs, considered priorities.

SDG3 - SDG11 include specific targets that are directly connected with transport: the reduction of deaths and injuries due to road accidents (SDG 3.6) and access for all to sustainable, safe and comfortable transport systems (SDG 11.2).

TPER's specific commitments with respect to the SDGs and related areas of impact and actions of the Business Plan are reported in analytical terms and for better documentation of the underlying correlation in the paragraph **Impacts and material topics**.

SDG		Impact areas/TPER Business Plan targets
3 SALUTE E BENESSERE	Ensure healthy lives and promote wellbeing for all at all ages	Environment Safety
5 PARITÀ DI GENERE	Equal opportunities for women and men in economic development, elimination of all forms of violence and equal rights at all levels of participation	Gender equality plan Certification
7 ENERGIA PULITA E ACCESSIBILE	Ensure access to affordable, reliable, sustainable and modern energy	Environment Efficiency - Quality
8 LAVORO DIGNITOSO E CRESCITA ECONOMICA	Promote inclusive and sustainable economic growth, employment and decent work for all	Efficiency and quality Safety Work
9 IMPRESE, INNOVAZIONE E INFRASTRUTTURE	Build resilient infrastructure, promote sustainable industrialisation and foster innovation	Environment Efficiency and quality Accessibility
10 RIDURRE LE DISUGUAGLIANZE	Reduce inequality within and among countries	Efficiency and quality Accessibility
11 CITTÀ E COMUNITÀ SOSTENIBILI	Make cities inclusive, safe, resilient and sustainable	Environment Efficiency and quality Accessibility
12 CONSUMO E PRODUZIONE RESPONSABILI	Ensure sustainable consumption and production patterns	Accessibility
13 LOTTA CONTRO IL CAMBIAMENTO CLIMATICO	Take urgent actions to combat climate change and its impacts	Environment

17 PARTNERSHIP PER GLI OBIETTIVI	Revitalize the global partnership for sustainable development	Governance

NFS Services for the territory

GRI STANDARDS	2-6

TPER manages local public road transport in the Bologna and Ferrara areas, and it provides the public railway transport service on the regional network in partnership with Trenitalia through the associated company Trenitalia Tper. It also manages the car-sharing service, which has been free-flowing and 100% electric since October 2018 (Corrente).

TPER is the implementer of the main mobility projects in the Bologna area and is the manager of the new MEX station-airport connection, under concession to the investee Marconi Express.

Road transport service

The total number of passengers transported by TPER in 2023 was 150.7 million, up by 19.6% compared to the previous year.

The road transport network covered by TPER in the provinces of Bologna and Ferrara equates to 4,427 kilometres, including an urban network of 561 km. In 2023, the TPER Group and its partners covered more than 44 million km in the Bologna and Ferrara areas.

Urban and extra-urban area of Bologna

In order to guarantee the public road transport service in the Bologna area (through the subsidiary TPB), the TPER Group vehicles offered more than 35.5 million kilometres of urban, exurban and suburban routes, of which 1.1 million for Prontobus call service.

Public road transport service in the Bologna area - km offered	2021	2022	2023
Bologna urban service	17,584,026	17,541,772	17,671,170
Urban service in other local councils	691,157	688,846	684,529
Suburban and exurban service in Bologna	18,200,084	17,627,756	17,040,864
Reserved and specialised lines and rentals	45,898	88,373	90,002
Total km covered	**36,521,165**	**35,946,747**	**35,486,565**

In 2023, TPER transported roughly 135.5 million passengers in the Bologna catchment area, managing a total of 87 urban, 18 suburban and 139 extra-urban lines, 12 of which Prontobus call lines.

Urban and extra-urban area of Ferrara

In order to provide the local public road transport service in the Ferrara area, the subsidiary TPF covered 8.9 million kilometres in 2023, 1.1 million of which via the Taxibus call service.

Public road transport service in the Ferrara area - km offered	2021	2022	2023

Urban service in Ferrara	2,574,743	2,526,279	2,469,674
Ferrara extra-urban service	6,826,302	6,560,489	6,424,681
Reserved and specialised lines and rentals	747	1,241	1017
Total km covered	**9,401,792**	**9,088,009**	**8,895,372**

In 2023, 15.2 million passengers were transported in the Ferrara area. There are 21 urban lines, 15 Taxibuses, and 44 exurban lines in the Ferrara area.

Rail freight service

As of 1 January 2020, the new company Trenitalia Tper is managing regional railway transport in Emilia-Romagna, providing railway passenger transport for the Emilia-Romagna region on both regional and national lines.

Trenitalia Tper is a 30% investee of TPER, which retains ownership of the rolling stock made available for the service.

Since it is an associated group company, as of 2020 the service data are not consolidated with TPER data.

Car sharing - "Corrente" service

Corrente, a free-flowing car-sharing service with completely electric cars, was launched by TPER on 27 October 2018. In 2023, the service was extended with the acquisition of 100 electric scooters that can be used in the Bologna area. Part of the ZOE car fleet was decommissioned, to allow replacement with a different car model in 2024.

Through the Corrente portal or App, it is possible to view the nearest cars or scooters on the map, unlock them and start the journey. With the Corrente Plus project, it is also possible to start weekly or monthly long-term rentals.

The service has almost 82 thousand registered users, who have covered roughly 2.3 million kilometres using this sustainable mobility system in 2023.

As at 31 December 2023, the service is active in Bologna (cars and scooters), Ferrara, Casalecchio di Reno and Imola, with the possibility of opening and closing the route even between different cities.

Car Sharing service data	2021	2022	2023
Cars	385	385	226 (average figure)
Registered users	46,752	66,745	81,728
Completed trips	191,825	192,939	135,260
Hours used	97,583	376,122	276,965
Kilometres travelled	2,502,288	3,750,036	2,793,032

Scooter Sharing service data (from 1 June 2023)	2023
Fleet as at 31 December	100
Completed trips	23,936
Hours used	7,349
Kilometres travelled	103,996

Management of the MEX service

Marconi Express is a transport system linking Bologna airport with the high-speed railway and the city centre through a terminal at the FS railway station. This station serves as a central hub for national railway lines, accommodating over 50 million passengers annually. The service was inaugurated on 18 November 2020.

TPER, a 25% shareholder of Marconi Express, manages the service. In 2023, Marconi Express had 1,730,103 passengers, with an average of over 4,700 people transported per day. The service covered 457 thousand km.

Mobility Management

TPER annually stipulates various Mobility Management agreements with companies and entities based in the service area.

Through these agreements, TPER issues discounted annual passes for employees who request them on the TPER portal "Solweb". The discount applied by TPER is 5% or 15% depending on the contribution paid to employees by their company (which in some cases well exceeds 15%, making the pass especially convenient and thereby encouraging its purchase).

In addition, further subsidies have been implemented since 2022, including:

- the disbursement of the contribution envisaged by the Municipality of Bologna as part of the PON Metro - React EU Project "Extraordinary plan in favour of company Mobility Managers and innovative actions" for the relaunch of local Public Transport; thanks to this, the companies signatories to the agreements with TPER for the purchase of subsidised passes reserved for employees have increased.
- the extension with the same methods to the Ferrara Area of the Framework Agreements for the subsidy of the 15% contribution, already in force for the Bologna Area, with the integration of a further contribution from AMI Ferrara in favour of companies

Instead, other agreements provide for the purchase of a large number of passes, in relation to the total number of employees, at a flat rate, which companies and entities then distribute to their employees during the year based on actual requests. The conventions signed for the provision of Special Passes with Intercent-ER, Municipality of Bologna and ASP Città di Bologna are part of these agreements.

Specific agreements also concern:

- students enrolled at the University of Bologna who, thanks to contributions from the university, have access to passes at particularly advantageous rates;
- Philip Morris Manufacturing & Technology Bologna S.p.A., which provides a pass free of charge to employees valid on the entire service provided by TPER, including the two lines that reach the company plant in the municipality of Crespellano

- Bologna G. Marconi Airport, with the provision of special passes reserved for airport personnel with various additions integration between the MEX, LPT, Corrente and Trenitalia rail services

Finally, agreements are signed with companies for the purchase of ordinary passes reserved for employees. Tickets are booked in the same way as mobility tickets, through TPER's online system.

The detailed list of companies that have signed agreements for discounted mobility or special employee passes as of April 2024 is provided below:

- Acer Bologna
- Bologna Airport
- Alfasigma
- Area Blu (Employees of the Municipality of Imola)
- ASP - Città di Bologna
- AUSL - Bologna Local Healthcare Unit
- AUSL Ferrara
- Ferrara Hospital
- Bomob
- Clauger-Technofrigo
- Coloplast
- Municipality of Bologna
- Municipality of San Lazzaro di Savena
- Crif
- Emil Banca
- ENEA Bologna
- Fondazione Hospice Seragnoli Onlus
- Galletti Spa
- Gd
- Hera
- Ima
- INFN
- Intercenter
- Istituti Ortopedici Rizzoli of Bologna
- Marposs
- Monrif
- Open Group
- Philip Morris
- S. Orsola-Malpighi General Hospital
- PwC
- Site S.p.A
- Unipol
- University of Bologna
- University of Ferrara
- Woolrich
- Zanichelli

Ticket distribution

TPER offers its customers different ways to purchase individual tickets and travel passes for the transport service, as reported hereunder:

- Company ticket offices: TPER points are available to customers in Bologna, Ferrara and Imola. At TPER points, customers can receive answers to any request related to public transport and different forms of mobility: information, travel and parking tickets, passes and much more.
- Ticket sales: a network of over 1,500 authorised merchants can sell TPER travel tickets.
- Self-service automatic ticket machines - automatic distributors: TPER provides its users with a network of automatic ticket distributors for widespread ticket distribution.
- ATMs - Home banking: with the introduction of smart cards for pass holders, TPER provides further pass renewal options. It is possible to top up subscriptions at any ATM of the Unicredit and Carisbo/Intesa Sanpaolo Group network, or by using the respective home banking options of the banks' websites.
- Website: Smart cards can be requested from the TPER website (new issues) and can be recharged directly from home
- Sale on board: tickets can be purchased on board in cash using special issuers, or they can be purchased without surcharge using a contactless bank card
- Applications: With the MUVER and ROGER apps, it is possible to buy travel tickets directly with your smartphone.

NFS TPER fleet

GRI STANDARDS	2-6

Fleet - road vehicles

The fundamental lever of TPER's environmental sustainability consists of its activities to reduce - in line with available resources - the environmental impacts of its fleet, according to three guidelines:

- Urban transport: use of electric vehicles (hydrogen-powered vehicles also in the future)
- Suburban transport: use of hybrid/methane-powered vehicles (hybrid/CNG/LNG)
- Exurban transport: use of liquid methane (Biofuel/LNG) powered vehicles

In total, the TPER Group had 1,192 vehicles as at 31 December 2023 (1,186 as at 31 December 2022 and 1,199 as at 31 December 2021).

	Diesel	Electric	Methane	Diesel hybrid	Methane hybrid	Total
Interurban	292		83	7		382
Suburban	122		125	29		276
Urban	102	102	228	47	55	534
Overall total	516	102	436	83	55	1,192

In the areas managed by subsidiaries TPB and TPF, the vehicles of SST (14 vehicles) and its partners are also used (a total of 275 vehicles).

	Diesel	Methane	Total
AGI	27	2	29
Coerbus	45	2	47

Cosepuri	63	5	68
La Valle	24		24
SACA	65	14	79
Sarasini	7		7
SST	10	2	12
Total	241	25	266

Below is a detailed analysis of TPER vehicles only.

	Diesel	Electric	Methane	Diesel hybrid	Methane hybrid	Total
Euro 3	177		15	24		216
Euro 4	32		21			53
Euro 5	132		25	2		159
Euro 6	175		197	57	55	484
EEV			178			178
ZEV		102				102
Total	516	102	436	83	55	1,192

The main source of fuel is still diesel. TPER uses a diesel fuel with very low sulphur content (10 parts per million) which limits emissions of sulphur dioxide and sulphates.

Particularly for urban services, TPER uses zero-emission electric trolley buses and buses run on methane, a fuel that does not release benzene, sulphur dioxide or particulate matter (PM10) and whose carbon dioxide and nitrogen oxide emissions are, respectively, 25% and 90% lower than those of traditional fuels.

In addition to 436 methane vehicles, of which 178 are Enhanced Environmentally Friendly buses and 178 Euro 6 buses, there are 102 electric vehicles with ZEV - Zero Emission Vehicle characteristics, 138 hybrid buses, 516 diesel buses, of which 175 Euro 6 buses.

Almost all buses are equipped with devices to reduce emissions (with the exception of the new Euro 5, Euro 6, Zero Emission Vehicles and EEV, which have a reduced impact or no impact).

Therefore, considering the EEV vehicles (Enhanced Environmentally Friendly Vehicles), ZEV vehicles, which are considered to be emission-free vehicles, and Euro 6 vehicles (considered to be environmentally sustainable for the European taxonomy until 2025), 71% of the vehicles in the TPER fleet have low emissions.

	Interurban	Suburban	Urban	Total
Euro 3	96	74	46	216
Euro 4	6	8	39	53
Euro 5	70	20	69	159
Euro 6	210	151	123	484
EEV		23	155	178
ZEV			102	102
Total	382	276	534	1,192

TPER investments for urban routes are aimed at increasing the number of electric vehicles. The Bologna trolley bus network was already present in the 1960s and 1970s and, although unused for several years, was always maintained and has recently been refurbished. The current electric fleet consists of 68 trolley buses, 49 of which are Crealis Neo.

Regarding the type of vehicles used, there are 54 short buses, 49 buses of medium length, 733 long buses and 356 super-long/articulated buses.

	Interurban	Suburban	Urban	Total
Short	10		44	54
Middle	13		36	49
Long	262	224	247	733
Super-long/Articulated	97	52	207	356
Total	382	276	534	1,192

With respect to architectural barriers, 92% of buses have at least one device to facilitate getting on and off the vehicle.

Specifically, 1,053 buses are equipped with a platform to facilitate the use of the vehicle by persons with reduced mobility (1,016 in 2022 and 967 in 2021) and 1,069 buses have a lowered platform (1,074 in 2022 and 1,028 in 2021).

		without platform	Equipped with elevator platform	Overall total
Interurban	Standard platform	81	33	114
	Lowered platform	41	227	268
Suburban	Lowered platform		276	276
Urban	Standard platform	9		9
	Lowered platform	8	517	525
Interurban Total		122	260	382
Suburban Total			276	276
Urban Total		17	517	534
Total		139	1,053	1,192

In parallel with the increase in equipped buses, the personalised assistance system for those with special requirements also continues to be developed.

Users in wheelchairs can now check (also using an app or the variable smart pole messages) whether line buses are equipped, knowing that the coverage of equipped vehicles in the urban area makes it mostly unnecessary to make a reservation, allowing for the independent and free use of this public service.

In any event, it is also possible to agree on the presence of a platform on routes of interest for six-month periods, or, lastly, agree on a single specific itinerary on a specific day, by providing prior notice of at least three days. All of this can be done by using the info available in the shelters and on the company website or with the assistance of the Call Centre.

A series of measures have been adopted to facilitate travel for passengers with reduced mobility. The measures concern the vehicles themselves, which have been made more user-friendly, and the information provided. The measures include:

- Information at stops via electronic poles, providing information on the arrival of the buses as well as information about the presence of the platform

- Provision of applications that give information about the arrival of buses and also about the presence of a platform on the arriving buses (for details of the applications http://www.TPER.it/apps).

Vehicles - Rail transport

Although it has transferred the railway branch of business to Trenitalia Tper, TPER has retained ownership of the assets functional to the performance of the service and continues to invest in the purchase of new rolling stock.

The rail service is also managed using new technologies that favour sustainability. Seven new ETR 350 (from the new series) have been in service since 2017, in addition to the 19 ETR 350 (including seven from the new series) already in service. Each ETR has around 270 seats but can carry a total of around 600 passengers. The service improvements made to the 14 new ETR trains include an additional toilet on board. The ETR trains were purchased in advance of the expiries set forth in the contract linked to the regional railway service tender precisely to guarantee in advance new trains with positive impacts on service quality as well as in terms of emissions.

TPER has 14 electric and 2 diesel trains. The average life of trains owned by TPER is 9 years.

Average age of vehicles

In 2023, the average age of the vehicle fleet was 10.7 years. The trend of improvement and reduction of the average age continues with respect to previous years. Ongoing and planned investments will help to further improve this indicator, while the strong commitment to vehicle maintenance ensures that the equipment is in a state of good quality and functionality.

	2021	2022	2023
Average age of buses	11.7	11.9	10.7
Average age of trains	7	8	9

NFS Investments and innovation

GRI STANDARDS	2-6 203-1

The TPER investment plan concerns the purchase of new vehicles for the road and railway sectors and the realisation, as an implementing entity, of projects aimed at developing more efficient and sustainable mobility, technological development and information technology.

The investments outlined pertain to the 2022-2026 plan, although TPER has established a long-term strategy spanning over ten years. This approach aligns with technological advancements and the projected funding for new infrastructure projects.

The investments respond to the local, national and international objectives regarding sustainable development.

Investments 2022-2024	Amount (Millions of Euro)	Goals of the Metropolitan Strategic Plan and PUMS (Bologna and Ferrara areas)	Goals of the Urban Agenda for sustainable development	United Nations Sustainable Development Goals (SDGs)	EU taxonomy objectives

NEW INFRASTRUCTURES, PLANTS AND TRANSPORT SYSTEMS	141	Protection of the territory (air quality and climate change), city enhancement, and accessible and sustainable mobility	Adaptation to climate change and reduction of disaster risk	Construct a resilient infrastructure, promote innovation and fair, responsible and sustainable industrialisation	Adaptation to climate change The transition to a circular economy Pollution prevention and reduction
ACQUISITION OF NEW VEHICLES FOR THE LOCAL ROAD PUBLIC TRANSPORT SERVICE	277		Urban and extra-urban mobility and intermodality	Making cities and human settlements inclusive, safe, resilient and sustainable	
ACQUISITION OF NEW VEHICLES FOR THE LOCAL RAIL PUBLIC TRANSPORT SERVICE	14		Rail mobility and intermodality		

Added to these investments are those in Information Technology, bus video surveillance, EMV ticketing and modernisation of AVM systems.

Projects

The PIMBO project

PIMBO is the acronym of Progetto Integrato della Mobilità Bolognese, the integrated Bologna mobility project for the completion of the Metropolitan Railway Service and the creation of trolley bus services on the main urban public transport lines. TPER is the manager and executor of the project.

By implementing the planned interventions, it will be possible to guarantee a strong and widespread connection system for public transport powered by electricity, with important consequences in terms of reduction of road congestion, air pollution and noise pollution, in line with the planning tools of all local authorities involved in the project (PUMS).

The project envisages:

- The restructuring and strengthening of the urban public transport network through the development of the existing trolley bus system, and the integration with the railway system and with the new tramway projects in Bologna.
- The completion of the Metropolitan Railway Service (SFM), with the construction of the last four stops inside the Municipality of Bologna (Prati di Caprara, Zanardi, Borgo Panigale Scala, San Vitale-Rimesse), with the adaptation of the San Ruffillo and Fiera stops and the multi-modal connection with the urban fabric, through the implementation of a series of works to improve accessibility.
- The "branding" of SFM stations and the modernisation and completion of the network.
- The purchase of trolley bus and railway rolling stock to be used on the project trolley bus and railway lines.

The PIMBO Definitive Project, as indicated above, was approved with CIPE Resolution n. 92 of 22 December 2017, published in the Official Gazette on 15 June 2018. Following the loan granted by MIT to the Municipality of Bologna to build the red line of the tram and the loans granted for the planning of additional lines (expected to be 4), in the second half of 2019 it was necessary to carry out a review of the project, still in progress, to verify the interferences between the new tram lines and those which will become trolley buses, albeit with the approved economic framework of the PIMBO project remaining unchanged. In 2023, a project review consistent with the new context was initiated, in particular taking into account the work on the new tram lines.

TPER is the implementing body for the initiatives relating to the completion of the trolley bus lines and accessibility.

The People Mover project

The People Mover is the mode of transport chosen for the Marconi Express, which is the direct connection between the Central Railway Station and Bologna Guglielmo Marconi Airport. The People Mover is a guided, fully electric and automatic (driverless) mass transit system with platform screen doors to protect passengers. It is essentially a monorail shuttle that connects the city centre (Central Station) and the airport in about seven and a half minutes, making a single intermediate stop in an urban area undergoing redevelopment and destined to host a new housing and university area.

The service started on 18 November 2020. TPER is a minority shareholder of the company Marconi Express S.p.A. and manager of the service on behalf of the same company, concessionaire of the Municipality of Bologna. TPER therefore takes care, starting from the date indicated above, of the ordinary and scheduled management and maintenance of the new system, while the Works contractor, who carried out the work, is carrying out extraordinary and corrective maintenance under warranty.

TPER carries out the following main activities:

- Service management
- Ordinary and scheduled maintenance
- training and certification of personnel who must be qualified by the Agency for the safety of railways and road and motorway infrastructures (ANSFISA)
- organisation and management of the travel ticket sales and marketing network.

Innovation

Artificial intelligence

TPER carried out a project in 2023 to develop a passenger counting system based on artificial intelligence. Possible developments are envisaged both in the organisational field, with regard to internal activities, and in the area of the development of user services.

Research & development activities

Innovation and digitalisation are key elements of TPER's strategy, to ensure, in a scenario of rapid transformation, high standards of safety, operational efficiency, quality and accessibility of services.

Mobile ticketing

TPER, together with the companies Seta, Start and Tep, managers of local public transport in Emilia-Romagna, have launched a project for the purchase of bus tickets via smartphones which is fully compatible with the MiMuovo technology systems already used on all buses run by the Emilia-Romagna public transport companies.

The aim is to guarantee quick and easy use, user security in terms of the management of their data and less risk of counterfeiting, as well as facilitating the on-board mandatory ticket validation process. Once downloaded onto smartphones, the tickets enable access to all buses and can be checked via the handheld devices used by conductors, just like any other travel ticket used today on the MiMuovo regional system.

These new systems, which enable users to download bus tickets onto their mobile phones with just a few clicks, expand the range of purchasing options in Bologna which already includes over 1,000 authorised local sale points and the sale of time-limited tickets aboard urban buses via automatic ticket machines.

ROGER

Again in collaboration with the public transport companies of Emilia-Romagna, the ROGER application has been available since 2018, which makes it possible to buy tickets and passes and to transform mobile phones into a technology substitute for the ticket itself (or the MiMuovo pass). In fact, with ROGER customers can validate their tickets on board using their phones. ROGER works with all Android smartphones, both NFC and not, and also with Apple phones, and can be viewed as a kind of virtual mobility assistant.

You can use the app's navigation system to plan your journey, integrating the various forms of public transport: by bus as far as the train station, then the train and then the bus again afterwards. In fact, ROGER proposes all possible combinations and once you have chosen your travel solution also proceeds to purchase all the necessary tickets. ROGER can also be used by those travelling by car, enabling you to pay for parking.

Plans are in place to integrate ROGER with the Corrente car-sharing service in Bologna, enabling users not only to book and unlock vehicles but also to figure out which bus they can take to get to the nearest free car and where it is best to get off the bus to take the car to their destination, if this is not well served by traditional public transport. They can also use the app to park their own car (and pay for parking) so they can then use Corrente to go into the city centre, taking advantage of the reserved lanes and passing through restricted traffic areas.

Since the Covid period, a service has also been developed for public transport users that provides an indication of how full the bus is arriving at the stop, by consulting the Roger mobility app simply and intuitively, already available for free on every smartphone.

This function is even more valuable in the period of health emergency and allows the user to know in advance the situation on the bus and decide whether to get on or wait for the next bus.

The app automatically and absolutely anonymously detects how many smartphones with Wi-Fi antenna are present on board each bus: a statistical algorithm therefore processes an estimate of the total number of passengers in real time and displays a graphical "traffic light" image to the user: the image of a small stylised bus which is either green, amber or red depending on how full the arriving bus is.

EMV ticketing system

This project aims to further develop the public transport electronic ticketing system to permit the use of EMV contactless credit cards. The system allows customers with a contactless credit card to access the transport service directly using the card without previously having to buy any travel ticket. The project is financed using regional funds from the 'Regional Operational Programme of the European Regional Development Fund (ERDF ROP) 2014-2020' and carried out in collaboration with the companies TEP, START and SETA. The EMV electronic ticketing system allows the use of contactless bank cards with EMV banking standard (acronym for Europay, MasterCard and VISA). The system allows customers with a contactless card to access the transport service directly using the card without previously having to buy any travel ticket. The system has been fully implemented in the urban area, with plans to expand its application to the suburban area by 2024.

Services for travellers

The following are the main services for travellers:

- Recharge of electronic passes: without a doubt, the annual pass is the most convenient travel ticket, mainly used by those who use public transport on a regular basis and become loyal to the service. This category of users can now purchase or renew their passes without making a special trip or queuing at ticket offices. The purchase can also be made with a credit card on TPER’s website, where it is also possible to "top up" the pass once it has expired. Passes can also be renewed at the ATMs of Unicredit and Intesa Sanpaolo.
- People Mover Ticketing: the system was created using new EMV and QR code technologies: the former to allow ticketing with credit cards, the latter facilitates the purchase of single or group tickets on the web. The ticket validators also allow contactless ticketing compatible with the regional MiMuovo card. The 3 stations are equipped with latest-generation turnstiles and validators and with automatic ticket machines for the immediate purchase of tickets. The ticketing system has passed acceptance tests performed by staff from the Visa and Mastercard circuits.
- Information at bus-stops and onboard buses: Real-time information delivered via panels at the stops have been a fixture for many years for part of the territory served. At present, the display messages at "smart" bus shelters also indicate whether the next bus provides a wheelchair-access platform for non-ambulant people, an important piece of information already present on the app and Hellobus messaging service. Urban buses are equipped with a system that announces the next stop and, in recent months, of variable utility messages (limitations on travel, detours, other announcements) with programmable frequencies. In support of blind and visually impaired people, urban and suburban buses are equipped with an external loudspeaker that communicates the line number and the direction once at the stop.
- Info in real time: Hellobus and Chiamatreno: in addition to the apps, the real-time information services on the location of TPER buses and trains on the regional FER network, which for years have taken the form of SMS messages to phones, are now also available on the TPER website, on the page dedicated to real-time services in the "Routes and Timetables" section. Chiamatreno also has its own website (www.chiamatreno.it). The average number of requests for information through the Hellobus service is 1,300 text messages per day and 200,000 requests via web services.
- Travel ticket validation and paying fines: on all TPER transport services, both on road and rail, ticket validation is carried out with a tablet-based application. Fines can be issued electronically and collected directly by the conductor through a POS terminal. Barcode-enabled fines can be paid on board and at the company's ticket offices, but also on TPER's website via credit card, with the home banking of the main banks, through the "Cbill" channel, and at all post offices.
- Smart posts: as part of the plan to upgrade the information panels at the bus stops, new information poles were installed in the exurban areas in order to improve information for users and accessibility to public transport through information in real time. In particular, eleven new installations were completed (4 Imola, 2 Pieve Di Cento, 3 Argelato, 2 Granarolo). A total of 184 information panels have been installed and are now operational in the two areas of Bologna and Ferrara.
- TPER offers its annual pass-holders an SMS-based information system that allows them to receive news on critical events affecting services (strikes, closures for scheduled work on important roads), as well as promotional or service-related messages. Today, already 55,000 annual pass-holders have asked to be updated and receive news via SMS. On average, over 600,000 SMS messages are sent every year. Similar information is sent via an info-mail system to users who register on the TPER website: to date, there are approximately 33,000 registered users.

- The website: TPER ensures the constant updating of its website, extending its content gradually with the new services managed by the company. The site is completely responsive and boasts over 15,000 sessions a day.
- The online services portal: on the TPER online services portal at https://solweb.TPER.it, which boasts around 50,000 registered users (private individuals, companies and TPER retailers), people can easily carry out online operations at any time. For example, they can top up their passes or buy new ones - including in reference to Mobility Management agreements with and public or private entities or companies), pay a fine, choose the method for allocating the amounts made available by the "Mobility Bonus", book the Prontobus call service, request information and send communications to the company.

AVM project

In order to improve, in terms of efficiency and effectiveness, the Public Transport service provided by optimising the available resources, TPER has equipped itself with advanced technological systems such as operating support systems and, in particular, for the management, supply and control of public transport service.

The entire TPER fleet is equipped with AVM systems for a centralised service control system. 1,100 urban and extra-urban buses are equipped with on-board computers with GPS location and with a real-time connection to the operations centre, to guarantee procedures to ensure the service runs properly, provide dynamic information at bus stops, assist and support the travelling personnel.

The remote control centre is connected to the traffic light centre to allow bus preference policies at intersections equipped with smart regulators.

Applications to support operating staff

In recent years, TPER has developed applications to support its operating staff. Today, by using the tablet provided, operational staff responsible for monitoring bus traffic on the road can access real-time information - the same available at the operations centre - regarding the status of lines and the location of vehicles across the territory so they are able to take prompt corrective measures in the event of delays, traffic jams and other problems that may affect the regularity of the bus service. Likewise, railway operating staff - train drivers and conductors - are equipped with similar tools to facilitate train operations, through up-to-date electronic documents and information on their devices.

The main projects are as follows:

- Implementation of smart working technologies: in 2019, a smart working project was launched, in order to create the technical and procedural conditions for working remotely. The infrastructure solution has been identified that allows employees to use the same tools from home as they would in the workplace. This method of working was expected to be tested and then gradually implemented. However, the project was accelerated to allow 230 workers to use smart working in March 2020, as a result of the COVID-19 health emergency.
- App for travelling staff for shift changes/holidays/overtime/service status: in order to improve the service management, an app has been created to be used by 1,500 drivers, to facilitate the management of shifts and service communications. The app is available in the Google and Apple stores and allows access with the same profile used for other corporate services. The travelling staff can interact directly with the company through information on the service status, request for shifts and shift swaps, request for holidays and leave, view requests and waivers, strike communication.
- Extension of email service to all personnel: individual company e-mail accounts were activated for all personnel, extending the service to those without one (drivers). Therefore, a simple and immediate channel is available for the exchange of messages

and information within the TPER community of over 2,500 people. All personnel can send or receive emails regarding the workplace, significantly expanding the methods of interaction between colleagues and with the various company functions. The service is accessible from any browser at the address https://hellomail.TPER.it/ by entering your company credentials.

Tariff concessions

Free season tickets for children residing in Emilia-Romagna

"Grande" is the active season ticket for the 2020/2021 school year, reserved to children under 14 residing in Emilia-Romagna, and granted free of charge by the Emilia-Romagna Region.

Furthermore, from September 2021, with the "Salta Su" season ticket, the Region has made provisions for free access to home-school routes for students enrolled in state secondary schools, private institutes and vocational training institutes residing in Emilia-Romagna, with presentation of the household's ISEE certificate of less than or equal to Euro 30,000.

Mobility Bonus

The "Mobility bonus" is an incentive for using public transport and other alternative forms of sustainable mobility to your car, introduced by the Municipality of Bologna from 1 January 2020 and for the next 5 years, which aims to limit the circulation of polluting vehicles. The incentive is available to all residents of the historic city centre, who will gradually have their access permits for restricted traffic areas revoked, provided that they do not ask for a new permit: residents who are entitled to receive this bonus can indicate their desire to benefit from this incentive to the permit office or through TPER's online service portal, and then allocate the amount to the various forms of sustainable mobility, described below:

- Public transport (TPER, Trenitalia Tper, Trenitalia): purchase of tickets or passes, at the ticket office, online or through the Roger app
- car-sharing (Enjoy, Corrente): purchase of vouchers or credit for the use of car-sharing services
- Bike sharing (Mobike): purchase of credit to be used for bike-sharing services
- Taxi (Cotabo, Cat): purchase of credit to be used for taxi services
- Car and driver hire (Saca, Cosepuri): purchase of credit to be used for this taxi service.

TPER, as the company commissioned for the technical and operational management of all aspects of this initiative, has created all the technological infrastructure, which consists of online services on the TPER portal (both for direct requests from residents and for access to reporting to other service companies), sales services at the TPER offices open to the public, as well as direct interfaces with the Municipality.

NSF Stakeholders

GRI STANDARDS	2-29

The ability to understand and assess the needs and expectations of stakeholders, for an entity managing a local public transport services that promotes sustainable mobility, takes on particular importance. Dialogue is important for improving the impact, quality, efficiency and accessibility of services and for fostering a development process. Through these interactions with various stakeholders, listening to their expectations and collaborating with local entities, the conditions can be created to meet their needs, while respecting the propriety of relationships. This dialogue helps to guide the strategies and define objectives, developing new projects and building a dialogue with the local communities in which the entity operates. TPER has identified its stakeholders and relative activities, defining the level of involvement taking into account the functions and the tools for interaction and dialogue.

Stakeholders	Facilities involved	Expectations	Engagement		
			Activities	Instruments	Answer
Shareholders	Management, general affairs, commercial area, communications and PR	Sharing of quality standards, service planning and discussion of results	Several meetings during the year	Shareholders' meetings, other meetings, presentations, exchanges of communications	Presentation of projects, plans, reports and financial statements
Mobility agencies and other regulatory bodies, state administrations, other bodies	Management	Respect for rules and regulations, respect for contracts and service charters	Periodic meetings	Meetings and exchange of communications	Reports and quality surveys
Universities and research institutes	Management	R&D	Periodic collaborations and framework agreements	Periodic meetings	Promotional events, research projects
Users, customers and trade associations	Sales department	Greater awareness of expectations	Periodic Meetings	Customer satisfaction surveys, mystery clients, UAC meetings	Presentation of survey results
Workers (employees and non-employees) and union representatives	Human Resources	Sharing of values and objectives	Multiple meetings and activities	Assemblies, training sessions, dedicated meetings, intranet and refreshment areas	Code of Ethics Specific trade union agreements
Local communities and general public	Communication and public relations	Creating shared value	Various analysis and dialogue activities	Communication campaigns	Exhibitions, competitions, events
Industry operators	Management	Sharing common goals and benchmarking	Meetings with trade associations	Assemblies, working groups, conference calls, one-to-one meetings	Production of joint documents
Providers of goods, services and works	Procurement	Guarantee of broad demand	Several meetings and contacts in a year	Selection procedures, exchange of documentation, meetings	Contracts, supplier DB
Banks and lenders	Management	Economic, financial and capital solidity and sustainability	Not regular, but in relation to specific projects	Meetings and exchange of communications	Analysis reports, trade agreements

NSF Governance and responsible conduct of the business

TPER's Corporate Governance system aims to ensure effective and efficient management and reliable control over the activities carried out within the company, as well as to create value for stakeholders.

Corporate bodies and governance model new

GRI STANDARDS	2-9 2-10 2-11 2-12 2.13 2.14 2.15 2.16 2-17 2-18 2-19 2-20 2-21 405-1

TPER has adopted a corporate governance structure based on the traditional model, which envisages the following corporate bodies:

Corporate bodies	Functions – Role – commitments
Shareholders' Meeting	Matters provided for by law and the Articles of Association
Board of Directors	The Board of Directors is the body vested with the broadest powers for ordinary and extraordinary administration. It is responsible for defining the business management strategies, evaluating the adequacy of the organisational structure and the general management trend. The management is chosen by the Board of Directors
Board of Statutory Auditors	The Board of Statutory Auditors monitors compliance with the law and the Articles of Association, and respect for the principles of proper administration.

The composition of the Board of Directors in office, appointed on 29 July 2022 and in office for three financial years, is shown below:

- Giuseppina Gualtieri - Chairperson and Chief Executive Officer
- Maria Elisabetta Tanari - Director
- Alessandro Albano - Director
- Salvatore Fallica - Director
- Eva Coisson - Director

The members of the Board of Directors are independent and are appointed by the Shareholders' Meeting on the basis of voting lists, representing the shareholders, chosen for their integrity, competence, and absence of conflicts of interest or incompatibilities. No analyses are carried out on under-represented social groups, but parity is taken into account in the breakdown.

Gender Diversity Board of Directors	Women		Men		Total	
	No.	**%**	**No.**	**%**	**No.**	**%**
Board of Directors	3	60%	2	40%	5	100%

Composition of the Board of Directors by age	Under 30		Between 30 and 50		Over 50	
	No.	**%**	**No.**	**%**	**No.**	**%**
Board of Directors	-	-	2	40%	3	60%

Please refer to the information on the TPER website Board of Directors | TPER - Trasporto Passeggeri Emilia-Romagna for information relating to the directors' profile and experience and indications of any other offices held.

The Chair of the Board of Directors, who is external and independent of the organisation, is given the role of managing director due to specific expertise in industrial economics. The Chair and managing director reports annually to the Shareholders' Meeting on the performance and impacts on the economy, environment and people.

The Board of Statutory Auditors was appointed at the Shareholders' Meeting on 12 July 2021 for 3 financial years. The composition is as follows:

- Enrico Corsini - Chairperson
- Fabio Ceroni - Standing Auditor
- Patrizia Preti - Standing Auditor

The alternate auditors are:

- Romana Romoli
- Gian Luigi Morten.

The current governance structure does not envisage committees responsible for decision-making processes and control in relation to the management of TPER impacts for specific sustainability issues.

The Board of Directors of TPER is in any case heavily involved in sustainability issues, as the new company statute introducing ESG issues was approved in 2022.

The remuneration of the members of the Board of Directors is subject to resolution by the Shareholders' Meeting. For the managing director, there is a variable performance-linked allowance resolved at the shareholders' meeting. For executives, the remuneration is established on the basis of specific trade union agreements and provides for a variable and a fixed portion linked to the achievement of specific objectives, also taking into account the impacts on the economy, environment and people.

The ratio between the total annual remuneration of the Company's Head and the remuneration for the median employee remuneration is 6.36.

The ratio of the percentage increase in the annual total remuneration of the highest paid employee to the average percentage increase in the annual remuneration of all employees is 1.46.

The Board of Directors and management are committed to developing, approving and updating mission, strategies, policies and objectives related to sustainable development as part of the evaluation and approval of corporate strategies. In particular, the managing director is tasked with assessing the organisation's impacts on the economy, environment and people.

For the management of impacts on governance, environment and people, the corporate organisation provides specific functions and figures in charge of monitoring and reporting. Specific objectives are set for all managers in line with company strategy. Trends in corporate impacts are measured annually as part of the integrated financial statements.

The Board of Directors approves the Sustainability Report and the related material topics resulting from the impact assessment and prioritisation phases. For the coordination of the operational phases of the process, such as stakeholder engagement, integration of assessments and identification of relevant impacts and issues, the Board of Directors relies on the support of the Executive Board and a working group involving various corporate areas.

With reference to any conflicts of interest, the provisions of Articles 2390 and 2391 of the Italian Civil Code apply to directors. In particular, Directors make a declaration of non-competition upon appointment. Furthermore, if they have an interest on their own behalf or on behalf of third parties in a transaction submitted to the Board for examination, they are obliged to inform the Board without delay.

Reporting to the highest governing body is also carried out by the Supervisory Body pursuant to Italian Legislative Decree No. 231/2001, which communicates the results of the checks carried out and the finding of acts, facts, omissions, or other serious circumstances that may constitute a violation of a rule or regulation. A whistleblowing mechanism is also envisaged, updated according to the latest regulatory provisions. In its annual report, the Supervisory Body pointed out that no critical issues had been identified.

The Board of Directors and the managing director are involved and periodically updated on sustainable development issues and on the progress of the sustainability actions decided in the framework of the corporate business plan.

Control model and measures to combat corruption

GRI STANDARDS	2-23 2-25 2-26 3-3 205-1 205 2 205-3

The organisation, management and control model

Italian Legislative Decree no. 231/01, containing "*Provisions on the administrative liability of legal entities, companies and associations without legal personality*", adapted national legislation on the liability of legal entities to international conventions. TPER has adopted an organisation, management and control model (MOGC) pursuant to Italian Legislative Decree no. 231/2001 which contains all the preventive and disciplinary measures and procedures to reduce the risk of crimes being committed within the company organisation.

As well as exempting the company from responsibility for these types of crimes, the adoption of an organisation, management and control model pursuant to the Decree is an act of social responsibility by TPER which generates benefits for multiple parties: stakeholders, managers, employees, creditors and all other parties whose interests are linked to the life of the company. The Model was prepared by taking into account the Guidelines drawn up by Confindustria (updated in 2021). The Model is applicable to company personnel and third parties who enter into relations with the company, and contains codes of conduct aimed at preventing specific crimes from being committed, identified by Italian Legislative Decree no. 231/2001, to the benefit of the company.

TPER decided to proceed with the formalisation of its organisation, management and control Model following an analysis of the entire organisational structure of the company and its internal control system, in order to verify its adequacy as regards the prevention of offences. TPER has adopted a Model which complies with the requirements of the Decree and is consistent with the reference regulatory context and the principles already rooted in its governance culture, subject to subsequent regulatory updates and adjustments to the changes in the company's organisational structure.

The descriptive document of the model, together with the Code of Ethics, is published on the Company website at https://www.TPER.it/azienda/come-lavoriamo.

TPER has appointed a Supervisory Body. This Body is responsible for monitoring the functioning, effectiveness, adequacy and observance of the TPER Organisation, Management and Control Model.

During the drafting, periodical updating and approval of the MOGC 231, TPER introduced and implemented adequate organisational and management measures to prevent corruption pursuant to Italian Law no. 190/2012 and the National Anti-Corruption Plan (PNA), also with reference to the provisions of Italian Law no. 68 of 22 May 2015 and Italian Law no. 69 of 27 May 2015 (provisions relating to environmental crimes, false accounting, crimes against public administration and mafia-type associations) and the criminal offence of self-laundering (art. 648-ter 1 of the Criminal Code). It should be noted that, in order to avoid unnecessary redundancies, private law bodies under public control and non-controlling public companies that have already adopted organisation and risk management models on the basis of Italian

Legislative Decree no. 231/2001 can use the same models by extending the scope of application not only to the offences against public administration envisaged by Italian Legislative Decree no. 231 of 2001 but also to all those considered in Italian Law no. 190 of 2012, and in any event all cases of maladministration or corruption in general, even if not constituting a specific offence.

The MOGC 231 and its Protocols have been gradually updated, including during 2023, in relation to new legislation introduced on the subject, as well as in relation to updates to the corporate organisational structure.

All corporate transactions for which there is the risk of corruption have been reviewed according to the provisions and documented by the MOGC, to which reference is made, and according to the activities carried out by the Supervisory Body. It is therefore possible to state, in accordance with GRI 205-1, that all operations have been assessed for risks related to corruption.

The Code of Ethics

As an integral part of the Model pursuant to Italian Legislative Decree no. 231 and the overall governance structure, TPER has adopted a Code of Ethics with a view to identifying and defining the series of values, fundamental principles and behavioural standards that represent an indispensable prerequisite for the correct performance of its business activities. The Code of Ethics constitutes a guide to the company policies and legal requirements that govern TPER's conduct. The Code of Ethics conforms to the principles indicated both in Confindustria's Guidelines and ASSTRA's Code of Conduct.

The Code defines TPER's reference principles and codes of conduct, represents a means of preventing irresponsible or illegal behaviour in the name and on behalf of the Company, and constitutes a series of preventative and disciplinary measures and procedures for reducing the risk of crimes being committed within the business organisation.

The provisions of the Code apply, without exception, to the members of the Board of Directors and the Board of Statutory Auditors, senior managers, middle managers and employees at TPER, as well as to all those who, directly or indirectly, permanently or temporarily, form working relationships or work in the interests of TPER. Each recipient is required to comply with the provisions in the Code. Within the scope of their activities, all TPER stakeholders (employees, shareholders, customers, suppliers, communities, commercial and financial partners, institutions, trade associations, trade union representatives, etc.) act in compliance with the Code and with current laws and regulations. Every recipient is asked to familiarise themselves with the rules contained in the Code and the reference standards that regulate their working activities.

The Code of Ethics was last updated and approved by the Board of Directors of TPER on 29 May 2023, in order to further strengthen the principles of sustainability, integrating in particular the issues of human rights, with specific reference to diversity and inclusion and gender equality, in compliance with the United Nations principles for the reduction of inequalities.

With particular reference to these issues, also in light of the UNI PDR 125:2022 certification process for gender equality undertaken by the Company, the reference principles have been clarified and defined, not only through the revision of the Code of Ethics, but also through the definition of a specific Policy, the drafting of a Gender Equality Plan, and the signing of the Women Empowerment Principles.

Training initiatives were also launched to share the objectives of the project and to strengthen the inclusive style of internal and external communication.

Lastly, a Gender Equality Steering Committee was established to address these matters in accordance with UNI regulations, guiding the company's trajectory and future development. The Committee is led by the Chair, appointed by the Board of Directors.

Application of ANAC guidelines in the area of the Prevention of Corruption and Transparency (MOGC 231 extension and Supervisory Body duties)

TPER is a publicly owned company, not subject to public control (pursuant to and in accordance with Italian Legislative Decree no. 175/2016) and, having issued bonds listed on regulated markets, is a public interest entity. In this capacity, it is also excluded from the scope of application of the above-mentioned Consolidated Law. Since 2017 TPER has been aligned with the indications contained in the new ANAC/2017 guidelines (ruling no. 1134 of 8 November 2017) and supplemented its MOGC 231 with the introduction of corruption prevention measures, also pursuant to Italian Law no. 190/2012, expanding the duties of the Supervisory Body. Indeed, as a publicly owned company not subject to public control, TPER is not required to draft the PTPCT (Three-Year Corruption Prevention and Transparency Plan) or appoint a Manager for corruption prevention and transparency, but it is only required to adopt measures supplementing those already adopted pursuant to Italian Legislative Decree no. 231/2001. In 2018, TPER adopted the "Model 231 Supplementary Measures - Anti-Corruption Protocol", updated in 2020 with the introduction of measures intended to promote legality.

Legality rating

The legality rating is an ethical recognition developed by the Italian Competition Authority (AGCM), in agreement with the Ministries of the Interior and Justice, which rewards companies that operate in line with the principles of legality, transparency and social responsibility.

The rating - measured in "stars" - has particular advantages in relation to the granting of public funding and favourable terms for accessing bank credit.

In 2022, TPER achieved the rating of ★★★.

Integrated management system and policies

GRI STANDARDS	2-23 3-3

TPER is equipped with management systems according to international standards and has obtained the Certificate of Excellence from Certiquality, an accredited body for the certification of business management systems for quality, environment, safety and product certification. This important recognition is given to those companies that have demonstrated a responsible voluntary commitment in their corporate governance, having obtained the three international standard certifications for:

- Quality (ISO 9001:2015)
- Environment (ISO 14001:2015)
- Occupational Health and Safety (ISO 45001:2018).

TPER has implemented an integrated quality and environmental protection management system compliant and certified according to the UNI EN ISO 9001:2015 and UNI EN ISO 14001:2015 standards. The integrated management system is applied to all the services provided by the company and, in particular, the road-based local public transport service in the Bologna and Ferrara catchment areas.

TPER has also extended its international certificates to management of the People Mover and the extended assessment on behalf of the Municipality of Bologna, as well as automotive.

Industrial vehicle maintenance and fleet management services (bus and trolley bus fleets in particular), activities carried out both on proprietary and third-party buses, are also certified. The TPER workshops have, in fact, been recognised as authorised workshops by the main bus manufacturers.

TPER has also obtained product/service certification in compliance with the UNI EN 13816:2002 standard for six local public transport lines, identified among the most representatives urban lines in Bologna (Lines 13, 14, 15, 27 and 35) and line 94.

Quality - ISO 9001:2015

TPER S.p.A. is currently certified in line with the UNI EN ISO 9001:2015 standard (9001 - Quality Management Systems), a certificate issued by Certiquality on 02 February 2023 (whose validity was renewed until 2026). The standard provides a more precise and detailed focus on the control of processes, products and services provided by external suppliers in order to respond to the complexities of the environment in which businesses operate. The main aspects are outlined below:

- The revision follows a "high level" structure, developed for use as a common basis for all other standards, improving compatibility and integration with other certification systems. The development of an integrated management system is made easier.
- Risk analysis: rather than using standard requirements for everyone, risks will be analysed for each individual company in order to plan a management system that satisfies the needs of each company. The approach identifies the risks in business processes and appropriate measures to be taken to deal with them, in addition to identifying opportunities, i.e. possible solutions and countermeasures to combat them.
- Greater involvement of senior management.
- The "bureaucratic" simplification of the system's documentation. Greater flexibility is envisaged for companies, which are free to choose the depth and detail they intend to use for their written documentation, a choice that can be made based on various factors such as the complexity of the processes, staff expertise etc.
- More immediate applicability for the tertiary sector and services.
- Process management focused on the development, implementation and improvement of the QMS/Quality Management System: each process must be defined and contain clear specifications for the measurement of performance parameters and the definition of roles and responsibilities.

Environment - ISO 14001:2015

TPER adhered to the new edition of the UNI EN ISO 14001:2015 standard published on 15 September 2015, acquiring the relative certification with a certificate issued by Certiquality on 02 February 2017 (the validity of which has been renewed until 2026). The Environmental Management Systems standard falls under the ISO standards on Management Systems, the primary objective of which is to create a common "High Level Structure" among the standards. The standard involves planning, execution and control phases and improvement actions. The application of ISO 14001 defines the most important requirements to identify, control and monitor the environmental aspects of any organisation with an environmental policy. The immediate advantages of adopting an ISO 14001 Environmental Management System are:

- Greater trust from customers, investors, the public and the community, thanks to the guaranteed reliability of the commitment demonstrated
- Better control of costs and savings on raw materials and energy consumption

- Transparent management and facilitation in obtaining environmental permits and authorisations
- Reduction in insurance premiums linked to the possibility of environmental accidents
- Reduction in the financial guarantees required under current legislation.

Occupational health and safety – ISO 45001:2018

TPER is currently certified in accordance with the UNI ISO 45001:2018 standard (certificate issued on 29 July 2022 and valid until 2025). Compliance with the international standard ensures compliance with the requirements for Occupational Health and Safety Management Systems. The ISO 45001 certification is based on the management of workplace health and safety and requires continuous improvement from organisations, thus providing all stakeholders with guarantees regarding compliance with the specified safety policies.

The most relevant aspects can be summarised as follows:

- The management system represents an effective tool for optimising risk management for the health and safety of workers. INAIL (Italian National Institute for Insurance Against Accidents at Work) has provided data that shows a significant drop of 27% in the frequency index and a 35% decline in the accident severity index in certified companies
- The ISO 45001:2018 certification is recognised as a possible system that provides an exemption from the serious levels of liability introduced by Italian Legislative Decree no. 231/01 (as required by Italian Legislative Decree no. 81/08 in article 30, paragraph 5)
- INAIL grants reduced insurance premiums to companies that have made improvements or have taken accident prevention measures to safeguard workers' health and safety conditions. The measures that permit access to these reductions are those foreseen by the OT 24 Model (fluctuation of the prevention premium rate). Of these measures, ISO 45001:2018 standard certification allows the company to achieve the maximum score for the discount on the premium
- It requires greater attention from all the organisational units in the company on matters of safety, with positive repercussions on the organisation at various levels.

In 2023, the standard was also implemented at EU level by CEN, so TPER has already started the transition to the new UNI EN ISO 45001:2023.

Corruption Prevention Management System - ISO 37001:2016

In May 2019, TPER obtained ISO 37001 certification from the Certiquality institute, as an additional measure to ensure corruption prevention.

The ISO 37001 standard is an anti-bribery instrument and is designed to increase the culture of transparency and define effective measures for combating corruption scenarios. The ISO 37001 Anti-Bribery Management system also integrates with the other standards in the company in the area of quality, the environment and workplace safety.

The current UNI ISO 37001:2016 certificate is valid until 2025.

Gender Equality Management System – UNI/PdR 125:2022

In December 2023, Tper obtained the UNI/PdR 125:2022 certification, the Reference Practice containing guidelines for the implementation of gender equality policies in companies.

The ‘Gender Equality Certification System’ is an intervention of the National Recovery and Resilience Plan (NRRP) under the auspices of the Department for Equal Opportunities of the Presidency of the Council of Ministers: it opens a new window, aimed at accompanying and incentivising enterprises to adopt appropriate policies to reduce the gender gap in all the most critical areas for women's professional growth.

The certificate was handed over to Tper by Certiquality on 8 March 2024: a special event on a special day!

Internal regulations

In compliance with regulatory measures and to ensure fairness and transparency in relations with third parties, TPER, through its Board of Directors, has also adopted the following regulations:

- Staff recruitment regulation
- Regulation for the execution of works and the acquisition of services and supplies
- Regulation for access to documents

In April 2024, the Regulation for the formation and management of the list of Tper spa's Economic Operators for the awarding of works, services and supplies with a value below the EU thresholds was also approved.

Compliance

GRI STANDARDS	2-27

Environmental regulatory compliance

There were no events that gave rise to sanctions and/or disputes for non-compliance with environmental laws, regulations or regulations. At the date of drafting this document, there are no environmental disputes or proceedings of an administrative nature pending against TPER.

Compliance with social and economic laws and regulations

During the reporting period (2021-2023) and at the date of publication of this document, there were no disputes or cases of violations of relevant laws and/or regulations relating to social and economic provisions. No significant sanctions of this nature were received in the 2021-2023 period and there are no significant administrative proceedings and/or disputes to report.

Memberships of associations

GRI STANDARDS	2-28

TPER is a member of the **ASSTRA** Transport Association (National Association of Enterprises, their consortia and/or their groupings, owned by local authorities, regional councils and private companies that operate local public transport services or complementary and/or collateral services instrumental to their development), stemming from the merger between the two industry associations, Federtrasporti (the federation of municipal companies) and Fenit (the federation of licensed railways).

TPER is also associated with **Aipark**, the Italian Association of Operators in the Parking and Car Park Sector, which aims to foster the professional networking and the growth of an industry culture, and which represents the most important operators in the sector at national level.

TPER also participates in **UITP**, the international public transport association.

Following the decision taken by Confservizi Emilia-Romagna not to represent public transport services, at local level, TPER is a member of **Confindustria Emilia Area Centro**, the business association stemming from the integration of Unindustria Bologna, Unindustria Ferrara and Confindustria Modena, which represents and protects businesses from Emilia.

Finally, TPER is a member of **Club Italia**, a non-profit association that, among other things, aims to promote the use of payment systems based on smart cards (contactless microchips) in Italy.

Participation in organisations, international agreements, and initiatives linked to legality and sustainability

United Nations Global Compact

Since 2017, TPER has participated, as founding member, in the United Nations Global Compact, an international initiative that encourages companies all over the world to adopt sustainable corporate social responsibility policies and to publish the results of their activities in the areas of human rights, labour, environmental sustainability and the prevention of corruption.

The TPER NFS is attached to the COP (Communication on Progress) which is published annually on the Global Compact website, in the section dedicated to the company.

Impronta Etica

Impronta Etica is a non-profit association founded to promote and develop sustainability and corporate social responsibility (CSR), and to encourage sustainability-oriented processes, providing support for its associate companies in this field. The association is a partner of the CSR Europe network.

Fondazione Sviluppo Sostenibile (Sustainable Development Foundation)

Since 2024, TPER has been a member of the Fondazione Sviluppo Sostenibile, a body that supports companies and organisations that share a common path of ecological transition.

NFS Material topics

Material impacts and topics according to GRI Standards

GRI STANDARDS	3-1

According to GRI Standards, impacts refer to the effects that a company has or could have at economic, environmental and social level, including those on human rights, as a consequence of its activities or business and commercial relationships. Impacts can be actual or potential, negative or positive, short or long-term, intentional or unintentional, reversible or irreversible, and represent the organisation's positive or negative contribution to sustainable development. According to their different nature (economic, environmental and social), impacts are interrelated and indicate the company’s contribution, negative or positive, to sustainable development.

The impacts of a company's activities and business relationships on the economy, the environment and people can have positive and negative consequences also on the company's operations or reputation and, therefore, in many cases, these are also financial consequences or could become so in the medium and long term. Any significant risks and opportunities related to impacts can influence the company's value, its relationships with its stakeholders and its competitive position on the reference market.

The most significant impacts, as identified by adopting the approach described in the following paragraphs, represent the Material Topics.

European Union - EU Directive 2022/2464 and double materiality

The EU Directive 2022/2464 (CSRD Corporate Sustainability Reporting Directive), which is in the process of being transposed at the date of drafting this document, and which will have to be applied starting from the reporting for the financial year 2024 for the first companies involved (companies, such as TPER, which are already required to prepare a non-financial statement/NFS, according to the regulations in force, pursuant to Italian Legislative Decree 254/2016) has defined new rules and extends the scope of reporting on sustainability issues.

Additionally, the Directive mandates the adoption of ESRS European Sustainability Reporting Standards for reporting on sustainability issues, and has refined the definition of material topics by introducing the concept of dual materiality. According to this approach, the material topics are: a) governance, environment and social areas and issues on which the company, through its activity, has a material impact (Impact Materiality); b) aspects that can have significant impacts on the development, performance and, consequently, on the financial value of a company (Financial Materiality).

The provisions of EU Directive 2022/2464 will be applicable from the 2024 financial year. This document is prepared by adopting the definition of material topics as per the GRI Standards.

The process of identifying, assessing and prioritising topics

GRI STANDARDS	3-1

Understanding the organisation's context

The TPER scenario and reference framework, its business model, its activities and commercial relations, as well as its sustainability context and stakeholder analysis, are reported in the various paragraphs of the Strategy and Objectives chapter of the NFS.

Identification of actual and potential impacts

TPER has engaged in identifying, analysing and evaluating the actual and potential economic, environmental and social impacts, including human rights considerations, stemming from its operations and business relationships. This process has entailed comprehensive assessment of both external and internal sources, alongside targeted engagement with various stakeholder groups, ensuring ongoing dialogue and alignment with their perspectives.

External sources
SASB - Industry Standards
EU Taxonomy
Benchmarking of Material Topics
Benchmarking of Risks
Benchmarking of Policies
NRRP -Rail/Freight Transport/NRRP -Local Public Transport/NRRP -Local Public Transport
Next Generation EU (Thematic Analysis - Sustainable Mobility)
EU Urban Mobility Framework
European Sustainable Urban Mobilty Plans & Cycling (SUMPs/PUMS)
EU Green Deal (Transport)
World Economic Forum - Strategic Intelligence / Global Risk Report
OECD - Due Diligence Guidance Responsible Business Conduct / Sectorial guidance on due diligence"
Sector studies and research/Reports/In-depth analyses of sector associations and organisations
Internal sources
Business plan
Integrated Tper financial statements
Legal review - Organisational and Management Model Mod231
Grievance mechanisms/consultation and reporting systems and tools

Regulatory framework and documents deriving from ISO 9001, 14001 and 45001 certifications Service cards by geographical area Customer satisfaction survey carried out by the mobility agency Revision of the company risk analysis for the processing of personal data and revision of the Register of processing activities Summary of the provisions of European regulation 1371/2007 applied to TPER Annual report of the Head of Corruption Prevention PSCL: Drafting of home-work travel plans

Assessment of the significance of impacts and prioritisation

The phase of assessing the significance of the impacts identified aims to establish their priority. The definition of priorities allows the company to determine the material topics to be reported, but, above all, to define more effectively and according to a significance logic the commitments and actions necessary to manage impacts. The significance of an impact depends on the specific company conditions, the sector in which it operates and its business model.

The significance of an actual negative impact depends on the severity of the impact, while that of a potential negative impact depends on the severity and probability of the impact. Severity is defined by the GRI Standards on the basis of three dimensions: a) Scale: how severe the impact is; b) Scope: how widespread the impact is; c) Irremediability or non-irremediability characteristics.

The significance of an actual positive impact depends on the scale and scope of the impact, while the extent of a potential positive impact depends on both the scale and scope and the likelihood of the impact itself. In the case of positive impacts, the scale of an impact refers to the actual and/or potential benefits of the impact itself, while the scope refers to its actual or possible extent.

The process conclusion concerned the assignment of priority (prioritisation) to the impacts identified and assessed, in relation to their importance and on the basis of a threshold defined for this purpose. The impacts that have been identified as most significant are reported in this document (Material topics).

TPER material topics

GRI STANDARDS	3-2

The results of the activities carried out are summarised in the following table, which highlights the material topics, the underlying impact areas, the material topic characteristics, the specific indicators (GRI Standards) used for the reporting, reported in detail in the GRI Content Index, an integral part of this document.

The same table also shows the connection with the areas referred to in Italian Legislative Decree 254/2016, which governs the preparation of the Non-Financial Statement. Material topics are grouped according to the ESG (Environmental, Social, Governance) classification.

It should be emphasised that although the impact related to some material environmental issues, such as energy consumption and emissions, is classified as negative and related to the activity carried out (direct impact), for the same issues the impact is such that it mitigates the effects caused by energy consumption and related emissions produced by private transport.

	Material topics	Impact description	Characteristics	GRI Topic Standards [200-300-400]	Reference areas It. Leg. Dec. no. 254/2016
E	**Environmental**				
1	Energy efficiency	Energy consumption (offices, plants and fleet/vehicles of the local public transport service).	Negative/Actual Direct and through commercial relationships Short - medium - long term Expected	302 Energy	Environment
2	Air, water, soil pollution: GHG emissions and other emissions	GHG emissions from energy consumption and other emissions (LPT fleet primarily).	Negative/Actual Direct and through commercial relationships Short - medium - long term Expected	305 Emissions	Environment
3	Natural resources - Waste/Circular Economy	Waste generation, proper waste recovery and water withdrawals	Negative/Actual Direct Short - medium - long term Expected	303 Water and effluents 306 Waste	Environment
4	Air, water, soil pollution: sound and vibrations	Impacts related to noise and vibrations deriving from Tper's public transport activity	Negative/Actual Direct Short-term Expected	Reporting theme with general disclosure (GRI 2)	Environment
S	**Social**				
5	Privacy and data security	Protection of privacy	Negative/Potential Direct and through commercial relationships Short - medium - long term Unintentional	418 - Customer Privacy	Respect for human rights Social
6	Service quality and compliance	Potential negative impacts related to the level of quality of services: report/communication with customers and compliance of the public service	Negative/Actual Direct Short - medium - long term Expected	417 Marketing and labelling	Social
7	Customer safety	Potential negative impacts on customer health and safety (public transport activities)	Negative/Potential Direct and through commercial relationships Short - medium - long term Unintentional	416 - Health and safety of customers	Respect for human rights Social
8	Management and sustainability of the supply chain	Environmental and social impacts of the supply chain (purchases of goods and services)	Negative/Actual Direct and through commercial relationships Short - medium - long term Expected	308 Supplier environmental assessment 414 Supplier social assessment	Environment Social Combating active and passive corruption Respect for human rights
9	Employment	Supporting employment in the area	Positive/Actual Direct Short - medium - long term Expected	401 Employment	Personnel
10	Employee training and skills development	Training of employees - skills growth paths (improvement of user services)	Positive/Actual Direct Short - medium - long term Expected	404 Training and Education	Personnel
11	Human resources: diversity, equal opportunities and inclusion	Working environment that guarantees and values diversity, equal	Positive/Actual Direct Short - medium - long term Expected	405 Diversity and equal opportunity 406 Non-discrimination	Personnel Respect for human rights

	Material topics	Impact description	Characteristics	GRI Topic Standards [200-300-400]	Reference areas It. Leg. Dec. no. 254/2016
		opportunities/equity and social inclusion			
12	Health and safety in the workplace	Possible negative impacts related to health and safety in the workplace (injuries - road accidents)	Negative/Potential Direct Short - medium - long term Unintentional	403 Health and safety in the workplace	Personnel Respect for human rights
G	**Governance [Economic]**				
13	Integrity and ethical business conduct	Potential negative impacts related to business conduct not meeting integrity criteria	Negative/Potential Direct and through commercial relationships Short - medium - long term Expected	205 Anti-corruption 206 Anti-competitive behaviour 207 Tax	Combating active and passive corruption Respect for human rights
14	Capital strength, economic performance, value distribution	Generation and distribution of economic value to stakeholders	Positive/Actual Direct Short - medium - long term Expected	201 Economic performance	Social Personnel
15	investments and local innovation (Indirect economic impacts)	Investments in infrastructure to improve the quality and efficiency of the public transport service (sustainable mobility)	Positive/Actual Direct Short - medium - long term Expected	203 Indirect economic impacts 204 Procurement practices	Environment Social
16	Local communities and relations with the territory	Support for local initiatives/corporate social responsibility: social - sports - cultural - health and well-being	Positive/Actual Direct Short - medium - long term Expected	413 Local communities	Environment Social

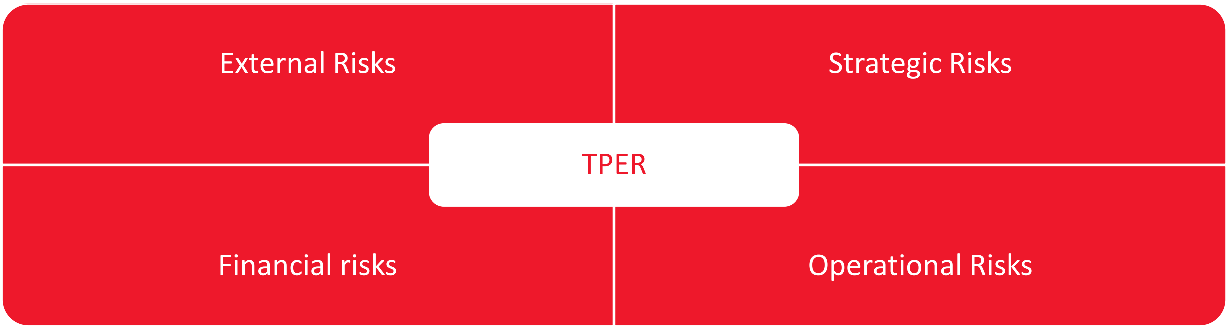
Changes compared to the previous reporting period

The update of the materiality analysis carried out in 2023 and for the purposes of this document did not lead to the identification of new material topics. Taking into account the reference sector and the importance of TPER's role for sustainable development and, in this context, for the strengthening of a sustainable mobility system, environmental issues related to climate/emissions, as well as those concerning the service for citizens and service safety, play a priority role.

NFS Risk management

GRI STANDARDS	2-23 3-3

The current TPER model provides for the classification of risks according to the following:



The main risks identified and the related management methods are highlighted in the following table. The management methods are referred to directly in the table, also by referring to other parts of this document or to documentation available on the TPER website. Risks are correlated to the material topics reported in the NFS.

With regard to the risks/opportunities associated with climate change, also see what is reported in the following chapter *Environmental sustainability*. The criticality of the issues and the need to implement strategies and actions that can mitigate climate change and allow for its adaptation strengthens the role of the public transport sector and represents, first and foremost, a great opportunity.

Risk area/category	Related material topics	Reference areas (It. Leg. Dec. no. 254/2016)	Management methods - Specific policies
External Risks			
Regulatory/general regulatory framework TPER mainly carries out public utility activities at a regulated tariff. The evolution of the legislative and regulatory context affects the methods of assigning services, tariffs, required quality levels and management results Risk/opportunity factor is the evolution of LPT in relation to the future development of mobility in cities and to new technologies and applications.	Ethics and integrity in business conduct Indirect economic impacts [Territorial infrastructure investments]	Combating active and passive corruption Social	TPER systematically and continuously monitors the developments of laws and rulings, and engages in constant and constructive dialogue, also via the trade association, with the Authorities and the Institutions.
Environmental laws and regulations Characteristics of means of transport with respect to emissions of CO_2/pollutants, health and safety. Local Public Transport companies are required to renew their fleets and have sustainable fleets/reduced environmental impact. The regulatory framework could register a rapid and not always predictable evolution, involving stricter requirements. These circumstances could change the reference scenario, significantly influencing the investment plan due to the necessary adjustment. The renewal of fleets has shown an international convergence towards rolling stock fuelled by renewable sources. Importance of mapping the risks deriving from climate change Issues related to waste recovery	Ethics and integrity in business conduct Indirect economic impacts [Territorial infrastructure investments] Local communities and relations with the territory Air, water, soil pollution: GHG emissions and other emissions Energy: energy sources and efficiency	Environment Social	To align the company's strategies with the goals established by the PUMS and the PSM, TPER has launched projects aimed at improving the quality of its services and reducing their environmental impact. Renewal of the vehicle fleet/Plan actions: *Urban area* - Short-term investments in hybrid vehicles in urban areas and in electric vehicles. *Exurban area* - Assessment of liquid methane and methane-fuelled hybrid vehicles- *Medium-long term* - Projects aimed at creating a hydrogen transport system Upgrading of existing infrastructures (Depot Workshops) and processes to overhaul the

			network and the service model. This risk is primarily overseen by the environmental management system certified according to the UNI EN ISO 14001:2015 standard.
Environmental/Natural events Risks arising from adverse and/or accidental natural/atmospheric events that damage systems and facilities (including deriving from climate change) Importance of mapping the risks deriving from climate change	Air, water, soil pollution: GHG emissions and other emissions	Environment Social	TPER employs a control model and procedures for the protection of corporate assets and has adopted specific control processes and procedures for accident prevention.
Raw materials Commodity price risk - The TPER Group is exposed to the price risk of energy commodities	Waste/circular economy Supply chain assessment and management	Environment Social	Procurement policy and management/monitoring of supply risk and commodity price trends.
Competition/Deregulation of the sector The risk in question is of a prospective nature and regards in particular the regulated/licensed LPT activities.	Ethics and integrity in business conduct Service quality and compliance Indirect economic impacts [Territorial infrastructure investments]	Social Combating active and passive corruption	The strategic direction of TPER envisages four main actions defined by the Guidelines of the Business Plan: Participation in tenders for the awarding of local public transport services in areas of interest (also outside the region), developing partnerships Development of group synergies - TPER as an aggregator of mobility, by strengthening synergies with subsidiaries and associates Further business development/diversification - Monitoring of the railway passenger market in Emilia-Romagna through the partnership with Trenitalia Maintenance of the businesses connected to parking and car-sharing and development in the rail freight sector.
General economic framework Difficulty in meeting company objectives due to causes that can be traced to the external context Adoption of unfavourable pricing policies by the regional council with a consequent fall in revenues. Substantial cuts to State-Region transfers Events with possible negative repercussions on the business/operations of the Group (implementation of the investment plan/business operation, provision of services or the achievement of the objectives set with the Region - Mobility Agencies) in the event of prolonged unavailability of funds.	Economic and financial performance and distribution of value Indirect economic impacts [Territorial infrastructure investments] Service quality and compliance	Social	Macro-economic and political framework monitoring and relations with reference bodies. Monitoring of economic and financial performance and adaptation of the business plan to the reference scenario.
Strategic Risks			
Reputational risk Reputational risks arise from the negative perception of TPER's image in the eyes of customers, suppliers and supervisory bodies due to the spreading of damaging news.	Ethics and integrity in business conduct Service quality and compliance	Combating active and passive corruption Social	TPER actively strives to improve the quality of the service and ensure the physical safety of employees and passengers and their perception of this issue. The company has facilities and procedures for receiving and

TPER has a good reputation for the quality of the service it provides and for its efforts in making widespread improvements. TPER is exposed to this type of risk due to the nature of the services it provides.			handling complaints and providing customer service. TPER actively strives to improve the quality of the service and ensure the physical safety of employees and passengers and their perception of this issue. The company has facilities and procedures for receiving and handling complaints and providing customer service. The risk in question is managed through specific quality control systems: the service quality aspects are governed by a certified quality management system compliant with the UNI EN ISO 9001:2015 standard, safety is assured by an occupational health and safety management system certified according to the UNI EN ISO 45001:2023 standard, and reputational aspects are safeguarded by a certified anti-corruption management system in accordance with the UNI ISO 37001:2016 standard.
Definition and implementation of strategies and responsiveness and changes	Ethics and integrity in business conduct Indirect economic impacts [Territorial infrastructure investments]	Social	Monitoring and adjustment of the business plan to market scenarios and regulatory and operational framework.
Financial risks			
Interest rates	Economic and financial performance and distribution of value	Social	
Market			See external risks and related regulatory and regulatory framework monitoring
Credit Credit risk represents the Group's exposure to potential losses deriving from the failure of commercial counterparties to fulfil their obligations, as well as by financial counterparties in relation to the portfolio of financial assets, deposits at banks and capital contributions, also in the form of loans granted to investees.			Management, assessment and monitoring of credit risks based on prudent management criteria. Mechanisms are defined through specific credit governance rules that, on the one hand, govern the relative responsibilities and, on the other hand, ensure compliance of the credit risk framework with the reference regulatory framework to which it is subject.
Liquidity Liquidity risk is the risk that financial resources are insufficient to cover financial and trade obligations in accordance with the agreed terms and deadlines.			Economic and financial planning represents a primary strategic tool for monitoring the resources to be sourced and used to support business activities. The appropriate management of relations with investors guarantees the timely availability of the liquidity required by the business. TPER monitors the balance of the financial structure (investments and working capital with equity capital and long-term and short-term loans), identifying the most suitable

			counterparties for the specific requirements. TPER also monitors and internally manages the balance of assets and current liabilities (management of loans, payables and inventory) Risk management is carried out, in the first instance, through constant monitoring of expected and current cash flows and the correlation of the maturity profiles of financial assets and liabilities. Liquidity risk is dealt with by means of continuous monitoring and control tools on requirements and future liquidity, in order to ensure timeliness of payments.
Operational risks			
Suppliers Quality of services/performance and sustainability	Supply chain assessment and management	Social Respect for human rights	Procurement policy and supply chain monitoring, also through procedures provided for by the ISO 9001 quality management system.
Transport health and safety Rail and Trolley bus safety - This area includes operational risk cases within the Group and not arising solely from external causes, such as: Physical safety of vehicles and facilities - the first guarantee of safety is the proper maintenance of the assets, i.e. adequate and regular maintenance. Traffic safety for drivers Minimising of damage from external events and accidental injury to passengers and other citizens.	Air, water, soil pollution: sound and vibrations Customer safety Health and safety in the workplace	Social Respect for human rights	TPER focuses a great deal of attention on the impact of its activities and monitors the risk factors related to each process, with a view to prevention and emergency assistance in relation to any activities that can have a significant internal and external impact. The area of transport safety is highly regulated in significant detail, both at national and EU level. These risks are therefore mitigated primarily by the set of requirements established by regulatory bodies that provide guarantees and support for the safe performance of activities, and secondly by the adoption of appropriate operating procedures and instructions. TPER has implemented the processes and controls needed to comply with existing legislation and to adapt to its future modifications.
Personnel/Human resources Thanks to the skills acquired, personnel guarantee operations and, therefore, represent a company "asset" which has a significant impact on the ability to operate in the medium/long-term.	Employment and human resource management Training and skills development Human resources: diversity, equal opportunities and inclusion	Personnel Respect for human rights Gender equality	Human resources management policies - Training and recruiting of the necessary people. Tper has achieved UNI/PdR 125:2022 certification, the Reference Practice containing guidelines for the implementation of gender equality policies in companies
Health and safety in the workplace Injuries or wounds suffered by personnel that work in depots, buildings and offices, employed in the transport service. Third-party aggression towards ticket inspectors	Health and safety in the workplace	Personnel Respect for human rights	This risk is primarily overseen by the Health and Safety Management System certified according to UNI ISO 45001:2023. Investments and training with a view to prevention are of fundamental importance for operational management directed at continuous improvement, preventing incidents and maintaining adequate

			standards. To this end, TPER is committed to guaranteeing full respect of the prevention obligations, in compliance with the current workplace health and safety regulations.
IT systems, processes and procedures	Privacy and data security	Social Respect for human rights	TPER has developed an organisational model designed to monitor the proper application of the reference privacy regulations. Established the function of the Data Protection Officer. Furthermore, the implementation of legal provisions and instructions of the Privacy Authority is ensured through the constant updating of regulations and policies.
Internal accidents *Malfunctioning and unexpected interruption of the service and/or claims*/Any malfunctioning and unexpected service interruption caused by accidental events and extraordinary events could cause injuries to people and/or damages to property, and have a major economic impact.	Ethics and integrity in business conduct Service quality and compliance	Social	The internal control system and the plans are aimed at ensuring the continuity and safety of the service and safeguarding the company's assets.
Legal-compliance TPER operates within a sector subject to strict regulations at national, European and international level. Local public transport is also subject to a number of regulations at local and regional level. The risks refer to the possible consequences arising from a failure to comply with the rules and regulations to which TPER is subject.	Ethics and integrity in business conduct	Combating active and passive corruption Social	Compliance with regulations is an integral part of decision-making processes. More specifically, TPER has adopted an organisation, management and control model pursuant to Italian Legislative Decree no. 231/2001 which defines and establishes duties, roles and responsibilities with the aim of identifying and managing potential conflicts or sensitive areas (NFS ref: TPER/Control model and measures to combat corruption). TPER also obtained certification according to the UNI ISO 37001:2016 standard for the corruption prevention management systems. The standard was defined with the objective of supporting organisations and businesses in preventing and combating corruption, for the development and strengthening of a culture of transparency and integrity. Periodic compliance checks are carried out, including with regard to authorisation procedures.

For more details on financial risks, in addition to the information provided in this section, please refer to the details included, for IFRS 7 purposes, in the Explanatory Notes to the Consolidated Financial Statements.

The precautionary approach

Introduced in 1992 at the United Nations Conference on Development and the Environment (United Nations Principle 15 of "The Rio Declaration on Environment and Development") in the context of environmental protection and biodiversity and implemented and used at various levels of government and put into practice in areas related to consumer protection and health, the principle affirms that "in order to protect the environment, the precautionary approach must be applied by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation."

The application of the precautionary approach implies, as part of the risk management strategy, a preliminary assessment of the potential negative environmental and social effects that could arise from decision-making and/or strategic choices regarding products and processes. If the existence of a risk of serious or irreversible damage is identified, appropriate and effective measures must be considered, also in relation to benefits and costs, aimed at preventing and/or mitigating the negative impact. TPER's risk identification, assessment and management system takes this approach into account.

NFS Ethics and integrity

GRI STANDARDS	3-3 205-1 205-2 205-3 206-1 207-1 207-2 207-3 207-4

Corruption prevention

Please refer to the previous paragraphs "The control model, measures to combat corruption" and "The integrated management system and policies" for information on transactions assessed for risks linked to corruption.

It is also recalled that TPER has achieved ISO 37001 certification, which sets out the requirements for preventing, detecting and responding to corruption, as well as for complying with anti-corruption laws and voluntary commitments applicable to the organisation's activities.

In the course of 2022, as in the previous years subject to reporting, no episodes of corruption involving TPER directors or employees were verified.

Likewise, no relevant cases were reported to the Supervisory Body as regards MOGC 231.

In 2023:

- There were no confirmed episodes of corruption
- There were no incidents of non-compliance with laws and regulations on environmental/social and economic matters and non-compliance incidents regarding impacts on the health and safety of products and services.

Training on anti-corruption and transparency issues, as per Italian Legislative Decree 231/2001, Law 190/2012, and ISO Standard 37001, is considered crucial in shaping anti-corruption policies and procedures.

The training programme on corruption prevention is managed with the following objectives in mind:

- identify the subjects to whom anti-corruption training is provided
- identify the content of anti-corruption training
- indicate the channels and tools for delivering anti-corruption training
- quantify the number of hours/days dedicated to anti-corruption training.

The training plan under Law 190/2012, complementing the established MOG 231 training path, aims to achieve the following objectives:

- to carry out training initiatives for all stakeholders on ethics and legality issues, in particular with regard to the content of the Code of Ethics and the Disciplinary Code based on the examination of concrete cases;
- to carry out specialised training initiatives for managers/area managers, with particular regard to the profiles of responsibility, promotion of transparency and prevention of corruption, taking into account the purpose and objectives of this Protocol.

Activities are documented by means of an attendance register, training slides projected at courses, and assessment tests.

The training is aimed at executives, middle managers and in particular employees who work in the areas potentially most exposed to risk.

The members of the Board of Directors and the Board of Statutory Auditors are also involved in the definition, updating and approval of policies on legality and anti-corruption and are periodically updated on these issues.

A total of 1,246 hours of training were provided on the subject in 2023, across all company levels.

Total legal training hours (anti-bribery, transparency)	women	men	total
Senior Managers	9.0	38.0	**47**
Middle managers	78.0	286.3	**364**
White-collar workers	391.0	311.0	**702**
Blue-collar workers	20.0	83.0	**103**
Apprentices	6.0	24.0	**30**
Total	**504**	**742**	**1,246**

Training and information takes place with the collaboration of the Supervisory Body in collaboration with the Compliance Function for the part on ISO 37001/anti-corruption certification.

The number of employees trained on legality issues and the percentages of total employees are shown below.

No. employees given legality issues training	Women	Men	Total	Percentage of total employees
Senior Managers	1	8	**9**	90%
Middle managers	10	33	**43**	83%
White-collar workers	83	77	**160**	59%
Blue-collar workers	8	39	**47**	3%
Apprentices	3	12	**15**	9%
Total	**105**	**169**	**274**	12%

Anti-competitive and anti-trust behaviours and monopolistic practices

At the date of this document, there are no pending legal actions in relation to anti-competitive behaviour and violations of anti-trust regulations, nor were any cases of these types closed during 2023.

Tax transparency

Approach to taxation

The approach to taxation complies with strict observance with the rules. Due to the nature and geographical area of its business, TPER does not adopt a specific tax strategy. Under no circumstances does TPER pursue or achieve its interests in breach of tax laws. Tper's objective is to meet its tax obligations (both formal and substantive) in a complete, accurate and prompt manner, to minimise the tax risks linked to the application of legislative and regulatory provisions on taxes in force, even in situations in which there may be doubts surrounding the interpretation.

Tax governance, risk control and management

TPER is not significantly exposed to tax risks. Reasonable, well-founded and justified tax choices and interpretations are adopted. TPER is subject to supervision by the Board of Statutory Auditors and control by the Independent Auditors.

Relations with the tax authorities (stakeholders)

TPER guarantees compliance with the applicable legal provisions, the principles of transparency, honesty and fairness in relations with the tax authorities (Revenue Agency, Customs Agency, Guardia di Finanza - Italian Tax Police). The management of relations with the latter is reserved exclusively for the corporate functions responsible for this, according to an approach based on open and constructive relations.

Tax information and data

TPER operates exclusively on the Italian territory as a tax jurisdiction. For quantitative information on taxes and related details, please refer to the Consolidated Financial Statements.

Cybersecurity and privacy protection

GRI STANDARDS	3-3 418-1

During the latter part of 2022 and the first half of 2023, cyber security attacks escalated considerably, setting new benchmarks in both the variety and number of incidents, as well as their consequences. The ongoing wars are significant factors that shape the IT security landscape.

With regard to the protection of personal data, TPER has developed an organisational model designed to monitor the proper application of the reference regulations. The role of the Data Protection Officer was established, effective from the entry into force of Regulation EU 2016/679. Furthermore, the implementation of legal provisions and the instructions of the Italian Data Protection Authority is ensured through the constant updating of internal policies.

In 2023, policies and procedures continued to be updated, including those that define data breach obligations and those that regulate the management of requests from data subjects related to the exercise of their rights regarding personal data protection, in addition to the ongoing ad hoc training activities on personal data processing, with particular regard to newly hired personnel and to specific areas such as call centres and parking inspectors.

In May 2023, following a revision of the company's organisational chart, a role was designated to ensure and facilitate the coordination of all personnel involved in processing personal data within the organisation.

On 21 June 2023, the Privacy Organisational Model (MOP) was approved, which defines the company policy for the processing of personal data. The purpose of the document is to define the organisational model for the management of data protection requirements and data subjects, having as a reference the EU Regulation 2016/679 on the protection of personal data, the current Italian Legislative Decree 196/2003, and the provisions issued over time by the Data Protection Authority.

In particular, the document regulates

- the roles and responsibilities assigned to the various management, control and operational levels, in order to guarantee the correct compliance with the aforementioned model and, consequently, compliance with the reference regulations
- the procedures for issuing the necessary instructions to persons authorised, at the various levels, to process personal data
- the tools for monitoring and controlling the system, in order to guarantee its continuous improvement and maintenance of compliance with current regulations.

Thus, the necessary actions have been implemented to ensure the implementation, in internal processes, of the provisions regarding the right of access of data subjects (with the purpose, for example, of understanding the personal data processed by TPER or exercising other rights) and of the Italian Data Protection Authority (Requests and Inspection).

The Record of Personal Data Processing Activities was also revised and updated to further enhance its compliance with the GDPR provisions, to address the requirements of information systems, as well as to identify any areas for improvement and manage the related action plans.

In 2023, there was a (paper) data breach related to the discovery of an abandoned rubbish bag containing unencrypted documents, which could be traced back to the activity of the TPER ticket office. The Data Breach was promptly reported and managed with the current procedure. The risk was mitigated by installing document shredders in the ticket offices and updating the operational guidelines for the data controller responsible for managing the ticket offices.

In July 2023, the new whistleblowing procedure was published. Reports may be made by members of the corporate bodies of TPER (Board of Directors, Board of Statutory Auditors), shareholders and, in general, persons with management, control, supervisory or representative functions of the Company; managers and employees of the Company; collaborators, self-employed workers, freelancers, consultants who work for the Company; volunteers and trainees who work for the Company and persons external to the Company (such as, for example, Suppliers, Customers and/or Business Partners, Stakeholders in general).

It should be noted that in 2021 the Guarantor requested specific information on the use of a form for purchasing local public transport service passes, which sparked an investigation which TPER followed up in 2022 with specific clarifications and arguments. In January 2023, the Authority announced the initiation of the procedure pursuant to Article 166, paragraph 5, of the personal data protection code DRP/ML/157715. In February, TPER sent its defence submissions. The ruling was received in 2024, envisaging a penalty against TPER for an incurred amount of Euro 25 thousand.

Supply chain

GRI STANDARDS	3-3 308-1 414-1 2-6

Suppliers are a fundamental part of the production process and TPER engages with them in a transparent manner, enhancing where possible the technical and innovative contribution.

The general principles of relationships with suppliers are regulated, in the first place, by the Code of Ethics and a Corruption Prevention Policy, which TPER shares with suppliers through initiatives envisaged in the programme for the communication and dissemination of said code and policy. Breaches of the general principles of the Code may entail the immediate termination of the supplier relationship as per the supply contract, which also includes statements regarding the knowledge of the principles contained in the Code, and the assumption of the obligation to comply with these principles.

As a Public Company operating in special sectors, TPER applies the national reference standards (Code of public contracts relating to works, services and supplies) for business-related purchases and oversees purchasing strategies and the relationship with the supply chain. TPER has also drawn up regulations to govern the procurement of works, supplies and services for amounts under the EU relevance threshold and a documented system of powers and procedures and in proportion to the value of purchases to be made.

Selection procedures provide for publicity of notices and information on the tender outcome. Publicity requirements depend on the amount and nature of the tender and, pursuant to national and EU regulations, procedures are utterly streamlined to meet economy, effectiveness, and efficiency criteria.

The selection of suppliers takes place through clear and certain procedures based on objective criteria such as the quality of the products and services offered and the competitiveness of the proposal, paying attention to equitable remuneration of the services requested. For the awarding of the contract, TPER uses two criteria:

- The maximum discount is applied in cases where the company provides the technical specifications of the good or service to be purchased in detail, and in this case the offer with the lowest financial impact is considered;
- The contract is awarded to the most financially advantageous offer, in cases where the company's attention is focused on the technical contribution that the supplier can offer. In this case, the skill requirements that companies must have in order to participate are defined first; then the technical aspects of the offer are taken into consideration, while the financial content is the last aspect to be evaluated.

The second approach is preferred in all cases where it is considered that the supplier can offer a specialist provision giving added value to the company.

Below the thresholds indicated, the regulation envisages the application of simplified commitment procedures in relation to the modest value of the contract which anticipates for the call for at least three or five companies.

A unique characteristic of TPER's activity in this area is determined by the procedures for the purchase of fuels, which represent the most important item in costs for supplies. At the beginning of each year, a supplier pre-qualification phase takes place, allowing new operators to start a collaboration with TPER. The qualified suppliers are those that the company contacts to make their offer requests, which are almost daily in this area, to adapt to the continuous changes in the price of fuel. The suppliers' proposals arrive the day after the request and the supply is activated the following day with the chosen supplier on the basis of financial convenience.

In the process of choosing the means to be purchased for several years, TPER adopts a "life-cycle costing" logic, which allows it to consciously plan investments and the use of resources over the long term, with particular attention to vehicle spare parts.

The commitment of the Tenders and Supplier Qualification Function is currently aimed at structuring a register of suppliers to systematise the information and support the qualification phase of the suppliers.

TPER is a member of Intercent-ER, the regional agency for the development of electronic markets that plays the role of purchasing centre.

In the case of some specific investments financed with public resources, TPER has assumed the role of "purchasing centre" with regard to other local public transport companies. Specifically, TPER coordinated the purchase of new rolling stock for the transport companies of the other areas of Emilia-Romagna as well.

With specific reference to social and environmental responsibility, suppliers are expressly required to adhere to the TPER Code of Ethics.

Within TPER's supply chain, there are no cases of suppliers with significant problems in terms of freedom of trade union association, child labour, forced labour conditions, failure to respect human rights.

Furthermore, TPER has adopted a system for the prevention of corruption in compliance with the UNI ISO 37001:2016 standard, certified by an accredited third party, which defines the criteria for applying the due diligence of the main business partners and suppliers.

Since 2018, a system has been implemented for carrying out electronic tenders through the use of the Economic Operators Register. More specifically, the Tenders Portal was published for the creation of the register of operators for works, services and supplies and the management procedures for electronic tenders were activated. This platform also provides the service for the publication of contracts in accordance with Italian Law no. 190/2012 on the TPER internet portal and generates the files in XML format for the annual statement to ANAC. These procedures apply to all TPER Group suppliers.

With reference to the type of suppliers, TPER ordinarily purchases goods and services, while on the investment side, the supply concerns rolling stock or structural/infrastructural works.

Depending on the specific supply or service purchased, the contractual relationship is short or long-term, based on a project or not, continuous or occasional, always in compliance with the company's internal rules and regulations.

The specific procurement characteristics also vary depending on the characteristics of the goods or services purchased.

With reference to the value of payments and geographical regions of origin, please refer to the chapter on the extended value analysis.

With reference to the issue of the environmental assessment of suppliers, TPER is launching a system that will make it possible, in the future, to identify the percentage share and number of suppliers assessed according to environmental criteria, defining the actual and potential impacts and possible improvement actions. At present, the company does not have procedures and tools capable of expressing this information.

Also with reference to the social assessment of suppliers, TPER is launching a measurement process, with the aim of identifying the percentage share and number of suppliers assessed according to social criteria, establishing the actual and potential impacts and possible improvement actions. At present, the company asks all suppliers to adhere to the Code of Ethics, which indicates the main human rights and social aspects to comply with.

Similar criteria are applied in the context of tenders for the awarding of services or works or for the purchase of materials.

NFS Customers

Quality and compliance of services

~~chiesto amici e lodi verifica ok~~

GRI STANDARDS	3-3 417-1 417-2 417-3

A quality service for local public transport is made up of different aspects, to which TPER pays constant attention and in which it invests to operate in compliance with the quality standards presented in the Service Charter and compatible with the objective of economic sustainability. It is necessary not only to ensure compliance with the quality envisaged in the service standards, as agreed with the mobility agencies based on the service agreements entered into and in force, but also to address the quality perceived by users, measuring appreciation and satisfaction through customer satisfaction or mystery customer surveys.

To ensure maximum visibility to the quality of the services provided, TPER annually updates the service charter, which shows users their rights and minimum guaranteed services. Surveys, on the other hand, monitor the quality actually perceived with reference to aspects such as the comfort of the vehicles, regularity, punctuality, accessibility of the service, transparency and completeness of the information provided.

Service Charter

The Service Charter is the means by which any subject providing a public service identifies the standards of its performance, declaring its objectives and recognising specific rights for the citizen-user. The Charter thus supports the quality of services and encourages greater participation by recipients. The TPER Service Charter was prepared in accordance with art. 16 of the Constitution, taking into account the national rules and the principles established by the European Green Charter.

The principles with which the provision of public services must comply and on which the Charter must provide information are those of:

- Equal rights of users
- Impartiality of the providers
- Continuity of the service provided
- User participation
- Efficiency and effectiveness of the service.

The commitments set forth in the Service Charter are determined in part by the contents identified by the service contract between the concession body and the manager, which defines the guidelines and characteristics of the public service. The aim of TPER is to structure the Service Charter more and more as a tool for relations with users and the community, so as to start a dialogue and on-going communication.

Communication, information, listening

In recent years, TPER has committed to improving its channels for listening to users and providing them with information, in particular by structuring digital channels that allow users to be reached in a widespread and timely manner.

As mentioned in the previous paragraphs, the MUVER and ROGER apps make it possible to obtain information on services as well as manage the purchase and validation of travel tickets for all mobility companies in the region. In particular, ROGER is the MaaS application that combines many of the various services made available by local transport companies, including route calculation and parking payment.

TPER makes open data available on its website, which can be used freely for application development. All information can also be consulted on smartphones using various apps available on the company website, which can be used on Apple and Android devices.

The Hellobus service is available at all stops and allows users who request it to receive information via SMS about the arrival time of the bus and the level of accessibility of the vehicle arriving at the stop.

Customer satisfaction

The overall score for the TPER service is 6.91 for the Bologna urban service, 6.74 for the Bologna suburban/extra-urban service, 6.84 for the Imola service, 7.02 for the Ferrara urban service and 7.01 for the Ferrara extra-urban service.

The most appreciated services relate to courtesy, politeness and appearance of the staff, driving conduct of the drivers, operation of the vehicles and facilities on board.

Complaint mechanisms

In case of complaints, TPER undertakes to provide an answer within 30 days and involves the relevant business contacts on the basis of the specific topic, to provide the most correct information but also to define the necessary action to be taken.

TPER records every interaction with users as a report. The reporting figure is therefore affected by the fact that for each user and specific fact reported there may also be several exchanges. The data of individual users reporting is therefore also reported.

Complaints	2021	2022	2023
Total complaints	7,664	8,106	10,317
Individual users	5,666	6,200	7,752
Of which			
Total automotive complaints	4,468	5453	7,239
Total Grande and Salta Su reports	1,830	1,047	1,298
Total Covid complaints	293	13	2
Total People Mover complaints	711	1,593	1,778
In particular related to			
Service			
Frequency or schedule not respected	508	879	2,506
Runs missed	352	425	437
Personnel			
Unfriendly personnel	242	286	268
Inappropriate driving	758	398	352
Failure to stop at bus stop	357	304	161
Fare dodging clamp down	1	9	30
Obligatory validation	1	6	8
Positive reports	6	5	1
Average response times to complaints	10	13	10

There were 10,317 reports in 2023, for a total of 7,752 users. There are 7,239 actual complaints in the automotive sector.

In 2023, the traffic restrictions and changes resulting from the securing of the Garisenda Tower and the numerous construction sites started in the city, including for the construction of the TRAM infrastructure, had a significant impact on complaints. The number of complaints is also affected by the counting system, whereby every exchange with the user is identified as a report.

The reports mainly concern the service (frequency of runs and compliance with timetables). In some cases the behaviour of staff was also the subject of complaints, in terms of courtesy, appropriate driving and stopping at stops.

The average response time is 10 days. A total of 92% of the reports received during the year were dealt with, mainly by email (95% of the reports processed), the remainder by telephone and in a few cases by ordinary mail.

Information

In 2023 (as in previous reporting periods), there were no incidents of non-compliance with regulations and/or self-regulatory codes in relation to information and labelling of products and services or regarding marketing communications.

Customer health and safety

GRI STANDARDS	3-3 416-1 416-2

The safety of public transport users is guaranteed both by a series of procedures that allow a reduction in emergency/rescue time, and by significant investments in technological equipment, carried out as early as the mid-90s. In particular, the remote control system (AVM - Automatic Vehicle Monitoring), extended to the entire fleet, allows the monitoring of the vehicles in service and communication between the Operations Centre and drivers via the on-board radio system. With regard to managing the fleets of vehicles that service the public transport service, the features of this system allow service optimisation in case of disruptive events, providing an overview of the overall actual operating conditions, a better definition of strategies for any regulatory interventions, and the possibility of the Operations Centre to communicate the consequent operating instructions to individual buses or groups of vehicles. Similarly, the system allows the best prevention and management of mechanical damage to vehicles in service. The system also allows the collection of valuable data for planning services.

The TPER project to equip all urban buses with a video camera with microphone, built in to the remote control system and placed in the driver's seat area which, activated by the driver in an emergency, allow Operators in the Operations Centre to view and hear what is happening aboard a bus in real time, continues. The Operators in the Centre can then quickly assess the situation, sending support staff or requesting help from the police.

Furthermore, to support safety on board vehicles, a system of external and internal video recording devices has been installed on the entire fleet, for example, in case of accidents with other vehicles, which can be activated either automatically (collisions, sudden braking etc.) or manually. The device allows the recording, which lasts about ten seconds before and after the event that caused the activation, of images taken just in front of the bus area and much of the front interior of the bus, useful both for reconstructing the dynamics of road accidents and their effects on passengers.

Lastly, TPER has signed a Memorandum of Understanding with the Prefecture and the Municipality of Bologna concerning the safety of service personnel and users of public transport, with which the company has committed to providing future buses with the necessary components for the installation of video surveillance systems (wiring, provisions for new technology) that allow high-definition images to be taken of the entire area of the vehicle intended for passengers. TPER's investment plans also include the supply of on-board components to progressively equip the entire fleet with video surveillance systems. The collection and processing of images is carried out in compliance with applicable privacy laws.

On the basis of that Memorandum of Understanding, the Prefecture and the Municipality of Bologna have made a specific commitment to the coordination between the Police (State Police and Carabinieri) and Local Police for the optimal use of resources aimed at both the provision of extraordinary control services to ensure the safety of staff and users of public transport, and to counter the commission of those offences which are most frequently mentioned as typical of public transport services (pick-pocketing, assaults, harassment), and lastly to prevent incidents of verbal and physical assault on inspectors and drivers.

An identical Memorandum of Understanding was signed for the Ferrara area with the Prefecture and the Municipality of Ferrara.

The impacts on the customers' health and safety are very important for TPER, with particular reference to the passenger transport service, with a view to continuous improvement.

For the year 2023, there is no evidence of cases of non-compliance with regulations and/or self-regulation codes regarding impacts on health and safety. During the reference period (2023), no proceedings were brought against the company regarding health and safety impacts deriving from transport services rendered to customers.

Diversity and customer inclusion - Alias careers

TPER has adopted a Regulation to govern the issue of nominative and verifiable season tickets to persons who, on the basis of self-declarations, wish to adopt their elective gender and name in full automatic substitution of their personal gender and/or name.

The Regulation addresses the activation and management of alias careers. An alias career consists in assigning the person concerned an additional identity with respect to the personal data valid in the context of contractual relations with Tper, limited to the issue/renewal of the MiMuovo season ticket and, in particular, to the indication of this ‘identity’ on the card itself.

In this case, it is envisaged that only the name of election will be displayed on season tickets, in order to eliminate uncomfortable situations and forms of discrimination related to sex, sexual orientation and gender identity. To this end, an administrative procedure has been regulated that provides for the possibility of acquiring an “alias identity”, i.e. using a name that is different from the one resulting from TPER's registry, exclusively for the purpose of issuing/renewing local public transport season tickets.

NFS Environmental sustainability

Mobility phenomena impact all aspects of human activities, from our homes to work and leisure. The transportation of goods and passengers represents a crucial industrial sector for the economy and presents significant impacts also in terms of sustainability, considering the high absorption of energy, still in part deriving from fossil fuels.

To pursue environmental sustainability targets, especially with a view to reducing emissions, the sector should be redesigned from the industrial perspective (type of energy used, efficiency), but also cultural, especially when observing the modal mix used. In this sense, the efforts made by policy makers in public policies, but also by people, must move towards reducing the use of private vehicles, promoting public transport or shared vehicles.

In the specific passenger transport sector, TPER intends to provide its contribution to the important and now urgent path towards environmental sustainability precisely from this perspective: on one hand, by privileging cleaner technologies and pursuing innovation, and on the other by providing a quality alternative to private vehicles.

Service quality and efficiency

GRI STANDARDS	3-3

Improving the quality and efficiency of the service is a strategic element in incentivising people to choose public transport over private forms of transport fuelled by fossil sources. TPER undertakes to ensure cleanliness, punctuality and suitable frequency for specific routes.

The introduction of innovative ways of purchasing tickets and the promotion and information campaigns on the service have the additional goal of raising awareness and encouraging the use of less polluting transport solutions. Through quality surveys and more accurate measurements of transport use, it is possible to design and deliver a service effectively oriented towards consumers and their needs, with the aim not only of providing quality services to regular customers, but also of acquiring new customers who do not regularly use collective or shared services as a first choice. Through the widespread use of public or shared transport, TPER believes that it can contribute to reducing traffic and road congestion and to improving city viability and living conditions.

Environmental impact - means of transport

GRI STANDARDS	3-3

TPER pursues the objective of reducing the environmental impact of vehicles mainly through the renewal of its vehicle fleet, the purchase of new vehicles and the use of less polluting energy sources, such as electricity or methane (in particular, LNG, which can be replaced by biomethane from a circular economy point of view). Furthermore, the replacement of the most obsolete vehicles with new vehicles allows for lower fuel/energy consumption and lower climate-altering emissions that are harmful to human health.

The impact analysis of the noise produced by TPER can help verify overall compliance with the noise limits established by law, in particular following the investments in the vehicle fleet of recent years.

Environmental sustainability and circular economy

GRI STANDARDS	3-3

In 2019 the TPER Group and the Hera Group launched a circular economy project. Specifically, the project involves the production and use by TPER of the biomethane produced in the Hera Group plant in S. Agata Bolognese. The biomethane produced in this plant is a 100% renewable fuel, generated thanks to the processing of organic waste produced by the Bologna Marconi Airport. At full capacity, the plant is able to produce 7.5 million cubic metres of methane/year (as well as 20,000 tonnes of quality compost mainly destined for agriculture) and introduce it into the electricity grid, generating savings of 6,000 tonnes of oil equivalent.

Since 2022, the project has also involved Bologna Marconi Airport, which contributes to the production of biomethane by transferring all the organic waste produced by commercial activities within the airport itself.

This circular process, which begins with the effort of correctly sorting waste and ends with providing a renewable fuel to the region, has a transparent and certified supply chain.

Climate change - Energy - Emissions

GRI STANDARDS	302-1 302-2 302-3 302-4 305-1 305-2 305-3 305-4 305-5

The ecological transition is a strategic priority of the European Union which, with the Green Deal, the Next Generation EU and the recent proposal relating to the "Fit for 55" reform package, aims to become the first major geopolitical area in the world with zero climate impact at 2050.

Back in 2007, the Green Paper "Towards a new culture for urban mobility" identified five challenges to address in order to resolve the critical issues in urban transport systems: the fluidity of traffic, improving air quality, incentivising the spread of Smart Mobility, improving accessibility and reducing road accidents.

The subsequent Action Plan on Urban Mobility (2009) included 20 specific measures for the creation of an efficient transport system and the improvement of social cohesion.

These goals and actions were consolidated by the European Commission White Paper of 2011 "Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system", which defined the European transport strategy for 2050, making particular reference to the use of sustainable fuels and harmful emissions to the environment (in terms of global warming and pollution) and human health.

To combat dangerous climate change, the EU leaders subsequently adopted the Energy and Climate Policy Framework 2030 in October 2014, which envisaged a binding CO2 reduction target of at least 40% by 2030 over the 1990 figures.

This objective is also part of the EU's commitment to the Paris Climate Change Agreement. The Paris Agreement in particular identifies the targets and deadlines to meet in terms of reducing harmful emissions in order to achieve the climate change goals.

The climate crisis is indeed a great challenge at all levels. The monitoring and improvement of climate change requires close coordination of international, national and local policies, a change in the lifestyles of large sections of the population, an industrial approach based on sustainability.

In this process, mobility systems play a crucial role, considering the significant impact of the sector on the use of energy from fossil sources and on emissions and taking into account that in the modal mix most of the impact on the environment and climate derives from the private transport.

In line with international policies, Italy has undertaken to keep the temperature increase below two degrees compared to pre-industrial levels (which implies a reduction in emissions of 55% in 2030, compared to 1990, and the achievement of net zero emissions in 2050). However, considering the trend scenario, the current application of the policies leads to an increase in the global average temperature just below 3 degrees. To move from the trend scenario to the target scenario, mitigation measures and policies are necessary, while adaptation measures will have to deal with climate damage that cannot be avoided.

In this situation, it is extremely important to define transport optimisation goals, mainly by reducing private vehicle mobility and by encouraging alternative options involving shared or collective mobility. For this reason, it is paramount to boost efficiency and safety levels, to guarantee the use of more sustainable transport modes, to strengthen public railway and road transport, to renew rolling stock and road fleets, and to develop technological innovation, logistics and a new culture of movement.

Therefore, in light of the notable impact of transport on the environment and on people's quality of life, it is necessary to pursue a sustainable mobility goal which, on the one hand, allows citizens to move freely and comfortably and, on the other, reduces the negative impact of private traffic, mainly as regards harmful gases emitted by the fleet into the atmosphere.

The strengthening of public transport represents an important path to take, in particular in medium and large cities, where high population density would make it impossible for all citizens to use their own vehicles.

With the increase in vehicle efficiency, the evolution of technology and the improvement of road infrastructure (reduction of congestion), it is actually possible to achieve a significant drop in the emissions of air pollutants produced by road transport. The use of vehicles powered by less polluting technologies and traction systems (electric, hybrid and methane vehicles) offers a major reduction in atmospheric emissions, noise generated and vibrations.

The mitigation measures relating to the transport systems of people and goods presuppose a general objective of reducing (in absolute value) the vehicle fleet in circulation. Basically, the lines of intervention concern:

- The modification of the modal distribution in favour of sustainable modes of transport
- The adoption of technological solutions capable of increasing the energy efficiency of vehicles and therefore reducing overall emissions
- The adoption of safe and reliable digital solutions to support transport systems and sustainable mobility.

As regards the reduction of road congestion and accidents, improving air quality through the use of cleaner energy sources and the overall reduction of CO2 produced, TPER has launched a series of initiatives and implemented plans to develop the service, both with the objective of providing a viable alternative to private transport (reduction of private transport emissions), and through efficiency improvements in its fleet consumption levels (reduction in own emissions).

Unfortunately, the path to sustainability has encountered obstacles in recent years. First COVID and the war in Ukraine later changed impacts in terms of service offered and available resources. Sustainability remains a corporate priority, but corporate decisions have been adapted and reviewed taking into account contingencies and scenarios, as well as economic and financial impacts.

The European Union and TCFD recommendations

The European Commission's Communication 'Guidelines on non-financial reporting: Supplement on reporting climate-related information' (2019/C 209/01) is a supplement to the guidelines issued by the Commission itself in 2017 for non-financial reporting under EU Directive 95/2014. This communication contains the (non-binding) guidelines for information to be provided by companies on climate change, supplementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board.

It should be noted, however, that the Financial Stability Board announced at the end of 2023 that the work of the TCFD had been completed and that its recommendations, which remain valid and applicable, are incorporated by the ISSB (International Sustainability Standards Board - part of the IFRS Foundation) standards, and, in particular, by IFRS S2 Climate-related financial disclosures. For the purposes of this NFS, which uses the GRI Standards as reporting criteria, the linking information between the current reporting system and the TCFD recommendations has been included.

The following table summarises the current CSP reporting system related to climate-related information with respect to the indicated references.

Areas	TPER reporting
Scenarios, risks and opportunities (business model)	The effects of climate change may have a significant impact on the urban public transport sector, in terms of the type and structure of demand, as well as on the organisation of the service. To date, TPER has not developed specific medium/long-term scenarios that quantify the resilience and economic-financial effects of an increase in temperatures of less than or equal to 2 °C and a scenario greater than 2 °C (20). [TCFD recommendation, strategy c)].
Governance - policies	TPER's environmental policy (this chapter/Environmental sustainability) TPER fleet Energy policy - see specific information at the bottom of this table (sections Energy - Emissions)
Targets	TPER has made and plans to make significant investments in energy efficiency and the renewal of its fleet (TPER fleet) and for the resulting reduction in emissions. Currently, no specific targets have been defined for further interventions to reduce energy consumption and emissions.
Performance - indicators and metrics	The current TPER reporting system provides the following information: Energy consumption: direct and external (partner vehicles) GRI 302-1 GRI 302-2 Direct and indirect emissions (GHG Scope 1 and Scope 2) + other types of emissions relevant for the reference sector GRI 305-1 GRI 305-2 GRI 305-7 GHG Scope 3 emissions (partner vehicles) GRI 305-3 (partner vehicles) Energy and emissions intensity indexes GRI 302-3 GRI 305-4

Energy consumption

Sites

In conjunction with the renewal of the agreement with the Municipality of Bologna for the concession of the company headquarters, the redevelopment project is underway with a view to saving energy and reducing the environmental impact.

The investment plan provides for the minimisation of heat loss and the production of renewable energy.

Internal energy consumption new

Internal energy consumption relates to the consumption of the Parent Company TPER and the subsidiaries included within the scope of consolidation. The data are summarised in GJoule.

Trend in overall energy consumption (GJoule)	2021	2022	2023
Electricity consumption	65,881	59,501	59,988
Fuel consumption - diesel	417,613	398,672	399,125
Methane consumption	392,951	409,685	418,434
Total	**876,446**	**867,858**	877,547

The total energy consumption by sector and the relative trends are shown below.

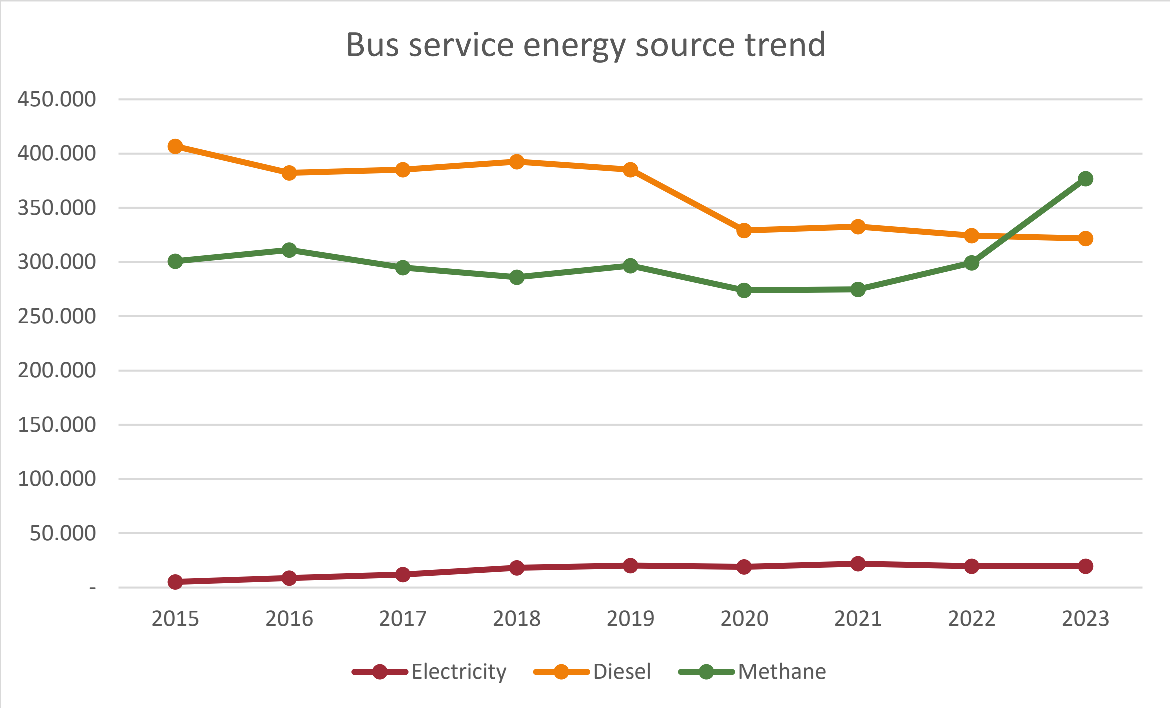
Overall energy consumption by service (GJoule)	2021	2022	2023
Transport	715,801	724,300	735,936
Other mobility services	14,478	14,419	12,116
Offices - Terminals and other	146,166	129,139	129,495
Partners	92,304	89,276	95,393
Total excluding partners	**876,446**	**867,858**	877,547
Total with partners	**968,750**	**957,134**	972,940

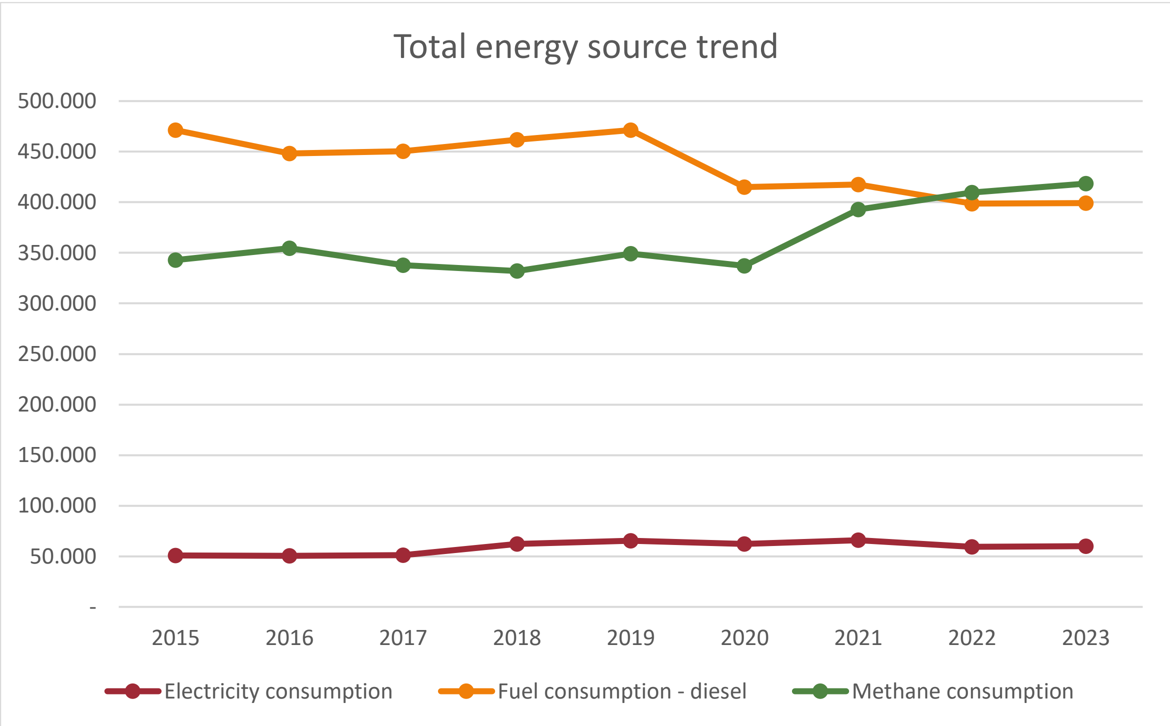
Trend in overall energy consumption	2021	2022	2023
Excluding partners	7.6%	-1.0%	1.1%
With partner	5.5%	-1.2%	1.7%

The following table shows the trend in energy consumption by type of energy source.

Trend in overall consumption of transport services (GJoule)	2021	2022	2023
Electricity consumption	21,991	19,748	19,614

Fuel consumption - diesel	332,674	324,520	321,768
Methane consumption	275,002	299,286	376,976
Total	**629,667**	**643,555**	**718,358**





With reference to the purchase of electricity, from 2017 to 2021, a sustainability requirement has been included in the specifications and tender documents, whereby all lots provide exclusively for the supply of energy from renewable sources as defined by letter b) of

Resolution ARG/ELT no. 104/11 et seq. (contracts with guarantee of origin), without production of new CO2 from fossil fuels.

Since 2022, it has not been possible to fully guarantee the purchase from renewable sources due to the scarcity situation that arose on the market. Therefore, for 2023 only a portion of purchased electricity has a guarantee of origin.

External energy consumption

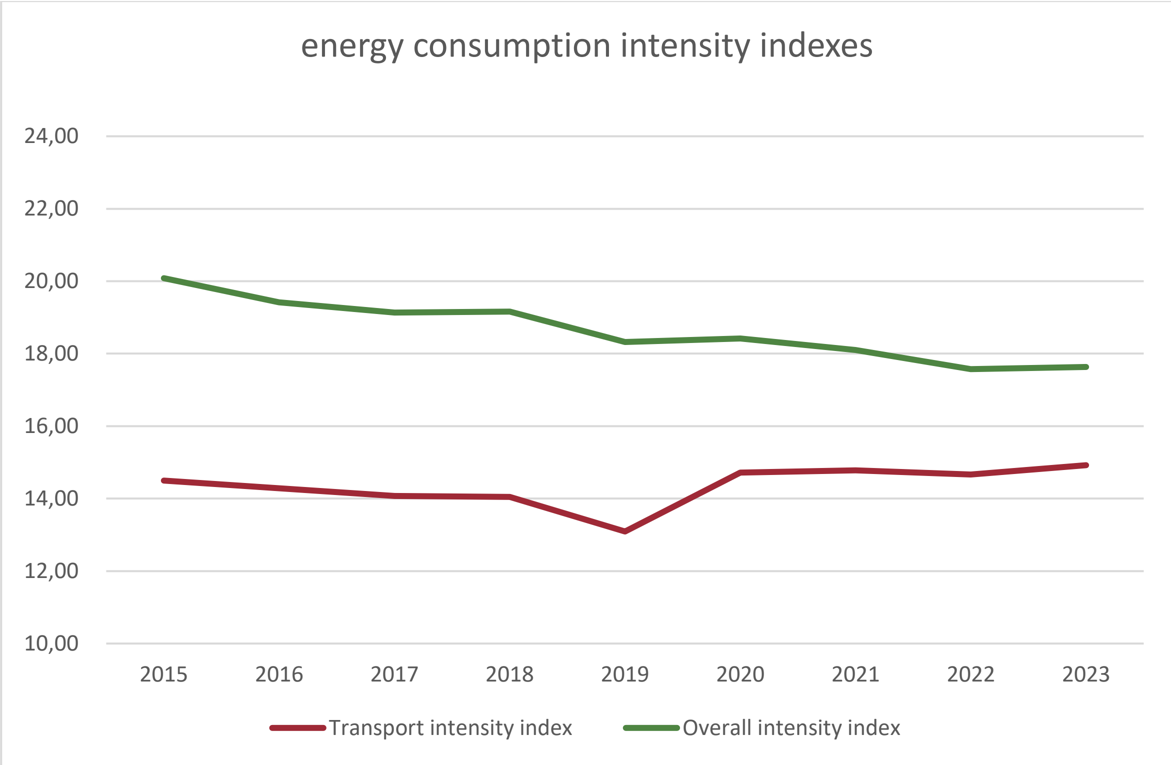
The data presented refer to the portion of external (indirect) consumption related to partners in public transport services. Specifically, external consumption includes partners that operate the service in the Bologna and Ferrara areas, through subsidiary consortium companies TPB and TPF. Consumption refers to fuel (diesel) and methane for transport.

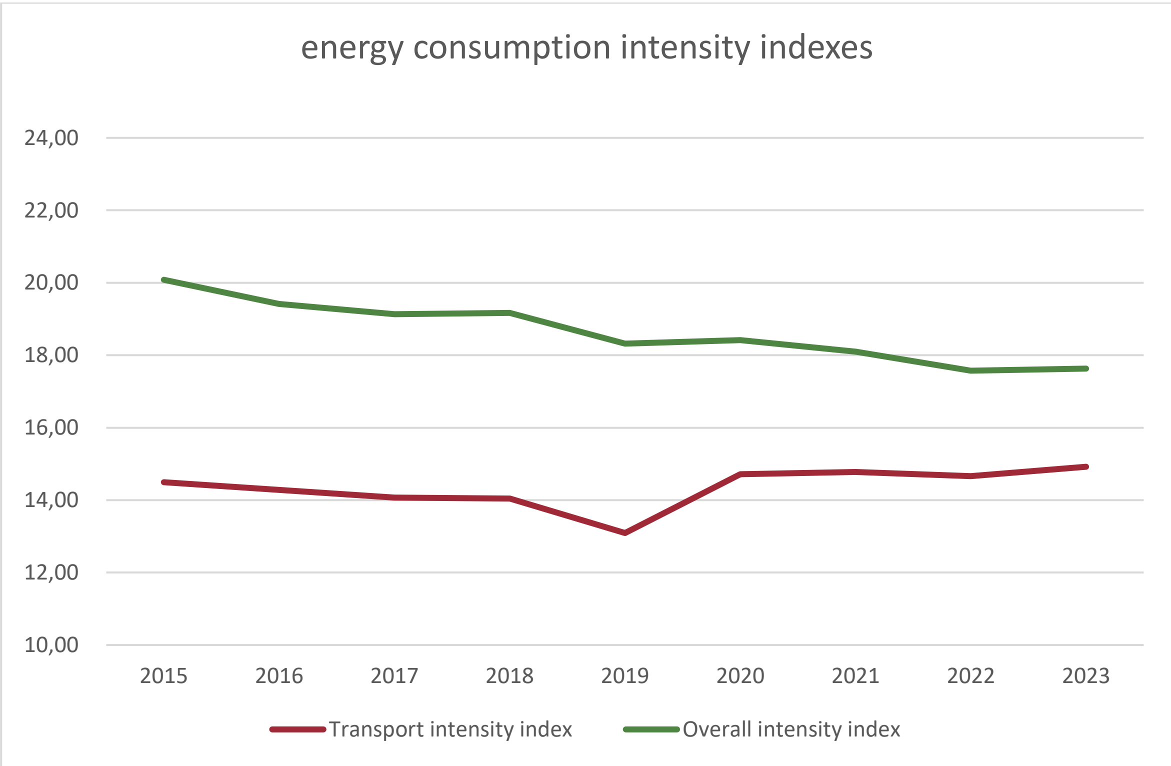
Energy consumption - Partners (GJoule)	2021	2022	2023
Fuel consumption - diesel - Transport (bus)	86,950	84,700	89,317
Methane consumption - Transport (bus)	5,354	4,576	6,076
Total consumption	92,304	89,276	95,393

Energy consumption intensity index

The following are the intensity indices related to the reduction of energy consumption. At equivalent levels of energy usage, TPER has directed its choices towards more sustainable energy sources.

Local public transport intensity index	Unit	2021	2022	2023
Energy consumption	GJ	715,801	724,300	735,936
Total km travelled	km	48,425,245	49,384,978	49,776,493
Intensity index	**GJ/km*1000**	**14.78**	**14.67**	14.92
Overall intensity index	**Unit**	**2021**	**2022**	**2023**
Energy consumption	GJ	876,446	867,858	877,547
Total km travelled	km	48,425,245	49,384,978	49,776,493
Intensity index	**GJ/km*1000**	**18.10**	**17.57**	17.63





CO2 emissions

Energy consumption has an impact on emissions. Changes over time in the energy mix used (reduction of fossil fuels to the advantage of electricity or biomethane) and the efficiency of vehicles (new vehicles consume less energy for the same mileage) have an impact on emissions trends.

In recent years, energy consumption has also been impacted by the displacement dynamics due to Covid. For example, for health reasons, it was necessary to provide additional runs so as not to saturate capacity, therefore there was a greater energy consumption due to an increase in runs partially offset by lighter vehicles.

The emissions figure is reported in tonnes of carbon dioxide equivalent (t CO2e) and refers to direct emissions (*GHG - Greenhouse Gas Scope 1*), together with the indirect ones associated with the consumption of electricity purchased from the network (*GHG Scope2*).

The calculation of indirect emissions from electricity consumption (GHG - Scope 2) was carried out according to the “Market Based” approach, which involves determining the GHG - Scope 2 emissions deriving from the purchase of electricity considering the specific emission factors communicated by suppliers. For purchases of electricity from renewable sources, an emission factor of CO2 zero is attributed. Therefore, for the years up to 2021, having the characteristics of guarantee of origin, electricity purchased was considered to be 100% deriving from renewable sources. For 2022, for a portion of energy without a guarantee of origin, the national energy mix was taken into account to establish the portion deriving from renewable sources.

As with the consumption analysis, the reporting scope for emissions comprises the subsidiaries and partners.

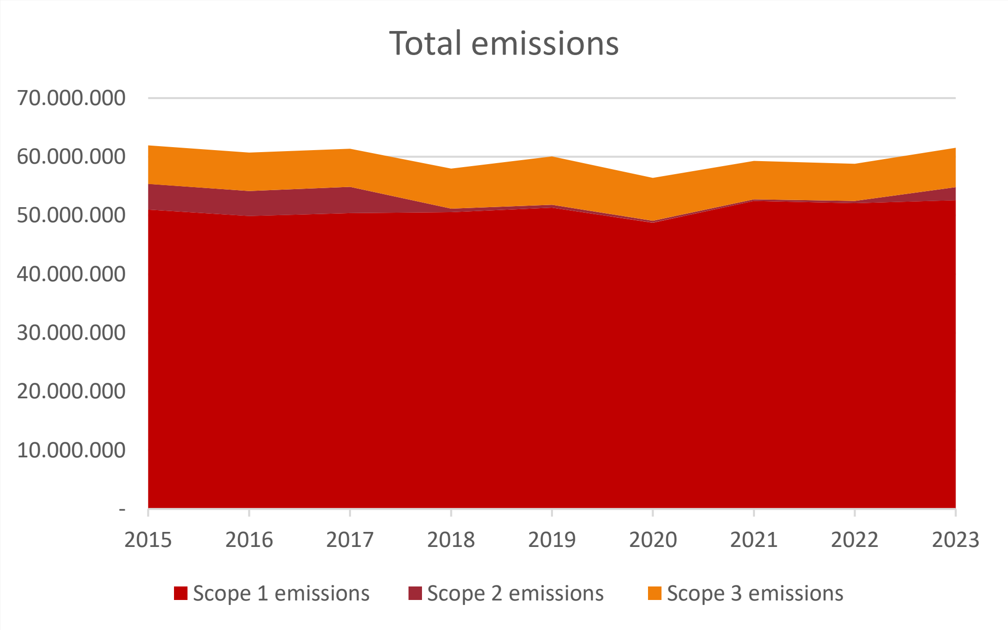
The tables show, for the most significant types, the data relating to direct emissions (Scope 1 GHG - Greenhouse Gas) and indirect emissions associated with the consumption of electricity purchased from the grid (Scope 2 - GHG). In addition, data is presented on emissions from fuel consumption by partners, particularly in carrying out the portion of transport service provided by TPER (Scope 3 GHG).

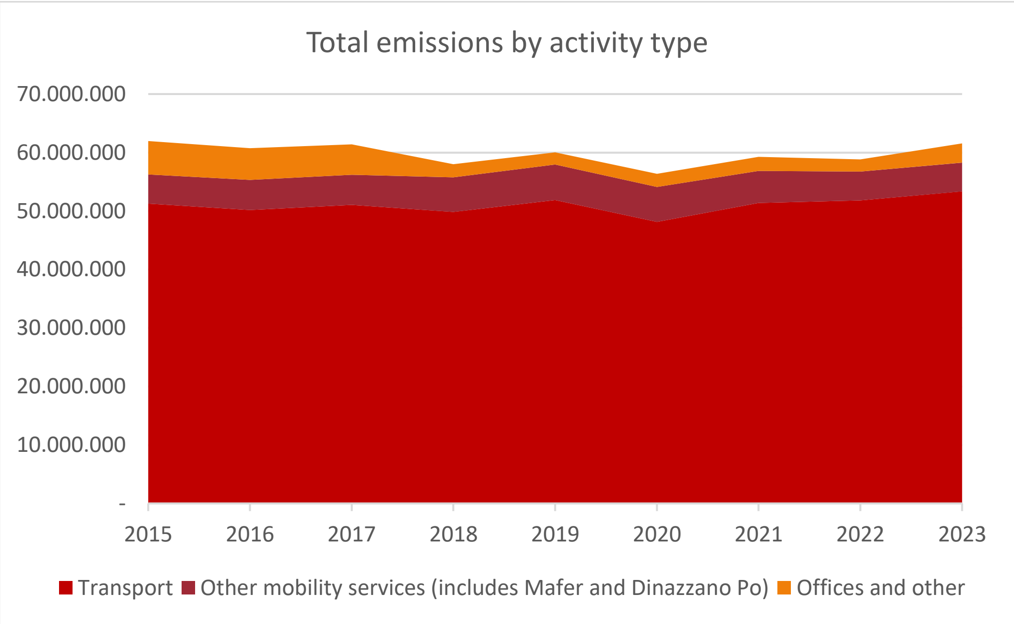
The parameters for the emissions calculation starting from fuel consumption are based on public studies (sources: www.isprambiente.gov.it, www.sviluppoeconomico.gov.it).

The emission trend in absolute values is shown below. The data must then be compared taking into account the service levels, i.e. the total km, to assess the intensity of emissions (location based).

CO2 emissions by Scope (kgCO2e)	2021	2022	2023
Scope 1 emissions	52,491,646	52,102,690	52,603,313
Scope 2 emissions	257,569	385,891	2,215,061
Scope 3 emissions	6,534,979	6,328,990	6,745,762
Total	59,284,194	58,817,571	61,564,136
Trend in overall emissions	5.14%	-0.79%	4.67%
Total emissions/By activity type (kgCO2e)	**2021**	**2022**	**2023**
Transport	51,368,149	51,798,299	53,361,594
Other mobility services (includes MA.FER and Dinazzano Po)	5,478,990	4,949,387	4,907,282
Offices and other	2,437,054	2,069,885	3,295,261
Total	59,284,194	58,817,571	61,564,136
Trend in overall emissions	5.14%	-0.79%	4.67%

The increase in emissions is substantially due to an increase in scope 2 emissions: the amount of electricity purchased with guarantee of origin contracts from renewable sources decreased.





As mentioned previously, TPER aims to improve its performance in terms of emissions by acting both on the energy mix used and on the efficiency of the vehicles.

The impact on emissions can also be measured by taking into account the use of public transport as an alternative to private cars. In fact, by using collective and shared transport as an alternative to private vehicles powered by fossil fuels, TPER users have saved at least 159 thousand tonnes of CO_2 in the Bologna and Ferrara catchment areas, of which 179 tonnes for the Corrente service.

These figures were calculated considering an estimate of trips made with a car powered by fossil fuels instead of local public transport.

The parameters for the calculation are based on public studies (sources: www.CO2nnect.org, www.isprambiente.gov.it, www.sviluppoeconomico.gov.it).

Emission intensity index

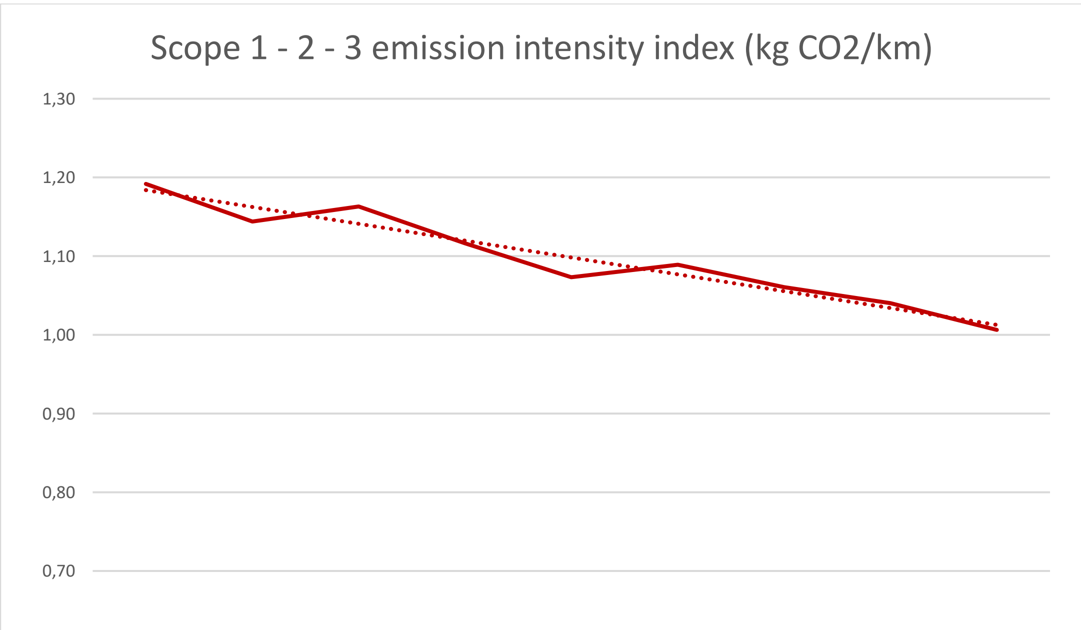
The emission intensity index is presented below. As with the data related to the energy intensity index, these data use km travelled as the reference parameter.

Emission intensity	Unit	2021	2022	2023
Local public transport intensity index				
Local public transport tons of CO2 emissions	kg CO2e	51,368,149	51,798,299	53,361,594
Total km travelled	km	48,425,245	49,786,694	53,026,204
Intensity index	CO2/km	1.06	1.04	1.01
Index trend		*-2.6%*	*-1.9%*	*-3.3%*
In the three-year period		*-1.1%*	*-4.5%*	*-5.1%*
Overall intensity index				
Total tons of CO2 emissions	kg CO2e	59,284,194	58,817,571	61,564,136
Total km travelled	km	48,425,245	49,786,694	53,026,204
Intensity index	CO2/km	1.22	1.18	1.16
Index trend		*-4.0%*	*-3.5%*	*-1.7%*
In the three-year period		*-1.4%*	*-7.4%*	*-5.2%*

The specific scope 1 and 2 intensity index is also reported, since it is considered a relevant KPI for the purposes of assessing company performance.

Scope 1 and 2 intensity index	2021	2022	2023
Scope 1 and 2 emissions	52,749,215	52,488,581	54,818,374
km	48,425,245	49,786,693	53,026,204
Sustainability KPIs - scope 1 and 2/km	**1.09**	**1.05**	**1.03**
Trend	**-2%**	**-3%**	**-2%**

The emission intensity index trend is presented below.



Other emissions harmful to the environment and human health – local pollutants

GRI STANDARDS	305-7

The impacts of road transport on the territory with reference to other relevant emissions that are harmful to the environment and human health are analysed below.

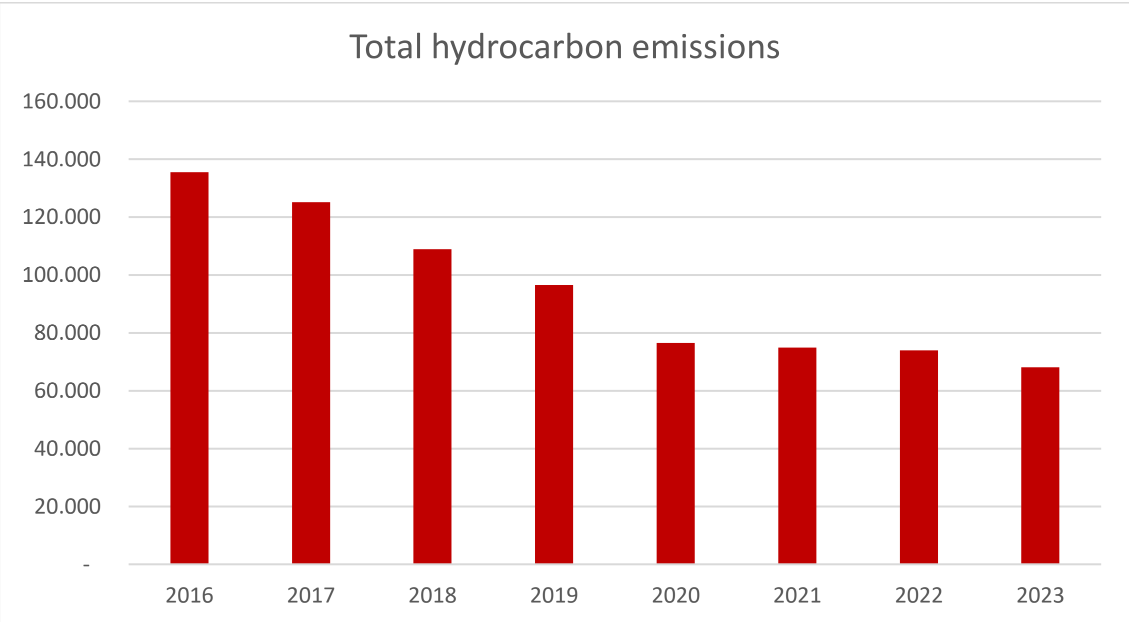
The positive effect of TPER's decisions in defining the mix of power sources (electric, methane, diesel) and of the decision to gradually replace more polluting vehicles with new lower impact vehicles can be seen in the data. All emissions analysed show a gradual decline from year to year.

TPER measures the emissions of hydrocarbons, carbon monoxides, particulates and nitrogen oxide.

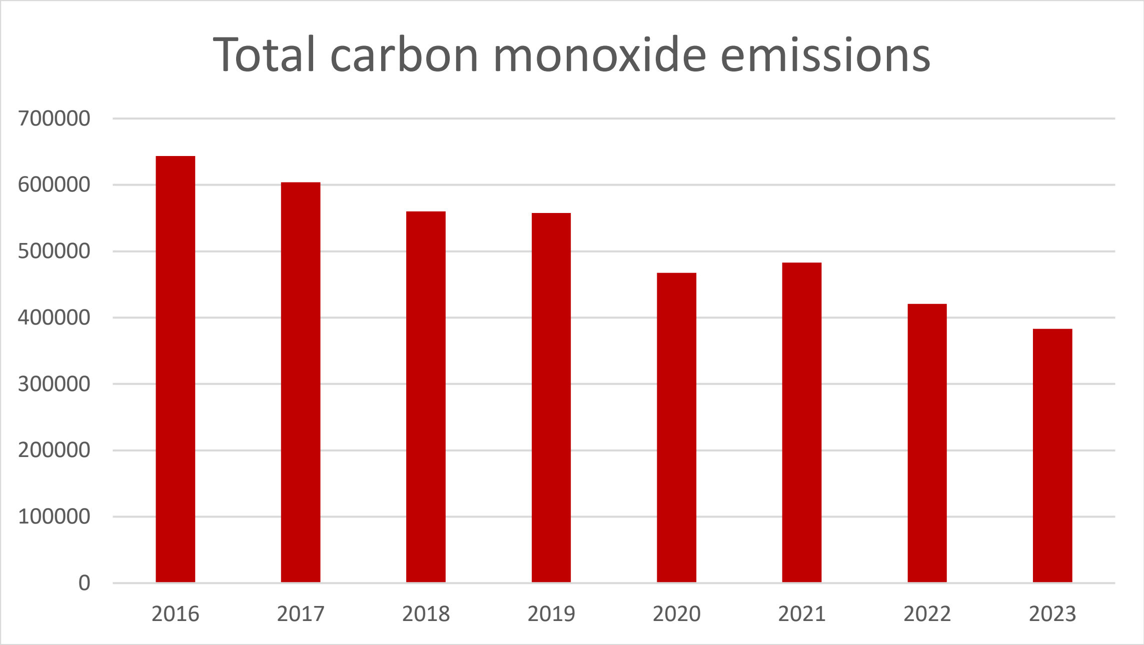
With reference to the emissions of local pollutants, which affect people's health and the environment (urban and natural), the trends in emissions of hydrocarbons, carbon monoxide, particulates and nitrogen oxides are reported.

All the data shown below are in kg.

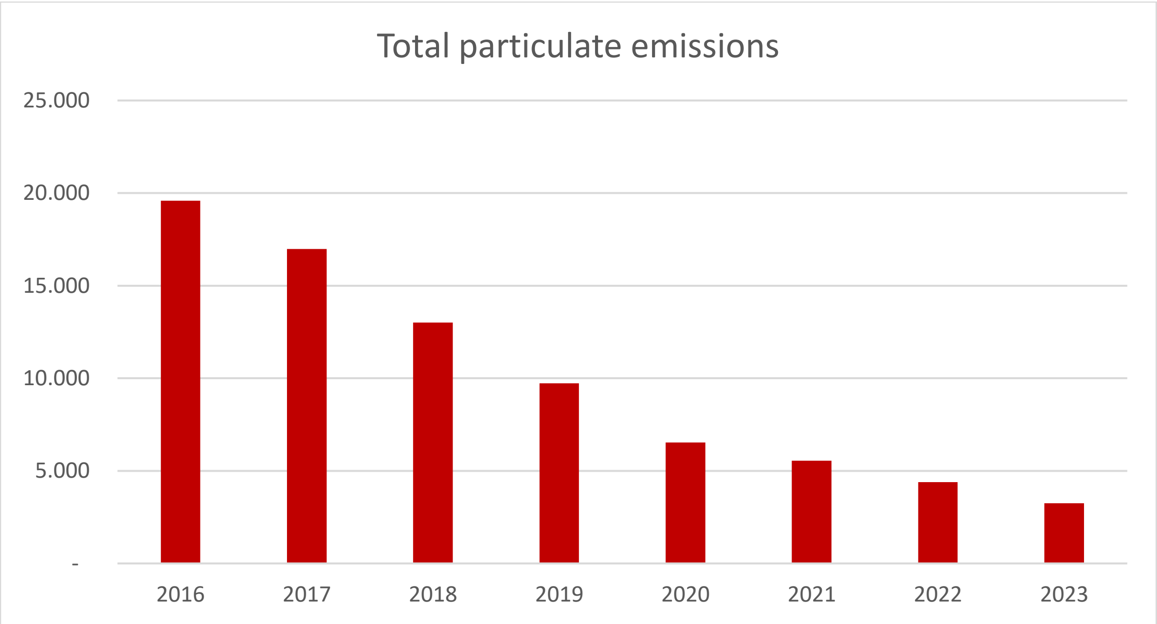
Total hydrocarbon emissions	**2021**	**2022**	**2023**
	74,932	**73,949**	**68,060**
not including methane	**31,820**	**35,720**	**34,456**
TREND	**-2.10%**	**-1.31%**	**-7.96%**
in the three-year period	**-22%**	**-3%**	**-9%**



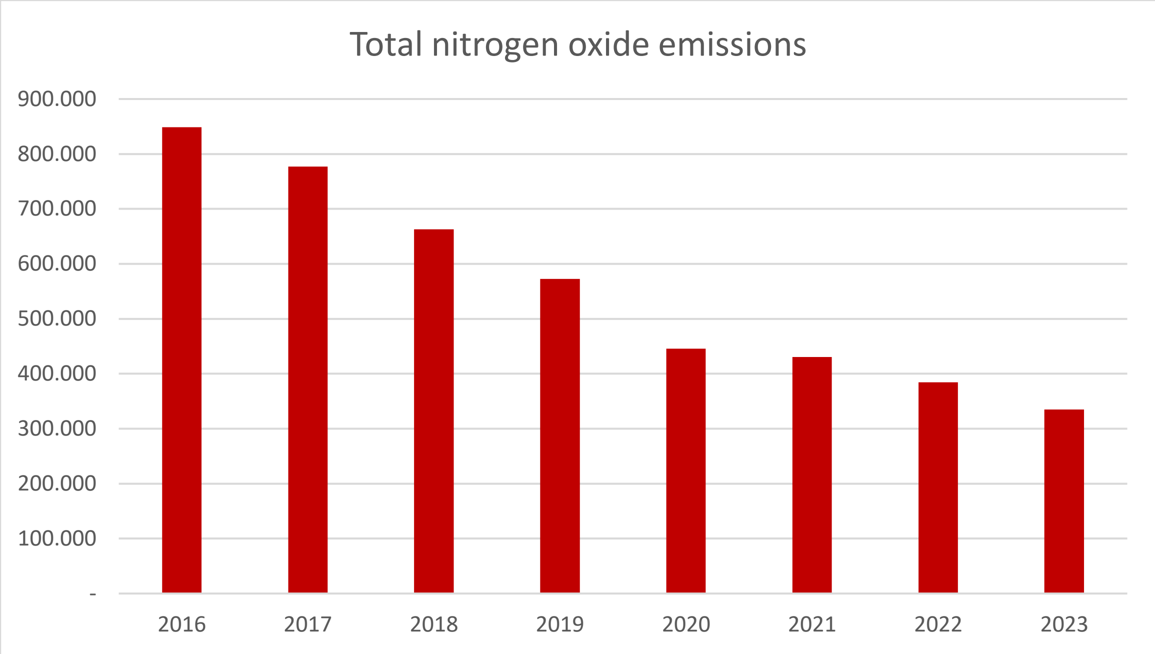
Total carbon monoxide emissions (kg)	**2021**	**2022**	**2023**
	482,909	**420,658**	**383,257**
TREND	***3.25%***	***-12.89%***	***-8.89%***
In the three-year period	***-13.40%***	***-10.06%***	***-20.64%***



Total particulate emissions (kg)	2021	2022	2023
	5,549	**4,394**	**3,255**
TREND	-15.10%	-20.81%	-25.93%
In the three-year period	-42.99%	-32.77%	-41.35%



Total nitrogen oxide emissions (kg)	2021	2022	2023
	430,691	**384,187**	**335,211**
TREND	-3.40%	-10.80%	-12.75%
In the three-year period	-24.81%	-13.83%	-22.17%



Noise pollution (sound and vibrations)

GRI STANDARDS	3-3

Noise pollution is an element with a strong impact on people's lives and on the environment, such that the EU has decided to address the issue of noise as a priority in the immediate future. Studies on the exposed population show that, in urban areas, the prevalent noise source is vehicular traffic, confirming that noise, in particular that produced by road traffic, constitutes a key sustainability consideration.

With reference to TPER, there were no episodes in 2023 of non-compliance with the reference regulations and regulations.

Waste management

GRI STANDARDS	306-1 306-2 306-3 306-4 306-5

Waste is managed according to internal procedures that comply with the provisions of the law in force. TPER is characterised as a services company and, therefore, as a company with a low processing scheme; therefore, it is hardly involved in the production of significant waste. The types and quantities of waste are linked in particular to the vehicle and plant maintenance activities.

As a producer of both hazardous and non-hazardous special waste, TPER seeks, with a view to continually improving its management, to minimise the environmental impact on the territory. As regards the above, it should be noted that:

- Newly acquired vehicles are generally purchased with the LCC formula, which in the tender phase generally rewards the manufacturer who states that maintenance will be performed within the scope of the LCC contract (14 or 18 years) of the main components with the subsequent reduction of waste production over the life span of the asset if the main components comply with the expected intervals.

- The newly acquired vehicles envisaged in the business plans belong to emission classes with a reduced environmental impact. Their purchase allows the simultaneous disposal of the most obsolete vehicles and those with the greatest environmental impact, both from the point of view of environmental emissions and overall maintenance waste.

Although not a production company, TPER pays attention to the quantity and quality of the waste produced. Evaluating how materials move in, through and out of the organisation can help us understand where these materials become waste within the value chain and how they can and should be treated, with the aim of assessing the significance and hazardousness of any incoming materials and their relative impact downstream in the generation of waste.

Within the activities of TPER, the automotive spare parts and technical fluids (engine oils, brakes, gearboxes, differential, anti-freeze, urea) necessary for the operation of the buses are identified as inputs. The area that has the greatest impact on waste is the one that concerns the maintenance of buses and their cleaning. The hazardous waste produced as a result of these processes includes used oils, end-of-life vehicles, batteries, various filters, liquid waste including aqueous washing and degreasing solutions, brake pads. Non-hazardous metals, on the other hand, are ferrous and non-ferrous metals, wood, paper, plastic, sludge, air filters.

In recent years, TPER has made provision for the updating and professional training of workshop staff and maintenance personnel to allow, together with the maintenance operations of the buses, the correct separation of processing waste, which is deposited in special containers by EWC code, in order to allow the correct temporary storage, prior to the transfer to third parties with adequate timescales ascertained by the managers, who then fill in the loading and unloading register and contact the authorised entities in charge of disposal. Similar periodic checks are carried out on underground tanks not connected to continuous purification plants to check the filling level deriving from the degreasing processes of mechanical parts and underbodies. In the case of production of unusual waste, after an analysis aimed at understanding the process that generated the waste, the maintenance managers arrange for adequate sampling to be sent to specialised laboratories for the purpose of a new classification and attribution of the hazard characteristics.

Downstream of the value chain, there is no significant waste with regard to environmental impact. The progressive use of digital forms of payment also contributes to the reduction of waste, such as paper travel tickets.

In 2023, TPER produced a total of around 2,511 tonnes of waste, of which around 511 were classified as non-hazardous.

Overall in 2023, 90% of the waste produced by TPER was sent for recycling (paper and cardboard, oils, batteries, ferrous and non-ferrous materials, demolition of vehicles, etc.), while the remainder was disposed of according to the regulations in force.

Waste production trends over the years depend on the number of vehicles demolished, which affects the total quantity of waste produced.

The data are expressed in tons.

Waste by category (T)	2021			2022			2023		
	Recovery	Disposed	Total	Recovery	Disposed	Total	Recovery	Disposed	Total
Hazardous waste	**891**	**302**	**1,193**	**1,876**	**28**	**1,904**	1,791	209	2,000
Non-hazardous waste	**395**	**87**	**482**	**430**	**31**	**461**	477	33	511

Total	1,286	389	1,675	2,306	59	2,365	2,268	243	2,511

Waste/Recovery (T) - Total per year	**2021**			**2022**			**2023**		
Hazardous waste	**On site**	**External site**	**Total**	**On site**	**External site**	**Total**	**On site**	**External site**	**Total**
Total	-	891	891	-	1,876	1,876		1,791	1,791
Non-hazardous waste	On site	External site	Total	On site	External site	Total	On site	External site	Total
Total	-	395	395	-	430	430	-	**477**	**477**
Total waste not destined for disposal	**-**	**1,286**	**1,286**	**-**	**2,306**	**2,306**	-	**2,268**	**2,268**

Waste - Disposal (T)	**2021**			**2022**			**2023**		
Hazardous waste	**On site**	**External site**	**Total**	**On site**	**External site**	**Total**	**On site**	**External site**	**Total**
Total	-	302	302	-	28	28	0	209	209
Non-hazardous waste	**On site**	**External site**	**Total**	**On site**	**External site**	**Total**	**On site**	**External site**	**Total**
Total	-	87	87	-	31	31		33	33
Total waste destined for disposal	**-**	**389**	**389**	**-**	**59**	**59**	**0**	**243**	**243**

TPER does not transport hazardous waste nor does it dispose of relevant quantities of waste in water basins or in drainage basins in valuable areas of high biodiversity (protected areas).

Water resources - withdrawals and discharges

GRI STANDARDS	303-1 303-2 303-3

With reference to the water withdrawal policies - shared resource, the following is specified:

- **Sources of withdrawal** - As part of an environmental policy of responsible consumption of resources, withdrawal from water sources have been planned by TPER based on an impact-reduction approach. TPER's water withdrawal refers mainly to the vehicle washing systems and depend on both the number of buses in service and the number of washes per bus. This type of consumption is also influenced by weather conditions and the resulting vehicle washing frequency.
- **Water stress** - Water stress refers to the ability or inability to meet water demand, both human and by ecosystems as a whole. Water stress can refer to the availability, quality or accessibility of water. As a tool for assessing water-stressed areas, reference was made to the Aqueduct Water Risk Atlas wri.org/aqueduct of the World Resources Institute. The reference area where TPER's operating offices are located is classified as a "high water-stressed" area (High 3-4). For this reason, the use of water for industrial processes must consider this situation. Nevertheless, it is not believed that the TPER systems have a significant impact on the availability of water for the reference area.

Larger depots are equipped with plants that treat the water before discharge as well as systems that allow the reuse of significant volumes of water after treatment, specifically for washing vehicles. TPER has also endeavoured to improve the sustainability of its water discharges. Today, as a result of various measures that have been mostly implemented at depots, all water discharges are monitored and authorised for discharge in public sewers in accordance with current regulations.

TPER consumed around 65.7 megalitres of water in 2023. The water used comes from the local water distribution network (aqueduct). These are accurate values, derived from the consumption invoiced to TPER by the water service utility company.

Water withdrawal	2021	2022	2023
Third-party water resources/aqueducts			
Fresh water (≤1,000 mg/l total dissolved solids)	52,065	49,895	65,775
Other types of water (>1,000 mg/l total dissolved solids)			
Total (cubic metres)	52,065	49,895	65,775
Total in megalitres	52	50	66

It is specified that the definition of fresh water/other types of water, adopted by the GRI Standards, is based on the ISO 14046:2014 standard and the USGS (United States Geological Survey) document, "Water Science Glossary of Terms" (water.usgs.gov/edu/dictionary.html - accessed on 1 June 2018) and on the World Health Organisation (WHO) document, "Guidelines for Drinking-water Quality" of 2017.

Discharges of waste water flow into the public sewage system of the region, in accordance with the laws and regulations in force.

NFS European Union Taxonomy Reporting

EU Regulation 2020/852: criteria and objectives

In 2018, the European Commission adopted the Sustainable Finance Action Plan, in which it set out a strategy that aims to redirect capital flows towards sustainable investments in order to support sustainable and inclusive development.

With Regulation EU 2020/852 of 18 June 2020, the European Union introduced the EU Taxonomy. The regulation establishes the criteria for determining whether an economic activity and related investments can be considered environmentally sustainable. The Taxonomy of the European Union, a classification system for economic activities, is the basis for the action plan for financing sustainable development.

In order to achieve climate and energy targets and to direct investments towards sustainable projects and activities, the European Union has adopted a definition of what is to be considered sustainable.

The European Union's taxonomy provides a precise framework for classifying economic activities and is the basis for the action plan for financing sustainable development. In order to achieve climate and energy objectives and steer investments towards sustainable projects and activities, the European Union has adopted a definition of sustainable.

The EU Taxonomy Regulation 2020/852 identifies six environmental objectives, as listed below.

	Code1	Description	
1	CCM	Climate Change Mitigation	Climate change mitigation
2	CCA	Climate Change Adaptation	Climate change adaptation
3	WTR	Water & Marine Resources	Sustainable use and protection of water and marine resources
4	IS	Circular Economy	Transition to the circular economy, also with reference to waste reduction and recycling
5	PPC	Pollution Prevention and	Pollution prevention and control

		Control:	
6	BIO	Biodiversity and ecosystems	Protection of biodiversity and ecosystem health

The code contains the abbreviation of the objective to which the economic activity can make a substantial contribution, to which the section number of the activity in the corresponding Annex of the Delegated Regulation relating to the specific objective is to be associated.

EU Regulation 2020/852 defines (Article 3) the criteria for identifying an economic activity as eligible and the conditions that must be met in order to classify it as aligned/environmentally sustainable.

Taxonomy eligible		
Substantial contribution	a)	Contributes to the achievement of one or more of the environmental objectives referred to in Art. 9 (Environmental objectives). The Regulation identifies the economic sectors and activities that fall within those eligible for the taxonomy (whether or not these activities meet one or all of the technical screening criteria of the Delegated Regulations - condition 04).
Taxonomy aligned Conditions for Alignment		
DNSH Do No Significant Harm	b)	Does not cause significant harm to any of the other five environmental objectives in Article 9 (DNSH Do No Significant Harm).
Minimum Safeguards/Minimum Safeguard Criteria	c)	Carried out in compliance with the Minimum safeguards provided for in Article 18.
Technical screening criteria	d)	Compliance with the technical screening criteria established by the Delegated Regulations relating to the taxonomy. Activities that meet the technical requirements set out in the taxonomy for the sectors and activities identified as eligible, as summarised below.

In November 2023, the publication process for the Delegated Regulations on six environmental objectives was completed. These regulations established the technical screening criteria to determine under which conditions an economic activity can be considered to contribute substantially to various environmental goals while ensuring it does not cause significant harm to any other environmental objective (DNSH).

The European Commission Delegated Regulation EU 2021/2078 of 6 July 2021, updated in January 2024, defines the content and information that companies obliged to publish information on the EU Taxonomy must disclose on environmentally friendly economic activities, and specifies the methodology for complying with this disclosure obligation.

Regulation EU 2020/852 on the EU taxonomy establishes that an economic activity is considered environmentally friendly (Art. 3) if it meets the following requirements:

Regulation EU 2020/852 - Art. 3 Requirements	
Taxonomy eligible	a) activities that substantially contribute to the achievement of one or more of the environmental objectives referred to in Art. 9 (Environmental objectives). Sectors and activities that fall within those included in the taxonomy (regardless of whether or not these activities meet one or all of the technical screening criteria indicated in the taxonomy).
Taxonomy aligned	d) activity compliant with the technical screening criteria established by the European Commission. Activities that meet the technical requirements established by the taxonomy for the sectors and activities identified as eligible.
DNSH Do No Significant Harm	b) the activity does not cause significant harm to any of the environmental objectives referred to in Article 9 (DNSH *Do Not Significant Harm*).
Minimum Safeguards/Minimum Safeguard Criteria	c) the activity is carried out in compliance with the Minimum safeguards provided for in Art. 18.

Delegated Regulation EU 2021/2139, which supplements the EU regulation 2020/852, established the technical screening criteria that make it possible to determine under which conditions an economic activity can be considered to contribute substantially to climate change mitigation or climate change adaptation and if it does not cause significant harm to any other environmental objective. At the date of publication of this NFS, this provision had not been followed by provisions relating to the other environmental objectives, expected to be published in 2023.

Disclosure Art. 8 Regulation EU 2020/852

Article 8 of the EU 2020/852 Taxonomy Regulation requires companies that fall under the Non-Financial Statement obligations under Italian Legislative Decree 254/2016, which transposed EU Directive 2104/95, to report a) the share of their revenues (Turnover) derived from products or services associated with economic activities considered environmentally sustainable; and b) the share of capital expenditure/investment (Capex) and the share of operating expenditure (Opex) related to assets or processes associated with economic activities considered environmentally sustainable.

With reference to Tper's activities and substantial contribution to climate change mitigation, the taxonomy reporting process consisted of the following steps:

- Analysis of TPER's economic activities.
- Identification of the substantial contribution of Tper's economic activities with respect to environmental objectives.
- Allocation of indicators (Revenues – Investments – Operating costs) based on the methodology envisaged by EU regulations (Technical screening criteria – DNSH analysis – Minimum criteria for social protection).

Tper confirmed the CCM Climate Change Mitigation objective as an objective to which its activities provide a substantial contribution. As a consequence of the intervening publication of the Delegated Regulations defining the criteria for all environmental objectives, Tper analysed the eligibility and alignment conditions also for environmental objectives other than climate change, without identifying significant activities aligned or eligible for objectives other than climate change mitigation.

Eligible and aligned activities are therefore represented by that portion of Tper's activities that meet the criteria of the taxonomy regulation in terms of 'substantial contribution' to the aforementioned environmental objective.

With reference to accounting standards, for the purposes of reporting pursuant to Article 8 of the Taxonomy Regulation 2020/852, revenues (Turnover), investments (Capex) and operating costs (Opex) are defined as follows (please refer to the Consolidated Financial Statements for more specific information on accounting standards):

- Revenue - Net revenue from products or services.
- Capex - Increases in intangible and tangible assets, including capitalised research and development costs, in the balance sheet items property, plant and machinery, intangible assets, before any changes for fair value adjustment and gross of depreciation and any write-downs.
- Opex - Non-capitalised research and development costs, building renovation costs, costs for short-term leases, maintenance and repair costs and other indirect costs for the daily maintenance of owned assets, plants and equipment.

The following table shows a summary of the results relating to Tper's activities. The paragraph EU Taxonomy Tables shows the analytical results, according to the Models envisaged by the EU Delegated Regulation 2021/2078 (Disclosure Delegated Act).

	Economic activities	EU taxonomy indicators
		(%)
		compared to the total

Business Unit	Sector	Code	Description		Revenue	Investments	Operating costs
Local public transport	6	6.3	Urban and suburban transport, road passenger transport	**Aligned**	58%	100%	37%
				Eligible, but not aligned	26%	0%	16%
				Eligible	84%	100%	100%
				Non-eligible	0%	0%	0%
Transport of goods	6	6.2	Rail freight transport	**Aligned**	3%	100%	9%
				Eligible, but not aligned	5%	0%	14%
				Eligible	8%	100%	100%
				Non-eligible	0%	0%	0%
Railway maintenance	6	6.14	Infrastructure for rail transport	**Aligned**	3%	100%	12%
				Eligible, but not aligned	3%	0%	12%
				Eligible	7%	100%	100%
				Non-eligible	0%	0%	0%
Other mobility services	6	6.5	Transport by motorcycle, car and light commercial vehicle	**Aligned**	1%	0%	0%
				Eligible, but not aligned	0%	0%	0%
				Eligible	1%	100%	100%
				Non-eligible	0%	0%	0%
Total TPER Group				**Aligned**	66%	100%	58%
				Eligible, but not aligned	34%	0%	42%
				Eligible	100.0%	100%	100%
				Non-eligible	0%	0%	0%

Award drivers and technical screening criteria

The general criteria for the allocation of financial metrics (taxonomy KPIs) to the economic activities identified as eligible are shown in the following table.

Activities/Business Unit	Criteria
Public transport	Division between the energy consumption of Euro 6 vehicles and electric vehicles and total consumption.
Transport of goods	Ratio of km travelled with electric vehicles to total km.
Railway maintenance	Electricity consumption out of total consumption.
Other mobility services/Sharing services	100% electric vehicles

In summary, the technical screening criteria envisaged by Regulation 2021/2139 relating to the substantial contribution to the mitigation of climate change include:

Activities	Substantial contribution to climate change mitigation (Technical screening criteria)
Urban and suburban transport, road passenger transport	**The activity meets one of the following criteria:**
	a) the activity provides urban or suburban passenger transport services and its direct (exhaust) CO 2 emissions are zero.
	b) until 31 December 2025, the activity will provide interurban road passenger transport services using vehicles in categories M2 and M3 (228) with a bodywork type classified as "CA" (single-decker vehicle), "CB" (double-decker vehicle), "CC" (single-decker articulated vehicle) or "CD" (double-decker articulated vehicle) (229), compliant with the latest EURO VI standard, i.e. both with the requirements of Regulation (EC) No. 595/2009, and, from the entry into force of the amendments to that regulation, with the amending acts, even

	before they become applicable, as well as with the most recent phase of the EURO VI standard defined in Annex I, Appendix 9, table 1, of Regulation (EU) no. 582/2011, where the provisions governing this phase have entered into force but have not yet become applicable for this type of vehicle (230). If this standard is not available, direct CO 2 emissions from vehicles are zero.
Rail freight transport	**1. The activity meets one or both of the following criteria:**
	a) trains and railway wagons have direct (exhaust) CO 2 emissions equal to zero;
	b) trains and railway wagons have direct (exhaust) CO 2 emissions equal to zero when they operate on tracks equipped with the necessary infrastructure, and use a conventional engine when such infrastructure is not available (bi-modal).
	2. The trains and railway wagons are not used to transport fossil fuels.
Infrastructure for rail transport	**1. The activity meets one of the following criteria:**
	a) the infrastructure (as defined in point 2 of Annex II to Directive (EU) 2016/797 of the European Parliament and of the Council (274)) is:
	i) a track-side electrified infrastructure and associated subsystems: infrastructure, energy, on-board control-command and signalling and track-side control-command and signalling, as defined in Annex II, point 2, of Directive (EU) 2016/797;
	ii) a new or existing track-side infrastructure and associated subsystems where electrification is envisaged as regards the line tracks and, to the extent necessary for the circulation of electric trains, shunting tracks, or where the infrastructure will be suitable to be used by trains with zero exhaust CO2 emissions within 10 years from the start of the activity: infrastructure, energy, on-board control-command and signalling and track-side control-command and signalling, as defined in the Annex II, point 2, of Directive (EU) 2016/797;
	iii) until 2030, an existing track-side infrastructure and associated subsystems that are not part of the TEN-T network (275) and its indicative extensions to third countries, nor a network of main railway lines defined at national, supranational or international level: infrastructure, energy, on-board control-command and signalling and track-side control-command and signalling, as defined in Annex II, point 2, of Directive (EU) 2016/797;
	b) the infrastructure and facilities are used for the transhipment of goods between the following modes: infrastructure and superstructures of terminals for the loading, unloading and transshipment of goods;
	c) the infrastructure and facilities are used to transfer passengers from other modes to rail.

The data and information take into account the complexity and current uncertainties regarding the application of the current provisions of the relevant legislation. Taxonomy reporting and regulatory interpretations may evolve and change over time.

Individually eligible Capex/Opex new

According to the reference legislation, it is permitted to include as eligible Capex and Opex other expenses relating to the procurement of goods and services related to economic activities other than those eligible for the taxonomy, if these purchases contribute to the reduction of emissions and if the supplier's economic activity is eligible for the taxonomy.

Investments (Capex) - during 2023, no significant investments were made that are not already included in the activity sectors referred to in the previous paragraphs that may fall within the definition above.

Operating costs (Opex) – At present, TPER does not have the necessary information to be able to identify any purchases as eligible for the taxonomy. The collection of this information requires a prior assessment of suppliers' activities, which was not possible to carry out for 2023.

DNSH - Do No Significant Harm

To be defined as sustainable, an economic activity must not only substantially contribute to one of the objectives defined in the Regulation, but must not cause damage to the other objectives (Do No Significant Harm). Compliance with the DNSH criteria relating to eligible activities was carried out for environmental objectives other than objective 1. Climate change mitigation, with respect to which a substantial contribution was instead identified by TPER.

The Appendices of Delegated Regulation EU 2021/2139 relating to the objective identified by Tper as a substantial and prevalent contribution (CCM Climate Change Mitigation) define the criteria to be followed in order to verify compliance with the DNSH principle. The main phases of the internal verification process envisaged: a) the involvement of the heads of the TPER Business Units and the analysis of eligible activities, policies and operating practices with respect to the criteria envisaged for compliance with the DNSH principle; b) documentary analysis used for the purposes of reporting on the material topics referred to in this NFS.

Economic activities				**EU Taxonomy Alignment [Climate mitigation]**		
Business Unit	Sector	Code	Description	**Reg. 2020/852 objectives**		**Analysis of DNSH conditions**
Local public transport	6	6.3	0	2	Adaptation to climate change	The activity meets the criteria set out in Appendix A
				3	Sustainable use and protection of water and marine resources	Not relevant
				4	Transition to a circular economy	Waste management measures are in place. Use of biomethane from local organic waste. Measures for the reuse and recycling of batteries are being evaluated
				5	Pollution prevention and reduction	Vehicles 64% compliant with the requirements (Euro 6, ZEV, EEV or emission-free standards)
				6	Protection and restoration of biodiversity and ecosystems	not relevant
Transport of goods	6	6.2	0	2	Adaptation to climate change	The activity meets the criteria set out in Appendix A
				3	Sustainable use and protection of water and marine resources	Not relevant
				4	Transition to a circular economy	Waste management measures are in place
				5	Pollution prevention and reduction	Propulsion engines comply with the emission limits set out in Annex II of Regulation (EU) 2016/1628
				6	Protection and restoration of biodiversity and ecosystems	Not relevant
Railway maintenance	6	6.14	0	2	Adaptation to climate change	The activity meets the criteria set out in Appendix A
				3	Sustainable use and protection of water and marine resources	The activity meets the criteria set out in Appendix B
				4	Transition to a circular economy	The activity assesses the availability of techniques that support the use of reused components and a waste management that promotes recycling over disposal.

				5 Pollution prevention and reduction	The activity asset meets the criteria set out in Appendix C
				6 Protection and restoration of biodiversity and ecosystems	The activity meets the criteria set out in Appendix D
Other mobility services	6	6.5	0	2 Adaptation to climate change	The activity meets the criteria set out in Appendix A
				3 Sustainable use and protection of water and marine resources	Not relevant
				4 Transition to a circular economy	Waste management measures are in place
				5 Pollution prevention and reduction	For current vehicles, 100% use of electricity - zero emissions
				6 Protection and restoration of biodiversity and ecosystems	Not relevant

Minimum Safeguards/Minimum Safeguard Criteria

Art. 18 of EU Taxonomy Regulation (2020/852) defines minimum safeguards as those procedures implemented by a company carrying out an economic activity in order to ensure that it is in line with the OECD guidelines intended for multinational companies and with the United Nations Guiding Principles on Business and Human Rights, including the principles and rights established by the eight fundamental conventions identified in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the International Charter of Human Rights.

The criteria set out in Article 3 of Regulation EU 2020/852 require that, in order to be considered environmentally sustainable, in addition to what is defined in the previous paragraphs (eligibility - alignment with technical criteria - DNSH), an economic activity is carried out (Article 3 letter c) in compliance with the minimum safeguards provided by Article 18.

TPER is committed to conducting business according to ethical and integrity criteria and to respecting human rights in all activities. The assessments of the minimum safeguard criteria concerned in particular the areas highlighted below and envisaged by the regulations.

The measures include:

- Human rights - TPER is committed to respecting the internationally recognised human rights referred to in the International Charter of Human Rights and the ILO Declaration on fundamental principles and rights at work. These rights include fundamental work rights, such as the rights to freedom of association and collective bargaining, the right not to be subjected to forced labour, child labour or discrimination in employment and occupation, as well as rules on working hours and occupational health and safety. This commitment, which is evident in the Code of Ethics and in the management procedures and systems, was further confirmed in 2022 with the review of the Code of Ethics, then approved in 2023.
- Corruption – TPER's commitment to preventing and identifying any episodes of corruption has led to the adoption of an anti-corruption policy with different levels and which envisages both the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/01 (of which the Code of Ethics is an integral part) and the specific ISO 37001 management system. For further details, please refer to the Chapter The control model, measures to combat corruption.
- Taxes/Taxation – TPER adopts a transparency and prudence approach towards tax issues and adopts policies that aim to reduce tax risks. The Tax Transparency section of

this document provides detailed information on the matter, as part of the underlying sustainability issue reporting.

- Free competition – TPER operates in compliance with the conditions of freedom of enterprise, and with the rules and regulations on free competition. Compliance with laws and regulations is also an essential condition for guaranteeing business continuity.

NFS Internal organisation/Human resources

GRI STANDARDS	2-7 3-3 404-3

We are witnessing profound social, economic and cultural transformations in a volatile and complex geopolitical context. Faced with the new challenges (energy transition, digitalisation processes and technological innovation, changes in people's habits, including mobility), companies are called upon to adopt a sustainable and flexible approach also with regard to the protection of jobs and people.

Sustainability, traditionally associated with environmental protection and the storage of natural resources, also has impacts in the workplace and concerns the well-being of employees, equity, diversity and inclusion. This transformation involves acting in an inclusive and responsible manner, enhancing diversity and individual talents, promoting well-being in the company and an ethical and responsible culture.

The well-being and safety of employees are fundamental elements of corporate sustainability, while fairness in the workplace involves creating an environment in which all employees, regardless of gender, ethnicity, sexual orientation or other personal characteristics, have the same opportunities for professional growth and development. Ensuring fairness and inclusion is an objective that goes beyond formal compliance with anti-discrimination regulations: diversity is in fact a value and a resource for companies.

In this context, it is also very important to promote personal and professional growth, including through training and development programmes that improve technical skills, soft skills, and greater environmental and social awareness.

With reference to the development of individual skills, diversity and non-discrimination, the processes of people selection, management and development are governed by specific policies and procedures, with dedicated sections on the company intranet. For recruitment, TPER follows internal regulations based on the principles of equal treatment, non-discrimination and transparency. To this end, for the Bus Drivers category and for recruiting ideal candidates for the Maintenance Department we have used a special classification defined following a public selection process.

Remuneration policies are aimed at guaranteeing equality and acknowledging the professional and individual skills of each employee and their suitability for their role. The remuneration system and the structure of bonuses and incentives comply with the relevant legal and regulatory provisions, and are consistent with the principles of effectiveness, efficiency and economy. All employees work under contracts covered by level I and II collective bargaining agreements.

With regard to people's welfare, particular attention is paid to corporate welfare measures in order to respond positively to workers' needs, also understood in relation to the overall living conditions of individuals (family, children, health, but also leisure time), trying to achieve a diversification of treatments, both at regulatory and organisational level.

The corporate welfare "WellforTPER" platform continued to be used also in 2023, for all employees of Group, offering a broad and varied range of services aimed at improving the quality of life of workers and their family members.

The company also supports the Dozza Club, the recreational workers' club which has been promoting numerous collaboration forms in the sporting and cultural field, with a specific attention also to very delicate issues, such as harassment and violence against women.

TPER's goals and interests also include the policy of the redeployment and effective use of personnel who are no longer suitable for driving positions.

The main actions to boost quality of life in the company include the following measures:

- Support for parents, particular flexibility when choosing shifts in order to favour work-life balance and the extensive number of voluntary part-time roles;
- Following the decline in production activities, the Company made use of a range of tools and systems to minimise the impact on people, by adopting a mix of solutions, in particular:
- Provision of an additional sum equal to 20% of the INPS (Italian national social security institute) payments for days of parental leave.

With reference to the flexibility offered, TPER maintained the possibility of using Smart Working, defining specific training courses in the field of safety.

TPER's head office houses a company restaurant and a self-service bar, both managed by a specialised company selected through a public tender procedure. At the other locations in Bologna (the Ferrarese, Due Madonne and Battindarno depots), there are also company restaurants with self-service distribution and inclusive of bars. Finally, at the Imola depot there is a meal delivery service managed by a central kitchen also coordinated by the company restaurant operator. The company's catering facilities provide employees with hot and cold food and a wide variety of foods every day to ensure that their diet is as varied and nutritionally balanced as possible.

The company has also developed partnerships with other catering companies in Bologna city centre in order to meet the various working requirements connected, above all, to the hours of travelling staff and their movements all across the city.

TPER periodically carries out personnel assessments to evaluate potential and aptitudes, also with a view to repositioning and with the aim of filling positions of responsibility with internal resources. For executives and middle managers (3% of total employees), the assessment takes place annually.

Specifically, the assessments are broken down by gender as follows.

Employees by role/gender	2021			2022				2023			
	Women	Men	Total	Women	Men	Other/NA	Total	Women	Men	Other/NA	Total
Senior managers	1	12	13	1	10		11	1	9	-	10
Middle managers	14	47	61	11	38		49	12	40	-	52

Industrial relations

GRI STANDARDS	2-30 3-3

TPER applies the national bus, rail and tram drivers contract to all employees, with the exception of executives, for whom the specific national executives contract applies.

With reference to the Industrial Relations policy, the Company aims to maintain and develop a constructive dialogue amongst parties, respecting roles and reciprocal requirements.

In 2023, various key agreements were reached with the regional and corporate trade unions listed below

During the year 2023, 26 meetings were held with trade unions, in particular on issues related to the organisation of work, economic and remuneration issues, welfare and the services offered.

The trade union agreements signed in 2023 are summarised below.

Date	Trade unions	Object
11-Jan-23	Company information systems	CGIL, CISL, UIL, FAISA, UGL
25-Jan-23	Framework agreement stabilising fixed-term contracts	CGIL, CISL, UIL, FAISA, UGL
1-Feb-23	Company information systems - Monitoring of night-time services	CGIL, CISL, UIL, FAISA, UGL
8-Feb-23	Travelling personnel	CGIL, CISL, UIL, FAISA, UGL
13-Feb-23	On-board video surveillance	CGIL, CISL, UIL, FAISA, UGL
21-Feb-23	Canteen service contract	CGIL, CISL, UIL, FAISA, UGL
29-Mar-23	Mobile telephony - legal protection of employees	CGIL, CISL, UIL, FAISA, UGL
20-Apr-23	Summer holidays travelling personnel	CGIL, CISL, UIL, FAISA, UGL
16-May-23	Salary for apprentices - stabilisation - RAP	CGIL, CISL, UIL, FAISA, UGL
7-Jun-23	various topics for travelling personnel in the Ferrara area	CGIL, CISL, UIL, FAISA, UGL
20-Jun-23	Company ticket office tender	CGIL, CISL, UIL, FAISA, UGL
26-Jun-23	Apprentices	CGIL, CISL, UIL, FAISA, UGL
10-Jul-23	Regulatory remuneration of new hires	CGIL, CISL, UIL, FAISA, UGL
6-Jul-23	Start of city experimentation 30Kmh	CGIL, CISL, UIL, FAISA, UGL
4-Jul-23	Tper financial results year 2022	CGIL, CISL, UIL, FAISA, UGL
18-Jul-23	Holiday arrears for terminated personnel	CGIL, CISL, UIL, FAISA, UGL
1-Aug-23	Holiday allowance for terminated personnel	CGIL, CISL, UIL, FAISA, UGL
6-Jun-23	Qualified mobility operators	CGIL, CISL, UIL, FAISA, UGL
25-Sept-23	Holiday arrears for former employees - Economic and regulatory treatment of new hires	CGIL, CISL, UIL, FAISA, UGL
27-Sept-23	Renewal of supplementary company contracts	CGIL, CISL, UIL, FAISA, UGL
10-Oct-23	First phase of procedures for regulatory economic treatment of apprentices	CGIL, CISL, UIL, FAISA, UGL
2-Nov-23	First phase procedures on various topics	CGIL, CISL, UIL, FAISA, UGL
13-Nov-23	Company performance disclosure	CGIL, CISL, UIL, FAISA, UGL
16-Nov-23	Further meeting First phase procedures on various topics	CGIL, CISL, UIL, FAISA, UGL
29-Nov-23	Meeting	CGIL, CISL, UIL, FAISA, UGL
2-Dec-23	Apprentice treatment	CGIL, CISL, UIL, FAISA, UGL

Minutes of agreement were also signed.

Date	Trade unions	Object
16/05/2023	Personnel recruitment - stabilisation	CGIL, CISL, UIL, FAISA, UGL
22/05/2023	Payment of bonus D	CGIL, CISL, UIL, FAISA, UGL
30/05/2023	Legal assistance to personnel who drive company vehicles	CGIL, CISL, UIL, FAISA, UGL
06/07/2023	Video surveillance and other technologies	CGIL, CISL, UIL, FAISA, UGL
06/09/2023	Transformation of contracts for Qualified Mobility Operators	CGIL, CISL, UIL, FAISA, UGL
02/12/2023	Economic treatment of apprentices	CGIL, CISL, UIL, FAISA, UGL
16/05/2023	Personnel recruitment - stabilisation	CGIL, CISL, UIL, FAISA, UGL
22/05/2023	Payment of bonus D	CGIL, CISL, UIL, FAISA, UGL
30/05/2023	Legal assistance to personnel who drive	CGIL, CISL, UIL, FAISA, UGL

	company vehicles	

Compliance with corporate regulations and codes of conduct

GRI STANDARDS	3-3

TPER's management of disciplinary matters has the aim to support individual behaviour oriented towards excellence in work and proper internal and external relationships.

In the Road sector, we have established and now consolidated over the years an advisory body (the Disciplinary Council) that issues opinions on measures that management should adopt. As well as a company manager, an official of the Regional Labour Office must also sit on this council. This participation is a particularly relevant element, because it increases the body's authoritativeness with regard to all internal and external actors (workers, trade unions, labour magistrates, ownership, public opinion). Trade union representatives may participate as observers.

Discussions among Council members on suitable sanctions, even the most serious ones, therefore have transparency characteristics and are recorded in the minutes.

The most important cases (for which there are sanctions ranging from suspension to dismissal) are all examined, while less serious ones (which entail sanctions such as reprimands and fines) are only examined if the worker asks to be heard.

In 2023, 628 disciplinary disputes were raised. The disciplinary council examined 119 cases.

To favour an open discussion, the company provides trade unions with an annual report that shows the type of shortcomings, number of claims issued, the ratio between these and the sanctions actually imposed, in addition to the commendations to staff who have distinguished themselves for their professionalism.

Employment and turnover

GRI STANDARDS	2-7 401-1

Personnel management and employment protection are of fundamental importance to TPER, goals that the company pursues with increased focus even after the reorganisation processes of the last few years, which sought to increase corporate efficiency and guarantee quality in services and the activities carried out.

TPER employees operate in the Emilia-Romagna region.

The following table shows the employees at the end of the relative periods, i.e., the headcount. The group has a total of 2,346 employees.

Almost all personnel (98%) have permanent contracts, while 91% of contracts are full time. Part-time contracts are broken down with a slight prevalence of men (51% of the total part-time contracts). In fact, 22% of women chose part-time contracts, compared to 6% of men.

It should be noted that, with respect to the provisions of the GRI 2-7 disclosure, as at 31 December 2023, TPER has still not formalised an internal communication procedure for employees who do not identify as male or female.

Employees by contract type/gender	2021			2022				2023			
	Women	Men	Total	Women	Men	Other/NA	Total	Women	Men	Other/NA	Total

Permanent contract	434	1,829	**2,263**	443	1,787	-	**2,230**	473	1,825	-	2,298
Fixed-term contract	17	40	**57**	20	95	-	**115**	6	42	-	48
Total	**451**	**1,869**	**2,320**	**463**	**1,882**	**-**	**2,345**	479	1,867	-	2,346

Employees by employment type/gender	2021			2022				2023			
	Women	Men	Total	Women	Men	Other/NA	Total	Women	Men	Other/NA	Total
Full-time	327	1,763	**2,090**	339	1,783	-	**2,122**	372	1,755	-	2,127
Part-time	124	106	**230**	124	99	-	**223**	107	112	-	219
Total	**451**	**1,869**	**2,320**	**463**	**1,882**	**-**	**2,345**	479	1,867	-	2,346

In 2023, there were a total of 224 new hires (42 women and 182 men) and 223 employment contracts were terminated (27 women and 196 men).

New hires and turnover	**2021**			**2022**				**2023**			
	Women	Men	Total	Women	Men	Other/NA	Total	Women	Men	Other/NA	Total
New hires											
Up to 29 years of age	14	78	92	11	74		85	15	46		61
From 30 to 50 years of age	10	31	41	10	74		84	18	89		107
Over 50 years of age	-	18	18	8	29		37	9	47		56
Total	24	127	151	29	177	0	206	42	182		224
Terminations											
Up to 29 years of age	21	18	39	6	40		46	6	40		46
From 30 to 50 years of age	54	61	115	5	35		40	11	51		62
Over 50 years of age	35	110	145	11	71		82	10	105		115
Total	110	189	299	22	146	0	168	27	196		223
Reason for termination											
Resignation	14	117	131	19	133	0	152	23	178		201
Retirement	-	2	2	-	-		-	2	2		4
Dismissal	-	3	3	-	-			2	8		10
Other (e.g. end of fixed-term contract)	96	67	163	-	8		8	-	8		8
Total	110	189	299	22	146	0	168	27	196		223

The following tables show the turnover rates for the last years:

Turnover - total values	**2021**			**2022**				**2023**			
	Women	Men	Total	Women	Men	Other/NA	Total	Women	Men	Other/NA	Total
New hires	24	127	**151**	29	177		**206**	42	182		224
Terminations	110	189	**299**	22	146		**168**	27	196		223
Net change	**(86)**	**(62)**	**(148)**	**7**	**31**		**38**	15	(14)		1

Employees at year end	451	1,869	**2,320**	463	1,882	**0**	**2,345**	479	1,867		2,346

Turnover Rates	2021			2022				2023			
	Women	Men	Total	Women	Men	Other/NA	Total	Women	Men	Other/NA	Total
Turnover rate by gender [Departures/Employees previous years]	20.4%	9.7%	12.0%	4.9%	7.8%		7.2%	5.8%	10.4%		9.5%
Hire rate by gender [Entries/Employees previous years]	4.5%	6.5%	6.1%	6.4%	9.5%		8.9%	9.1%	9.7%		9.6%
Total turnover by gender (net change/Employees previous year)	16.0%	-3.2%	-6.0%	1.6%	1.7%		1.6%	3.2%	-0.7%		0.0%
Total turnover by gender (entries+departures/Employees previous years) - figure in 2019 NFS	24.9%	16.2%	18.1%	11.3%	17.3%		16.1%	14.9%	20.1%		19.1%

Turnover Rates	2021			2022				2023			
	Women	Men	Total	Women	Men	Other/NA	Total	Women	Men	Other/NA	Total
Turnover rate by age group - terminations											
No. employees by age group											
Up to 29 years of age	35	221	256	31	204		235	31	179		210
From 30 to 50 years of age	248	876	1,124	237	881		1,118	228	874		1,102
Over 50 years of age	168	772	940	195	797		992	220	814		1,034
	451	1,869	2,320	463	1,882	0	2,345	479	1,867		2,346
Turnover rate by age group											
Up to 29 years of age	44.7%	8.5%	15.0%	17.1%	18.1%		18.0%	19.4%	19.6%		19.6%
From 30 to 50 years of age	16.8%	6.4%	9.0%	2.0%	4.0%		3.6%	4.6%	5.8%		5.5%
Over 50 years of age	20.5%	14.0%	15.2%	6.5%	9.2%		8.7%	5.1%	13.2%		11.6%
Total	20.4%	9.7%	12.0%	4.9%	7.8%		7.2%	5.8%	10.4%		9.5%

Diversity and equal opportunities

GRI STANDARDS	401-3 405-1 405-2 406-1

Tper has been monitoring gender equality issues for years through specific measurements and indicators; the company has, in fact, adopted its own regulations for recruitment, inspired by the principles of inclusion, equal treatment, non-discrimination and transparency.

The new hires are based exclusively on skills and professional characteristics; in no way is a distinction made between sex, ethnicity, gender identity and religious orientation.

Tper hires a quota of differently-abled workers in order to guarantee non-exclusion from the job market. It also adopts a policy of redeploying, where possible, staff who are no longer fit to drive.

Gender equality is realised within a context of welfare measures benefiting all workers, addressing needs related to family, children, health, and leisure. This approach aims to diversify treatment both at regulatory and organisational levels, such as offering part-time work options and optimal management of work shifts.

Tper's human resources management is rooted in addressing people's needs, a policy consistently pursued through ongoing dialogue and collaboration with workers' representatives.

In December 2022, TPER presented its Gender Equality Plan to the Board of Directors. This plan is part of the company's broader ESG Sustainability Plan and outlines the current context, including benchmarking with other companies at international, national and sector levels. It also specifies policies, practices, actions, initiatives and monitoring and control KPIs.

Also in the light of this Plan, TPER completed the following projects in 2023:

- Clear definition of company policies
- Amendment of the Code of Ethics
- Appointment of a gender equality control committee, in the form of a Steering Committee, made up of internal company members and coordinated by the Chair of the Board of Directors, to highlight the strong commitment to the issues
- Adoption of a system for reporting and suggesting issues related to gender equality and non-discrimination. This includes an intranet-based submission box, allowing employees to anonymously share reports, opinions and suggestions for organisational change. The system aims to foster dialogue and discussion while highlighting harassment or discriminatory behaviour. Although the initiative is inspired by the issue of gender equality, the report or suggestion may concern any case or hypothesis of non-discrimination, inclusion, protection of human principles.
- Anti-harassment campaign “TPER dice no a ogni forma di violenza o molestia” [TPER says no to all forms of violence or harassment], with on-board communications to highlight attention on these issues
- Training: started a training course starting with management, then to be extended to other workers, on gender equality, cognitive bias and non-discrimination.

In 2024, TPER participated together with Road to 50%, La casa delle donne (Bologna), think tank period and the Paideia association, under the patronage of the Municipality of Bologna, in the “Mezzi per tutte” [means for all] campaign, which was also hosted on the company's vehicles and shelters.

Again with regard to gender equality initiatives, TPER participated in the Target Gender Equality programme, an international initiative by the Global Compact. This programme aims to enhance knowledge, training and development on gender equality issues. It also facilitates the sharing and dissemination of best practices among participating companies, helping them define and achieve ambitious corporate objectives to promote gender equality. This initiative is managed in collaboration with Local Networks of the Global Compact and is currently offered in over 50 countries.

Having signed a specific memorandum of understanding with the Municipality of Bologna and other local entities, TPER also adheres to the “Capo D” Pact, a network of companies that promotes initiatives aimed at tackling the gender gap in the training choices of young generations and in the workplace.

The policies adopted include the approval of the Women's Empowerment Principles (WEP) - Equality Means Business, the Principles produced and spread by the United Nations for Gender Equality and Women's Empowerment (UN Women) and the United Nations' Global Compact. These Principles illustrate seven steps that companies and other sectors can take to promote and empower women.

The commitment signed by the participating CEOs envisages the following objectives:

- Combine the largest talent pool possible according to our efforts;
- Promote the competitiveness of our companies;

- Fulfil our corporate responsibility and sustainability commitments;
- Define, within our companies, models of behaviour that reflect the type
- of companies that we would like for our employees, our fellow citizens and our families;
- Encourage economic and social conditions that offer opportunities to women and men, girls and boys;
- Promote sustainable development in the countries where we operate.

TPER obtained the UNI/PdR 125:2022 certification in 2023, a reference practice for gender equality policies.

As reported in the previous paragraph, there were 479 female staff as at 31 December 2023, accounting for 20% of the total workforce, distributed in all business areas. Below is the breakdown by gender and age bracket.

Total number of employees by age group/gender	2021			2022				2023			
	Women	Men	Total	Women	Men	Other/NA	Total	Women	Men	Other/NA	Total
Up to 29 years of age	35	221	**256**	31	204	-	**235**	31	179	-	**210**
From 30 to 50 years of age	248	876	**1,124**	237	881	-	**1,118**	228	874	-	**1,102**
Over 50 years of age	168	772	**940**	195	797	-	**992**	220	814	-	**1,034**
Total	451	1,869	2,320	463	1,882	-	2,345	479	1,867		2,346

	2021			2022				2023			
	Women	Men	Total	Women	Men	Other/NA	Total	Women	Men	Other/NA	Total
Up to 29 years of age	1.5%	9.5%	**11.0%**	1.3%	8.7%		**10.0%**	1.3%	7.6%	0.0%	9.0%
From 30 to 50 years of age	10.7%	37.8%	**48.4%**	10.1%	37.6%		**47.7%**	9.7%	37.3%	0.0%	47.0%
Over 50 years of age	7.2%	33.3%	**40.5%**	8.3%	34.0%		**42.3%**	9.4%	34.7%	0.0%	44.1%
Total	**19.4%**	**80.6%**	**100.0%**	20.0%	81.1%		100.0%	20.4%	79.6%	0.0%	100.0%

Female bus drivers represent around 18% of the category total.

Employees by role/gender	2021			2022				2023			
	Women	Men	Total	Women	Men	Other/NA	Total	Women	Men	Other/NA	Total
Senior managers	1	12	13	1	10		11	1	9	-	**10**
Middle managers	14	47	61	11	38		49	12	40	-	**52**
White-collar workers	106	233	339	112	154		266	115	154	-	**269**
Blue-collar workers	294	1,345	1,639	317	1,518		1,835	327	1,528	-	**1,855**
Apprentices	36	232	268	22	162		184	24	136	-	**160**
Total	451	1,869	2,320	463	1,882	0	2,345	**479**	**1,867**		**2,346**

The workforce consists of 79% blue collar workers (primarily drivers) and 11% white collar workers. Senior managers represent 0.4% and middle managers 2% of the workforce. 7% of the workforce consists of employees hired under apprenticeship agreements. The employment figure is essentially stable.

The following table shows the percentage of each employment category, by gender, in relation to the total number of employees.

	2021			2022				2023			
	Women	Men	Total	Women	Men	Other/NA	Total	Women	Men	Other/NA	Total
Senior Managers	0.0%	0.5%	0.5%	0.0%	0.4%		0.5%	0.0%	0.4%		0.4%
Middle managers	0.4%	1.6%	2.0%	0.5%	1.6%		2.1%	0.5%	1.7%		2.2%
White-collar workers	4.7%	6.8%	11.5%	4.8%	6.6%		11.3%	4.9%	6.6%		11.5%
Blue-collar workers	12.8%	61.1%	73.9%	13.5%	64.7%		78.3%	13.9%	65.1%		79.1%
Apprentices	1.6%	10.6%	12.1%	0.9%	6.9%		7.8%	1.0%	5.8%		6.8%
Total	19.4%	80.6%	100.0%	19.7%	80.3%		100.0%	20.4%	79.6%		100%

In 2023 (as in previous reporting years) no episodes of discrimination were reported.

Parental leave (maternity/paternity leave) is guaranteed to all employees.

With reference to the topic of age, the breakdown by age group and company position is provided below.

	2021				2022				2023			
	Up to 29 years of age	From 30 to 50 years of age	From 30 to 50 years of age	From 30 to 50 years of age	Up to 29 years of age	From 30 to 50 years of age	Over 50 years of age	total	Up to 29 years of age	From 30 to 50 years of age	Over 50 years of age	total
Senior Managers	0.0%	0.1%	0.4%	0.6%	0.0%	0.1%	0.3%	0.5%	0,0%	0,0%	0,4%	**0,4%**
Middle managers	0.1%	0.9%	1.7%	2.6%	0.0%	0.4%	1.7%	2.1%	0,0%	0,5%	1,8%	**2,2%**
White-collar workers	1.8%	6.6%	6.2%	14.6%	0.3%	4.7%	6.4%	11.3%	0,5%	4,7%	6,4%	**11,5%**
Blue-collar workers	1.8%	36.7%	32.2%	70.6%	4.7%	40.3%	34.0%	78.3%	4,2%	40,0%	35,7%	**79,1%**
Apprentices	7.3%	4.1%	0.1%	11.6%	5.0%	2.6%	0.3%	7.9%	4,3%	2,3%	0,3%	**6,8%**
Total	11.0%	48.4%	40.5%	100%	10.0%	47.7%	42.3%	100%	**9,0%**	**47,0%**	**44,1%**	**100%**

The remuneration system and the structure of bonuses and incentives are homogeneous for all employees and are based on level I and II collective bargaining agreements. There are no wage differences between men and women with equal roles and seniority, nor are there different criteria for defining or awarding company bonuses.

With reference to the basic salary, it should be noted that the application of the national collective labour agreement does not provide for differences between men and women; therefore, there are no gender differences.

Basic salary (women/men)	2021	2022	2023
Senior Managers	100%	100%	100%
Middle managers	100%	100%	100%
White-collar workers	100%	100%	100%
Blue-collar workers	100%	100%	100%
Apprentices	100%	100%	100%

The ratio between women's and men's salaries is shown in the following table: The data refer to the average of the overall compensation for the various categories and were calculated only for the parent company. The difference reflects the larger number of female staff working part time.

Average salary (men/women)	2021	2022	2023
Senior Managers	82%	91%	92%
Middle managers	108%	101%	101%
White-collar workers	90%	92%	89%
Blue-collar workers	85%	89%	89%
Apprentices	97%	92%	86%

Calculating for FTE

Average salary (men/women)	2023 Heads	2023 FTE
Senior Managers	92%	92%
Middle managers	101%	101%
White-collar workers	89%	94%
Blue-collar workers	89%	95%
Apprentices	86%	85%

There was an improvement in the ratio between average salaries, in particular with reference to blue-collar and white-collar workers.

With reference to the total annual remuneration ratio between the director's remuneration and the median remuneration, the indicator is 6.36.

Parental leave (maternity/paternity leave) is recognised in accordance with current legislation for all employees of TPER Group (100% of workers). During 2023, 279 people took advantage of this right.

Parental leave	2021			2022				2023			
	Women	Men	Total	Women	Men	Other/NA	Total	Women	Men	Other/NA	Total
Number of employees who took parental leave, by gender	69	191	260	51	217		268	50	229		279
Days	3,276	3,079	6,355	2,269	3,358		5,627	3,406	3,906		7,312
Number of employees who returned to work during the reporting period after having taken advantage of parental leave, by gender	69	191	260	51	217		268	50	228		278
Number of employees who returned to work after having taken advantage of parental leave and who are still employed by the organisation 12 months after returning, by gender	69	191	260	50	213		263	49	222		271
Percentage of employees who returned to work after taking parental leave, by gender (%)	100%	100%	100%	100%	100%		100%	100%	100%		100%

Retention percentage of employees who took parental leave, by gender (%)	100%	100%	100%	98%	98%		98%	*98%*	*97%*		97%

Training

GRI STANDARDS	3-3 404-1

In 2023, around 60 thousand hours of training were provided overall, of which over 7,700 on safety matters. Training activities involved 1,611 employees, with an average of around 26 hours of training per employee (calculated on the total number of employees, pursuant to the applied GRIs).

Training also concerned the issues of safety in the workplace pursuant to Italian Legislative Decree no. 81/2008 and legality, as well as the topic of sustainability. A training course was also launched on sustainability issues.

Training initiatives were designed and defined to develop human capital and improve their professional skills, a priority goal of HR management policies.

Average training hours	**2021**			**2022**				**2023**			
	Women	**Men**	**Total**	**Women**	**Men**	**Other/NA**	**Total**	**Women**	**Men**	**Other/NA**	**Total**
Senior Managers		22.3	**20.6**	11.30	21.07		**20.18**	16.00	14.76		14.88
Middle managers	11.9	24.3	**21.4**	33.68	41.43		**39.69**	23.08	23.87		23.69
White-collar workers	8.8	52.8	**39.0**	9.96	11.86		**11.06**	11.17	18.78		15.53
Blue-collar workers	7.5	13.8	**12.7**	4.47	17.85		**15.54**	13.81	21.81		20.40
Apprentices	111.8	114.4	**114.0**	177.61	142.90		**147.05**	110.33	100.51		101.99
Total	16.3	31.5	28.5	14.73	28.62	0	25.88	18.25	27.30		25.46

Training time	**2021**			**2022**				**2023**			
	Women	**Men**	**Total**	**Women**	**Men**	**Other/NA**	**Total**	**Women**	**Men**	**Other/NA**	**Total**
Total training hours											
Senior Managers	-	268	268	11	211	0	222	16	133		149
Middle managers	167	1,142	1,308	371	1,574	0	1,945	277	955		1,232
White-collar workers	932	12,291	13,223	1,116	1,827	0	2,943	1,284	2,893		4,177
Blue-collar workers	2,213	18,570	20,784	1,417	27,098	0	28,515	4,515	33,327		37,842
Apprentices	4,025	26,536	30,562	3,907	23,151	0	27,058	2,648	13,670		16,318
Total	7,337	58,808	66,145	6,822	53,861	0	60,683	8,741	50,977		59,718
Number of employees who received training											
Senior Managers	-	9	9	1	10	0	11	1	9		10
Middle managers	5	33	38	10	34	0	44	10	37		47
White-collar workers	71	100	171	93	113	0	206	97	145		242
Blue-collar workers	165	853	1,018	204	1,049	0	1,253	160	963		1,123
Apprentices	41	235	276	31	220	0	251	28	161		189
Total	282	1,230	1,512	339	1,426	0	1,765	296	1,315		1,611
No. employees given safety training											
Senior Managers	-	3	**3**	-	1		**1**	-	4		4
Middle managers	1	24	**25**	6	23		**29**	1	17		18

White-collar workers	34	69	**103**	25	47		**72**	21	66		87
Blue-collar workers	68	419	**487**	50	320		**370**	43	327		370
Apprentices	17	133	**150**	16	80		**96**	9	52		61
Associates	-	-	**-**	-	-		**-**	-	-		-
Total	**120**	**648**	**768**	**97**	**471**	**0**	**568**	74	466		540
No. employees given legal training											
Senior Managers	-	1	**1**	-	7		**7**	1	8		9
Middle managers	1	5	**6**	10	31		**41**	10	33		43
White-collar workers	14	12	**26**	60	55		**115**	83	77		160
Blue-collar workers	3	11	**14**	15	75		**90**	8	39		47
Apprentices	3	11	**14**	2	6		**8**	3	12		15
Total	**21**	**40**	**61**	**87**	**174**	**0**	**261**	105	169		274
No. of training sessions			**398**				**659**				588
Of which on safety			**78**				**105**				178
Of which on legality			**8**				**12**				106

Total training hours	2021	2022	2023
Total	66,145	60,683	59,718
Of which:			
Safety	11,718	6,627	7,732
Legality (anti-bribery – transparency)	158	1,077	1,246

70% of the employees involved in training activities are bus drivers, roles that are provided with a significant number of technical training courses, in addition to courses for the acquisition of behavioural skills for front-line roles.

TPER's training places a strong focus on compliance with the law and corporate compliance, in particular with transparency and anti-bribery regulations.

In May 2023, Tper, in collaboration with 'Insieme per il lavoro' [Together for Work] - an initiative supported by the Metropolitan City, the Archdiocese of Bologna, and the Emilia Romagna Region - launched a project to train Operators. Upon obtaining the necessary qualifications to drive public transport vehicles, these operators will be employed by the company.

On one hand, the project addresses the demand for driving personnel, while on the other hand, it aims to offer stable job opportunities for individuals seeking entry into the workforce.

This initiative therefore primarily targets unemployed individuals who are at least 21 years old, residing within the Metropolitan City area and proficient in Italian.

The training, conducted at the company's premises through an intensive programme, covers both theoretical and practical lessons aimed at obtaining the D licence and the CQC for individuals, totalling 190 hours. In addition to the training course, modules focusing on technical skills and behavioural roles are also scheduled to prepare candidates for their roles at Tper.

Pathways launched in 2023:

- May 2023 Group: 20 selected candidates of whom 16 already recruited and 1 in the process of being recruited

- November 2023 Group: 18 selected candidates of whom 7 already recruited (4 in the process of being recruited - 7 waiting to take the exams)
- January 2024 Group: 20 selected candidates (1 in the process of being recruited and 19 waiting to take the exams)
- May 2024 Group: 21 candidates selected - training course still in progress

NFS Health and safety in the workplace

Management policies and system

GRI STANDARDS	403-1 403-2 403-3 403-4 403-5 403-6 403-7 403-8

TPER adopts the ISO 45001:2018 management system for occupational health and safety. Compliance with the international standard ensures, at the same time, compliance with the requirements of the relevant regulations in force, in particular Italian Legislative Decree no. 81/2008.

The management system adopted defines the procedures and protocols for identifying hazards and assessing risks. These assessments are carried out by the functions in charge of prevention and protection, with the possible involvement of internal/external technicians of TPER.

The procedures adopted also provide for the periodic preparation and adoption of an improvement plan, which identifies the areas of intervention and the actions to reduce the identified risks.

The approach to managing risks relating to health and safety in the workplace identifies lines of action which, starting from the objective of risk reduction, identify actions aimed at limiting the number of subjects exposed to potential risks, the use of materials and potentially hazardous substances, as well as the collective and individual protective measures to be adopted.

TPER has appointed the Head of the Prevention and Protection Service (RSPP) and the competent doctor, figures responsible for protecting the safety of workers, and has drawn up the identified risk assessment document (DVR), with the aim of adopting the adequate prevention and protection measures.

TPER has appointed a competent doctor for occupational health services. Workers are periodically subjected to medical check-ups to ascertain their state of health in relation to the work environment and the occupational risk factors associated with the performance of the work activity. Health surveillance is carried out by the competent doctor.

Travelling staff are also subjected to a health review visit, in accordance with the provisions of Italian Ministerial Decree no. 88 of 23/2/99 (age/request by the employee or company). For drivers, checks are also provided in specific areas, such as drug addiction and the use of alcoholic substances, as per the protocol of the Emilia-Romagna Region.

In accordance with the relevant legislation, health and safety managers (RSL - workers' safety representatives) have been appointed, for whom specific training is provided. The RSLs are consulted when updating the Risk Assessment Document (DVR) required by Italian Legislative Decree no. 81/2008 and involved in periodic safety meetings.

The periodic meetings on health and safety in the workplace represent an opportunity for an assessment of the performance of the procedures and controls provided for by the management system. The meetings involve the relevant TPER structures and functions, the Workers' Safety Representatives and the Competent Doctor.

TPER employees have access to the necessary information through dedicated company channels and through representatives. These communication channels can also be used for the related reports.

Employee training is in general an essential activity for TPER, and specifically for aspects related to health and safety in the workplace. The training activities are carried out in compliance with the reference standards.

Employees follow general and specific training programmes depending on the job, in line with the provisions of the risk assessment documents (DVR).

TPER employees have access to preventive screening services and medical benefit concessions.

TPER undertakes to avoid and mitigate the negative impacts on health and safety at work directly related to its activities and services through its commercial relationships. In specific terms, this commitment also translates into special procedures envisaged by the management system regarding services entrusted to third parties, also for the purpose of reducing risks and adequate management of risks of interference.

TPER employees are provided with personal protective equipment as needed, in relation to the duties and roles covered.

Accidents

GRI STANDARDS	403-9

Occupational accidents mainly consist of falls or accidental collisions when travelling personnel get into or out of the driver's seat, and injuries suffered by inspectors when checking tickets (due to aggression or violence by passengers without valid travel tickets).

In the table, serious accidents refer to the definition of the GRI, or accidents with serious consequences.

Accidents while travelling refer to all the events involving workers on the way to work and on the way home.

Accidents in the workplace - TPER Group	2021	2022	2023
Number of accidents in the workplace			
Fatal accidents	0	0	
Serious accidents	0	15	22
Other accidents	134	67	87
Total accidents recorded	134	82	109
Of which while travelling	15	22	30

Accidents in the workplace - TPER	2021	2022	2023
Number of accidents in the workplace			
Fatal accidents	0	0	
Serious accidents	0	15	20
Other accidents	123	62	79
Total accidents recorded	123	77	99
Of which while travelling	11	22	30

Absence due to accidents - TPER Group	2021	2022	2023
Days of absence due to accidents1	3,111	2,467	2,593
Total days of absence	137,441	9,319	130,024
Total hours worked	3,439,232	3,209,725	3,398,883
Total possible working hours	4,308,065	376,174	4,449,083

Absence due to accidents - TPER	2021	2022	2023
Days of absence due to accidents1	2,735	2,370	2,317
Total days of absence	129,051	125,917	125,583
Total hours worked	3,094,929	2,886,572	2,966,579
Total possible working hours	3,908,253	3,690,561	3,762,681

The accident frequency index, calculated as the number of injuries per 1 million hours worked, is 32 for Group and 33 for TPER.

For the Group, the severity index of those accidents was down compared to the previous year and stands at 0.76 days lost for every 1,000 days worked (for TPER the indicator is 0.78). The average duration of accident was 24 days for Group and 23 for TPER.

Accident indicators - TPER Group	2021	2022	2023
Accident indicators			
Accident Frequency Index (Number of accidents/hours worked x 1,000,000)	39	26	32
Accident Severity Index (days of absence for accidents/possible working hours x 1,000)	0.90	0.77	0.76
Accidents - average duration			
Average duration of accidents in calendar days (total days lost, holidays included)	23	30	24
Accidents while travelling (%)	*24%*	*27%*	*28%*
Days of absence by type %			
Accidents	2%	2%	1%
Illnesses	24%	27%	9%
Leave (maternity - parental)	5%	4%	65%
Other1	70%	65%	30%
Total	*100%*	*100%*	*100%*

1 Other: other types of leave, Italian Law no. 104, blood donation, trade union authorisation, strike, other.

Accident indicators - TPER	2021	2022	2023
Accident indicators			
Accident Frequency Index (Number of accidents/hours worked x 1,000,000)	40	27	33
Accident Severity Index (days of absence for accidents/possible working hours x 1,000)	0.88	0.82	0.78
Accidents - average duration			
Average duration of accidents in calendar days (total days lost, holidays included)	22	31	23
Accidents while travelling (%)	8.9%	28.6%	30.3%
Days of absence by type %			
Accidents	2%	2%	2%
Illnesses	23%	29%	24%
Leave (maternity - parental)	5%	4%	6%
Other1	70%	65%	69%
Total	100%	100%	*100%*

1 Other: other types of leave, Italian Law no. 104, blood donation, trade union authorisation, strike, other.

Health and safety - external parties

GRI STANDARDS	403-9

The current procedure for managing data relating to accidents at work does not provide for the systematic collection of data relating to "other workers", i.e. relating to workers who are not employees but whose work and/or workplace is controlled by the company. Such cases may relate in particular to outsourced services, such as in particular public transport partners. It should also be noted that, in 2023 no reports were made by these suppliers regarding accidents that occurred in the context of the activities carried out and governed by relations with TPER. The improvement objectives make provision for the adoption of a supplier management procedure that includes intervention in the areas subject to specific accident reporting.

Work-related accidents	Unit	2021	2022	2023
Work-related accidents (including accidents while travelling)	No.			
No. Fatal Accidents		-		
No. Serious accidents		-		
No. Other accidents		4		
Of which Accidents while travelling - with transport organised by the company		-		
Of which Accidents while travelling - with transport NOT organised by the company		2		
Total accidents (with accidents while travelling)		4		
Of which while travelling		2		
Accidents while travelling	%	50%		
Traffic accidents	No.	1		

Occupational illnesses

GRI STANDARDS	403-10

Two cases of occupational illnesses were reported in 2023, concerning the parent company TPER. Both cases, however, were not recognised.

For the external partners for whom the analysis was conducted, there were no reports of occupational illnesses.

NFS TPER's commitment to the territory

GRI STANDARDS	3-3 413-1

Territory and local communities

Local communities are composed of the population that lives in the areas in which it operates and its associated forms. As a local public company that operates in competition for the market, TPER carries out a business that has a strong impact on the region, is highly visible and can have a strong impact both on the quality of life and on the development or modification of behaviours.

For this reason, TPER's first commitment is to a transparent and responsible approach, highlighted through its various communication channels, including the website. In addition, TPER has relationships with organisations of different types that represent citizens to better understand their needs and constantly improve its ability to provide effective answers.

TPER is attentive to the development of the region and the community in which it operates and promotes accessibility to the service and the most widespread coverage possible, with the aim of improving choice of travel options.

Some accessibility choices are of a financial nature and are defined as policies by local regulators, in dialogue with the company. Others concern the culture of mobility and the diffusion of the service and are carried out by TPER directly or in partnership with other subjects, some as single initiatives, others on an ongoing basis.

As regards economic accessibility, it is clear above all that the cost of the public service is lower than using private means of transport, since it does not involve an initial investment (such as buying a car or a scooter) or maintenance costs (insurance, maintenance, tax, custody) and guarantees a service at a moderate price (total cost coverage is guaranteed by government grants to ensure users are not burdened with excessive costs). Right from the start, the choice of public transport is, therefore, a choice that is surely cheaper than others.

In any case, local regulators define ticket pricing systems that take into account the different needs of users. In accordance with the reference institutions, in fact, the rate system provides reductions for certain categories of users, or even free use. The lower income resulting from such subsidies is, however, offset by public resources to cover social costs. To take account of the most typical social needs, discounted fares are provided for those under the age of 27 or over 70.

Some Local Administrations and the Emilia-Romagna Region have envisaged tariff concessions and free bands in particular for school users to encourage young people to use public transport.

Moreover, for people who use the transport system constantly, different solutions are provided that further reduce the cost of the single journey (daily ticket, city pass, eco pass, monthly and annual passes).

The choice of the ticket prices to be applied is not a lever that can be managed independently by the company: they are determined, in fact, by the Service Contract which aims to protect the interests of the user in relation to the provision of a public utility service.

Furthermore, in Bologna and Ferrara there is full fare integration for the services managed by TPER on the road and rail network, as well as with SETA tickets in the Seta areas of Modena and Reggio Emilia. In fact, the integrated regional fare system "Mi Muovo" allows the use of a single travel ticket. The project involves the use of magnetic and microchip travel tickets throughout the regional territory and the subdivision of the territory into zones for the purpose of fare control, which is determined on the basis of the number of zones crossed during the trip.

In terms of physical access, it is considered important to guarantee freedom of movement within the territory. In order to protect this right, it was therefore essential to make the service accessible and usable by all users, both through the use of more and more vehicles accessible to people with reduced mobility, and through opportunities on demand.

Starting in 2018, on the initiative of the Emilia-Romagna Region, those who subscribe to a monthly or annual pass for a railway line can use the urban transport of the departure/arrival city.

Support for the associative and cultural life of the cities

TPER's interest in the community and the organisation of cultural activities is demonstrated through partnerships with local cultural institutions. In particular, holders of annual season tickets have advantages and reductions on admission for all permanent and temporary exhibitions of the Bologna Musei institution, the Duse and Europa Auditorium theatres and projections of the Fondazione Cineteca Bologna. TPER supports the activities of the Teatro Comunale di Bologna and cultural and sport initiatives in the city of Ferrara with a financial contribution.

TPER also actively participates in all initiatives related to public transport and sustainable mobility, as well as events for which it is particularly effective to develop awareness actions on good rules, the correct use of the service and environmental sustainability.

An agreement has been in place for several years with the Italian Paralympic Committee Emilia-Romagna in order to encourage ever greater social integration of people with disabilities.

Public shareholders - Local institutions in the areas of operation - Mobility agencies

For a public transport and mobility company, the local institutions of the regions in which it operates have multiple roles. In fact, they may be shareholders of the company, with certain expectations regarding its results including from an economic point of view. At the same time they also play a role in planning and defining service guidelines and, lastly, representing the needs and interests of the regions, thanks to the mandate received from the voters (who are themselves Users of the LPT services).

The management of relations with Local Authorities is therefore very complex, precisely because they hold different functions: in addition to being shareholders, or holders of share capital, public shareholders play a stakeholder role, that is, of wider interests with impact on the community.

The mobility agencies, enacted by local authorities, on the other hand, have a service regulation role and represent the interlocutors with which the public transport company consults to define the characteristics of the service and monitor the activities carried out in compliance with the signed service contract, once the contract has been awarded by tender.

TPER interacts with the shareholders regarding corporate trends and business development strategies, while it consults government bodies on the construction of mobility development plans in the area. Finally, it maintains continuous relationships with the Agencies to meet the transport needs of the region and for the necessary monitoring of the activities.

The directors and managers of TPER frequently interact with these stakeholders on individual planning and monitoring actions, providing answers to questions and queries, and presenting responses to all the questions on the subjects for which they are responsible, on a weekly basis. Many joint initiatives with the institutions are also reflected in the press conferences organised together.

A message that travels: TPER's choices for communication on transport vehicles

Despite having entrusted the management of advertising activities on its vehicles to an external concessionaire for several years, TPER carries out a check on the relevance and nature of the promotional activities present on its vehicles via its Communications Office. In particular, TPER has adhered to a memorandum of understanding with the Department of Security of the Municipality of Bologna, assuming the commitment - also with the advertising concessionaire - to avoid the promotion of gambling or images that are damaging to the image of women or are harmful to minors on buses.

Among the various spaces dedicated to advertising on the company means of transport, TPER reserves the space behind the driver for promoting activities and events linked to institutional, cultural and non-profit initiatives, bearing witness to its commitment to deserving initiatives of the community.

In recent years, TPER has decided to provide some stops with a double name, to remind people of the Museum, Theatre or centre of cultural or institutional interest in the vicinity. The stops that have a double name include Opificio Golinelli, Mast, Teatri di Vita, Mambo, Genius Bononie, AVIS, Piazza dei Colori, Accademia Filarmonica di Bologna, and Museo nazionale dell'Ebraismo italiano e della Shoah in Ferrara.

Other initiatives

All the activities listed below entail the involvement of the local community in various ways.

Promotion of institutional activities

In view of the dialogue with public stakeholders, TPER has supported local and regional authorities and other institutions in implementing major projects in the social area.

Specifically, it participated in two important commemorative events in the area, namely the "Ustica non si dimentica" Commemoration [Ustica is not forgotten] and the 2 August 1980 Commemoration, also participating in related events.

Other institutions initiatives are described in the following paragraphs by reference areas (culture, sport, entertainment, etc.)

Circolo Dozza activity promotion

TPER supports the Circolo Autoferrotranvieri, collaborating in activities that involve employees and members. The initiatives concern the world of sports, including Paralympic sports, culture and school. Of note in the 2023 initiatives was the Dieci Colli [Ten Hills] cycling event, that involves the entire city of Bologna and its province.

Initiatives in the cultural and entertainment sector

Some of the main initiatives in the cultural sector are listed below, indicating the entities with which TPER has collaborated through sponsorship, comarketing or donations.

ALMA MATER Season School	participation and sponsorship
asvis	Asvis Futuro
Bologna experience	Basquiat Warhol Belloni
Cineteca	Cinema ritrovato
Cineteca	Bologna fotografata
Municipality of Bologna	Bologna estate
Municipality of Bologna	Impronte digitali
Municipality of Bologna	Eccezionale
Municipality of Bologna	Various Voices
Municipality of Bologna	Biografilm Festival
Municipality of Bologna	Costellazione
Municipality of Bologna	Si gira - Cinema in quartiere
Municipality of Bologna	Lucio Saffaro
Municipality of Bologna	Costellazioni 2023
Municipality of Bologna	Dance final
Municipality of Bologna	Concetto Pozzati mostra Belloni

Municipality of Bologna	BJF - Bologna Jazz festival
Municipality of Bologna	Festival narrativo del Paesaggio
Municipality of Ferrara	Rinascimento a Ferrara - Palazzo dei Diamanti
Municipality of Ferrara	Achille Funi - palazzo dei Diamanti
Confindustria	Premio estense
Fondazione Golinelli Mast	Oltre il tempo
MEIS Museum	Festa del libro ebraico
MEIS Museum	Case di Vita - sinagoghe e cimiteri in Italia
MEIS Museum	Ebrei nel novecento italiano
MEIS Museum	Sotto lo stesso cielo
Mozart14	INITIATIVE
Musica Insieme	Musica Insieme
Musica Insieme	Respighi festival
various film productions	filming SNAFU episodes
Teatro Comunale	supporting activities for the 2023 season
teatro testoni ragazzi	supporting activities for the 2023 season
University of Bologna	Ripensaci - notte europea dei ricercatori
University of Bologna	MASTER JOURNALISM

Initiatives in the sports sector

In the sports field, TPER supported the following initiatives with the respective associations or reference bodies:

Municipality of Bologna	Bologna Marathon
CIP Ferrara	PARALYMPIC SPORT PROMOTION
Circolo Dozza	Dieci Colli Circolo Dozza
Municipality of Bologna	Run Tune Up - Bologna Half Marathon
Municipality of Bologna	Bologna Sport day
Municipality of Bologna	Strabologna

Environment, health, gender equality and human rights

In the field of human rights, health, gender equality and the environment, support was given to the following initiatives:

ANT	5 per mille
Armonie	Voci di donne
Casa delle donne	women's shelter
Municipality of Bologna	Parchi in movimento
Municipality of Bologna	non mi convinci mica
Municipality of Bologna	Mezzi per tutte
Municipality of Ferrara	Non ci casco [I won't fall for that] - psychological support service
Dedalus	Relationships - exercise of the senses
Gli amici di luca	Congiungivite - Giornata nazionale dei risvegli
Komen	Race for the cure
Mondo donna	free support for women

UDI - Women's Union	24-hour anti-violence centre telephone line
Vicini d'istanti	STOP! Re-think, re-duce, re-cycle

Events and festivals

The company participated in particular in the following events

- ASSTRA - National conference
- Confindustria Farete
- Rimini FairInternational Bus Expo
- HESE HYDROGEN ENERGY SUMMIT EXPO
- European Mobility Week

Support for non-profit associations

The institutions and associations TPER supported in various ways are listed below. The reference sector is reported for each entity

- AGEOP
- AIL
- ANT
- Antoniano
- CEFA
- CUCINE POPOLARI
- FANEP
- KOMEN CONFEZIONI NATALIZIE
- MEDICI SENZA FRONTIERE
- SAVE THE CHILDREN
- SUCCEDE SOLO A BOLOGNA APS
- TELETHON

TPER has also collaborated in various capacities with the following bodies and associations (of which it is also a member):

- CIFI
- Cineteca
- CLUB ITALIA
- Fondazione Innovazione Urbana
- Global Compact
- Impronta Etica
- Metropoli di Paesaggio Ferrara
- Mipim
- Polis
- Rete Capo D

NFS GRI Content Index - Index of GRI Indicators

Statement of use	The Consolidated Non-Financial Statement of the TPER Group relating to the financial year 2023 [1 January - 31 December 2023] was prepared according to the reporting In accordance with the GRI Standards option.
GRI 1 adopted	GRI 1 Foundation 2021
GRI Sector Standards	Not available/not applicable

GRI Standards - General disclosures

Disclosures		**Location**	**Omission**			**GRI Sector Standards**
No.	Description		Omitted requirements	Reason	Explanation	Ref. No.
GRI 2 - General Disclosures - 2021 version						
	The organisation and its reporting practices					
2.1	Organisational details	TPER				
2.2	Entities included in the organisation's sustainability reporting	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Methodological note				
2.3	Reporting period, frequency and point of contact	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Methodological note				
2.4	Restatements of information	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Methodological note				
2.5	External assurance	Report of the Independent Auditors				
	Activities and workers					
2.6	Activities, value chain and other business relationships	TPER				
		Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Reference context and scenarios				

		Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016)NFS/Legislative and regulatory framework				
		Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Local planning				
		Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Area services				
		Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/TPER vehicles				
		Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Investments and innovation				
2.7	Employees	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Internal organisation - Human resources/Employment and turnover				
2.8	Self-employed workers	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Internal organisation - Human resources/Employment and turnover	2-8 a	Information not available/incomplete	Disclosure referring to the partners of the public transport service/data not available	
	Governance					
2.9	Governance structure and composition	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Governance and responsible business conduct/Corporate bodies and governance model				
2.10	Appointment and selection of the highest governance body	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Governance and responsible business conduct/Corporate bodies and governance model				

2.11	Chairman of the highest governance body	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Governance and responsible business conduct/Corporate bodies and governance model				
2.12	Role of the highest governance body in controlling impact management	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Governance and responsible business conduct/Corporate bodies and governance model				
2.13	Delegation of responsibility for the management of impacts					
2.14	Role of the highest governance body in sustainability reporting					
2.15	Conflicts of interest					
2.16	Communication of critical issues					
2.17	Collective knowledge of the highest governance body	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Governance and responsible business conduct/Corporate bodies and governance model				
2.18	Performance assessment of the highest governance body	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Governance and responsible business conduct/Corporate bodies and governance model				
2.19	Rules regarding remuneration	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Governance and responsible business conduct/Corporate bodies and governance model				
2.20	Remuneration determination procedure	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Governance and responsible business conduct/Corporate bodies and governance model				

2.21	Total annual remuneration report	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Governance and responsible business conduct/Corporate bodies and governance model				
	Strategy, policies and practices					
2.22	Declaration on the sustainable development strategy	Letter to stakeholders				
		Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Methodological note				
2.23	Commitment in terms of policies	TPER				
		Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Strategy and objectives/Transport system and sustainable mobility				
		Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Governance and responsible business conduct/The control model, measures to combat corruption				
		Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Governance and responsible business conduct/Integrated management system and policies				
2.24	Integration of commitments in terms of policies	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Strategy and objectives/Transport system and sustainable mobility				
		Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Governance and responsible business conduct/The control model, measures to combat corruption				

2.25	Processes aimed at remedying negative impacts	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Governance and responsible business conduct/The control model, measures to combat corruption				
2.26	Mechanisms to request clarifications and raise concerns	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Governance and responsible business conduct/The control model, measures to combat corruption				
2.27	Compliance with laws and regulations	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Governance and responsible business conduct/Compliance				
2.28	Membership of associations	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Governance and responsible business conduct/Membership of associations				
	Stakeholder engagement					
2.29	Approach to stakeholder engagement	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016)NFS/Stakeholders				
2.30	Collective agreements	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Internal organisation - Human resources/Industrial relations				

GRI Standards - Material topics disclosure/Specific indicators

The table shows the reference to the GRI Topic Standards used for the reporting of material topics. For a better understanding of the content, the following should be noted:

- The standards shown in the table are those relating to the reporting of the material topics identified.
- Any disclosures/indicators (*requirements*) included in the standards referring to material topics, but not relevant or not applicable with respect to the characteristics of the business model and the impacts are reported in the list, but highlighted as omitted as they are not relevant.

- On the other hand, evidence is provided of any omissions and related reasons for the disclosures/indicators (*requirements*), included in the standards referring to material topics, but not reported, in total or in part, in relation to the unavailability of information and quantitative data.
- Unless otherwise specified, the GRI Standards published in 2016 were used. The GRI 303 Water and Discharges and GRI 403 Health and Safety at Work standards, published in 2018, were used for the disclosure on the issues of water withdrawals and health and safety at work, respectively. Regarding the information on waste, the GRI 306 Waste standard, published in 2020, was adopted. GRI 207 Taxes (2019) was applied to the reporting of tax issues.
- Industry standards not published/available (not applicable).

Disclosures		**Location**	**Omission**			**GRI Sector Standards**
No.	Description		Omitted requirements	Reason	Explanation	Ref. No.
GRI 3 - Material topics - 2021 version						
3.1	Process for determining material topics	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Material topics/The process of identifying, assessing and prioritising issues				
		Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Methodological note				
3.2	List of material topics	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Material topics/TPER's material topics				
Material topic	**Energy efficiency**					
3.3	Management of material topics	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Environmental sustainability/Climate change - Energy - Emissions				
		Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Governance and responsible business conduct/Integrated management system and policies				
		Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/TPER vehicles				
	Specific GRI standards					

302	**Energy**					
302-1	Energy consumption within the organisation	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Environmental sustainability/Energy consumption				
302-2	Energy consumption outside of the organisation	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Environmental sustainability/Energy consumption				
302-3	Energy intensity	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Environmental sustainability/Energy consumption intensity index				
302-4	Reduction of energy consumption	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Environmental sustainability/Energy consumption				
Material topic	**Air, water, soil pollution: GHG emissions and other emissions**					
3.3	Management of material topics	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Environmental sustainability/Climate change - Energy - Emissions				
		Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Governance and responsible business conduct/Integrated management system and policies				
		Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/TPER vehicles				
	Specific GRI standards					
305	**Emissions**					
305-1	Direct (Scope 1) GHG emissions	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Environmental sustainability/CO2 emissions				
305-2	Energy indirect (Scope 2) GHG emissions	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Environmental sustainability/CO2 emissions				
305-3	Other indirect (Scope 3)	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016)				

	GHG emissions	NFS/Environmental sustainability/CO2 emissions				
305-4	GHG emissions intensity	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Environmental sustainability/Emission intensity index				
305-5	Reduction of GHG emissions	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Environmental sustainability/Climate change - Energy - Emissions				
305-6	Emissions of ozone-depleting substances (ODS)		306-5	Information not available/incomplete	Information not available/incomplete	
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Environmental sustainability/Other emissions harmful to the environment and human health - local pollutants				
Material topic	**Natural resources - Waste/Circular Economy**					
3.3	Management of material topics	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Sustainability performance/Waste management				
		Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Governance and responsible business conduct/Integrated management system and policies				
		Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Environmental sustainability/Water resources - withdrawals and effluents				
	Specific GRI standards					
303	**Water and effluents**					
303-1	Interactions with water as a shared resource	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Environmental sustainability/Water resources - withdrawals and effluents				

303-2	Management of water discharge-related impacts	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Environmental sustainability/Water resources - withdrawals and effluents				
303-3	Water withdrawal	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Environmental sustainability/Water resources - withdrawals and effluents				
303-4	Waste water		303-4	Not relevant	Disclosure not relevant to sector/business model	
303-5	Water consumption		303-5	Not relevant	Disclosure not relevant to sector/business model	
306	**Waste - 2020**					
306-1	Production of waste and significant impacts related to waste	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Sustainability performance/Waste management				
306-2	Management of the significant impacts associated with waste	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Sustainability performance/Waste management				
306-3	Waste produced	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Sustainability performance/Waste management				
306-4	Waste not destined for disposal	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Sustainability performance/Waste management				
306-5	Waste destined for disposal	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Sustainability performance/Waste management				
Material topic	**Air, water, soil pollution: sound and vibrations**					
3.3	Management of material topics	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Environmental sustainability/Noise pollution (noise and vibrations)				
		Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/TPER vehicles				

		Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Strategy and objectives/Transport system and sustainable mobility				
		Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Governance and responsible business conduct/Integrated management system and policies				
Material topic	**Privacy and data security**					
3.3	Management of material topics	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Ethics and integrity/Privacy Protection and Cyber security				
	Specific GRI standards					
418	**Customer privacy**					
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Ethics and integrity/Privacy Protection and Cyber security				
Material topic	**Service quality and compliance**					
3.3	Management of material topics	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Customers/Service quality and compliance				
		Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Governance and responsible business conduct/Integrated management system and policies				
	Specific GRI standards					
417	**Marketing and labelling**					
417-1	Requirements relating to product and service information	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Customers/Service quality and compliance				

	and labelling					
417-2	Incidents of non-compliance concerning products and service information and labelling	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Customers/Service quality and compliance				
417-3	Incidents of non-compliance concerning marketing communications	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Customers/Service quality and compliance				
Material topic	**Customer safety**					
3.3	Management of material topics	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Customers/Health and safety of customers				
		Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Governance and responsible business conduct/Integrated management system and policies				
	Specific GRI standards					
416	**Health and safety of customers**					
416-1	Assessment of the health and safety impacts by product and service categories	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Customers/Health and safety of customers				
416-2	Incidents of non-compliance concerning the health and safety impacts of product and services	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Customers/Health and safety of customers				
Material topic	**Management and sustainability of the**					

	supply chain					
3.3	Management of material topics	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Supply chain				
	Specific GRI standards					
308	**Environmental assessment of suppliers**					
308-1	New suppliers that have been evaluated using environmental criteria	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Supply chain				
308-2	Negative environmental impacts in the supply chain and actions taken		308-2	Not relevant	Disclosure not considered of particular relevance to sector/business model	
414	**Environmental assessment of suppliers**					
414-1	New suppliers that have been evaluated through the use of social criteria	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Supply chain				
414-2	Negative social impacts on the supply chain and actions taken		414-2	Not relevant	Disclosure not considered of particular relevance to sector/business model	
Material topic	**Employment**					
3.3	Management of material topics	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Internal organisation - Human resources/Employment and turnover				
		Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Internal organisation - Human resources/Industrial relations				

		Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Internal organisation - Human resources/Compliance with company regulations and codes of conduct				
	Specific GRI standards					
401	**Employment**					
401-1	New hires and turnover	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Internal organisation - Human resources/Employment and turnover				
401-2	Benefits provided for full-time employees, but not for part-time workers or for temporary workers	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Internal organisation - Human resources/Employment and turnover				
Material topic	**Employee training and skills development**					
3.3	Management of material topics	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Internal organisation - Human resources/Training				
	Specific GRI standards					
404	**Training and education**					
404-1	Average hours of training per year per employee	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Internal organisation - Human resources/Training				
404-2	Programs for updating employee skills and transition assistance programs		404-2	Not relevant	Not adopted in specific and significant needs	
404-3	Percentage of employees receiving regular performance and career					

	development reviews					
Material topic	**Human resources: diversity, equal opportunities and inclusion**					
3.3	Management of material topics	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Internal organisation - Human resources/Diversity and equal opportunities				
		Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Internal organisation - Human resources/Industrial relations				
		Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Internal organisation - Human resources/Compliance with company regulations and codes of conduct				
	Specific GRI standards					
401	**Employment**					
401-3	Parental leave	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Internal organisation - Human resources/Diversity and equal opportunities				
405	**Diversity and equal opportunities**					
405-1	Diversity of governance bodies and employees	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Internal organisation - Human resources/Diversity and equal opportunities				
		Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Governance and responsible business conduct/Corporate bodies and governance model				
405-2	Ratio of basic salary and remuneration of women to men	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Internal organisation - Human resources/Diversity and equal opportunities				
406	**Non-discrimination**					

406-1	Discrimination episodes and corrective actions taken	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Internal organisation - Human resources/Diversity and equal opportunities				
Material topic	**Health and safety in the workplace**					
3.3	Management of material topics	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Occupational health and safety/Management policies and system				
		Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Governance and responsible business conduct/Integrated management system and policies				
	Specific GRI standards					
403	**Occupational health and safety - 2018**					
403-1	Occupational health and safety management system	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Occupational health and safety/Management policies and system				
403-2	Hazard identification, risk assessment and incident investigation	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Occupational health and safety/Management policies and system				
403-3	Occupational health services	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Occupational health and safety/Management policies and system				
403-4	Worker participation, consultation, and communication on occupational health and safety	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Occupational health and safety/Management policies and system				

403-5	Worker training on occupational health and safety	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Occupational health and safety/Management policies and system				
403-6	Promotion of worker health	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Occupational health and safety/Management policies and system				
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Occupational health and safety/Management policies and system				
403-8	Workers covered by an occupational health and safety management system	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Occupational health and safety/Management policies and system				
403-9	Work-related accidents	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Occupational health and safety/Accidents				
		Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Occupational health and safety/External health and safety				
403-10	Occupational illnesses	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Occupational health and safety/Work-related illnesses				
Material topic	**Integrity and ethical business conduct**					
3.3	Management of material topics	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Ethics and integrity				
		Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Governance and responsible business conduct/Integrated management system and policies				

	Specific GRI standards					
205	**Anti-corruption**					
205-1	Operations assessed for risks related to corruption	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Governance and responsible business conduct/The control model, measures to combat corruption				
		Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Ethics and integrity/Prevention of corruption				
205-2	Communication and training on anti-corruption policies and procedures	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Governance and responsible business conduct/The control model, measures to combat corruption				
		Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Ethics and integrity/Prevention of corruption				
205-3	Confirmed incidents of corruption and actions taken	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Governance and responsible business conduct/The control model, measures to combat corruption				
		Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Governance and responsible business conduct/The control model, measures to combat corruption				
206	**Anti-competitive behaviour**					
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Ethics and integrity/Anti-competitive behaviour, antitrust and monopolistic practices				
207	**Tax - 2019**					
207-1	Approach to taxation	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Ethics and integrity/Tax transparency				
207-2	Tax governance, risk control and management	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Ethics and integrity/Tax transparency				

207-3	Stakeholder engagement and management of concerns related to tax	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Ethics and integrity/Tax transparency				
207-4	Country-by-country reporting	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Ethics and integrity/Tax transparency				
Material topic	**Capital strength, economic performance, value distribution**					
3.3	Management of material topics	Economic and financial performance/Distributed economic value				
	Specific GRI standards					
201	**Economic performance**					
201-1	Direct economic value generated and distributed	Economic and financial performance/Distributed economic value				
201-2	Financial implications and other risks and opportunities due to climate change		201-2	Information not available/incomplete	TPER has not yet developed quantitative scenarios	
201-3	Defined benefit pension plans and other retirement plans	Consolidated financial statements as at 31 December 2023				
201-4	Financial assistance received from government	Economic and financial performance/Distributed economic value				
Material topic	**investments and local innovation**					

	(Indirect economic impacts)					
3.3	Management of material topics	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Investments and innovation				
		Economic and financial performance/Equity-financial structure				
	Specific GRI standards					
203	**Indirect economic impacts**					
203-1	Infrastructure investments and services supported	Economic and financial performance/Equity-financial structure				
		Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/Investments and innovation				
203-2	Significant indirect economic impacts	Economic and financial performance/Analysis of the economic impact on the territory - extended value analysis				
204	**Procurement practices**					
204-1	Proportion of spending on local suppliers	Economic and financial performance/Analysis of the economic impact on the territory - extended value analysis				
Material topic	**Local communities and relations with the territory**					
3.3	Management of material topics	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/TPER's commitment to the area/Area and local communities				
	Specific GRI standards					
413	**Local communities**					
413-1	Operations with local community engagement, impact assessments, and development programs	Sustainability disclosure - Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS/TPER's commitment to the area/Area and local communities				

413-2	Activities with significant actual and potential negative impacts on local communiti es		413-2	Not relevant	Disclosure not considered of particular relevance to sector/business model	

Tables EU taxonomy - Regulation EU 2021/2178 NFS

		Financial year	2023				Criteria for substantial contribution(%)						Do no significant harm (DNSH) criteria						Minimum safeguard guarantees	Share of revenue aligned (A.1.) or eligible (A.2.) with the **previous year taxonomy**	Enabling activity category	Transitional activity category
			Code		Revenue (Euro million)	% Share of revenue	Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity/ ecosystems	Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity/ ecosystems				
			Goal	Activity #		%	YES - NO - NON-ELIG.						YES - NO						YES - NO	%	E	T
E	**Activity [Business Unit]**	**Taxonomy-eligible activity**																				
A.1		Eco-sustainable activities Activities aligned with the taxonomy																				
	Local public transport	**Urban and suburban transport, road passenger transport**	**CCM**	**6.3**	171.02	58.2%	YES	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	YES	YES	YES	YES	YES	YES	YES	53.0%		T
	Transport of goods	**Rail freight transport**	**CCM**	**6.2**	6.87	2.3%	YES	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	YES	YES	YES	YES	YES	YES	YES	3.0%		
	Railway maintenance	**Infrastructure for rail transport**	**CCM**	**6.14**	9.75	3.3%	YES	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	YES	YES	YES	YES	YES	YES	YES	4.0%	E	
	Other mobility services	**Transport by motorcycle, car and light commercial vehicle**	**CCM**	**6.5**	2.65	0.9%	YES	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	YES	YES	YES	YES	YES	YES	YES	1.0%		
		Revenues from environmentally sustainable activities (aligned with the taxonomy) (A.1)			190.29	64.7%	64.7%	0.0%	0.0%	0.0%	0.0%	0.0%	YES	YES	YES	YES	YES	YES	YES	61.0%		
						0%																
		Of which enabling			9.75	25.9%	25.9%						YES	YES	YES	YES	YES	YES	YES	4.0%	E	
		Of which transitional			171.02	38.8%	38.8%													53.0%		T
A.2		Activities eligible for the taxonomy but not environmentally sustainable (Activities not aligned with the taxonomy)					ELIG. - NON-ELIG.															
	Local public transport	**Urban and suburban transport, road passenger transport**	**CCM**	**6.3**	76.26	25.9%	ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.										
	Transport of goods	**Rail freight transport**	**CCM**	**6.2**	17.68	6.0%	ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.								0.0%		
	Railway maintenance	**Infrastructure for rail transport**	**CCM**	**6.14**	9.79	3.3%	ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.								0.0%		
	Other mobility services	**Transport by motorcycle, car and light commercial vehicle**	**CCM**	**6.5**	-	0.0%	ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.								0.0%		
		Revenue from activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy) (A.2)			103.73	35.3%	35.3%	0.0%	0.0%	0.0%	0.0%	0.0%								0.0%		
						0%																
		Total revenue from eligible activities (A.1 + A.2)			294.03	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%										
B		**Activities not eligible for the taxonomy**																				
		Revenue from activities not eligible for the taxonomy) (B)			-	0.0%																
		Total (A) + (B)			294.03	100.0%																

	Financial year		2023				Criteria for substantial contribution(%)						Do no significant harm (DNSH) criteria						Minimum safeguard guarantees	Share of CapEx aligned (A.1.) or eligible (A.2.) with the **previous year taxonomy**	Enabling activity category	Transitional activity category
			Code		CapEx (Euro million)	CapEx % share	Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity/ ecosystems	Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity/ ecosystems				
			Goal	Activity #		%	YES - NO - NON-ELIG.						YES - NO						YES - NO	%	E	T
E	**Activity [Business Unit]**	**Taxonomy-eligible activity**																				
A.1		Eco-sustainable activities Activities aligned with the taxonomy																				
	Local public transport	**Urban and suburban transport, road passenger transport**	**CCM**	**6.3**	53.5	97.2%	YES	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	YES	YES	YES	YES	YES	YES	YES	100.0%		T
	Transport of goods	**Rail freight transport**	**CCM**	**6.2**	0.2	0.3%	YES	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	YES	YES	YES	YES	YES	YES	YES			
	Railway maintenance	**Infrastructure for rail transport**	**CCM**	**6.14**	0.2	0.4%	YES	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	YES	YES	YES	YES	YES	YES	YES			
	Other mobility services	**Transport by motorcycle, car and light commercial vehicle**	**CCM**	**6.5**	1.1	2.1%	YES	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	YES	YES	YES	YES	YES	YES	YES			
		CapEx from environmentally sustainable activities (aligned with the taxonomy) (A.1)			55.0	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	YES	YES	YES	YES	YES	YES	YES	100.0%		
						0%																
		Of which enabling			54.6	99.3%							YES	YES	YES	YES	YES	YES	YES		E	
		Of which transitional			0.4	0.7%														100.0%		T
A.2		Activities eligible for the taxonomy but not environmentally sustainable (Activities not aligned with the taxonomy)					ELIG. - NON-ELIG.															
	Local public transport	**Urban and suburban transport, road passenger transport**	**CCM**	**6.3**	0.2	0.0%	ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.								0.0%		
	Transport of goods	**Rail freight transport**	**CCM**	**6.2**	0.3	0.0%	ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.								0.0%		
	Railway maintenance	**Infrastructure for rail transport**	**CCM**	**6.14**	-	0.0%	ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.								0.0%		
	Other mobility services	**Transport by motorcycle, car and light commercial vehicle**	**CCM**	**6.5**	-	0.0%	ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.								0.0%		
		CapEx from activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy) (A.2)			0.4	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%								0.0%		
		Total CapEx from eligible activities (A.1 + A.2)			55.5	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%										
B		**Activities not eligible for the taxonomy**																				
		CapEx from activities not eligible for the taxonomy) (B)			-	0.0%																
		Total (A) + (B)			55.5	100.0%																

		Financial year	2023				Criteria for substantial contribution(%)						Do no significant harm (DNSH) criteria						Minimum safeguard guarantees	Share of OpEx aligned (A.1.) or eligible (A.2.) with the **previous year taxonomy**	Enabling activity category	Transitional activity category
			Code		OpEx (Euro million)	OpEx % share	Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity/ ecosystems	Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity/ ecosystems				
			Goal	Activity #		%	YES - NO - NON-ELIG.						YES - NO						YES - NO	%	E	T
E	**Activity [Business Unit]**	**Taxonomy-eligible activities**																				
A.1		Eco-sustainable activities Activities aligned with the taxonomy																				
	Local public transport	**Urban and suburban transport, road passenger transport**	**CCM**	**6.3**	9.34	36.8%	YES	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	YES	YES	YES	YES	YES	YES	YES	32.0%		T
	Transport of goods	**Rail freight transport**	**CCM**	**6.2**	1.65	6.5%	YES	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	YES	YES	YES	YES	YES	YES	YES	9.0%		
	Railway maintenance	**Infrastructure for rail transport**	**CCM**	**6.14**	2.94	11.6%	YES	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	YES	YES	YES	YES	YES	YES	YES	11.0%	E	
	Other mobility services	**Transport by motorcycle, car and light commercial vehicle**	**CCM**	**6.5**	0.10	0.4%	YES	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	YES	YES	YES	YES	YES	YES	YES	0.0%		
		OpEx from environmentally sustainable activities (aligned with the taxonomy) (A.1)			14.03	55.2%	55.2%	0.0%	0.0%	0.0%	0.0%	0.0%	YES	YES	YES	YES	YES	YES	YES	52.0%		
						0%																
		Of which enabling			2.94	30.7%							YES	YES	YES	YES	YES	YES	YES	11.0%	E	
		Of which transitional			9.34	24.5%														32.0%		T
A.2		Activities eligible for the taxonomy but not environmentally sustainable (Activities not aligned with the taxonomy)					ELIG. - NON-ELIG.															
	Local public transport	**Urban and suburban transport, road passenger transport**	**CCM**	**6.3**	4.16	16.4%	ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.								18.0%		
	Transport of goods	**Rail freight transport**	**CCM**	**6.2**	4.25	16.7%	ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.								15.0%		
	Railway maintenance	**Infrastructure for rail transport**	**CCM**	**6.14**	2.96	11.6%	ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.								14.0%		
	Other mobility services	**Transport by motorcycle, car and light commercial vehicle**	**CCM**	**6.5**	-	0.0%	ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.	NON-ELIG.								0.0%		
		OpEx from activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy) (A.2)			11.37	44.8%	44.8%	0.0%	0.0%	0.0%	0.0%	0.0%								47.0%		
						0%																
		Total OpEx from eligible activities (A.1 + A.2)			25.4	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%										
B		**Activities not eligible for the taxonomy**																				
		OpEx from activities not eligible for the taxonomy) (B)																				
		Total (A) + (B)			25.4	100.0%																

PROPOSED ALLOCATION OF OPERATING PROFIT

Dear Shareholders,

At the end of this presentation, we invite you to:

a) discuss and approve the Board of Directors' Report on Operations and the financial statements for the year ended 31 December 2023, which show a profit for the year of Euro

b) allocate the profit for the year:

- 658,965.07 to the legal reserve
- Euro 2,635,860.26 to the extraordinary reserve.

At the date of approval of the financial statements, treasury shares amounted to 111,480.

For the Board of Directors

Chairperson and Chief Executive Officer

Giuseppina Gualtieri

Bologna, 29 May 2023

Consolidated financial statements as at 31 December 2023

Consolidated Statement of Financial Position

In thousands of Euro	Notes	31/12/2023	31/12/2022
ASSETS			
Non-current assets			
Tangible assets	1	**193,261**	**183,133**
Rolling stock		*170,917*	*166,985*
Infrastructure		*16,797*	*10,654*
Real estate		*3,367*	*3,228*
Other tangible assets		*2,180*	*2,266*
Intangible assets	2	**12,952**	**16,277**
Concession rights		*12,488*	*15,875*
Other intangible assets		*464*	*402*
Assets for rights of use	3	**9,362**	**8,861**
Equity investments	4	**24,151**	**17,274**
Equity investments accounted for using the equity method		20,808	13,931
Equity investments accounted for at fair value		*3,343*	*3,343*
Non-current financial assets	5	**38,283**	**35,290**
Financial assets for contributions			
Other financial assets		*38,283*	*35,290*
Deferred tax assets	6	**3,453**	**2,823**
Other non-current assets			
Total non-current assets		**281,462**	**263,658**
Current assets			
Trade assets	7	**89,686**	**88,675**
Inventories		*25,416*	*24,659*
Trade receivables		*64,270*	*64,016*
Cash and cash equivalents	8	**70,497**	**60,387**
Financial assets	5	**11,415**	**6,908**
Financial assets for contributions		*10,815*	*4,622*
Other financial assets		600	2,286
Assets for income taxes	9		**2,543**
Other current assets	10	**17,272**	**24,339**
Total current assets		**188,870**	**182,852**
TOTAL ASSETS		**470,332**	**446,510**

In thousands of Euro	Notes	31/12/2023	31/12/2022
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Group shareholders' equity		**179,224**	**171,155**
Capital issued		*68,493*	*68,493*
Treasury shares		*(189)*	*(189)*
Reserves and profits carried forward		*102,338*	*101,327*
Profit/(Loss) for the year		*8,582*	*1,524*
Shareholders' equity attributable to Minority interests		**3,037**	**3,154**
Issued capital and reserves		3,139	3,073
Profit/(Loss) for the year		(102)	81
Total shareholders' equity	11	**182,261**	**174,309**
Non-current liabilities			
Trade liabilities	12	**1,242**	**1,556**
Funds for provisions	13	**50,805**	**47,188**
Provisions for employee benefits		*12,334*	*13,520*
Other provisions		*38,471*	*33,668*
Non-current financial liabilities	14	**24,624**	**32,913**
Bond loans		*0*	*31,429*
Medium/long-term loans		*24,232*	*25*
Other non-current financial liabilities		*392*	*1,459*
Liabilities for leased assets	3	**5,893**	**4,572**
Other non-current liabilities	15	**17,811**	**23,469**
Total non-current liabilities		**100,375**	**109,698**
Current liabilities			
Trade liabilities	12	**58,872**	**66,706**
Current portion of funds for provisions	13	**5,840**	**6,092**
Provisions for employee benefits		*833*	*1,072*
Other provisions		*5,007*	*5,020*
Current financial liabilities	14	**60,732**	**32,074**
Current portion of bond loans		*31,779*	*32,053*
Current portion of medium/long-term loans		*1,935*	*21*
Short-term loans		*27,018*	*0*
Other current financial liabilities		*0*	*0*
Current portion of liabilities for leased assets	3	**3,747**	**3,318**
Current income tax liabilities	9	**254**	**0**
Other current liabilities	15	**58,251**	**54,313**
Total current liabilities		**187,696**	**162,503**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**470,332**	**446,510**

CONSOLIDATED INCOME STATEMENT

In thousands of Euro	Notes	2023	2022
Revenue			
LPT line services	16	207,991	186,160
Railway line services	17	27,549	28,223
Parking and car sharing	18	2,256	2,062
Other revenues	19	56,230	73,989
Total revenues		**294,026**	**290,434**
Costs			
Personnel costs	20	107,752	106,902
Costs for services	21	92,293	92,431
Costs for materials	22	48,045	54,699
Use of third-party assets	23	4,553	2,952
Other operating costs	24	5,093	5,941
Amortisation/depreciation		20,064	21,137
Depreciation of tangible assets	1	16,111	16,615
Amortisation of intangible assets	2	656	727
Amortisation of rights of use	3	3,297	3,795
Write-downs/(reversals) of impairment losses		4,889	2,840
Write-downs/(reversals) of the value of financial assets	*5-7-10*	*1,889*	*491*
Write-downs/(reversals) of the value of non-financial assets	*1*	*3,000*	*2,349*
Change in funds for provisions	25	5,993	1,653
Total costs		**288,682**	**288,556**
OPERATING RESULT		**5,344**	**1,878**
Financial income		3,851	2,496
Other financial income		*3,851*	*2,496*
Financial charges		7,461	2,496
Charges on bond loans		*1,136*	*1,798*
Charges on loans		*2,493*	*398*
Other financial charges		*3,832*	*300*
FINANCIAL INCOME/(CHARGES)	26	**(3,610)**	**(0)**
Share of profit/(loss) on equity investments accounted for using the equity method	4	**7,162**	**(357)**
PROFIT FROM OPERATING ACTIVITIES BEFORE TAXES		**8,896**	**1,521**
Tax income/(charges)		(416)	84
Current income taxes	27	(973)	(232)
Deferred taxes	6	557	316
PROFIT/(LOSS) FOR THE YEAR		**8,480**	**1,605**
of which:			
Profit/(loss) for the year attributable to the Group		8,582	1,524
Profit/(loss) attributable to minority interests		(102)	81

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

In thousands of Euro		Notes		
Profit/(Loss) for the year	**(a)**		**8,480**	**1,605**
Profit/(loss) from the measurement of equity investments recognised using the equity method		4	(283)	1,126
Other components of the comprehensive income statement for the year that can be reclassified to the income statement	**(b)**		**(283)**	**1,126**
Profit/(loss) from actuarial valuation of provisions for employee benefits			(303)	2,451
Tax effects		6	73	(204)
Other components of the comprehensive income statement for the year that cannot be reclassified to the income statement	**(c)**		**(230)**	**2,247**
Total other components of comprehensive income	**(d=b+c)**		**(513)**	**3,373**
COMPREHENSIVE ECONOMIC RESULT FOR THE YEAR		11	**7,967**	**4,978**
of which:				
Profit/(loss) for the year attributable to the Group			8,069	4,886
Profit/(loss) attributable to minority interests			(102)	92

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

		GROUP SHAREHOLDERS' EQUITY									
In thousands of Euro	Notes	Capital issued	Reserve for measurements of equity investments using the equity method	Treasury shares	Other reserves	Actuarial profit/loss	Profits/(losses) carried forward	Profit/loss for the year	Total	Shareholders' equity attributable to Minority interests	TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP AND TO MINORITY INTERESTS
Balance as at 31/12/2021		**68,493**	**(339)**	**(189)**	**63,916**	**(1,651)**	**31,818**	**6,721**	**168,769**	**3,140**	**171,909**
Comprehensive economic result for the year			1,126			2,236		1,524	**4,886**	92	**4,978**
Transactions with shareholders and other changes											
- Dividends								(2,500)	**(2,500)**	(78)	**(2,578)**
- Purchase of treasury shares									**-**	-	**-**
- Allocation of the previous-year result					2,619		1,602	(4,221)	**-**	-	**-**
- Other changes									**-**	-	**-**
Balance as at 31/12/2022	11	**68,493**	**787**	**(189)**	**66,535**	**585**	**33,420**	**1,524**	**171,155**	**3,154**	**174,309**
Comprehensive economic result for the year			(283)			(230)		8,582	**8,069**	(102)	**7,967**
Transactions with shareholders and other changes											
- Dividends									**-**	(64)	**(64)**
- Purchase of treasury shares									**-**	0	**-**
- Allocation of the previous-year result					1,687		(163)	(1,524)	**-**	0	**-**
- Change in scope of consolidation									**-**	49	**49**
- Other changes									**-**	-	**-**

Balance as at 31/12/2023	11	**68,493**	**504**	**(189)**	**68,222**	**355**	**33,257**	**8,582**	**179,224**	**3,037**	**182,261**

CONSOLIDATED CASH FLOW STATEMENT

In thousands of Euro	Notes	2023	2022
Profit/(loss) for the year		**8,480**	**1,605**
Amortisation/depreciation	1-2-3	20,064	21,137
Change in funds for provisions	25	5,993	6,586
Share of (profit)/loss on equity investments accounted for using the equity method	4	(7,162)	357
Financial income and (charges)		3,610	828
Write-downs/(reversals) of the value of financial assets	5-7-10	1,889	491
Value write-downs/(revaluations) of non-current assets	1	3,000	2,349
Losses/(gains) from disposal of non-current assets	1	(243)	45
Change in working capital and other changes		2,453	17,300
Net cash flows from operating activities		**38,084**	**50,698**
Investments in tangible assets	1	(64,389)	(30,257)
Investments in intangible assets	2-3	(4,905)	(4,789)
Equity investments		0	0
Investments gross of contributions		**(69,294)**	**(35,046)**
Grants on tangible assets	1	24,121	26,715
Grants on intangible assets			0
Grants on investments		**24,121**	**26,715**
Disposals of tangible assets	1	331	804
Disposals of intangible assets	2	776	13
Disposals of equity investments		3	0
Disposals		**1,110**	**817**
Net cash flow for investment activities		**(44,063)**	**(7,514)**
Dividends paid	11	(64)	(78)
Change in liabilities for leased assets	3	1,750	8
Issue/(repayment) of bond loans	14	(31,667)	(31,667)
Obtainment of medium/long-term loans		27,136	0
Repayment of medium/long-term loans	14	(1,015)	(41)
Taking out of short-term loans		48,000	0
Repayment of short-term loans		(20,982)	0
Collected financial income	26	1,024	102
Interest expense		(3,640)	(2,124)
Other financial charges	26	(1,624)	(249)
Change in other financial assets	5	(1,762)	1,362
Change in other financial liabilities	14	(1,067)	579
Net cash flow from financial assets		**16,089**	**(32,108)**
Net cash flow for the period		**10,110**	**11,076**
Cash and cash equivalents at the start of the year		60,387	49,311
Cash and cash equivalents at the end of the year		70,497	60,387

Explanatory Notes

General information

The core business of the TPER Group (hereinafter also the “Group”) is the provision of local and regional public transport services by road and rail.

The Parent Company is TPER S.p.A. (hereinafter "TPER" or "Company" or "Parent Company"), a joint stock company with its registered office in Bologna, in Via di Saliceto 3. The company term is fixed to 31 December 2050.

As at the date of preparation of these financial statements, no shareholder holds control. The Emilia-Romagna Region is the relative majority shareholder of TPER (46.13%). The other shareholders are the Municipality of Bologna (30.11%), the Metropolitan City of Bologna, (18.79%), the Azienda Consorziale Trasporti ACT of Reggio Emilia (3.06%), the Province of Ferrara (1.01%), the Municipality of Ferrara (0.65%), Ravenna Holding S.p.A. (0.04%) and the Province of Parma (0.04%). Furthermore, TPER owns 111,480 treasury shares (0.16%).

The Board of Directors of the Company approved and authorised the publication of these consolidated financial statements as at 31 December 2023 at the meeting held on 27 May 2024.

These financial statements are subject to statutory audit by PWC SpA, appointed to audit the accounts until the approval of the financial statements as at 31 December 2026.

Structure and content of the consolidated financial statements

The consolidated financial statements for the year ended 31 December 2023 were prepared in accordance with Articles 2 and 3 of Italian Legislative Decree no. 38/2005, based on the going concern assumption of the Parent Company and of the other consolidated companies.

The consolidated financial statements has been in compliance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board and approved by the European Commission, which include the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as well as the previous International Accounting Standards (IAS) and previous interpretations of the Standard Interpretations Committee (SIC) still in force. For simplicity, the set of all the standards and interpretations is hereafter defined as the “IFRS”.

The consolidated financial statements consist of the consolidated financial statements (statement of financial position, income statement, statement of comprehensive income, statement of changes in shareholders’ equity and cash flow statement) and of these explanatory notes and are prepared by applying the general criteria of historical cost, with the exception of the balance sheet items that according to IFRS are recognised at fair value, as indicated in the evaluation criteria of the individual items described in note no. 3 “Accounting standards and valuation criteria applied”. The statement of financial position is presented on the basis of the scheme that provides for the distinction between current and non-current assets and liabilities. The income statement and the statement of comprehensive income are presented on the basis of the nature of the costs; in particular, the statement of comprehensive income, starting from the result for the year, shows the effects of gains and losses recognised directly in equity in application of IFRS. The Statement of changes in shareholders' equity represents the changes that took place during the year in the individual items that comprise it, while the cash flow statement was prepared using the indirect method.

IFRS are applied consistently with the indications provided in the "Conceptual Framework for Financial Reporting" and there have not been any circumstances that have led to the use of derogations pursuant to IAS 1, Paragraph 19.

All values are expressed in thousands of Euro, unless otherwise indicated. The Euro is the functional currency of the Parent Company and of all the subsidiaries, as well as that of the presentation of these consolidated financial statements.

For each item of the financial statements, the corresponding value of the previous year is shown for comparative purposes. For the purpose of a more accurate comparison, some values from the previous year have been reclassified. In particular, these reclassifications concerned changes in provisions, which were classified, where possible, by nature in the individual items of the income statement.

It should be noted that the comparative values have not been restated compared to those presented in the consolidated financial statements for the year ended 31 December 2022, as no significant events or changes in the accounting principles applied have occurred that have led to the need to make adjustments to the balances of the previous year's items.

With reference to the regulations introduced by directive no. 2013/50/EU, (the so-called transparency directive) which established that the set of documents that make up the annual financial report must be prepared in a single electronic communication format compliant with delegated regulation (EU) no. 2018/815 of 17 December 2018 (OJEU L143 of 29 May 2019) known as the European Single Electronic Format (ESEF) from financial years starting from 1 January 2021, the exemption referred to in Article 83, paragraph 1, letter b) of Consob Regulation no. 11971/1999 (Issuers) is applicable to the TPER Group, as TPER has issued "*exclusively debt securities admitted to trading on a regulated market whose unit nominal value is at least Euro 100,000*".

Criteria, procedures and scope of consolidation

The scope of consolidation includes the Parent Company and the companies over which TPER directly or indirectly exercises control, both by virtue of having obtained the majority of the votes that can be exercised during the meeting (also taking into account potential voting rights deriving from immediately exercisable options), both as a result of other facts or circumstances that (even apart from the extent of shareholder relations) attribute power over the company, the exposure or the right to variable returns on the investment in the company and the ability to use that power on the company to influence investment returns.

The subsidiaries, consolidated on a line-by-line basis, are as follows:

COMPANY NAME	REGISTERED OFFICE	SHARE CAPITAL	GROUP INTEREST (%)
OMNIBUS S.c.r.l.	Via di Saliceto, 3 - Bologna	80,000	51.00
TPF S.c.r.l.	Via S. Trenti, 35 - Ferrara	10,000	97.00
TPB S.c.r.l.	Via di Saliceto, 3 - Bologna	10,000	85.00
MA.FER S.r.l.	Via di Saliceto, 3 - Bologna	3,100,000	100.00
DINAZZANO PO S.p.A.	Piazza Guglielmo Marconi 11 - Reggio Emilia	38,705,000	95.35
SST S.r.l.	Via S. Trenti, 35 - Ferrara	500,000	51.00
HERM S.r.l.	Via di Saliceto, 3 - Bologna	10,840,000	94.95
TPH2 S.c.r.l.	Via di Saliceto, 3 – Bologna	100,000	51.00

It should be noted that the scope of consolidation as at 31 December 2023 changed compared to that of 31 December 2022 due to the inclusion of the newly established TPH2 Scarl, which operates in the creation and development of know-how, the implementation, management and marketing of innovative technologies in the field of plants and solutions for the production and hydrogen fuelling of transport vehicles.

Entities are included in the scope of consolidation from the date on which the TPER Group acquires control while they are excluded from the date on which the TPER Group loses control.

TPER Group reviews the existence of the control conditions on an investee when the facts and circumstances indicate that there has been a change in one or more elements considered for the verification of its existence. For the purposes of the assessment on the requirement of control, the management analyses all the facts and circumstances, including agreements with other investors, rights deriving from other contractual agreements with potential voting rights (call options, warrants, put options assigned to minority shareholders, etc.).

Lastly, it should be noted that, in assessing the existence of the control requirements, no de facto control situations were found.

For the purposes of consolidation, the financial statement figures of the subsidiaries are drawn up using the same accounting standards as the Parent Company for each accounting item; any consolidation adjustments are made to homogenise the items that are affected by the application of different accounting standards.

The data are consolidated on the basis of the following criteria and methods:

- adoption of the line-by-line consolidation method, with evidence of minority interests in the shareholders' equity, in the net result of the income statement and in the statement of comprehensive income, with recognition of assets, liabilities, revenues and costs of the subsidiaries, regardless of the Group's relative ownership percentage;
- elimination of items deriving from financial and economic transactions between the companies included in the scope of consolidation, including the reversal of any profits and losses not yet realised;
- elimination of intercompany dividends and related allocation of the values eliminated to the initial equity reserves;
- elimination of the carrying amount of the equity investments in the companies included in the scope of consolidation and the corresponding portion of shareholders’ equity; allocation of the emerging positive or negative differences to the relative accrual items (assets, liabilities and shareholders' equity), defined with reference to the time of acquisition of the equity investment, then taking into account the subsequent changes.
- after the acquisition of control, any purchases of shares from minority shareholders, or transfers to them of shares that do not involve the loss of control of the company, are accounted for as transactions with shareholders and the related effects are reflected directly in shareholders' equity; as a result, any differences between the value of the change in the shareholders’ equity pertaining to minority interests and the consideration paid or collected are recognised under changes in shareholders’ equity pertaining to the Group.

Accounting policies and valuation criteria

The most important accounting principles and valuation criteria applied in the preparation of the consolidated financial statements for the year ending 31 December 2023 are described below. These standards and criteria are consistent with those used for the preparation of the consolidated financial statements of the previous year, with the exception of the amendments introduced with effect from 2023 to the IFRS in force, for details of which please refer to the following paragraphs.

Tangible assets

A tangible asset is recognised if, and only if: (a) it is probable that the future economic benefits associated with the item will flow to the entity; and (b) the cost can be measured reliably.

Tangible assets are recorded at purchase cost, including any directly attributable accessory charges, as well as financial charges incurred in the period of realisation of the assets.

Costs for the improvement, updating and transformation of a tangible asset are recognised as an increase in the initial cost when it is probable that the expected future economic benefits will increase. The replacement costs of identifiable components are recognised as tangible assets and depreciated over their useful life. The remaining carrying amount of the replaced component is recognised in the income statement. All other maintenance and repair costs are charged to the income statement when incurred.

The depreciable amount is the difference between the cost and the residual value at the end of the useful life. The residual value of an asset is the estimated amount that an entity would currently obtain from the divestment of the asset, net of estimated disposal costs, if the asset was already of the age and in the expected condition at the end of its useful life.

Starting from the moment in which the asset is available and ready for use, the amount to be depreciated is systematically depreciated on a straight-line basis over its useful life, defined as the period of time in which the entity is expected to use the asset.

The residual value and useful life of an asset are reviewed at least at each year-end date and, if the expectations differ from the previous estimates, the change is accounted for as a change in an accounting estimate in accordance with IAS 8 Accounting standards, Changes in accounting estimates and errors.

Assets with a closely related use in the context of a concession are depreciated over the concession period or their useful life if lower.

In particular, for the purposes of defining the depreciation plan for buses and trolley buses used by TPER under the Bologna service contract and the Ferrara service contract and allocated for transfer, the depreciable amount is defined on the basis of the difference between the net carrying amount at the beginning of the year and the residual value, which in this specific case is represented by an estimate of the market value that will be recognised at the end of the service contracts by a possibly new contractor. This value is calculated according to the criteria identified by resolution no. 49 of 17 June 2015 of the Transport Regulation Authority and with reference to the UNI 11282/2008 standard and subsequent amendments or additions. The depreciable value is therefore amortised on the basis of the residual duration of the service contract, having taken into account, where appropriate, any extensions as well as the residual technical life of the asset.

For all other types of tangible assets, presented by homogeneous categories, the following table shows the annual depreciation rates used in 2023.

Useful life	Years
Land indefinite useful life	indefinite
Buildings	10-39
Rolling stock	10-28
Plant and machinery	5-10
Other assets	4-8

In the presence of specific indicators regarding the risk of non-recovery of the carrying amount of the tangible assets, these are subjected to verification to detect any losses (impairment test), as described later in the specific paragraph.

Tangible assets are no longer shown in the financial statements following their disposal or when no future economic benefit is expected from their use or disposal; any gain or loss (calculated as the difference between the disposal value, net of costs to sell, and the carrying value) is recognised in the income statement for the year of disposal.

Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance, controlled by the company and capable of producing future economic benefits, as well as goodwill, when acquired for consideration.

The ability to identify is defined with reference to the possibility of distinguishing the acquired intangible asset compared to the goodwill. This requirement is normally satisfied when the intangible asset: (i) is attributable to a legal or contractual right or (ii) is separable, i.e. it can be sold, transferred, rented or exchanged independently or as an integral part of other activities. The control by the company consists in the ability to take advantage of the future economic benefits deriving from the asset and in the possibility of limiting its access to others.

Costs relating to internal development activities are recorded in the balance sheet when: (i) the cost attributable to the intangible asset can be reliably determined, (ii) there is the intention with, the availability of financial resources and the technical capacity to make the asset available for use or sale, (iii) it is demonstrable that the asset is capable of producing future economic benefits.

Intangible assets are recorded at cost, which is determined according to the same methods indicated for tangible assets.

Intangible assets with a finite useful life are amortised from the moment in which the same assets are available for use, in relation to the residual useful life.

The annual amortisation rates used in 2023, presented by similar categories, are shown in the following table.

Useful life	Years
Concession rights	Equal to the duration of the concessions
Software	3-5

In the presence of specific indicators regarding the risk of non-full recovery of the carrying amount of the intangible assets, these are subject to a review to detect any impairments, as described in the paragraph “Impairment and reversal of impairment of assets”.

Intangible assets are no longer shown in the financial statements following their disposal or when no future economic benefit is expected from their use or disposal.

The gain or loss arising from the derecognition of an intangible asset is determined as the difference between the disposal value, less costs to sell, and the net carrying amount of the asset and is recognised in profit or loss when the asset is derecognised.

Right-of-use assets

In the case of a contract that falls within the definition of a lease, a right-of-use asset is recognised at the inception date of the contract equal to the initial value of the corresponding lease liability, plus payments due prior to or concurrently with the contractual inception date (e.g. agency fees). Subsequently, this right-of-use asset is measured net of accumulated amortisation/depreciation and impairment and is adjusted for any remeasurement of the correlated liability. Amortisation/depreciation starts on the date the lease takes effect, and extends in the shorter of the contractual duration and the useful life of the underlying asset.

The Group avails itself of the right granted by the principle of non-application of the provisions to short-term leases (with a duration not exceeding twelve months) and contracts in which the individual underlying asset is of low value; for these contracts, the Group recognises the lease fees in the income statement as a contra-entry to trade payables.

Business combinations and goodwill

Acquisitions of companies and business units are accounted for through use of the acquisition method, as required by IFRS 3; for this purpose, the acquired assets and identifiable liabilities acquired are recognised at their respective fair value at the date of acquisition. The cost of acquisition is measured by the total of the fair value, at the exchange date, of the assets, the liabilities assumed and any capital instruments issued by the Company, exchanging control of the acquired entity. Ancillary costs directly attributable to the business combination transaction are recognised in the income statement when incurred.

Goodwill is recorded as the positive difference between the acquisition cost, increased by both fair value on the date of acquisition of any non-controlling interests already held in the acquisition, and of the value of minority interests held by third parties in the acquisition (the latter valued, for each transaction, at the fair value or in proportion to the current value of the identifiable net assets of the acquisition), and the fair value of these assets and liabilities.

As at the date of acquisition, the goodwill that emerged was allocated to each of the units generating substantially autonomous financial flows that are expected to benefit from the synergies deriving from the business combination.

In the case of a negative difference between the acquisition cost (increased by the above components) and the fair value of assets and liabilities, this is recorded as income in the income statement of the year of acquisition.

Any goodwill relating to non-controlling investments is included in the carrying amount of the investments relating to these companies.

If all the necessary information for determining the fair value of the assets and liabilities acquired is not available, these are provisionally recognised in the financial year in which the business combination transaction is realised and adjusted, with retroactive effect, no later than twelve months after the date of acquisition.

After initial recognition, goodwill is not amortised and is decreased by any accumulated impairment losses, determined using the methods described in the paragraph “Impairment and reversal of impairment of assets (impairment test)”.

Service concession arrangements

The agreements for service under concession are recognised in accordance with the interpretation in IFRIC 12, on the basis of which, in the presence of certain characteristics of the concession deed, the infrastructures used for the provision of public services under concession are recorded under intangible assets and/or financial assets depending on whether the concessionaire is entitled to a fee, respectively, from the customer for the service provided and/or has the right to receive it from the granting public body.

Equity investments

Equity investments in associates and joint ventures are measured using the equity method, recognising the Group’s share of profits or losses accrued during the year in the income statement, with the exception of the effects relating to other changes in shareholders’ equity of the investee company, other than transactions with shareholders, which are reflected directly in the Group's statement of comprehensive income. Furthermore, with the aforementioned method, for the purposes of the valuation of the equity investment, the fair values of the assets and liabilities held by the investee at the time of acquisition by the Group, as well as any goodwill (with reference to the time of acquisition of the equity investment) are determined, and their measurement in subsequent years on the basis of the accounting standards and valuation criteria illustrated in these notes.

In the event of any losses exceeding the carrying amount of the equity investment, the excess is recognised in a specific liability provision to the extent that the investing company is committed to fulfilling legal or implied obligations with regard to the investee company or in any case to cover its losses.

Equity investments in other companies are initially recorded at cost, registered at the acquisition date, insofar as it is representative of the fair value, including directly attributable transaction costs. After the initial accounting, such equity investments are measured at fair value, with recognition of the effects in the income statement, except those that are not held for trading and for which, as allowed by IFRS 9, the option of designation at fair value with recognition of subsequent changes in the same in the other components of comprehensive income has been exercised at the time of acquisition and, therefore, in a specific shareholders' equity reserve. For the latter, at the time of realisation, the profits and losses accumulated in this reserve are reclassified in the income statement.

Any impairment losses, identified as described below in the section on "Value impairment and reversal of assets (*impairment test*)", are reversed if the reasons for the write-downs no longer apply.

Equity investments are derecognised when the contractual rights to the cash flows derived from the assets themselves expire or when the equity investment is sold, thereby effectively transferring all the risks and benefits pertaining thereto.

Treasury shares

The purchase cost of treasury shares is recognised as a reduction in equity. The effects of any subsequent transactions on these shares are also recorded directly in equity as transactions between shareholders.

Inventories

Inventories, mainly consisting of supplies and spare parts for the maintenance of rolling stock, are valued at the lower of the purchase or production cost, determined through the application of the average weighted cost, and the net estimated recoverable amount obtainable from its sale in the ordinary course of business.

Obsolete and/or slow-moving inventories are written down in relation to their presumed possibility of future use or sale, by recording a specific provision adjusting the value of the inventories. The write-down is reversed in subsequent years if the reasons for the write-down no longer apply.

Financial instruments

Financial instruments include cash and cash equivalents, derivative financial instruments and financial assets and liabilities (which for IFRS 9 include, among other things, trade receivables and payables). Financial instruments are recognised when the Group becomes part of the instrument's contractual clauses.

Cash and cash equivalents

They include cash, bank deposits or deposits with other credit institutions available for current transactions, current accounts and other equivalent values. Cash and cash equivalents are recognised at fair value, which normally coincides with the nominal value.

Financial assets

The classification of financial assets and related valuation is carried out considering both the management model of the financial asset and the contractual characteristics of the cash flows obtainable from the asset. The financial asset is valued using the amortised cost method if both of the following conditions are met:

- the management model of the financial asset consists in holding it with the purpose of collecting the related financial flows; and
- financial assets generate contractually, at predetermined dates, financial flows that are exclusively representative of the return on the financial asset itself (principal and interest).

The classification between current and non-current reflects the expectations of management regarding their realisation.

Financial assets measured at amortised cost are initially recognised at the fair value of the underlying asset; the measurement at amortised cost is carried out by applying the effective interest rate method.

The trade receivables, whose expiration falls within normal commercial terms or for which there are no significant financial components, are not discounted.

The financial asset is valued at fair value, with the recognition of the effects in the comprehensive income statement, if the objectives of the management model are to hold the financial asset for the purpose of obtaining the related contractual cash flows or selling it, and the financial generates, at predetermined dates, financial flows exclusively representative of the same financial asset.

Lastly, any residual financial assets held other than those described above are classified as assets held for trading and are measured at fair value with recognition of the effects in the income statement.

Write-down of financial assets designated at amortised cost

The Group applies the expected credit losses (ECL) model for the determination of impairment losses on financial assets designated at amortised cost. This model assumes a significant level of assessment regarding the impact of changes in economic factors on ECL, weighted by probability.

The provisions for the write-down of financial assets are determined using the following methodological approaches: the "*General deterioration method*" and the "*Simplified approach*".

The "*General deterioration method*" requires the classification of financial instruments into three stages, which reflect the level of impairment of credit quality from the time the financial instrument is acquired and involve a different method of calculating the ECL;

The "*Simplified approach*" provides for certain simplifications to be adopted for trade receivables, contract assets and receivables arising from leasing contracts, in order to avoid the need for entities to monitor changes in credit risk, as under the general model. The recognition of the loss under the simplified approach must be lifetime, so stage allocation is not required. It is calculated over a period corresponding to the residual life of the receivable, generally not exceeding 12 months.

In cases where the *General Deterioration Method* is applied, the financial instruments are classified into three stages according to the deterioration in credit quality between the date of initial recognition and the valuation date:

- Stage 1: includes all financial assets under review at the time of their initial recognition (Initial Recognition Date) regardless of qualitative parameters (e.g. ratings) and with the exception of situations with objective evidence of impairment. All financial instruments that have not had a significant increase in credit risk since the Initial Recognition Date or that have a low credit risk at the reference date remain in Stage 1 at a later valuation stage. For these assets, expected credit losses over the next 12 months (12-month ECLs) are recognised, which represent expected losses given the possibility of default events occurring in the next 12 months. Interest on financial instruments included in stage 1 is calculated on the book value gross of any write-downs on the asset;
- Stage 2: includes financial instruments that have experienced a significant increase in credit risk since the Initial Recognition Date, but have no objective evidence of impairment. For these assets, only expected credit losses arising from all possible events of default over the entire expected life of the financial instrument (Lifetime ECL) are recognised. Interest on financial instruments included in stage 2 is calculated on the book value gross of any write-downs on the asset;
- Stage 3: includes financial assets that have objective evidence of impairment at the Valuation Date. For these assets, only expected credit losses arising from all possible events of default over the entire expected life of the instrument are recognised.

The original value is reinstated in subsequent years to the extent that the reasons that determined the adjustment cease to exist. In this case, the reversal of value is recorded in the income statement and cannot in any case exceed the value of the amortised cost that the financial asset would have had in the absence of previous adjustments.

Financial liabilities

Financial liabilities are initially recognised at fair value, net of any directly attributable transaction costs. Subsequently, financial liabilities are measured at amortised cost, using the effective interest rate method, with the exception of those for which the irrevocable option is exercised, at the time of recognition, for the measurement at fair value with recognition of the changes in the income statement (to eliminate or reduce the mismatch in the measurement or recognition with respect to an asset also measured at fair value).

Trade payables, whose expiration falls within normal commercial terms or for which there are no significant financial components, are not discounted. If there is a change in one or more elements of an existing financial liability (also through substitution with another instrument), a qualitative and quantitative analysis is carried out in order to verify whether this change is substantial with respect to the existing contractual terms. In the absence of substantial changes, the difference between the present value of the flows thus modified (determined using the effective interest rate of the instrument in place at the date of the modification) and the carrying amount of the instrument is recognised in the income statement, with consequent adjustment of the value the financial liability and restatement of the effective interest rate of the instrument; if substantial changes occur, the existing instrument is derecognised and the fair value of the new instrument is recognised at the same time, with the related difference recognised in the income statement.

Derivative financial instruments

All derivative financial instruments are shown in their financial statements at fair value, determined on the closing date of the financial year.

The derivatives are classified as hedging instruments, in accordance with IFRS 9, when the relationship between the derivative and the subject of the hedge is formally documented and the effectiveness of the hedge, initially and periodically verified, is high.

For instruments which cover the risk of changes in the cash flows of assets and liabilities (including with reference to prospective and highly probable assets and liabilities) subject to hedging (cash flow hedges), changes in the fair value are recognised in the statement of comprehensive income and any non-effective part of the hedging is recorded in the income statement. The cumulative changes in fair value set aside in the cash flow hedge reserve are reclassified from the statement of comprehensive income to the income statement for the year in which the hedging relationship is to cease.

For instruments that cover the risk of changes of the fair value of hedged assets and liabilities (fair value hedge), the changes in fair value are recorded in the income statement for the year. The related hedged assets and liabilities are also consistently adjusted to fair value, with an impact on the income statement.

The changes of fair value derivatives that do not meet the conditions for qualifying for IFRS 9 as hedging instruments are recognised in the income statement.

Cancellation of financial instruments

Financial instruments are no longer shown in the financial statements when, as a result of their sale or settlement, the Group is no longer involved in their management, nor does it hold the risks and benefits relating to these transferred or extinguished instruments and therefore loses the right to collection / payment of cash flows associated with the financial instrument.

Liabilities for leased assets

The lease liability, with the nature of a financial liability, is initially recognised at the present value of lease fees unpaid at the date of contractual effectiveness; for the purposes of calculation of the present value, the Group uses the incremental borrowing rate, defined for the duration of the loan and for each Group company.

The payments included in the initial measurement of the lease liability include:

- fixed payments, net of any lease incentives to be received
- variable payments due for the lease that depend on an index or rate initially measured using an index or rate at the date of effectiveness (e.g. ISTAT adjustments)
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise the option.

Variable payments that do not depend on an index or a rate are, by contrast, not included in the initial value of the lease liability. These payments are booked as a cost in the Income Statement, in the period in which the event or condition that generates the obligation is verified.

Subsequently, the lease liability is reduced to reflect the lease fees paid and increased to reflect the interest on the value that remains.

The Group recalculates the lease liability (and makes a corresponding adjustment to the associated right of use) in the event of a change in:

- of the duration of the lease
- of future payments due for the lease, deriving from a variation in the index or rate used to determine the payments (e.g. ISTAT) or as a result of a re-negotiation of the economic conditions.

Only in the event of a significant change in the duration of the lease or the future payments due for the lease does the Group recalculate the residual value of the lease liability, making reference to the incremental borrowing rate in force on the date of the change; in all other cases, the lease liability is recalculated by using the initial discount rate.

Funds for provisions

"Funds for provisions" are recognised when, at the reference date, there is a current obligation (legal or implicit) with respect to third parties resulting from a past event, an outflow of resources is likely to satisfy the obligation and a reliable estimate of the amount of the obligation can be made.

The provisions are recorded at the value representing the best estimate of the amount that the entity would pay to extinguish the obligation or to transfer it to third parties as at the closing date of the financial year. If the effect of discounting is significant, the provisions are determined by discounting the expected future cash flows at a discount rate that reflects the current market valuation of the cost of money. When discounting is carried out, the increase in the provision due to the passage of time is recognised as a financial charge.

Employee benefits

The liabilities related to short-term benefits guaranteed to employees, paid during the employment relationship, are recognised on an accrual basis for the amount accrued as at the end of the financial year.

The liabilities related to medium-long term benefits guaranteed to employees are recorded in exercising the right of the law, net of any assets serving the plan and the advances paid, determined on the basis of actuarial assumptions, if significant, and are recorded on an accrual basis consistent with the work services necessary to obtain the benefits.

The liabilities relating to the benefits guaranteed to employees, paid in connection with or after the termination of the employment relationship through defined contribution plans, are recorded for the amount accrued as at the end of the financial year.

The liabilities related to the benefits guaranteed to employees, paid in connection with or after the termination of the employment relationship through defined benefit plans, are recorded in the year of maturity of the right, net of any assets servicing the plan and the advances paid, determined on the basis of actuarial assumptions and are recognised on an accrual basis consistent with the work services necessary to obtain the benefits. The liability assessment is carried out by independent actuaries. The profit or loss deriving from the actuarial calculation is fully recorded in the statement of comprehensive income, in the reference year.

Revenues from contracts with customers

Revenue is the gross inflow of economic benefits arising in the course of the ordinary activities of an entity and is recognised when the control of the goods or services is transferred to the customer, at a figure representing the amount of consideration to which the entity expects to be entitled. More specifically, revenue is recognised through the application of a model that meets the following criteria:

- identification of the contract, defined as an agreement in which the parties undertake to fulfil their respective obligations;
- identification of the individual performance obligations contained in the contract;
- determination of the transaction price, i.e. the consideration expected for the transfer to the customer of the goods or services;
- allocation of the transaction price to each performance obligation, on the basis of the selling prices of the individual obligation;
- recognition of revenue when (or as) the performance obligation is satisfied by transferring the promised good or service to the customer.

The transaction price is the amount of consideration on exchange of which the customer is considered to have right to the transfer of the promised goods and services. It may include fixed and/or variable amounts. Revenues based on variable amounts are recognised in the income statement if reliably estimated and only if it is highly likely that such consideration will not, in subsequent periods, need to be wholly or substantially reversed from the income statement. In the event of a high prevalence of uncertainty related to the nature of the consideration, said consideration is only be recognised when such uncertainty is resolved.

Revenues are recognised alternatively:

- at a point in time, when the entity fulfils the obligation to transfer the promised good or service to the customer;
- over time, as the obligation to transfer the promised goods or service to the customer is fulfilled.

The good is transferred when, or in the course of the period in which, the customer acquires control of it.

Depending on the type of transaction, revenues are recognised on an accrual basis based on the specific criteria set out below:

- travel tickets: with provision of the service
- supplementations of remuneration: set forth in the appropriate service agreements with public authorities, revenue is recognised for an amount equal to the actual amount accrued on the basis of current laws and agreements
- car-sharing: with provision of the service
- maintenance activities: with the provision of the service
- logistics and transport activities, connected to the railway freight service: with provision of the service
- Crealis infrastructure management activities: according to the financial activity model envisaged by IFRIC 12. In particular, according to the provisions of IFRIC 12, the financial asset model is applicable to the case in point as the operator has the unconditional right to receive contractually guaranteed cash flows from the future transport service operator for the construction services provided and the operational maintenance services that it has undertaken to provide as network manager.

Government grants

Government grants, in the presence of a formal resolution of attribution or other equivalent legal title, are recognised on an accrual basis in direct correlation with the costs incurred.

Government grants are recognised at fair value when: (i) their amount can be reliably determined; and (ii) there is reasonable certainty that they will be received and the conditions for obtaining them will be respected.

Grants for operating expenses are recorded in the income statement in the year they accrue, consistently with the costs to which they are commensurate and are recognised, depending on the cases, as a direct deduction of the expenses incurred, or in the context of other income.

The grants received for investments in rolling stock or other tangible assets are recorded as a reduction in the cost of the asset to which they refer and contribute, in reduction, to the calculation of the relative depreciation rates.

Financial income and charges

Interest is recognised on an accrual basis on the basis of the effective interest method, i.e. using the interest rate that makes all inflows and outflows financially equivalent (including any premiums, discounts, commissions, etc.) that constitute a given transaction.

Financial charges related to the acquisition, construction or production of certain assets that require a significant period of time to be ready for use or for sale (qualifying assets) are capitalised together with the asset itself.

Dividends

They are recognised in the income statement when the right to receive the payment arises, which normally corresponds to the shareholders ’meeting resolution for the distribution of dividends.

The distribution of dividends to the shareholders of the Parent Company TPER is represented as a movement in shareholders 'equity and recorded as a liability in the period in which the distribution of the same is approved by the Shareholders' Meeting.

Income taxes

Income taxes are recorded on the basis of an estimate of the tax charges to be paid, in accordance with the applicable provisions in force.

The payables relating to income taxes are recorded under current tax liabilities in the Statement of Financial Position, net of advances paid. Any positive imbalance is recorded among current tax assets.

Deferred tax assets and liabilities are calculated on the basis of the temporary differences between the carrying amount of the assets and liabilities and their tax value.

Deferred tax assets are recognised:

- for all deductible temporary differences, if it is likely that a taxable income will be realised against which the deductible temporary difference can be utilised, unless the deferred tax asset derives:
    - from the initial recognition of goodwill
    - from goodwill whose amortisation is not deductible for tax purposes
    - from the initial recognition of an asset or a liability in a transaction other than a business combination that, at the date of the transaction, does not influence either the accounting result or the taxable income (tax loss)
- for the carry-forward of unused tax losses and unused tax credits, if a taxable income is likely to be generated against which the tax loss or the tax credit can be used.

Deferred tax liabilities, if present, are booked in any case.

Deferred tax assets and liabilities are determined on the basis of the tax rates envisaged for the taxation of income in the years in which the temporary differences will reverse, based on the tax rates and tax legislation in force or essentially in force as at the reference date. The effect of the change in tax rates on the aforementioned taxes is booked to the income statement in the year in which said change materialises. Deferred tax assets and liabilities are only set off when legally allowed.

Impairment and reversal of impairment of assets (impairment test)

On the balance sheet date, the book value of tangible and intangible assets and equity investments is subject to verification to determine whether there are indications that these assets have suffered impairment.

An asset is impaired when its carrying amount exceeds its recoverable amount. To this end, both internal and external sources of information are considered. If there are indications that an impairment loss may have occurred, the Group estimates the recoverable amount.

For intangible assets with an indefinite useful life, the impairment test is carried out at least annually, regardless of whether or not events occur that lead to the assumption of a reduction in value, or more frequently in the case that events or changes in circumstances occur which may bring about any reduction in value.

The recoverable amount of an asset is the higher of its estimated fair market value, less costs to sell, and its value in use, the latter being the present value of estimated future cash flows for that asset.

If the recoverable value is lower than the relative net book value, the asset is written down to the extent of the recoverable value.

In determining the value in use, the expected future cash flows before taxes are discounted using a discount rate, before taxes, which reflects the current market estimate in relation to the cost of capital based on time and the specific risks of the asset.

If it is not possible to estimate the recoverable value of an asset individually, the estimated recoverable value is included within the Cash Generating Unit (CGU) the asset belongs to.

In the case of estimation of future cash flows of operating CGUs in operation, cash flows and discount rates are used instead net of taxes, which produce results that are substantially equivalent to those deriving from a pre-tax assessment. The impairment losses are recorded in the income statement and are classified differently depending on the nature of the impaired asset.

At the closing date of the financial statements, if there is an indication an impairment loss recognised in previous years may have been reduced, in whole or in part, the recoverability of the amounts recorded in the financial statements is checked and the potential amount of the write-down to be reversed is determined; this reversal cannot in any case exceed the amount of the write-down previously carried out. The relative impairment losses are restored, within the limits of the write-downs carried out, if the reasons that generated them cease to exist, except for goodwill and for the consideration of participating financial instruments valued at cost, in cases where the fair value cannot be reliably determined and they cannot be restored.

Earnings per share

The basic earnings per share are calculated by dividing the result for the year by the weighted average of the Company's shares outstanding during the year, excluding treasury shares.

The diluted earnings per share are calculated by dividing the result for the year by the weighted average of the Company's shares outstanding during the year, excluding treasury shares, increased by the number of shares that could potentially be issued.

It should be noted that, as at 31 December 2023, there were no shares that could potentially be placed in circulation.

Estimates and evaluations

In application of IFRS, the preparation of annual accounts requires estimates and assumptions that are reflected in the determination of the book values of the assets and liabilities, as well as the information provided in the explanatory notes, also with reference to the contingent assets and liabilities present at the reporting date. These estimates are mainly used to determine amortisation, impairment testing of assets (including the estimate of the write-down of financial assets), funds for provisions, employee benefits, and the fair value of financial assets and liabilities, the state of completion of the activities relating to the provision of services that generate revenues, current, prepaid and deferred taxes.

In particular, the estimates made are complex by nature and characterised by a high degree of uncertainty as they can be influenced by multiple variables and assumptions that include technical and economic assumptions.

In making the budget estimates, the main sources of uncertainties that could have an impact on the evaluation processes are considered. Therefore, the subsequently recorded actual results could differ from these estimates; however, the estimates and valuations are reviewed and updated periodically and the effects deriving from any change are immediately reflected in the financial statements.

The estimates also took into account assumptions based on the parameters, market and regulatory information available as at the date the preparation of the financial statements. The current facts and circumstances that influence the assumptions regarding future developments and events, however, may change due to changes in market developments or applicable regulations that are beyond the control of the Group. These changes in assumptions are also reflected in the financial statements when they occur.

On the basis of the rules defined at national and local level, an estimate was made of the Government grants pertaining to support revenue losses, during the period of lockdown and application of the restrictions as a result of the Covid pandemic.

Revenues from contracts with customers

The recognition of revenues from contracts with customers includes variable components, in which penalties are especially significant (other than those envisaged for compensation for damages). The variable components are identified at the inception of the contract and estimated at the close of each accounting period during the entire period of contractual validity, to take account of both new circumstances that materialised, and changes in the circumstances already considered for the purposes of previous evaluations. The variable price components include liabilities for future reimbursements.

Funds for provisions

The Group incorporates in Funds for provisions the probable liabilities attributable to disputes and expenses related to personnel, suppliers, third parties and, in general, other expenses deriving from the obligations undertaken. These assessments include, among other things, the measurement of the liabilities that could result from various types of disputes and proceedings, the economic effects of seizures ordered and still not definitively assigned, as well as foreseeable adjustments or reimbursements to be made to customers in cases in which they are not definitively determined.

The calculation of the allocations involves the assumption of estimates based on current knowledge of factors which may change over time, being able to generate final outcomes that are also significantly different from those taken into account in the drafting of these financial statements.

Impairment and stage allocation of financial instruments

For the purposes of the calculation of impairment and the determination of the stage allocation, the main factors subject to estimates by the Group, relating to the internal model prepared for counterparties, are as follows:

- estimate of the ratings for counterparties
- estimate of the probability of default for counterparties.

Depreciation of tangible assets and amortisation of intangible assets

The cost of tangible and intangible assets is amortised/depreciated on a straight-line basis over the estimated useful life of each asset. The economic useful life is determined at the time of purchase of the assets and is based on historical experience for similar investments, market conditions and the anticipation of any future events that could have an impact, including changes in technology. The actual useful life may therefore differ from the estimated useful life.

In particular, with regard to the depreciation plan relating to buses and trolley buses used as part of the service contracts for the LPT of Bologna and Ferrara, the estimated residual value at the end of the agreements was based on specific appraisals drawn up by an independent expert who determined the takeover value that will presumably be recognised to TPER in application of the criteria identified by Resolution no. 49 of 17 June 2015 of the Transport Regulatory Authority and referring to the UNI 11282/2008 standard and subsequent amendments or additions.

Recoverability of 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.

Deferred tax assets

Accounting for deferred tax assets takes place on the basis of expectations of taxable income in future years. The valuation of expected taxable income, for the purpose of accounting for deferred taxes, depends on factors that may vary over time and have significant effects on the valuation of said financial statements item.

Employee severance indemnity

The evaluation of employee severance indemnity is also based on the conclusions reached by the Group's external actuaries. The calculation takes account of the Employee severance indemnity accrued for work already carried out and is based on the different demographic and economic-financial assumptions. These assumptions, also based on experience and reference best practice, are subject to periodic revisions.

Going concern

In compliance with the provisions of IAS 1 pursuant to paragraph 25, in the preparation phase of this annual report, the Group carried out an assessment of its ability to continue to operate as a going concern. In this regard, the aforementioned standard establishes that "*An entity must prepare financial statements on a going concern basis unless management intends to liquidate the entity or discontinue its operations, or has no realistic alternatives to this. If management is aware, in making its judgements, of significant uncertainties relating to events or conditions that may give rise to serious doubts about the entity's ability to continue as a going concern, the entity must highlight these uncertainties. If an entity does not prepare its financial statements on a going concern basis, it must disclose that fact, together with the criteria on the basis of which it prepares the financial statements and the reason why the entity is not considered to be operating*".

In their assessment, the directors took into account the circumstances related to the changing macroeconomic scenario as a result of the Russian-Ukrainian conflict and the Israeli-Palestinian conflict.

In relation to the company's ability to fulfil its obligations in the future, the following elements were considered:

- the effects of government measures that have already taken place in support of local public transport, which include aid: (i) intended to offset the reduction of tariff revenues from to passengers recorded in the period of application of the limitations intended to contain the COVID-19 epidemiological emergency; and (ii) to deal with exceptional increases in the prices of fuels and energy products;

- other actions implemented by the national and supranational authorities to tackle the increase in prices of raw materials and to deal with the relevant economic and financial fall-out;
- the availability of liquidity reserves or other forms of access to credit which would allow the Group to get through a period characterised by increased costs, without ending up in a position whereby its business continuity is compromised.

In this context, as at 31 December 2023 the Group had a Net Financial Position of Euro 24.5 million, of which: (i) cash and cash equivalents of Euro 70.5 million; (ii) current financial payables for Euro 64.5 million; and (iii) non-current financial payables for Euro 30.5 million. The Group also has additional cash credit lines that can be used immediately, with the possibility of an increase upon request.

In light of the above considerations, based on the 2024 budget and the cash plan prepared with a time horizon of 12 months, up until June 2025, the Directors considered the going concern assumption to be appropriate and correct after having verified the Group's ability to fulfil its obligations in the foreseeable future.

New accounting standards and interpretations, amendments to accounting standards and interpretations in force from 1 January 2023 and newly issued accounting standards and interpretations, revisions and amendments to existing standards and interpretations not yet in force.

As required by IAS 8 – Accounting Policies, Changes in accounting estimates and Errors - the table below shows:

a) the new accounting standards and new accounting interpretations, or amendments to existing standards and interpretations already applicable, which are in force from 1 January 2023;
b) the new accounting standards and interpretations, and the changes to the existing standards and interpretations already applicable, not yet effective as at 31 December 2023, that could be applied in the future in the Group's consolidated financial statements.

Document title	Date of entry into force of the IASB document	Date of approval by the EU
New accounting standards and new interpretations, amendments to accounting standards and interpretations in force from 1 January 2023		
Amendments to IAS 1 – Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of accounting policies	1 January 2023	2 March 2022
Amendments to IAS 8 – Accounting Policies, Changes in accounting estimates and errors: definition of accounting estimates	1 January 2023	2 March 2022
Amendments to IAS 12 – Income taxes – Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023	11 August 2022
IFRS 17 Insurance Contracts – Including Amendments to IFRS 17	1 January 2023	19 November 2021

Newly issued, revised or amended accounting standards and interpretations not yet in force or not endorsed		
Amendments to IAS 1 – Presentation of Financial Statements - Classification of liabilities as current or non-current; Non-current Liabilities with Covenants	1 January 2024	19 December 2023
Amendments to IFRS 16 – Lease liabilities in a sale and leaseback transaction	1 January 2024	20 November 2023

With reference to the standards in force from 1 January 2023, it should be noted that they had no impact on the values of the consolidated financial statements. On the other hand, the Group is assessing any impacts deriving from the future application of the new accounting standards and interpretations not yet in force as at 31 December 2023, for which no significant effects are expected.

Significant events after the close of the year

SERVICE CONTRACT EXTENSION – BOLOGNA AREA

With decision of the Municipal Council of Bologna no. DC/PRO/2024/41 of 6 May 2024 and of the Council of the Metropolitan City of Bologna no. 15 of 24 April 2024 concerning "*Guidelines for contracting out local public transport services in the Bologna area, including the red and green tram lines (northern section), as well as services related to Bologna Municipality's parking plan and complementary services. Extensions*", the Municipality of Bologna and the Metropolitan City of Bologna, having found the necessary conditions for extending the local public transport (LPT) service to the current operator, which includes the management of the tram lines under construction (Red Line and Green Line - Northern Section), until 28 February 2028, pursuant to Article 24 paragraph 5-bis of Decree Law no. 4/2022 and Article 5, paragraph 5 of EC Regulation no. 1370/2007, resolved, among other things, to instruct the mobility agency SRM S.r.l. (hereinafter "SRM"):

- to extend the duration of the current service contract concerning the local public transport services of the Bologna area, including the management of the Red and Green tram lines (Northern Section) and the San Donato metrobus service and related supply services, until 29 February 2028;
- to grant the extension on condition that an Economic and Financial Plan (hereinafter "PEF") is presented by the operator, accompanied by a Business Plan, demonstrating a commitment to improve service efficiency, technological innovation, emissions reduction and user relations.

The Company and SRM have thus begun discussions to define a comprehensive PEF spanning the entire service contract duration. This plan includes proper risk identification and allocation, as mandated by the Transport Regulation Authority. SRM will verify and approve the PEF, involving entities in the agency's preliminary investigation to ensure scrutiny of objectives and key aspects.

Corrente®: new cars for Sharing Mobility

In January 2024, TPER formalised the agreement reached with Volvo Car Italia to replace its car fleet with 300 new 100% electric cars from Volvo.

The new fleet will consist of the EX30s, a new model from the Swedish manufacturer chosen by Corrente for its significant upgrade, aligned perfectly with Tper's project to launch and enhance shared mobility with a focus on safety and quality.

Corrente car sharing now has a cross-section of users across different age groups. A transversal approach that has been further expanded since the summer of 2023 with the introduction of electric scooters in the city of Bologna.

With the introduction of the new Volvos equipped with advanced safety features, scheduled to be on the roads starting from spring 2024, Corrente is poised to further embed itself in the hearts and routines of the communities it serves.

Dispute with ATC S.p.A. in liquidation

On 29 February 2024, ATC S.p.a. in liquidation (hereafter ATC) was notified of the appeal against the sentence of the Court of Appeal of Bologna No. 1748 of 29 August 2023 whereby the first instance sentence was confirmed, rejecting the appeal proposed by TPER.

On 1 February 2012, two partial demerger transactions were completed. With the first, there was the demerger of certain elements of the railway transport branch of FER - Ferrovie Emilia Romagna S.r.l. in favour of the new company FER Trasporti S.r.l. The second demerger, on the other hand, transferred some assets of the local public transport branch of ATC S.p.A. in favour of the new company ATC Trasporti S.p.A. At the same time, the aforementioned new companies - FER Trasporti and ATC Trasporti - were merged into a new company, Trasporti Passeggeri Emilia-Romagna TPER S.p.A. (TPER).

The facts originate from the writ of summons with which ATC summoned TPER requesting the assessment of the latter's obligation to indemnify it with reference to a tax payable relating to the Regional Tax on Productive Activities declared by ATC for the years 2007, 2008, 2009 and 2010. In fact, the Revenue Agency had served ATC with four notices of assessment for those four tax years, prior to the demerger.

The four notices of assessment were challenged by ATC and the related litigation, in which ATC was unsuccessful in the two levels of merit, is not yet final. In response to enforcement actions initiated by the Revenue Agency, ATC asserted that the tax liability in question had essentially been settled by TPER in accordance with Article 10 of the demerger and merger agreement referenced earlier. This article, in fact, after identifying the assets transferred from ATC to ATC Trasporti (later merged into TPER) states that: “any contingent assets or liabilities that may arise from the date on which the demerger takes effect shall remain respectively to the benefit or to the expense of the assets transferred if pertinent”.

The Court of Bologna's ruling no. 2451 of 14 November 2019 confirmed TPER's obligation to indemnify ATC for the amount paid to the Tax Authorities. However, it specified that this obligation would only take effect once the tax judgment is finalised, thus solidifying the debt.

TPER filed an appeal against this ruling before the Court of Appeal of Bologna, which ruled with the aforementioned ruling no. 1748/2023.

It should be noted that the risk of losing is fully covered by the entry of a specific provision for risks. In any case, the decision of the Court of Appeal of Bologna was challenged by TPER before the Court of Cassation.

Impacts related to the evolution of the macroeconomic scenario

The conflicts between Russia and Ukraine and those in the Middle East area are generating serious repercussions not only on a humanitarian level, but also on an economic level, having a major impact on global financial markets. The sanctions imposed by governments around the world on the Russian economy and the countermeasures taken by the latter, as well as the criticality of shipping routes through the Red Sea, contribute to the strong upward pressure on commodity prices (with particular reference to energy, metals and agricultural goods) and significant disruptions in international trade activities.

The significant rise in inflation has led to a change of course in the monetary policy of the world's major central banks, which has now shifted towards greater restrictiveness and austerity, as confirmed by the ECB's decisions in relation to raising interest rates and buying the public debt of EU member states. This change of course inevitably generates an increase in financial interest rates, with impacts on the real economy, on the level of investments made by individual companies, on their production levels and on the employment rate.

The changed macroeconomic environment requires the right level of transparency in financial reporting to adequately reflect the current and, as far as possible, foreseeable impact on the company's financial position, performance and cash flows. Geopolitical tensions and the changed macroeconomic environment, although not the only indicators, were appropriately evaluated in the analysis conducted with reference to the identification of possible impairment of intangible and tangible assets, the effects of which are described below.

In this regard, it is worth noting that TPER and its subsidiaries have no direct exposure to nations directly involved in the conflict. However, the Group is indirectly exposed to the effects that the continuation or escalation of conflicts could have on the geopolitical environment and the main economic and macroeconomic variables such as (i) the increase in commodity prices; (ii) the rise in interest rates.

The increase in the price of raw materials and commodities in general, especially with reference to fuel and energy costs, could lead to an increase in the costs that the Group will have to bear in connection with the provision of transport services. The Group constantly monitors the trend of its costs and the company situation, constantly verifying the potential impacts on its planning, while respecting the commitments undertaken in terms of investments, attention to the quality of the service and to its users. It should also be noted that in 2022 and in the first months of 2023, the instruments used to support businesses were used, such as: (i) tax credits on energy and gas consumption; and (ii) the fund established at the Ministry of Sustainable Infrastructure and Mobility for the recognition of a contribution aimed at dealing with exceptional increases in the prices of fuels and energy products in relation to the provision of local public transport services.

In relation to the rise in interest rates, on the other hand, it should be noted that this has entailed in 2023 and may entail in the future an increase in the cost of debt related to the financing operations that the Group has concluded in order to support its investment plan. In this context, it should be noted that the Group:

- has already started a strategy of concentration on the Parent Company of the activities of raising credit capital, which makes it possible to carry out transactions of more significant volume with consequent mitigation of the impacts deriving from the increase in interest rates;
- constantly assesses the market opportunities, aimed at any hedging transactions through derivative financial instruments, which could constitute a valid control to mitigate the risk of fluctuations in its cash flows.

Impacts from climate change

Sustainability is at the heart of the Group's strategy in line with the objectives of the United Stations 2023 Agenda for sustainable development. The achievement of these objectives requires the implementation of significant actions aimed at a more efficient and sustainable use of the resources used, an increasing attention to safety and the promotion, without distinction of gender, of the Group's talents. This must be achieved by actively involving the Group's supply chain with the aim of studying and implementing solutions that use materials with progressively lower emission factors.

Sensitivity to the evolution of climate change and its effects on the businesses managed is now a consolidated issue at international level, which is also reflected in a greater demand for disclosure in the annual financial report. Although there is no international accounting standard that regulates how the impacts of climate change are to be considered in the preparation of financial statements, the IASB has issued some documents to support IFRS-Adopters in meeting this request for interested parties' disclosure. Similarly, ESMA, in its *European Common Enforcement Priorities*, highlighted that issuers must consider climate risks in the preparation of IFRS financial statements to the extent that they are material regardless of whether or not these risks are explicitly envisaged by the accounting standards of reference.

The Group describes its considerations regarding actions related to the mitigation of the effects of climate change as well as climate change adaptation in the non-financial statement. In this context, considering the business sectors in which it operates in continuing the definition of updated future plans currently being developed and prepared, certain risks deriving from the current mitigation and adaptation process have been identified.

For the sectors in which the Group operates, the main effects deriving from climate change have been identified as the need to continue investments in infrastructure and vehicles.

In particular, with reference to the infrastructure and vehicles used in the local public road transport service, the management has assessed that these investments change the expectation of future economic benefits related to the buses that will be replaced. Consequently, the useful life of vehicles whose replacement is likely before the end of the service contracts was reviewed and the relative residual value was zeroed (represented by an estimate of the market value that will be recognised at the end of the service contracts by a possible new contractor).

In relation to railway rolling stock, a timely recognition of the risks associated with the existence of impairment indicators was carried out. The analysis conducted did not reveal the existence of these indicators, considering the circumstance that the foreseeable divestment ahead of schedule, also as a consequence of the gradual process of electrification of the regional railway network, had already been subject to verification as part of an impairment test, the outcome of which had led, with reference to the financial year ended 31 December 2022, to the recognition of an impairment loss aimed at aligning the book value of these assets to their recoverable value.

For all other investments, management concluded that they were not able to reduce or change the expectation of future economic benefits associated with the use of tangible and intangible assets. In pursuing the definition of updated development plans currently being prepared, no further specific considerations were identified to be factored into the application of the accounting standards for the preparation of the financial statements.

Finally, it should be noted that the legislation introduced in response to climate change could give rise to new obligations that did not exist before. In addition, an entity can make a public commitment to behave in a certain way or undertake certain activities in response to climate change. It is possible, therefore, that provisions previously recognised for future events could be realised sooner, necessitating a corresponding change in the estimated recognition. Climate change and the resulting associated legislation may require this assumption to be reconsidered with the consequent need to recognise or re-value certain assets and/or liabilities.

Information on the Consolidated Statement of Financial Position

The items in the statement of financial position as at 31 December 2023 are commented on below. The values in brackets in the headings of the notes refer to balances as at 31 December 2022.

1. Tangible Assets

Euro 193,261 (183,133) thousand

Tangible assets as at 31 December 2023 showed a net value of Euro *193,261* thousand compared to the net value as at 31 December 2022, amounting to Euro 183,133 thousand. The table below shows the initial and final amounts of the items of tangible assets, with evidence of the original cost and accumulated depreciation as at the end of the year.

	31/12/2023			31/12/2022		
In thousands of Euro	**Cost**	**Accumulated amortisation**	**Net value**	**Cost**	**Accumulated amortisation**	**Net value**
Real estate	4,818	1,639	3,179	4,585	1,545	3,040
Real estate under construction	188		188	188	-	188
REAL ESTATE	**5,006**	**1,639**	**3,367**	**4,773**	**1,545**	**3,228**
Rolling stock buses/trolley buses	296,508	204,348	92,160	307,556	217,807	89,749
Rolling stock of buses/trolley buses in progress	11,244		11,244	7,336	-	7,336
Railway rolling stock	99,319	33,362	65,957	99,325	29,963	69,362
Vehicle rolling stock	4,076	3,324	752	3,629	3,091	538
Vehicle rolling stock in progress	804		804	-		-
ROLLING STOCK	**411,951**	**241,034**	**170,917**	**417,846**	**250,861**	**166,985**
Infrastructure	28,692	20,812	7,880	28,351	20,027	8,324
Infrastructure in progress	8,917		8,917	2,330		2,330
INFRASTRUCTURE	**37,609**	**20,812**	**16,797**	**30,681**	**20,027**	**10,654**
OTHER TANGIBLE ASSETS	**14,305**	**12,125**	**2,180**	**13,822**	**11,556**	**2,266**
TOTAL	**468,871**	**275,610**	**193,261**	**467,122**	**283,989**	**183,133**

Compared to the previous year, tangible assets increased by Euro 10,128 thousand due to the combined effect of:

- investments made in 2023 amounting to Euro 55,450 thousand;
- amortisation for the year of Euro 16,611 thousand;
- the disposals carried out in 2023, for Euro 194 thousand;
- grants on investments amounting to Euro 29,014 thousand.

In 2023, the depreciation schedule for assets used in the Bologna and Ferrara service contracts, which are slated for return, was adjusted to reflect the new contract expiration dates (28 February 2028 for the Bologna Service Contract and 31 December 2026 for the Ferrara Service Contract). In particular, for the purpose of defining the depreciation plan for rolling stock consisting of buses and trolleybuses, the value to be depreciated was defined on the basis of the difference between the book value at the beginning of the financial year and the residual value, which in this specific case is represented by an estimate of the market value that will be recognised at the end of each service contract by a possible new contractor. There were no significant changes in the estimated useful life of other assets.

The table below provides details on the changes in 2023. In the table, the values of the disposals are shown net of the accumulated depreciation.

In thousands of Euro	31/12/2022	CHANGES IN THE FINANCIAL YEAR						31/12/2023
	Net value	Investments	Amortisation/depreciation	Write-downs and write-backs	Disposals	Other reclassifications	Grants on investments	Net value
Real estate	3,040	93	(94)	-	-	140	-	3,179
Real estate under construction	188	-	-	-	-	-	-	188
REAL ESTATE	**3,228**	**93**	**(94)**		**-**	**140**	**-**	**3,367**
Rolling stock buses/trolley buses	89,749	1,648	(10,999)	-	(164)	38,949	(27,023)	92,160
Rolling stock of buses/trolley buses in progress	7,336	42,857	-	-	-	(38,949)	-	11,244
Railway rolling stock	69,362	-	(3,400)	-	(5)	-	-	65,957
Vehicle rolling stock	538	2,476	(271)	-	-	-	(1,991)	752
Vehicle rolling stock in progress	-	804	-	-	-	-	-	804
ROLLING STOCK	**166,985**	**47,785**	**(14,670)**	**-**	**(169)**	**-**	**(29,014)**	**170,917**
Infrastructure	8,324	274	(718)	-	-	-	-	7,880
Infrastructure in progress	2,330	6,747	-	-	(17)	(143)	-	8,917
INFRASTRUCTURE	**10,654**	**7,021**	**(718)**		**(17)**	**(143)**	**-**	**16,797**
OTHER TANGIBLE ASSETS	**2,266**	**551**	**(629)**	**-**	**(8)**	**-**	**-**	**2,180**
TOTAL	**183,133**	**55,450**	**(16,111)**	**-**	**(194)**	**(3)**	**(29,014)**	**193,261**

The item "Real estate", amounting to Euro 3,367 thousand, includes buildings and land owned for the purposes of operations.

Rolling stock amounted to Euro 170,917 thousand as at 31 December 2023 and includes:

- the value of buses and trolley buses, totalling Euro 103,404 thousand at 31 December 2023, used to provide local public transport services in the Bologna and Ferrara areas and regulated by specific service contracts;
- the value of the railway rolling stock, partly used in the context of freight transport activities and partly leased to the jointly controlled company Trenitalia Tper S.c.r.l. (hereinafter "TT") which guarantees the coordination and performance of the services to be rendered in execution of the service contract with the Company Ferrovie Emilia-Romagna S.r.l. for the provision of the public passenger transport service by rail under the responsibility of the Emilia-Romagna Region;
- the value of the vehicles used to support the local public transport services provided, as well as in the operation of sharing mobility activities.

The "infrastructure" item, amounting to Euro 16,797 thousand as at 31 December 2023, includes the value of works on third-party assets, issuers, validators, information panels and user information systems.

Lastly, the item “Other tangible assets” includes the value of plant, equipment and furniture and office furnishings.

It should be noted that as at 31 December 2023, the tangible assets are not encumbered by mortgages, liens or other collateral securities that limit their availability.

2. Intangible assets

Euro 12,952 (16,277) thousand

In thousands of Euro	31/12/2023			31/12/2022		
	Cost	Accumulated amortisation	Net value	Cost	Accumulated amortisation	Net value
Concession rights	18,201	5,713	12,488	18,201	2,326	15,875
Other intangible assets	1,715	1,251	464	1,650	1,248	402
TOTAL	**19,916**	**6,964**	**12,952**	**19,851**	**3,574**	**16,277**

The item includes concession rights, of Euro 12,488 thousand as at 31 December 2023, relating to the concession contract for the compendium of the Dinazzano Po freight yard formalised on 4 August 2017 by means of a deed with Register no. 15625 with the Province of Reggio Emilia. The concession, with a total duration of 50 years, expires on 14 July 2064. It should be noted that the Dinazzano and Guastalla freight railway stations are managed by the TPER Group with effect from 1 February 2012, as part of the partial demerger of the transport branch carried out by FER S.r.l. to FER Trasporti S.r.l. which, on the same date, was merged into the company TPER S.p.A, then transferred by deed of 25 June 2012 to the subsidiary Dinazzano Po.

The item other intangible assets, equal to Euro 464 thousand as at 31 December 2023, consisted mainly of the value of the Group's proprietary software.

The table below shows the amounts at the beginning and at the end of the year as well as the relative changes occurred in 2023.

In thousands of Euro	31/12/2022	Changes in the financial year					31/12/2023
	Net value	Investments	Amortisation/depreciation	Disposals	Write-downs and write-backs	Other reclassifications	Net value
Concession rights	15,875	-	(388)		(3,000)	1	12,488
Other intangible assets	402	330	(268)		-		464
TOTAL	**16,277**	**330**	**(656)**		**(3,000)**	**1**	**12,952**

In the financial year 2023, concession rights changed due to the effect of amortisation for the year, in the amount of Euro 388 thousand, and a write-down in the amount of Euro 3,000 thousand.

In this regard, it should be noted that, at the end of the year, certain indicators of impairment of the concession rights held by the subsidiary DP were found, in connection with various factors, including: (i) the elimination of subsidies on the cost of gas oil used to power diesel locomotives, which took place through the reimbursement of the higher excise duty paid in accordance with Ministerial Decree 689/1996; (ii) the reduction of the train kilometres eligible for the track discount subsidies relating to the rail freight support rule set forth in Ministry of Infrastructure and Transport Decree No. 61 of 30 December 2016 only for train kilometres produced with electric locomotives; (iii) the critical issues related to the network used in the reference traction market; (iv) the level of saturation reached by the airports operated under franchise by DP; (v) the results achieved in recent years that show a contraction in business. Consequently, an impairment test was carried out.

As regards the methodology for verifying the recoverable value, it should be noted that, in the impossibility of determining a fair value of the fixed assets subject to verification, reference was made to the value in use configuration, as the present value of expected cash flows. In particular, the entire company DP was identified as a single cash-generating unit (CGU), as the cash flows generated by the various activities operated by the subsidiary are closely interrelated. The verification of the recoverability of fixed assets was carried out in accordance with the methodology required by IAS 36: for both the estimation of flows and the estimation of the discount rate parameters, recourse was mainly made to publicly available external sources, supplemented, where appropriate, by estimates also based on historical data. The value in use was estimated using the most recent business plan available, which was approved by DP's board of directors on 12 April 2023, as well as the subsidiary's 2024 budget approved by the Board of Directors at its meeting on 14 February 2024. In order to estimate cash flow projections beyond the explicit forecast time horizon (2024-2025), an extrapolation of cash flows was made, based on the same documents, using an assumed stable growth rate of 1.0% for the following years until the end of the concession period. The cash flows thus identified were discounted at a discount rate of 7.7%, estimated as the weighted average cost of capital using the capital asset pricing model methodology.

The value in use, determined as the present value of the expected cash flows, was thus compared with the book value of DP's net invested capital. As a result of the valuation performed, the impairment loss amounted to Euro 3,000 thousand, which was recognised as a reduction in the value of the subsidiary's concession rights.

Other intangible assets, on the other hand, recorded an increase of Euro 62 thousand in relation to investments of Euro 330 thousand, mainly for the acquisition of software licences, and a decrease of Euro 268 thousand due to amortisation pertaining to the year 2023.

3. Assets for rights of use and liabilities for leased assets

Right-of-use assets

Euro 9,326 (8,861) thousand

In thousands of Euro	LPT Bologna and Ferrara	Company cars	Business unit rental fees	Car sharing	Transport of goods	TOTAL
Balance as at 01/01/2023	**1,710**	**169**	**1,298**	**6**	**5,677**	**8,861**
Increases/(decreases)	1,672	203	2,705	(6)	- 776	**3,798**
Amortisation/depreciation	(693)	(125)	(878)		(1,601)	**(3,297)**
Balance as at 31/12/2023	**2,689**	**247**	**3,125**	**-**	**3,300**	**9,362**

Right-of-use assets equal to Euro 9,326 thousand as at 31 December 2023 refer to:

- Euro 2,689 thousand for contracts relating to the management of Local Public Transport in the Municipality of Bologna and Ferrara;
- Euro 247 thousand for the rental of company cars;
- Euro 3,125 thousand, for the right of use relating to the business unit rental contract (LPT Bologna) entered into between TPER, via the TPB consortium and the granting body SRM,

in-house company of the Municipality of Bologna on 4 March 2011 and the concession contract for use of the assets conducive to the LPT service of the Municipality of Ferrara;

- for Euro 3,300 thousand to contracts relating to the rental of rolling stock used in freight transport activities.

The changes that occurred during the year 2023 include both the effects of the adjustments to the lease payments of each contract qualified as a lease pursuant to IFRS 16, made as a contra-entry to specific adjustments of the related financial liabilities, and the effects of the new contracts entered into during 2023.
It should also be noted that for leased assets used in the context of existing service contracts, the duration of the lease has been aligned with that of the relevant service contract, on the assumption that the rights in question are closely related to the activities to which they relate. In the course of 2023, due adjustments were therefore made to the values of the rights of use related to the service contracts in relation to the new expiry dates of the aforementioned contracts (28 February 2028 - Bologna service contract; 31 December 2026 - Ferrara service contract). As a result, the right-of-use assets have been restated and the related amortisation period has been aligned with the new residual term of the service contracts to which they relate.

Liabilities for leased assets

(Non-current portion) Euro 5,893 (4,572) thousand
(Current portion) Euro 3,747 (3,318) thousand

In thousands of Euro	LPT Bologna and Ferrara	Company cars	Business unit rental fees	Car sharing	Transport of goods	TOTAL
Balance as at 01/01/2023	**1,648**	**245**	**1,391**	**12**	**4,594**	**7,890**
of which:						
Current liabilities	733	116	946	12	1,511	**3,318**
Non-current liabilities	915	129	445	-	3,083	**4,572**
Balance as at 31/12/2023	**2,671**	**253**	**3,272**	**-**	**3,445**	**9,641**
of which:						
Current liabilities	748	110	863	-	2,027	**3,748**
Non-current liabilities	1,923	143	2,409	-	1,418	**5,893**

Liabilities for leased assets, which totalled Euro 9,641 thousand, increased year-on-year by Euro 1,751 thousand and are related to the rights of use described above. It should be noted that in 2023 the liabilities for leased assets related to leasing contracts used under current service agreements were restated to take into account the new durations of these contracts.

During the year 2023, financial charges for a total of Euro 486 thousand accrued on the same liabilities (Euro 249 thousand in 2022).

4. Equity investments

Euro 24,151 (17,274) thousand

At 31 December 2023, the item shows a positive change of Euro 6,877 thousand compared to the end of the previous year.

The following table shows the opening and closing balances of the equity investments held by the Group, classified by category, and the related changes that occurred in 2023.

		Valuation based on the equity method					
In thousands of Euro	**31/12/2022**	**Acquisitions and capital contributions**	**Income Statement**	**Other components of the comprehensive income statement**	**Transfers and capital repayments**	**Reclassifications and other changes**	**31/12/2023**
Equity investments accounted for at fair value	**3,343**	**-**	**-**	**-**	**-**	**-**	**3,343**
Equity investments accounted for using the equity method	**13,931**	**-**	**7,162**	**(283)**	**(3)**		**20,808**
- associates	9,557	-	(358)	(283)	(3)		8,914
- joint ventures	4,374	-	7,520	-	-	-	11,894
Equity investments	**17,274**	**0**	**7,162**	**(283)**	**(3)**	**0**	**24,151**

It should be noted that the valuation based on the equity method of investments in associates and joint ventures is carried out using the latest approved financial statements made available by the individual companies.

No indicators of possible impairment were identified for any of the equity investments and, consequently, no impairment tests were carried out.

With reference to the change, it should be noted that it is substantially attributable to: (i) the portion of profit recognised in the income statement mainly attributable to the positive contribution made by the equity investment held in the joint venture Trenitalia Tper Scarl (for Euro 7,520 thousand), partially offset by the pro-rata losses of the associated companies SETA S.p.a. and Marconi Express S.p.a.(for a total of Euro 358 thousand); (ii) the portion recognised in other comprehensive income (for Euro 283 thousand), related to the negative change in the fair value of a financial instrument hedging the risk of fluctuations in cash flows held by the associated company Marconi Express S.p.A. to protect against the risk of changes in interest rates on certain financial exposures.

The following table shows the details of the equity investments held by the Group as at 31 December 2023, with an indication of the percentages of ownership and the relative carrying amount. With reference to the investments held by the Group in associates and joint ventures, there are no investments in individually significant companies with respect to both total consolidated assets, and management activities and geographical areas and, therefore, the additional information required in such cases by IFRS 12 is not provided.

	31/12/2023				31/12/2022			
In thousands of Euro	**% ownership**	**Cost**	**Revaluations (write-downs)**	**Final value**	**% ownership**	**Cost**	**Revaluations (write-downs)**	**Final value**
Equity investments accounted for at fair value		**4,043**	**(700)**	**3,343**		**4,043**	**(700)**	**3,343**
Start Romagna S.p.A.	14%	4,036	(700)	3,336	14%	4,036	(700)	3,336
Consorzio Acquisti Trasporti S.c.r.l.		7		7		7		7

Equity investments accounted for using the equity method		**17,293**	**3,514**	**20,807**		**17,296**	**(3,365)**	**13,931**
Marconi Express S.p.A.	25%	2,600	(1,647)	953	25%	2,600	(1,317)	1,283
Consorzio Trasporti Integrati S.c.r.l.	26%	-	-	-	26%	3	-	3
Trenitalia Tper S.c.a.r.l.	30%	3,300	8,594	11,894	30%	3,300	1,074	4,374
SETA S.p.A.	47%	11,393	(3,433)	7,960	47%	11,393	(3,122)	8,271
TOTAL		**21,336**	**2,814**	**24,151**		**21,339**	**(4,065)**	**17,274**

5. Financial assets

Non-current portion Euro 38,283 (35,290) thousand
Current portion Euro 11,415 (6,908) thousand

The table below shows the breakdown of other financial assets at the beginning and end of the financial year, highlighting the current and non-current portions.

	31/12/2023			31/12/2022		
In thousands of Euro	**Financial statement value**	**Current portion**	**Non-current portion**	**Financial statement value**	**Current portion**	**Non-current portion**
Financial assets for contributions	**10,815**	**10,815**	**-**	**4,622**	**4,622**	**-**
Emilia-Romagna Region	749	749	-	1,138	1,138	
Municipality of Bologna	6,059	6,059	-	3,066	3,066	-
Municipality of Ferrara	3,622	3,622	-	-	-	-
Municipality of San Lazzaro	-	-	-	34	34	-
Other	385	385	-	384	384	-
Other financial assets	**38,883**	**600**	**38,283**	**37,576**	**2,286**	**35,290**
Loan to investee Marconi Express S.p.A.	8,997	-	8,997	10,170	2,286	7,884
Loans for Crealis project investments	31,292	-	31,292	29,268	-	29,268
Other	600	600	-			
Provision for the write-down of financial assets	(2,006)		(2,006)	(1,861)		(1,861)
TOTAL	**49,698**	**11,415**	**38,283**	**42,198**	**6,908**	**35,290**

The receivable from the Emilia-Romagna Region, amounting to Euro 749 thousand, refers for Euro 549 thousand to contributions to be collected relating to investments in buses and for the remainder to contributions on investments made for the extension of the no. 14 train line.

Financial assets for contributions held with the Municipality of Bologna and the Municipality of Ferrara refer to amounts still to be collected related to investments made for the purchase of buses under agreements entered into as part of various active contribution lines including the National Strategic Plan Sustainable Mobility (PSNMS).

The loan to the investee company Marconi Express S.p.A., amounting to Euro 8,997 thousand as at 31 December 2023, was disbursed in line with the approved business plans and the shareholders' agreements, and refers to the share of the loan granted by the Parent Company for the construction of the monorail connecting the railway station and Bologna airport. The repayment of said loan is to be considered subordinated with respect to the satisfaction of the other creditors of the investee by express contractual clause, even in the absence of the prerequisites pursuant to Article 2467 of the Italian Civil Code. Therefore, this is a voluntary subordination with respect to the bank loan, from which it follows that the timing of the collection is within the limits set forth in the bank loan agreement of the investee itself, including compliance with certain financial covenants (i.e. debt service cover ratio). In light of this, the value of this receivable was recalculated during financial year 2023, taking into account the most recent repayment forecasts. The new cash flows were therefore discounted at the interest rate originally used to determine the value of the financial asset on the basis of the amortised cost method. This restatement entailed the recognition of a loss, known as one day loss, for an amount of Euro 1,671 thousand, recognised under other financial charges.

The Crealis investment receivable refers to the financial asset recognised in accordance with IFRIC 12, against the right claimed against the eventual successor operator upon the expiry of the service contract regulating local public transport in the Bologna area. In particular, following the entry into operation of the TPGV-Crealis service, 1 July 2020, and the definition of the new contractual framework between TPER, SRM, the Metropolitan City of Bologna, the Municipality of Bologna and the Municipality of San Lazzaro di Savena, against the construction services rendered, the Parent Company TPER has accrued a right to receive a fee starting from the end of the service contract and in any case from September 2024 and quantified so as to remunerate both the costs incurred for the investment and future maintenance and investment activities. In the course of 2023, in light of the changes in the timing and amount of the investments to be made, the value of the financial asset was recalculated. Taking into account the most recent expenditure forecasts, the new cash flows were discounted at the effective interest rate defined at the initial recognition of the financial asset. This restatement resulted in the recognition of a so-called one-day profit in the amount of Euro 997 thousand recognised in other financial income.

In compliance with the provisions of IFRS 9, a specific write-down provision was allocated to the aforementioned financial assets, which increased by Euro 145 thousand in 2023 to take into account the changed expectations in terms of expected credit loss, as reported in the following table.

In thousands of Euro	31/12/2022	Uses/releases	Provisions	31/12/2023
Provision for the write-down of financial assets	1,861		145	2,006
TOTAL	**1,861**	**-**	**145**	**2,006**

6. Deferred tax assets and deferred tax liabilities

Deferred tax assets Euro 3,453 (2,823) thousand

The balance of deferred tax assets and deferred tax liabilities that can be offset in relation to the temporary differences between the consolidated carrying amounts and the corresponding tax values at the end of the year is shown below.

In thousands of Euro	31/12/2023	31/12/2022
Deferred tax assets IRES	3,121	2,931
Deferred tax assets IRAP	418	436
Deferred tax assets	**3,539**	**3,367**
Deferred tax liabilities IRES	(86)	(544)
Deferred tax liabilities IRAP	-	-
Deferred tax liabilities	**(86)**	**(544)**
NET DEFERRED TAX ASSETS	**3,453**	**2,823**

The changes in deferred tax assets and liabilities based on the nature of the temporary differences that generated to them are summarised in the following table.

	31/12/20’2	CHANGES IN THE FINANCIAL YEAR			31/12/2023
In thousands of Euro	Opening balance	Provisions	(Releases)/(Uses)	Allocations to (Releases from) OCI	Closing balance
Allocations to non-deducted provisions	3,044	444	(245)	(28)	3,215
Other temporary differences	323	1’			324
DEFERRED TAX ASSETS	**3,367**	**445**	**(245)**	**(28)**	**3,539**
Adjustments to provisions for employee benefits	(544)	0	357	’01	(86)
DEFERRED TAX LIABILITIES	**(544)**	**0**	**357**	**’01**	**(86)**
NET DEFERRED TAX ASSETS	**2,823**	**445**	**112**	**73**	**3,453**

The balance of net prepaid taxes, equal to Euro 3,453 thousand as at 31 December 2023, is mainly composed of prepaid taxes allocated against allocations to provisions not deducted.

It should be noted that in consideration of the current macroeconomic context, the inflationary pressure on operating costs and the variables correlated to the finalisation of the agreements related to the extension of the Bologna service contract, no deferred tax assets have been recognised in relation to temporary differences and tax losses, as the estimate of future taxable income is not reasonably certain at present and not capable of reabsorbing these differences within a reasonable timeframe. The tax losses that could potentially be used to offset the taxable income of future years amount to approximately Euro 38 million.

7. Trade assets

Euro 89,686 (88,675) thousand

As at 31 December 2023, trade assets included:

- inventories of Euro 25,416 thousand (Euro 24,659 thousand at 31 December 2022) mainly consisting of inventories and spare parts for maintenance and replacement activities carried out on railway and vehicles and related infrastructures
- trade receivables, equal to Euro 64,270 thousand (Euro 64,016 thousand at 31 December 2022).

The breakdown of trade receivables is detailed in the table below.

In thousands of Euro	31/12/2023	31/12/2022
Raw materials and railway parts	21,559	20,842
Raw materials and automotive parts	18,869	18,834
Work in progress	588	0
Provision for inventory write-downs	(15,600)	(15,017)
TOTAL	**25,416**	**24,659**

The provision for inventory write-downs is determined taking into account the value of certain engines and other complex used and overhauled subset as well as slow-moving parts and spare parts referring to vehicles whose discontinuation is expected in the short term.

The table below shows the changes in the provision in 2023.

In thousands of Euro	31/12/2022	Reclassifications	Uses	Provisions	31/12/2023
Provision for inventory write-downs	15,017	-	(128)	711	15,600
TOTAL	**15,017**	**-**	**(128)**	**711**	**15,600**

The breakdown of trade receivables is detailed in the table below.

In thousands of Euro	31/12/2023	31/12/2022
Trade receivables from associates	8,113	12,326
Trade receivables from owner entities	564	896
Receivables from customers	60,924	56,465
Provision for doubtful debts	(5,331)	(5,671)
TOTAL	**64,270**	**64,016**

Trade receivables from associated companies are mainly attributable to relations with the company Trenitalia Tper Scarl, and refer to the service and rental activities carried out by the Parent Company in relation to it.

Receivables from customers, amounting to Euro 60,924 thousand, are essentially attributable to receivables for transport services provided pursuant to the current service contracts (for Euro 25,736 thousand) and receivables from customers for services rendered as part of rail maintenance activities (for Euro 5,445 thousand) and freight transport (for Euro 9,053 thousand).

Receivables are shown net of a bad debt provision of Euro 5,331 thousand as at 31 December 2023, whose changes in the year are shown in the table below.

In thousands of Euro	31/12/2022	Uses/Releases	Provisions	31/12/2023
Provision for doubtful debts on trade receivables	5,671	(1,205)	865	5,331
Total	**5,671**	**(1,205)**	**865**	**5,331**

For trade receivables, the valuation related to recoverability is based on the weighting of a customer rating determined in consideration of the following parameters:

- the analysis of historical profiles of collections and losses;
- analysis of the past due situation on the total credit analysed;
- the application of a default rate in relation to the segmentation of customers in the portfolio by type of membership.

Lastly, it should be noted that the carrying amount of trade receivables approximates the relative fair value.

8. Cash and cash equivalents

Euro 70,497 (60,387) thousand

The item includes bank and postal deposits as well as cash provisions for petty and urgent expenses and increased by Euro 10,110 thousand compared to the previous year.

For more details on the events that generated the increase in cash and cash equivalents during the 2023 financial year, please refer to the note "Information on the cash flow statement".

9. Assets and liabilities for income taxes

Income tax assets - Euro 423 (2,543) thousand
Income tax liabilities - Euro 677 (0) thousand

The table below shows the amount of current tax assets and liabilities at the beginning and end of the year, in relation to the excess of prepayments on the payable for the year.

In thousands of Euro	31/12/2023	31/12/2022
Current tax assets - IRES	423	1,803
Current tax assets - IRAP		740
Assets for income taxes	**423**	**2,543**
Current tax liabilities - IRES	-	-
Current tax liabilities - IRAP	677	-
Liabilities for income taxes	**677**	**-**
Net assets for income taxes	**(254)**	**2,543**

As at 31 December 2023, the Group had current tax assets of Euro 423 thousand, essentially attributable to the value of withholding taxes incurred, and current tax liabilities of Euro 677 thousand, attributable to the estimated tax charge for the year.

10. Other current assets

Euro 17,272 (24,339) thousand

The item consists of receivables and other current assets of a nature other than trade and financial assets, as detailed in the following table.

In thousands of Euro	31/12/2023	31/12/2022
Receivables for relief	13,639	13,639
Receivables due from Ferrovie Emilia Romagna	220	220
Prepaid expenses	852	1,031
Other receivables	8,522	14,164
Total	**23,233**	**29,054**
Provision for doubtful debts	(5,961)	(4,715)
Total	**17,272**	**24,339**

Receivables for compensation, amounting to Euro 13,639 thousand, refer to the amount not yet collected, relating to the year 2021 and the first quarter of 2022, in relation to the compensatory measures introduced by Law no. 77 of 17 July 2020 (art. 200 paragraph 1, “Relaunch Decree”) and subsequent regulatory provisions that supplemented the allocations to the fund set up by the Ministry of Infrastructure and Transport to offset the reduction in tariff revenues relating to passengers in the period of the COVID-19 epidemiological emergency (23 February 2020 - 31 March 2022). In this regard, it should be noted that on 28 March 2024 the Emilia-Romagna Region in view of the conclusion of the procedure for the allocation of resources intended to offset the reduction in tariff revenues relating to local and regional public transport in the period 23 February 2020 - 31 March 2022, requested each contractor entity to communicate the amount of the resources referring to said offsetting after verifying the contractual balances in order to avoid overcompensation. The aforementioned verifications by the AMI and SRM agencies in relation to the amount of relief to be paid to the Parent Company are therefore underway. Pending the conclusion of the verification procedures by the agencies, the company management has carried out simulations that confirm the reasonable certainty of the recoverability of the amount of the receivables outstanding as at 31 December 2023.

The item "Other receivables" mainly includes: (i) the receivable from ATC S.p.A. in liquidation, equal to Euro 3,593 thousand, referring to the balances of the merger transaction that took place in 2012; (ii) receivables due from resales for travel tickets equal to Euro 862 thousand; (iii) the receivable of Euro 2,220 thousand relating to the recovery of the higher excise duty paid in relation to the use of diesel fuel used for passenger and freight transport services. With reference to the receivable due from ATC S.p.A. in liquidation, it should be noted that it was considered appropriate for this receivable to recognise an adequate provision for write-downs because, despite the recognition of the debt and the full willingness to settle it, the creditor is currently involved in tax litigation that could compromise - in the event of a defeat in the dispute - the financial capacity of the company.

Lastly, it should be noted that the provision for write-downs is related to the estimate of non-collectability of part of the other receivables.

In thousands of Euro	31/12/2022	Uses/Releases	Provisions	31/12/2023
Provision for write-downs of other assets	4,715		1,246	5,961
Total provision for write-downs of other assets	**4,715**		**1,246**	**5,961**

11. Shareholders' equity

Euro 182,261 (174,309) thousand

As at 31 December 2023, the fully subscribed and paid-up share capital of the Parent Company TPER consists of 68,492,702 ordinary shares with a par value of Euro 1 each, for a total of Euro 68,493 thousand, and did not change compared to 31 December 2022.

The shareholders' equity pertaining to the Group, amounting to Euro 179,224 thousand, increased by Euro 8,069 thousand compared to 31 December 2022 due to the combined effect of:

- the income statement result for 2023, which was positive in the amount of Euro 8,582 thousand;
- the negative balance of other comprehensive income (amounting to Euro 513 thousand) impacted by the actuarial loss arising from the valuation of employee benefits related to the employee severance indemnity, as well as certain effects of the valuation of investments in associates using the equity method;

The table below shows the statement of the basic and diluted earnings per share for the two financial years compared.

Earnings per share	31/12/2023	31/12/2022
Weighted average number of shares issued	68,492,702	68,492,702
Weighted average number of treasury shares in portfolio	111,480	111,480
Weighted average number of shares outstanding for the purpose of calculating basic earnings	68,381,222	68,381,222
Profit for the year (thousands of Euro)	8,582	1,524
Basic earnings per share (Euro)	**0.13**	**0.02**
Distributed earnings per share (Euro)	-	-

It should be noted that, as at 31 December 2023, there were no shares that could potentially be outstanding and, therefore, the diluted earnings per share coincided with the earnings per share.

Shareholders' equity attributable to minority interests amounted to Euro 3,037 thousand and was substantially in line with the amount reported as at 31 December 2022 (Euro 3,154 thousand) due to the combined effect of the negative result of comprehensive income attributable to minority interests of Euro 102 thousand, the payment of dividends of Euro 64 thousand, and the inclusion in the consolidation scope of the portion of minority interests pertaining to the newly-formed TPH2 Scrl.

The objectives of TPER in capital management are aimed at safeguarding business continuity and guaranteeing the interests of the stakeholders, as well as allowing efficient access to external sources of financing aimed at adequately supporting the development of the Group activities and compliance with the commitments undertaken.

12. Trade liabilities

Non-current portion - Euro 1,242 (1,556) thousand
Current portion - Euro 58,872 (66,706) thousand

	31/12/2023			31/12/2022		
In thousands of Euro	**Financial statement value**	**Current portion**	**Non-current portion**	**Financial statement value**	**Current portion**	**Non-current portion**
Trade payables	54,666	53,424	1,242	61,476	59,920	1,556
Payables to associated companies	5,339	5,339	-	6,431	6,431	-
Trade payables due to shareholders	8	8	-	7	7	-
Other payables	101	101	-	348	348	-
TOTAL	**60,114**	**58,872**	**1,242**	**68,262**	**66,706**	**1,556**

Trade liabilities, which amounted to Euro 60,114 thousand, mainly consisted of trade payables (for Euro 54,666 thousand) and decreased by a total of Euro 8,148 thousand compared to the end of the previous year, mainly due to payments made close to year-end and lower costs incurred.

It should be noted that the item does not include overdue payments of a significant amount that have not been settled.

13. Funds for provisions

Non-current portion - Euro 50,805 (47,188) thousand

Current portion - Euro 5,840 (6,092) thousand

As at 31 December 2023, funds for provisions amounted to Euro 56,645 thousand (Euro 53,280 thousand as at 31 December 2022). The following table shows the details of the funds for provisions with an indication of the relative current and non-current portions.

In thousands of Euro	31/12/2023			31/12/2022		
	Financial statement value	Current portion	Non-current portion	Financial statement value	Current portion	Non-current portion
Provisions for employee benefits	13,167	833	12,334	14,592	1,072	13,520
Other provisions	43,478	5,007	38,471	38,688	5,020	33,668
Total	**56,645**	**5,840**	**50,805**	**53,280**	**6,092**	**47,188**

The changes in funds for provisions broken down by nature are shown below.

In thousands of Euro	31/12/2022	Changes in the financial year						31/12/2023
		Provisions	Financial charges	Decreases for uses	Decreases for releases	Changes in OCI	Other reclassifications or adjustments	
Provision for employee benefits	14,592	715	-	(2,443)	-	303	-	13,167
Insurance deductibles provision	3,465	1,534	-	(1,614)	-	-	-	3,385
Provision for labour disputes	17,912	4,997	561	(965)	(5,652)	-	(309)	16,544
Provision for tax disputes	5,632	404	-	-	(11)	-	-	6,025
Expropriation litigation risk provision	1,992	-	-	-	-	-	-	1,992
Provision for customs disputes	-	3,500	-	-	-	-	-	3,500
Other provisions	9,687	2,900	445	(201)	(799)	-	-	12,032
TOTALS	**53,280**	**14,050**	**1,006**	**(5,223)**	**(6,462)**	**303**	**(309)**	**56,645**

Provisions for employee benefits

Non-current portion - Euro 12,334 (13,520) thousand
Current portion - Euro 833 (1,072) thousand

As at 31 December 2023, the item consists of the employee severance indemnity to be paid on the transfer of the employment relationship as required by the regulations in force in Italy. The decrease of Euro 1,425 thousand was mainly due to liquidations and advances during the year (Euro 2,443 thousand), partially offset by actuarial losses (Euro 303 thousand) and provisions made during the year (Euro 715 thousand).

The reference actuarial model for the valuation of employee severance indemnity is based on both demographic and economic assumptions. The main assumptions defined for the purposes of the actuarial estimate process of the employee severance indemnity provision as at 31 December 2023 are summarised below.

Financial assumptions	31/12/2023	31/12/2022
Annual discounting rate	2.98%	3.63%
Annual inflation rate	2.00%	2.30%
Annual rate of increase of employee severance indemnity	3.00%	3.10%
Frequency of advances	2.00%	2.00%
Annual turnover rate	1.50%	1.50%

Demographic assumptions	
Mortality	RG48 mortality tables published by the State General Accounting Office
Disability	INPS tables distinguished by age and sex
Retirement age	100% upon reaching the AGO requirements

Future estimated benefits	
Years	In thousands of Euro
1	925
2	807
3	1,011
4	481
5	1.252

Other provisions

Non-current portion - Euro 38,471 (33,668) thousand
Current portion - Euro 5,007 (5,020) thousand

The item includes provisions relating to risks and charges deemed probable at the end of the year and increased by Euro 4,790 thousand essentially due to the combined effect of:

- provisions, amounting to Euro 13,335 thousand, mainly related to: (i) risks related to disputes with personnel (for Euro 4,997 thousand); (ii) risks related to the payment of insurance excess as a result of claims (for Euro 1,534 thousand); (iii) risks related to a possible non-recognition of the benefit related to the recovery of the higher excise duty paid in relation to the use of diesel fuel used for passenger transport (for Euro 3,500 thousand); (iv) higher charges for the contract qualified as onerous pursuant to IAS 37 and relating to the management of the infrastructure held by Marconi Express S.p.a. that connects the central station of Bologna to the airport (for Euro 1,155 thousand); (v) higher estimated charges in relation to the reclamation of the locomotive refuelling area of the Sermide railway station (for Euro 1,717 thousand);
- decreases due to uses, for Euro 2,780 thousand, mainly referring to uses against payments of deductibles on motor vehicle claims;
- decreases due to releases, amounting to Euro 6,462 thousand, mostly in relation to disputes with personnel;
- other adjustments down by Euro 309 thousand related to the rate differential used to determine the present value of the provisions.
- the recognition of the financial effects related to the estimated utilisation of provisions in the amount of Euro 1,006 thousand.

The “Insurance deductibles provision” includes the estimate of the probable liability related to the insurance deductibles to be paid on motor vehicle claims occurring before the end of the year.

The "Provision for work disputes", amounting to Euro 16,554 thousand, has been created to cover the foreseeable liabilities, expressed at current values, relating to disputes with employees. The provision also includes an estimate of legal fees and other potential ancillary costs.

The "Provision for tax disputes", amounting to Euro 7,242 thousand, mainly attributable to the involvement of the Parent Company TPER - as legally jointly and severally liable entity - in relation to ATC tax disputes prior to its constitution.

The "Expropriation Litigation Risk Provision", amounting to Euro 1,922 thousand, is set up to manage the risks linked to the disputes pending before the Court of Appeal, concerning the calculation of compensation for expropriation of land on which the Dinazzano railway freight yard insists.

The “Provision for excise duties” includes the estimate of the charges related to the possible non-recognition of the benefit connected to the recovery of the higher excise duty paid in relation to the use of diesel fuel used for passenger transport.

The “Other” provisions, amounting to Euro 12,032 thousand, mainly include the value of the provision made against the contract, qualifying as onerous, which underlies the infrastructure management activities, held in concession by the company Marconi Express S.p.A. and which connects the airport to the central station of Bologna through an elevated electric monorail. As at 31 December 2023, the amount of this provision was Euro 8,960 thousand and, in 2023, it increased by Euro 1,600 thousand essentially in relation to a review of the estimate of the same, which also took into account higher estimated costs for infrastructure maintenance, only partially offset by higher revenues arising from adjustments to the fees foreseen for services rendered by the same contract.

For the residual part, “Other” provisions refer essentially to: (i) risks related to environmental reclamation work to be carried out on the locomotive refuelling area of the Sermide Railway Station; (ii) risks of penalties related to the return of certain motor vehicles used as part of the car sharing service.

14. Financial liabilities

Non-current portion - Euro 24,624 (32,913) thousand
Current portion - Euro 60,732 (32,074) thousand

As at 31 December 2023, financial liabilities amounted to Euro 85,356 thousand (Euro 64,368 thousand as at 31 December 2022).

The schedule of financial liabilities is shown below, highlighting the composition of the financial statement balance, the corresponding nominal value of the liability and the related collectability (current and non-current portion):

	31/12/2023				31/12/2022			
In thousands of Euro	Nominal value	Financial statement value	Current portion	Non-current portion	Nominal value	Financial statement value	Current portion	Non-current portion
Bond loans	31,667	31,779	31,779	-	63,333	63,482	32,053	31,429
Medium/long-term loans	26,194	26,167	1,935	24,232	46	46	21	25
Short-term loans	27,018	27,018	27,018	-	-	-	-	-
Other financial liabilities	392	392	-	392	1,459	1,459	-	1,459

TOTAL	**85,271**	**85,356**	**60,732**	**24,624**	**64,838**	**64,987**	**32,074**	**32,913**

On 15 September 2017, the Parent Company TPER completed the issue of an unsecured debenture bond loan for an amount of Euro 95 million, listed on the Dublin Stock Exchange (Irish Stock Exchange). The (non-convertible) bonds had an original maturity of seven years and amortising repayments starting from the fifth year, present a fixed annual coupon of 1.85%. They were entirely placed with institutional investors. During 2023, the second instalment of the bond loan was repaid, which consequently decreased compared to the previous year by Euro 31,703 thousand.

The item medium/long-term loans essentially includes the value of two loan transactions completed in 2023 and in particular:

- a term loan, backed by a "Sace Green" guarantee, for a total principal amount of up to Euro 15 million to be used to support investments in the bus fleet, regulated at a variable rate and with a term of eight years;
- a term loan, backed by a "Sace Green" guarantee, for a total principal amount of approximately Euro 12 million to be used to support investments in the train fleet, regulated at variable rate and with a term of 10 years.

The item short-term loans shows a balance at the end of the year of Euro 27,018 thousand, which refers to:

- part of a revolving loan (for Euro 17,018 thousand), contracted with a pool of lenders, for a maximum principal amount of Euro 65 million which can be used to support the investment plan for the renewal and improvement of the road rolling stock and related infrastructures pending the provision by the competent mobility agency and/or other competent body (Emilia Romagna Region, Municipality of Bologna, Municipality of Ferrara, Ministry of Infrastructure) of an amount corresponding to certain grants ultimately allocated to the Parent Company TPER. This loan is regulated at a floating rate and has a term of four years;
- short-term financing lines, in the form of cash credit facilities, totalling Euro 10,000 thousand.

It should be noted that certain financing lines require compliance with certain financial parameters (financial covenants). The criteria for determining the economic figures used in the calculation of the ratios are set forth in the agreements. Failure to meet these by the respective reference dates may result in a default event and entail the obligation to repay in advance the principal amounts, the interest and the additional amounts provided for in the agreements. As at 31 December 2023, these parameters were met. For more details on financial liabilities, please refer to the note "Financial risk management".

Other financial liabilities mainly refer to security deposits at variable rates.

15. Other liabilities

Non-current portion - Euro 17,811 (23,469) thousand
Current portion - Euro 58,251 (54,313) thousand

As at 31 December 2023, other liabilities amounted to Euro 76,062 thousand and recorded a decrease of Euro 1,720 thousand compared to the end of the previous year. The table below shows the breakdown by nature of the item with an indication of the current and non-current portion.

	31/12/2023	31/12/2022

In thousands of Euro	Financial statement value	Current portion	Non-current portion	Financial statement value	Current portion	Non-current portion
Payables to SRM mobility agency	17,296	-	17,296	22,295	-	22,295
Payables for investments	16,589	16,589	-	17,964	17,964	-
Payables to employees	10,445	10,445	-	10,881	10,881	-
Payables to shareholders	2,894	2,380	514	3,142	2,628	514
Payables due to pension institutions	2,116	2,116	-	2,174	2,174	-
Tax payables	834	834	-	550	550	-
Other payables	25,887	25,887	-	20,776	20,116	660
TOTAL	**76,061**	**58,251**	**17,811**	**77,782**	**54,313**	**23,469**

"Payables due to the SRM mobility agency" (Società Reti e Mobilità S.r.l.) refer essentially to the balance due, at the reference date, in relation to the contract concerning the business unit consisting of networks, plants, capital endowments and contracts relating to the company complex intended for the exercise of the LPT service in the provincial area of Bologna.

The item "Payables for investments" includes the value of the commitments undertaken by the Group by virtue of advances obtained on certain grants on investments.

"Payables to employees" include the amounts due to employees at the end of the year for services rendered by them.

"Payables to shareholders" mainly relate to the payable of the parent company TPER to its shareholders for dividends resolved as part of the approval of the financial statements for the year ended 31 December 2021.

The item "Other payables" amounting to Euro 25,887 thousand is essentially made up of deferred income on travel tickets (for Euro 15,857 thousand) valid beyond 31 December 2023 and therefore pertaining to future years, as well as deferred income (for Euro 6,402 thousand) related to the effects of the deed acknowledging the contractual provisions on the regulation of the method for calculating investments made by TPER in relation to the assets subject to business branch leasing from SRM with reference to the metropolitan area of Bologna, which balances TPER's accrued right to the tariff manoeuvre as per Article 12- bis of the service contract, through which it is intended to regulate the compensatory effects deriving from the 2023 tariff manoeuvre.

Information on the income statement items

The analysis of the main balances of the consolidated income statement is shown below. The values indicated in brackets in the headings of the notes refer to the 2022 financial year.

For details on the balances of the income statement items deriving from transactions with related parties, please refer to the section "Transactions with related parties".

16. Revenues for LPT line services

Euro 207,991 (186,160) thousand

The revenues from services from the LPT line amounted to Euro 207,991 thousand, marking an increase of Euro 21,831 thousand compared to 2022 (Euro 186,160 thousand).

In thousands of Euro	2023	2022	Change
Travel tickets	70,475	59,759	10,716
Remuneration supplements	120,207	110,364	9,843
NCLA contributions	10,819	10,819	0
Passenger fines	5,459	4,497	962
Other revenues	1,031	721	310
TOTAL	**207,991**	**186,160**	**21,831**

The positive performance recorded by revenues for LPT services was significantly affected by the increase in passenger traffic recorded in 2023 compared to 2022, which recorded an increase in travel tickets sold of Euro 10,716 thousand.

The additional fees recorded a positive change of Euro 9,843 thousand mainly due to:

- adjustments to kilometric fees for minimum services operated in the Bologna and Ferrara areas (Euro +3,387 thousand);
- the recognition in 2023 (for Euro 5,511 thousand) of the effects of the deed of recognition of the contractual provisions on the subject of regulating the method of calculating the investments made by TPER in relation to the assets subject to the lease of the business unit from SRM to TPER with reference to the metropolitan area of Bologna. On the basis of the aforementioned deed, given that the Municipality of Bologna, the Metropolitan City of Bologna, SRM, TPB and TPER intended to quantify the effects of the tariff manoeuvre with effect from 1 August 2023, in compliance with the provisions of Article 12 bis of the service contract relating to the Bologna area, in a predefined amount, the same parties agreed that the needs of the manoeuvre would be met through the recognition by TPER, as tenant of the business unit relating to the networks, plants and capital equipment intended for the disbursement of local public transport in the territorial area of the metropolitan area of Bologna, of certain contribution lines and calculation of investments for the purpose of determining the adjustment value. As a result of the above, TPER's accrued right to the tariff manoeuvre pursuant to the aforementioned Article 12-bis of the service contract will be satisfied through the recognition of certain accrued contributions on the investments made under the business branch lease agreement, in application of the calculation method with which the value of the adjustment that will be settled at the end of the business branch lease agreement has been redefined.

Compared to 2023, the performance related to sanctions revenue also improved, with an increase of Euro 962 thousand.

Finally, it should be noted that other revenues, which amounted to Euro 1,031 thousand at year-end, mainly include the value of advertising and sponsorship activities carried out in connection with LPT services rendered.

17. Revenues from railway line services

Euro 27,549 (28,223) thousand

In thousands of Euro	2023	2022	Change
Revenues from railway line services	27,549	28,223	(674)
TOTAL	**27,549**	**28,223**	**(674)**

Revenues for railway line services recorded a negative change of Euro 647 thousand compared to the previous year mainly due to the income recognised in 2022 by the Parent Company TPER in relation to the closure of the previous railway service contract concluded in 2019, and the increase in the revenues for the rail freight service managed by the subsidiary Dinazzano Po.

These revenues include the rental services of railway rolling stock provided by the Parent Company as part of the passenger transport services on rail operated in the Emilia-Romagna Region through the joint venture Trenitalia Tper Scarl.

18. Revenues from parking and car-sharing

Euro 2,256 (2,062) thousand

Revenues from parking and car sharing services amounted to Euro 2,256 thousand and showed a positive change of Euro 194 thousand compared to the previous year (Euro 2,062 thousand).

In thousands of Euro	2023	2022	Change
Stopping and parking	12	16	(4)
Sharing mobility	2,244	2,046	198
TOTAL	**2,256**	**2,062**	**194**

The positive change recorded is essentially attributable to the better performance recorded in the area of sharing mobility activities.

19. Other revenues

Euro 56,230 (73,989) thousand

The details of other revenue are shown in the following table.

In thousands of Euro	2023	2022	Change
Vehicle maintenance and other services rendered to third parties	6,340	6,265	75
Railway maintenance	18,176	23,455	(5,279)
Other insurance reimbursements	5,829	5,478	351
Fines	567	496	71
Change in contract work in progress	588	-	588
Other	24,730	38,295	(13,565)
TOTAL	**56,230**	**73,989**	**(17,759)**

Other revenues amounted to Euro 56,230 thousand and showed a decrease of Euro 17,759 thousand compared to 2022 (Euro 73,989 thousand) mainly due to:

- a decrease in turnover related to railway maintenance activities carried out through the subsidiary MAFER (for Euro 5,279 thousand) which was affected by the lower volume of cyclical maintenance carried out in 2023;
- the recognition of grants collected in reference to investments in railway vehicles made in previous years and recognised in the income statement for financial year 2022 for the part relating to the depreciation already charged in previous years (for a total of Euro 2,075 thousand);
- the recognition in the financial year 2022 of the value of reimbursements for loss of revenue resulting from the COVID-19 epidemiological emergency, as well as the estimate of the value of contributions to cover the increase in fuel costs recorded in the second and third quarters of 2022, used to power local and regional public transport vehicles pursuant to Article 9 Decree Law No. 115/2022 and Article 6 Decree Law No. 144/2022 (for a total of approximately Euro 15,780 thousand);
- the increase in revenues from LPT rental and replacement services in the amount of Euro 4,098 thousand.

20. Personnel costs

Euro 107,752 (106,902) thousand

The financial statement balance is detailed in the following table.

In thousands of Euro	2023	2022	Change
Salaries and wages	79,075	75,645	3,430
Social security contributions	23,104	21,213	1,891
Pension provisions	5,427	5,020	407
Other personnel costs	825	778	47
Change in funds for provisions	(679)	4,246	(4,925)
TOTAL	**107,752**	**106,902**	**850**

Personnel costs are substantially in line with that recorded at the end of the previous year as a combined effect of:

- the increase in wages and salaries and related social security charges for a total of Euro 5,321 thousand as a result of the greater number of resources employed in 2023 with respect to the previous year, salary adjustments and the settlement of certain salary components accrued in previous years;
- the reduction in changes in provisions for personnel-related risks (for Euro 4,952 thousand) in connection with the settlement of certain litigation risks for which a provision that was partially in excess had been set aside in 2022 and released in 2023. This release was partially offset by the provision made to cover certain new risks of disputes related to employment relationships.

The following tables show the headcount at the end of the year and the average headcount, broken down by job level.

Classification	31/12/2023	31/12/2022	Change
Senior Managers	10	11	(1)

Middle managers	52	49	3
White-collar workers	271	265	6
Blue-collar workers	1,852	1,816	36
Apprentices	166	185	(19)
Associates	-	6	(6)
Total	**2,351**	**2,332**	**19**

Classification	2023	2022	Change
Senior Managers	11	11	-
Middle managers	51	50	1
White-collar workers	265	254	11
Blue-collar workers	1,780	1,711	69
Apprentices	170	204	(34)
Total	**2,277**	**2,230**	**47**

21. Costs for services

Euro 92,293 (92,431) thousand

The financial statement balance is detailed in the following table.

In thousands of Euro	2023	2022	Change
Transport services	42,189	42,567	(378)
Rail tolls	1,150	1,225	(75)
Maintenance	14,657	13,206	1,451
Cleaning	6,892	8,029	(1,137)
Insurance	6,953	6,914	39
Electric power	2,243	3,449	(1,206)
Canteen service	1,826	1,584	242
Other utilities	2,330	2,434	(104)
Consultancy	2,021	1,855	166
Other	12,032	11,168	864
TOTAL	**92,293**	**92,431**	**(138)**

Costs for services are substantially in line with those recorded in the previous year. The most significant changes relate to:

- the increase in maintenance costs (Euro +1,451 thousand) in relation to both the increase in the volume and the prices of the maintenance activities carried out on the rolling stock and on the building systems;
- the reduction in cleaning costs (Euro -1,137 thousand) as a result of the reduction in sanitation activities required in compliance with the prevention provisions following the COVID-19 epidemiological emergency;

- the contraction in electricity costs caused mainly by the calming of energy prices, which had risen significantly in 2022 as a result of emerging geopolitical tensions.

22. Raw materials and materials

Euro 48,045 (54,699) thousand

The item includes purchases of materials and is presented by nature net of changes in inventories.

In thousands of Euro	2023	2022	Change
Fuels	25,790	31,946	(6,156)
Lubricants	686	605	81
Tyres	934	677	257
Spare parts	18,742	19,226	(484)
Various materials	791	297	494
Other	519	454	65
Change in inventory write-down provision	583	1,494	(911)
TOTAL	**48,045**	**54,699**	**(6,654)**

Material costs recorded a decrease of Euro 6,654 thousand compared to the previous year, almost entirely attributable to the reduction in fuel costs following the calming of reference commodity prices after their surge in 2022 and significantly influenced by geopolitical uncertainties triggered by the escalation of the Russian-Ukrainian conflict.

23. Costs for use of third-party assets

Euro 4,553 (2,952) thousand

The item essentially refers to property and car rentals. Compared to the previous year, the item recorded an increase of Euro 1,601 thousand essentially in relation to contingencies generated as a result of the termination of certain railway rolling stock lease contracts.

24. Other operating costs

Euro 5,093 (5,941) thousand

Other operating costs, detailed in the following table, are substantially in line with the figures at the end of the previous year.

In thousands of Euro	2023	2022	Change
Taxes and fees	1,578	1,830	(252)
Audits and inspections	125	141	(16)
Insurance fees	385	359	26
Other	3,005	3,611	(606)
Total	**5,093**	**5,941**	**(848)**

The item “Other” mainly includes the accrued expenses relating to the use of the business unit consisting of the networks, plants, capital equipment and contracts relating to the business complex intended for the exercise of the LPT service in the provincial area of Bologna, governed by a specific contract signed with the mobility agency Società Reti e Mobilità S.r.l.

25. Change in funds for provisions

Euro 5,993 (1,653) thousand

The amount of the item, equal to Euro 5,993 thousand, is essentially attributable to:

- provisions for risks attributable to a possible non-recognition of the benefit related to the recovery of the higher excise duty paid in relation to the use of diesel fuel used for the passenger transport (for Euro 3,500 thousand);
- accruals to other provisions for Euro 2,900 thousand, essentially due to higher charges for the contract qualified as onerous pursuant to IAS 37 and related to the management of the infrastructure held by Marconi Express S.p.A. that connects the Bologna Central Station to the airport (for Euro 1,155 thousand) and to higher estimated charges related to the reclamation of the locomotive refuelling area of the Sermide Railway Station (for Euro 1,717 thousand);
- decreases for releases of other provisions for Euro 799 thousand, mainly attributable to the release of the provision set aside for possible administrative penalties payable for alleged data processing violations under current privacy laws that emerged during an audit that ended with the imposition of a significantly lower fine.

For more details on the change in funds for provisions, please refer to note no. 13 - "Funds for provisions".

26. Financial income/(charges)

Financial income - Euro 3,851 (2,496) thousand
Financial charges - Euro -7,461 (-2,496) thousand

The balance of financial income and charges is detailed in the tables below.

In thousands of Euro	2023	2022	Change
Interest income on receivables	1,519	1,485	34
Interest income on bank accounts	1,024	102	922
Other interest income	998	81	917
Income from discounting of provisions	310	828	(518)
Total other financial income	**3,851**	**2,496**	**1,355**
Charges on bonds	(1,136)	(1,798)	662
Charges on loans	(2,493)	(398)	(2,095)
Charges from discounting of provisions	(561)	(1)	(560)
Other financial charges	(3,271)	(299)	(2,972)
Total financial income	**(7,461)**	**(2,496)**	**(4,965)**
Total financial income/(charges)	**(3,610)**	**-**	**(3,610)**

Compared to the previous year, total financial income and charges showed a decrease of Euro 3,610 thousand.

This change was affected by:

- the charges arising from the new variable-rate financing lines, which are affected by the increase in interest rate levels related to the restrictive policies implemented by the European Central Bank to tackle inflationary pressure;
- the recognition of the financial charge arising from the restatement of the value of receivables due from the associated company Marconi Express S.p.A. by virtue of specific shareholders' loans and consequent to the revision of the due dates for the reimbursement thereof;
- recognition of the financial income arising from the restatement of the value of the financial asset claimed by virtue of the investments made and to be made with reference to the Crealis project, as a result of a review of the cash inflows and outflows related to the same activity.

27. Tax charges

Euro 416 (-84) thousand

The table below shows the details of the tax charges in the two financial years compared.

In thousands of Euro	2023	2022	Change
IRES	318	632	(314)
IRAP	899	153	746
Current income tax benefit from tax losses	(244)	(556)	312
Current income taxes	**973**	**229**	**744**
Income taxes for previous years	-	3	(3)
Differences on income taxes for previous years	**-**	**3**	**(3)**
Provisions	(445)	(481)	36
Releases	245	62	183
Prepaid taxes	**(200)**	**(419)**	**219**
Provisions	-	105	(105)
Releases	(357)	(2)	(355)
Deferred taxes	**(357)**	**103**	**(460)**
Total deferred tax assets and liabilities	**(557)**	**(316)**	**(241)**
Total tax income/(charges)	**416**	**(84)**	**500**

The balance of tax income and charges shows a net charge of Euro 416 thousand in 2023 (income of Euro 84 thousand in 2022) and a negative change of Euro 500 thousand.

The increase in tax charges was mainly affected by the allocation of current tax payables applied by the Parent Company TPER.

The following table shows the reconciliation between the theoretical tax burden and that actually incurred.

IRES (In thousands of Euro)		
Description	**Value**	**Tax**
Result before tax	8,896	
Theoretical tax charge (rate 24%)		2,135
Taxable temporary differences in subsequent years		
TOTAL	-	-
Deductible temporary differences in subsequent years		
Provisions	14,071	
Impairment of equity investments	3,528	
Concession write-down due to impairment testing	3,000	
Maintenance expenses deductible from 2024 to 2028	520	

Other deductible temporary differences in subsequent years	7,436	
TOTAL	**28,555**	**6,853**
Reversal of temporary differences from previous years		
Use and release of provisions	(11,413)	
Other reversal of temporary differences from previous years	(5,263)	
TOTAL	**(16,676)**	**(4,002)**
Differences that will not be reversed in subsequent years		
Non-taxable Energy and Gas Credit	(1,752)	
Super and hyper amortisation/depreciation	(5,948)	
Other differences that will not be reversed in subsequent years	(7,834)	
TOTAL	**(15,534)**	**(3,728)**
Tax base	5,241	1,258
ACE and previous tax losses	(3,916)	(940)
Tax base	**1,325**	
Current income taxes		**318**

IRAP (thousands of Euro)		
Description	**Value**	**Tax**
Difference between value and costs of production	2,655	
Non relevant income statement items	121,329	
TOTAL	**123,984**	
Theoretical tax charge (rate 4.20%)		29,756
Differences that will not be reversed in subsequent years		
Increases	2,612	
Decreases	(1,582)	
Personnel deductions	(100,866)	
TOTAL	**(99,836)**	
Deductible temporary differences in subsequent years		
TOTAL	**-**	
Reversal of temporary differences from previous years		
Use and release of provisions	(2.08)	
Amortisation of the cost of trademarks and goodwill	(125)	
TOTAL	**(2,733)**	
Tax base	21,415	
Current income taxes		899

Additional financial information

Information on the cash flow statement

The financial trend in 2023 shows an increase in cash and cash equivalents of Euro 10,110 thousand compared to the increase of Euro 11,076 thousand in 2022.

The flow generated by operating activities in 2023 amounted to Euro 38,084 thousand, down by Euro 12,614 thousand compared to the 2022 value (Euro 50,698 thousand). The following impact the flow generated in 2023:

- the operating cash flow generated before changes in working capital and other changes of Euro 35,705 thousand (Euro 33,398 thousand in 2022), which was mainly affected by the better income statement result (Euro +6,785 thousand compared to 2022) and higher financial charges recognised (Euro +2,782 thousand) partially offset by the increase in the share of profit of equity-accounted investees (Euro -7,519 thousand);
- the flow generated by the change in working capital and other changes, equal to Euro 2,379 thousand, which includes the dynamics related to non-financial receivables and payables already commented on above.

The cash flow absorbed by investment activities amounted to Euro 44,063 thousand, mainly due to:

- investments in tangible and intangible assets for a total of Euro 68,518 thousand, up by Euro 33,472 thousand compared to 2022;
- contributions collected for investments made and to be made for Euro 24,121 thousand, down by Euro 2,594 thousand compared to 2022;
- disposals of tangible assets and equity investments in the amount of Euro 334 thousand.

The cash flow generated by financial assets in 2023 equal to Euro 16,089 thousand, mainly as a result of the combined effect of:

- the repayment of the second instalment of the bond loan, in the amount of Euro 31,667 thousand;
- the taking out of new medium/long-term loans for Euro 27,136 thousand and short-term loans for Euro 48,000 thousand;
- the repayment of medium/long-term loans for Euro 1,015 thousand and short-term loans for Euro 20,982 thousand;
- the positive change in liabilities for leased assets for Euro 1,750 thousand;
- the payment of interest expense in the amount of Euro 3,640 thousand;

Management of the financial risk

The TPER Group's objective is to maintain a balanced management of its financial exposure over time, designed to ensure a liability structure that is balanced with the composition of assets and able to ensure the necessary operational flexibility by using liquidity generated from current operating activities and bank loans.

The ability to generate liquidity from ordinary operations, combined with the debt capacity, enable the Group to adequately satisfy its operating needs, financing of operating working capital and investment requirements, as well as respect for its financial commitments.

The Group, in the ordinary performance of its operating and financial activities, is exposed to:

- liquidity risk, attributable to the availability of adequate financial resources to meet short-term commitments, as well as related to the risk of downgrading of creditworthiness with consequent limitation of the possibility of securing medium-long term resources to meet one's own investment operational needs, as well as to meet the financial liabilities assumed;
- the risk of breach of financial covenants under the existing loan and bond facilities that could trigger early redemption clauses;
- to market risk, mainly attributable: (i) the changes in the interest rates related to financial liabilities assumed and financial assets provided; (ii) to fluctuations in commodity prices;
- credit risk, connected both to normal commercial relations, and to the possibility that a financial counterparty with which liquidity investments have been made may not be able to honour all or part of its commitment.

Liquidity risk

The liquidity risk represents the possibility that the available financial resources may be insufficient to cover the operational needs and the maturing financial debt. This risk is also attributable to the potential reduction in the credit rating, which allows the Group to access credit capital at favourable conditions and to secure medium/long-term resources to meet its investment needs.

Credit ratings may be decreased as a result of events that materially affect the Group's financial position or involve a significant change in its risk profile, as well as a change in the methodologies used to assess creditworthiness. Consequently, the Group's financing conditions could become more onerous and its access to financial markets more complex.

In addition to the dynamics of credit ratings, the main factors that contribute to the Group's liquidity risk are, on the one hand, the generation/absorption of financial resources by operating and investment activities, and on the other, the maturities of financial payables and use of liquidity.

To mitigate these risks, the Group monitors the financial ratios that contribute to the determination of the rating and maintains a regular dialogue with the credit institutions, monitoring any changes to the methodologies used that could generate an impact on the credit score attributed to the Group.

In addition, the strategy adopted by the Group for the management of liquidity risk focuses on optimising its ability to generate cash flows, and on diversifying sources of funding to cover its requirements for the management of the year and for investments as well as on the continuous monitoring of expected cash flows to respect the expiry of the commitments assumed.

The following table provides details on the remaining expiries of liabilities based on the non-discounted cash flows. For the bond issue and the bank loans the amounts include both the flows relating to the reimbursement of the capital portion, and the flows relating to interest. In the event in which the flows relating to interest are at a variable rate, their non-discounted value is estimated by applying, for subsequent expiries, the latest variable rate applied in 2023.

For financial liabilities for leased assets, the flows are determined on the basis of contractual fees and, in the event in which these are subject to indexing, their non-discounted value is estimated by applying, for subsequent expiries, the latest variable rate applied in 2023.

		Contractual flows				
In thousands of Euro	**Financial statement value**	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**After 5 years**	**TOTAL**
As at 31 December 2023						
Bond loans	31,779	32,253	-	-	-	**32,253**
Medium/long-term loans	26,167	3,372	4,161	19,975	4,405	**31,913**
Short-term loans	27,018	27,018	-	-	-	**27,018**
Liabilities for leased assets	9,641	3,314	3,101	4,120	-	**10,535**
Trade liabilities	60,114	58,872	994	248	-	**60,114**
As at 31 December 2022						
Bond loans	63,482	32,838	32,253	-	-	**65,091**
Loans	46	23	27	-	-	**50**
Liabilities for leased assets	7,890	3,599	2,277	2,279	15	**8,170**
Trade liabilities	68,262	66,706	872	684	-	**68,262**

The TPER Group believes it has the ability to fulfil its payment obligations through the generation of cash flows from operating activities and, subordinately, through the use of stocks of cash and/or financial instruments in the portfolio that can be converted to cash.

Risk of default and non-compliance with covenants

The Group is exposed to the risk associated with non-compliance with a minimum threshold contractually defined in some financial covenants that could expose it to the risk of early redemption of the instruments in question.

The loan agreements, as with the bond, in line with international practice for similar transactions, generally give the lender/bond-holder the right to request the reimbursement of its receivable by arranging for the early termination of the relationship with the debtor in all cases where the latter is declared insolvent and/or subject to bankruptcy proceedings, or has initiated a liquidation procedure or another procedure with similar effects.

Specifically, certain existing loan facilities provide for the obligation to maintain, for the entire duration of the debt:

- a ratio of consolidated net financial position to consolidated shareholders' equity not exceeding 1;
- a ratio of consolidated net financial position to consolidated EBITDA not exceeding 3.5.

Non-compliance with the clauses described above constitutes a breach of the contractual obligations and the Group may be required to pay the residual debt.

The aforementioned covenants and the relative calculations are periodically monitored, also using prospective data, and in the case of exposure to early repayments, a dialogue is initiated with the lenders aimed at remedying them. It should be noted that as at 31 December 2023 there are no indications that the aforementioned covenants have not been complied with.

Interest rate risk

The interest rate risk is linked to the uncertainty caused by the trend in interest rates and can generally present a double manifestation:

- cash flow risk: this is connected to financial assets or liabilities with flows indexed to a market interest rate;
- fair value risk: it represents the risk of loss deriving from an unexpected change in the value of a financial asset or liability following an unfavourable change in the market rate curve.

The Group's approach to managing interest rate risk, which takes account of the structure of assets and the stability of the cash flows, aims to preserve funding costs and stabilise cash flows, in such a way as to safeguard margins and ensure the certainty of cash flows deriving from ordinary activities. The approach to managing interest rate risk is, therefore, prudent and provides for the analysis and control of the position, carried out periodically based on specific requirements.

The following table shows the variable and fixed rate loans payable, with an indication of the related contractual cash flows due according to the residual duration of the loans compared with those relating to 2022.

In thousands of Euro	31/12/2023	Contractual cash flows	Current portion	Between 1 and 2 years	Between 2 and 5 years	After 5 years
Variable rate	53,185	58,931	30,390	4,161	19,975	4,405
Fixed rate	31,779	32,253	32,253	0	0	0
TOTAL	**84,964**	**91,184**	**62,643**	**4,161**	**19,975**	**4,405**

In thousands of Euro	31/12/2022	Contractual cash flows	Current portion	Between 1 and 2 years	Between 2 and 5 years	After 5 years
Variable rate	46	50	23	27	-	-
Fixed rate	63,482	65,091	32,838	32,253	-	-
TOTAL	**63,528**	**65,141**	**32,861**	**32,280**	**-**	**-**

Commodity price risk

The TPER Group is exposed to the price risk of energy commodities, i.e. electricity and oil products, since procurement is impacted by fluctuations in the prices of these commodities.

In 2023, as is well known, there was a reduction in fuel and electricity costs following the sharp increases in 2022, which were further exacerbated by heightened geopolitical tensions.

In this context, the Group constantly monitored the situation, verifying the potential impacts on planning and in any case committing itself to maintaining its commitments in terms of investments and attention to the quality of the services provided.

At present, the Group is analysing the effects of the continuing volatility of commodity prices in order to implement any appropriate hedging strategies or to carry out manoeuvres that allow the maintenance of equilibrium conditions in the provision of its services, including any contracts that regulate them.

In order to diversify the risk involved, the Group has also long since embarked on an energy mix path, which allows it to use different power sources to operate its services. This diversification significantly reduces the Group's exposure to change in the prices of a single commodity.

Credit risk

Credit risk represents the exposure to potential losses resulting from the failure of commercial and/or financial counterparties to meet their obligations.

This risk can derive both from strictly technical-commercial or administrative-legal factors (disputes on the nature/quantity of the service, on the interpretation of contractual clauses; on supporting invoices, etc.), and from typically financial factors, i.e. the “credit standing” of the counterparty, if in contracts and financial instruments entered into, the debtor is not able to honour all or part of its obligations towards the Group.

The Group’s counterparties are primarily composed of:

- companies belonging to associates or joint ventures;
- public bodies such as the Municipality of Bologna, the Municipality of Ferrara, the Emilia-Romagna Region and their subsidiaries;
- financial counterparties in relation to deposits with banks.

As regards users of LPT services, the Group operates by providing public services and the revenues deriving from the tariffs applied are essentially collected with the provision of the service.

The credit risk on liquidity and on financial instruments in the portfolio is limited given that the Group only operates with counterparties with a high credit rating.

Credit positions are subject to individual write-downs, if individually significant, for which there is an objective condition of partial or total non-collectability. The amount of the write-down takes into account an estimate of the recoverable flows and the related collection date, future recovery charges and expenses, as well as the value of any guarantees. For receivables that are not subject to an analytical write-down, provisions are allocated on a collective basis taking into account historical experience and the statistical data available.

The table below shows the exposure to credit risk, gross of the write-downs made, of the Group as at 31 December 2023 and as at 31 December 2022.

THOUSANDS OF EUROS			past due				
	Receivables 31/12/2023	not past due	0-30	31-60	61-90	91-180	over 180
Trade assets	69.601	55.229	2.676	757	2.221	1.811	6.907
Financial assets	51.704	50.955	-	-	-	-	749
Other assets	23.233	19.452	-	-	-	1	3.781
Provision for doubtful debts	(13.298)	(5.694)	(108)	(159)	(172)	(385)	(6.779)
Total	**131.240**	**119.941**	**2.567**	**598**	**2.049**	**1.427**	**4.658**

			Past due				
In thousands of Euro	**Receivables 31/12/2022**	**Not past due**	**0-30**	**31-60**	**61-90**	**91-180**	**over 180**
Trade assets	69,687	61,404	531	1,986	386	370	5,010
Financial assets	44,060	44,060	-	-	-	-	-
Other assets	29,054	24,378	-	-	-	-	4,676
Provision for doubtful debts	(12,248)	(3,251)	(32)	(323)	(178)	(147)	(8,317)
TOTAL	**130,553**	**126,591**	**499**	**1,663**	**208**	**223**	**1,369**

Additional disclosures on financial instruments

The details of financial assets and liabilities required by IFRS 7, subdivided into the categories defined by IFRS 9, are shown below.

			Amortised cost		Fair value recognised in the income statement		Total	
In thousands of Euro	**Notes**	**Fair value level**	**31/12/2023**	**31/12/2022**	**31/12/2023**	**31/12/2022**	**31/12/2023**	**31/12/2022**
Non-current assets								
Equity investments in other companies	4	3	-	-	3,343	3,343	**3,343**	**3,343**

Financial assets	5	38,283	35,290	-	-	**38,283**	**35,290**
Current assets							
Trade receivables	7	64,270	64,016	-	-	**64,270**	**64,016**
Financial assets	5	11,415	6,908	-	-	**11,415**	**6,908**
Other assets	10	18,489	24,339	-	-	**18,489**	**24,339**
Non-current liabilities							
Bond loans	14	0	31,429	-	-	**0**	**31,429**
Medium/long-term loans	14	24,232	25	-	-	**24,232**	**25**
Other non-current financial liabilities	14	392	1,459	-	-	**392**	**1,459**
Long-term liabilities for leased assets	3	5,893	4,572	-	-	**5,893**	**4,572**
Trade liabilities	12	1,242	1,556	-	-	**1,242**	**1,556**
Other liabilities	15	17,811	23,469	-	-	**17,811**	**23,469**
Current liabilities							
Trade liabilities	12	58,872	66,706	-	-	**58,872**	**66,706**
Current portion of bond loans	14	31,779	32,053	-	-	**31,779**	**32,053**
Current portion of medium/long-term loans	14	1,935	21	-	-	**1,935**	**21**
Short-term loans	14	27,018	0	-	– -	**27,018**	**0**
Liabilities for leased assets - short-term portion	3	3,747	3,318	-	-	**3,747**	**3,318**
Other liabilities	15	58,251	54,313	-	-	**58,251**	**54,313**

Determination of the fair value

The fair value of the financial assets and liabilities is determined in line with IFRS 13, which requires these values to be classified based on a hierarchy of levels, which reflects the characteristics of the inputs used to in its determination:

- level 1: valuations performed on the basis of quoted prices in active markets for financial assets and liabilities identical to those subject to valuation
- level 2: valuations performed on the basis of inputs other than quoted prices pursuant to level 1, which for the financial asset or liability are directly (prices) or indirectly (price derivatives) observable
- level 3: valuations that take as a reference parameters not observable on the market.

Taking the aforementioned classification as a reference, procedures were implemented to measure the fair value of the assets and liabilities as at 31 December 2023 and 31 December 2022, with reference to the observable market parameters and, in particular:

- the fair value of the financial assets and liabilities with standard conditions and terms, quoted on an active market, measured with reference to prices published in said market by leading market contributors
- the fair value of other financial assets and liabilities is measured, where the conditions are met, by applying the discounted cash flow method, using the prices recorded for recent market transactions by leading market contributors for similar instruments as the reference balances.

The table below shows the financial assets and liabilities measured at fair value:

		Fair value as at the reporting date		
In thousands of Euro	**31/12/2023**	**Level 1**	**Level 2**	**Level 3**

Equity investments	3,343	-	-	3,343

In accordance with the provisions of IFRS 13, the fair value of the financial liabilities as at 31 December 2023.

In thousands of Euro	31/12/2023 Financial statement value	31/12/2023 Fair Value
Bond loans	31,779	31,217
Liabilities for leased assets	9,640	9,402
Medium/long-term loans	26,167	26,583
Short-term loans	27,018	27,018

During the year, there were no transfers between the different levels of the fair value hierarchy.

For medium/long-term financial instruments where no market shares are available, the fair value was determined by discounting the expected cash flows, using the market interest rate curve as at the reference date and considering its own credit risk.

Guarantees

In thousands of Euro	31/12/2023	31/12/2022	Change
Guarantees given to third parties			
Guarantees	12,446	11,670	776
Risks			
Third-party assets at the company	3,656	4,518	(862)
SRM rented assets at the company	29,032	26,277	2,755
SRM assets at the company	19	19	-
Total	**45,153**	**42,485**	**2,668**

The sureties granted to third parties mainly refer to the guarantees provided by the Parent Company TPER, on behalf of TPB S.c.r.l. and TPF S.c.r.l., to the respective mobility agencies for obligations assumed in relation to service contracts for local public transport in the Bologna and Ferrara areas.

The item "Third party assets held by the company" refers to the first stock of railway spare parts supplied by MA.FER customers.

The item “SRM leased assets” corresponds to the net carrying amount of the assets included in the scope of the business unit held by virtue of the lease contract and owned by the SRM mobility agency used as part of the local public transport service in the Bologna area.

In addition to the guarantees summarised above, it should be noted that the Parent Company TPER had received, as at the closing date of the financial year, Euro 29 million of guarantees from third parties to cover the purchases of goods (mainly rolling stock) and services. The most significant items of guarantees from third parties consisted of surety bonds for the construction of the Bologna - San Lazzaro guided public transport system (TPGV) (Euro 10 million), for the purchase of new buses (Euro 3.8 million), new trains (Euro 4.2 million) and for new hydrogen distribution systems (Euro 1.6 million).

Transactions with related parties

The following tables show the relevant economic and financial balances of a commercial and financial nature, deriving from Group transactions with related parties.

In thousands of Euro		Sales to related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
SUBSIDIARIES					
	2022	3,508	9,970	3,216	5,343
Omnibus S.c.r.l.	2023	815	9,892	293	2,327
	2022	19,686	589	2,386	160
TPF S.c.r.l.	2023	18,877	568	4,133	149
	2022	75,327	70	18,854	55
TPB S.c.r.l.	2023	77,900	75	15,285	75
	2022	2,970	7	5,770	54
MA.FER S.r.l.	2023	3,113	272	6,962	118
	2022	1,890	6	590	63
DINAZZANO PO S.p.A.	2023	2,249	6	1,169	6
	2022	3	11	-	11
HERM S.r.l.	2023	-	3	-	-
	2022	467	2,611	282	541
SST S.r.l.	2023	489	2,511	336	652
	2022				
TPH2 S.c.a.r.l.	2023	9	27	411	116
	2022	103,851	13,264	31,097	6,227
TOTAL SUBSIDIARIES	2023	103,453	'13,354	28,589	3,443
ASSOCIATES					
	2022	730	353	839	774
SETA S.p.A.	2023	1,131	492	635	441
	2022	142	2	150	109
CONSORZIO TRASPORTI INTEGRATI	2023	-	-	-	-
	2022	22,199	0	6,971	4,764
TRENITALIA TPER S.c.a.r.l.	2023	23,107	-	2,452	3,888
	2022	6,008	154	14,534	785
MARCONI EXPRESS S.p.A.	2023	6,280	-	14,035	1,010
	2022	29,079	509	22,495	6,431
TOTAL ASSOCIATES	2023	30,518	492	17,122	5,339
OWNER ENTITIES					
	2022	371	-	1,539	1,719
Emilia-Romagna Region	2023	354	-	1,077	1,670
	2022	932	992	3,237	761
Municipality of Bologna	2023	956	1,108	6,276	762
	2022	50	-	50	471
Metropolitan city of Bologna	2023	52	1	57	471
	2022	-	-	-	296
Azienda Consorziale Trasporti ACT Reggio Emilia	2023	-	-	-	220
	2022	-	-	-	25
Province of Ferrara	2023	-	-	-	-
	2022	40	-	25	16
Municipality of Ferrara	2023	46	0	3,668	-
Province of Parma	2022	-	-	-	1

	2023	-	-	-	-
	2022	-	-	-	1
Ravenna Holding	2023	-	-	-	-
	2022	1,393	992	4,850	3,290
TOTAL OWNER ENTITIES	2023	1,408	1,109	11,078	3,122
	2022	134,323	14,764	58,442	15,949
TOTAL	2023	135,379	14,955	56,788	11,904

In thousands of Euro		Sales to related parties	Purchases from related parties	Receivables from related parties	
SHAREHOLDERS					
	2022	129	2,666	64	298
FERRARA MOBILITA' SCARL - "FEM"	2023	133	2,583	4	218
	2022	3	2,695	3	515
AUTOGUIDOVIE SPA	2023	4	2,875	4	218
	2022	1,283	249	1,419	-48
MERCITALIA RAIL SRL	2023	5,047	-	1,908	-5
	2022	1,876	11	683	4
PORTO INTERMODALE RAVENNA S.P.A - SAPIR	2023	3,098	4	' 1,616	3
	2022	-	-	-	-
AUTORITA' DI SISTEMA PORTUALE DEL MARE ADRIATICO CONTRO	2023	-	-	'-	-
	2022	1	-	1	-
NUOVA MOBILITA' SCARL	2023	-	-	-	-
	2022	-	4,312	4	1,165
CO.E.R.BUS Soc. coopertiva	2023	6	4,106	6	362
	2022	737	12,352	189	3,053
S.A.C.A. Coop a r.l.	2022	838	14,876	125	1,281
	2022	-	8,490	63	1,993
COSEPURI, joint-stock cooperative	2023	6	7,909	41	-
	2022	-	-	-	-
HGENERATION S.R.L	2023	26	3,079	65	78
	2022	4,029	30,775	2,425	6,980
TOTAL	2023	9,131	32,354	3,703	2,087

Transactions with related parties do not include atypical or unusual transactions and are settled on an equivalent basis to those prevailing in transactions with independent parties. There were no non-recurring events and/or transactions in 2023.

No guarantees have been provided for receivables and payables with related parties. In the financial year ended as at 31 December 2023, the TPER Group did not record any impairment loss of receivables contracted with related parties. This assessment is carried out annually, at each balance sheet date, taking into consideration the financial position of the related party and the market in which the related party operates.

Compensation to directors and statutory auditors and independent auditors

The information concerning the remuneration of the directors, statutory auditors and the independent auditors of the TPER Group is presented below.

IN THOUSANDS OF EURO	31/12/2023	31/12/2022	Change
Directors' fees	383	375	8
Statutory auditors' fees	144	139	5
Independent auditors' fees	147	103	44
TOTAL	**674**	**616**	**58**

It should be noted that the fee for the audit of the consolidated accounts is included in the amount envisaged for the audit of the Parent Company TPER.

Operating sectors

Following the evolution recorded in the Group's activities, the following operating segments were identified in order to better assess the activity performance taking into account the business and the organisational structure of the business areas:

- Local public transport: includes all activities relating to passenger transport services in the catchment areas served by the company, also with innovative methods (car-sharing with electric cars) and as a service for other operators in the local public transport of persons (shuttle service for Bologna airport-city and Emilia-Romagna regional train service);
- Freight transport: refers to the group's activities in the transport of goods by rail, as well as to the management activities of the Dinazzano and Guastalla freight terminals;
- Railway maintenance: includes maintenance services on railway vehicles;

In line with the provisions of IFRS 8, a summary of the identified sectors' main economic and financial performance data and indicators is shown in the following tables.

	2023				
Millions of euros	LOCAL PUBLIC TRANSPORT	TRANSPORT OF GOODS	RAILWAY MAINTENANCE	NON-ALLOCATED ITEMS	CONSOLIDATED TOTAL
REVENUE	249.9	24.6	19.5	-	**294.0**
EBITDA	28.7	8.6	(1.0)	-	**36.3**
Depreciation and amortisation, write-downs, write-backs and allocations	(23.3)	(7.7)	0.1	-	**(30.9)**
EBIT	5.4	0.9	(0.9)	-	**5.3**
Profit/(Loss) of equity investments measured using the equity method				7.2	**7.2**
Financial income/(charges)				(3.6)	**(3.6)**
Profit before taxes from operating activities					**8.9**
Tax income/(charges)				(0.4)	**(0.4)**
Profit/(loss) for the year					**8.5**

Operating cash flow	34.1	2.7	1.2	-	**38.1**
Operating investments	(68.6)	(0.3)	(0.2)	-	**(69.2)**

Millions of euros	2022				
	LOCAL PUBLIC TRANSPORT	TRANSPORT OF GOODS	RAILWAY MAINTENANCE	NON-ALLOCATED ITEMS	CONSOLIDATED TOTAL
REVENUE	244.4	22.5	23.5	-	**290.4**
EBITDA	24.0	6.2	3.1	-	**33.3**
Depreciation and amortisation, write-downs, write-backs and allocations	(26.2)	(3.2)	(1.1)	-	**(30.6)**
EBIT	(2.2)	3.0	1.9	-	**2.7**
Profit/(Loss) of equity investments measured using the equity method				(0.4)	**(0.4)**
Financial income/(charges)				(0.8)	**(0.8)**
Profit before taxes from operating activities					**1.5**
Tax income/(charges)				0.1	**0.1**
Profit/(loss) for the year					**1.6**
Operating cash flow	53.3	(1.1)	(1.5)	-	**50.7**
Operating investments	(31.3)	(3.6)	(0.2)	-	**(35.0)**

Orders for investments

Orders for investments in place as at the date of year-end are reported below:

In thousands of Euro	31/12/2023	31/12/2022	Change
Asset orders in place			
Tangible assets	101,405	55,858	45,547
Intangible assets	101	88	13
TOTAL	**101,506**	**55,946**	**45,560**

The increase in 2023 over 2022 relates largely to the higher orders in place for rolling stock.

Grants, contributions, paid offices and economic benefits Italian Law no. 124/2017

Pursuant to Article 1, paragraph 125, of Italian Law no. 124 of 4 August 2017, in accordance with the obligation of transparency, it should be noted that in 2023 the following grants and/or contributions were received from public administrations:

Issuing entity	Description	Amount received Euro
Emilia-Romagna Region	Grant for the purchase of buses - POR-FESR provisions 201/2020 action 4.6.2	388,741
Ministry of Infrastructure and Transport	Grant for the realisation of the Guided Public Transport System Bologna City Centre - San Lazzaro (BO) (TPGV) - Italian Law no. 211/92	709,893
Municipality of San Lazzaro	Grant for the implementation of the Guided Public Transport System Bologna City Centre - San Lazzaro (BO) (TPGV)	3,214

SRM Bologna	20% advance payment on grant for the purchase of buses - MATTM funds in the Bologna area	21,652
Municipality of Bologna	balance of grant for the purchase of buses - REACT EU resources (agreement prot. 6697/2022)	16,185,143
Municipality of Ferrara	10% advance payment on grant for the purchase of buses - NRRP resources	550,000
Municipality of Ferrara	10% advance payment on grant for the construction of LPT infrastructures for NRRP resources	15,578
SRM Bologna	20% advance payment on grant for the purchase of buses - resources 1 five-year period 2019-2023 PSNMS RER Bologna area	2,388,971
SRM Bologna	20% advance payment on grant for the construction of LPT infrastructures - resources 1 five-year period 2019-2023 PSNMS RER Bologna area	536,000
Metropolitan City of Bologna	14% advance payment on grant for the purchase of buses - resources 1 five-year period 2019-2023 PSNMS 100K Bologna area	74,723
SRM Bologna	20% advance payment on grant for the purchase of NRRP buses	2.04'.993
AMI Ferrara	20% advance payment on grant for the purchase of NRRP buses	' 474,110
Municipality of Bologna	grant for Car Sharing activities	277,294
AMI Ferrara	Grant to the higher costs for the NCLA pursuant to Italian Laws nos. 47/04, 58/05, 296/06	2,486,085
SRM Bologna	Grant to the higher costs for the NCLA pursuant to Italian Laws nos. 47/04, 58/05, 296/06	9,701,413
Revenue Agency	Tax credit in favour of companies for the purchase of electricity and natural gas (Decree Law 21/2022 and subsequent extensions)	4,325,624
Revenue Agency	Tax credit for investments in capital goods art. 1, paragraph 1054-1058, Law 178/2020	1,426,931
Ministry of Labour	Contribution to sick pay Italian Law no. 266/2005	-
Customs Agency	Excise duties on transport diesel	579,314
Mobility agencies	COVID-19 public relief for loss of revenues	-
Mobility agencies	Fuel relief pursuant to Article 9 of Italian Decree Law 115/2022	2,407,028
Revenue Agency	Art-Bonus (Decree Law 83/2014)	64,350
Ministry of Transport	COVID 19 grant Interministerial Decree MIT-MEF no. 472/2020	137,231
Ministry of Transport	Ferrobus freight regulation grant - MIT-MEF Interministerial Decree no. 566/2020	388,895
TOTAL		**46,212,182**

Financial Statements as at 31 December 2023

Statement of Financial Position

Amounts in Euro	Notes	31/12/2023	31/12/2022
ASSETS			
Non-current assets			
Tangible assets	1	**177,451,753**	**166,705,572**
Rolling stock		*163,318,074*	*158,700,392*
Infrastructure		*9,951,592*	*3,646,210*
Real estate		*3,186,959*	*3,094,219*
Other tangible assets		*995,128*	*1,264,751*
Intangible assets	2	**458,680**	**394,495**
Assets for rights of use	3	**5,403,496**	**2,297,418**
Equity investments	4	**53,949,106**	**57,428,706**
Non-current financial assets	5	**38,283,358**	**35,296,367**
Total non-current assets		**275,546,393**	**262,122,558**
Current assets			
Trade assets	6	**67,418,302**	**65,989,993**
Inventories		12,893,780	13,449,536
Trade receivables		54,524,522	52,540,457
Cash and cash equivalents	7	**60,032,445**	**48,954,480**
Financial assets	5	**11,283,623**	**8,178,851**
Financial assets for contributions		10,883,623	5,892,951
Current financial assets		400,000	2,285,900
Assets for income taxes	8	**610,418**	**1,990,404**
Other current assets	9	**16,053,888**	**21,424,101**
Total current assets		**155,398,676**	**146,537,829**
TOTAL ASSETS		**430,945,069**	**408,660,387**

Amounts in Euro	Notes	31/12/2023	31/12/2022
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Capital issued		68,492,702	68,492,702
Treasury shares		(188,536)	(188,536)
Reserves and profits carried forward		90,895,074	89,404,619
Profit/(loss) for the year		3,294,825	1,686,971
Total shareholders' equity	10	**162,494,065**	**159,395,756**
Non-current liabilities			
Trade liabilities	11	**1,242,225**	**1,555,835**
Funds for provisions	12	**44,207,729**	**42,136,913**
Provisions for employee benefits		10,330,020	11,601,377
Other provisions		33,877,709	30,535,536
Deferred tax liabilities	13	**92,313**	**207,029**
Non-current financial liabilities	14	**24,576,279**	**32,681,563**
Bond loans		0	31,428,559
Medium/long-term loans		24,210,595	0
Other non-current financial liabilities		365,684	1,253,004
Liabilities for leased assets	3	**4,147,733**	**836,830**
Other non-current liabilities	15	**17,848,877**	**23,468,963**
Total non-current liabilities		**92,115,156**	**100,887,133**
Current liabilities			
Trade liabilities	11	**49,604,306**	**58,039,427**
Current portion of funds for provisions	12	**7,927,396**	**7,109,829**
Provisions for employee benefits		833,356	1,071,629
Other provisions		7,094,040	6,038,200
Current financial liabilities	14	**60,728,487**	**32,053,295**
Current portion of bond loans		31,779,085	32,053,295
Current portion of medium/long-term loans		1,931,255	0
Short-term loans		27,018,147	0
Current portion of liabilities for leased assets	3	**1,414,427**	**1,592,838**
Liabilities for income taxes	8	**811,717**	**0**
Other current liabilities	15	**55,849,515**	**49,582,110**
Total current liabilities		**176,335,848**	**148,377,499**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**430,945,069**	**408,660,387**

Income Statement

Amounts in Euro	Notes	2023	2022
Revenue			
LPT line services	16	180,241,590	159,386,226
Railway line services	17	6,665,775	8,138,647
Parking and Sharing Mobility	18	2,256,070	327,623
Other revenues	19	38,718,569	51,524,930
Total revenues		**227,882,004**	**219,377,426**
Costs			
Personnel costs	20	94,308,382	93,986,904
Costs for services	21	58,608,042	55,938,829
Costs for materials	22	35,544,736	41,604,264
Use of third-party assets	23	2,418,801	1,094,638
Other operating costs	24	3,736,294	4,186,016
Amortisation/depreciation		16,421,943	16,920,670
Depreciation of tangible assets	1	14,685,438	14,986,210
Amortisation of intangible assets	2	265,250	333,591
Amortisation of rights of use	3	1,471,255	1,600,869
Write-downs/(reversals) of impairment losses		3,989,286	2,893,900
Write-downs/(reversals) of the value of financial assets	5-6-9	461,286	544,900
Write-downs/(reversals) of the value of non-financial assets	1- 4	3,528,000	2,349,000
Change in funds for provisions	25	5,600,740	1,824,038
Total costs		**220,628,224**	**218,449,259**
OPERATING RESULT		**7,253,780**	**928,167**
Financial income		3,892,180	2,577,196
Dividends		*66,300*	*81,600*
Other financial income		*3,825,880*	*2,495,596*
Financial charges		7,295,666	2,278,351
Charges on bond loans		*1,135,564*	*1,797,952*
Charges on loans		*2,472,009*	*25,555*
Other financial charges		*3,688,093*	*454,844*
FINANCIAL INCOME/(CHARGES)	26	**(3,403,486)**	**298,845**
PROFIT FROM OPERATING ACTIVITIES BEFORE TAXES		**3,850,294**	**1,227,012**
Tax charges	27	555,469	(459,959)
Current income taxes		*608,127*	*(555,533)*
Deferred taxes		*(52,658)*	*95,574*
PROFIT/(LOSS) FOR THE YEAR		**3,294,825**	**1,686,971**

COMPREHENSIVE INCOME STATEMENT

Amounts in Euro			2023	2022
Profit/(Loss) for the year	**(a)**		**3,294,825**	**1,686,971**
Other components of the comprehensive income statement for the year that can be reclassified to the income statement	**(b)**		**-**	**-**
Profit/(loss) from actuarial valuation of provisions for employee benefits		12	(258,573)	2,053,190
Tax effects		13	62,057	(111,455)
Other components of the comprehensive income statement for the year that cannot be reclassified to the income statement	**(c)**		**(196,516)**	**1,941,735**
Total other components of comprehensive income	**(d=b+c)**		**(196,516)**	**1,941,735**
COMPREHENSIVE ECONOMIC RESULT FOR THE YEAR			**3,098,309**	**3,628,706**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Notes	Share capital	Reserves									Shareholders' equity
			Valuation reserves	Other reserves								
			Reserve for actuarial valuations for employee benefits	Treasury shares	Legal reserve	Share premium reserve	Capital contributions reserve	Accumulated merger surplus reserve	Other reserves	Profit/(loss) carried forward	Result for the year	
Balance as at 01/01/2022		**68,492,702**	**(1,588,793)**	**(188,536)**	**5,168,884**	**272,058**	**32,716,499**	**1,515,984**	**20,608,612**	**26,150,631**	**5,119,009**	**158,267,050**
Comprehensive income statement result for the year			1,941,735								1,686,971	**3,628,706**
Transactions with shareholders and other changes												
Allocation of the result for the year					255,950				2,363,059		(2,619,009)	**0**
Distribution of dividends											(2,500,000)	**(2,500,000)**
Balance as at 31/12/2022		**68,492,702**	**352,942**	**(188,536)**	**5,424,834**	**272,058**	**32,716,499**	**1,515,984**	**22,971,671**	**26,150,631**	**1,686,971**	**159,395,756**
Comprehensive income statement result for the year			(196,516)								3,294,825	**3,098,309**
Transactions with shareholders and other changes												
Allocation of the result for the year					84,349				1,602,622		(1,686,971)	**-**
Distribution of dividends												
Balance as at 31/12/2023	10	**68,492,702**	**156,426**	**(188,536)**	**5,509,183**	**272,058**	**32,716,499**	**1,515,984**	**24,574,293**	**26,150,631**	**3,294,825**	**162,494,065**

CASH FLOW STATEMENT

Amounts in euros	Notes	2023	2022
Profit/(loss) for the year		**3,294,825**	**1,686,971**
Adjusted by:			
Amortisation/depreciation	1-2-3	16,421,943	16,920,670
Change in funds for provisions	25	5,600,740	5,875,674
Write-downs/(revaluations) of financial assets	5-6-9	461,286	544,900
Write-downs/(revaluations) of non-financial assets	1	3,528,000	2,349,000
Losses/(gains) from disposal of non-current assets		(98,470)	45,491
Financial income/(charges)	26	3,403,486	528,816
Net change in deferred taxation	13	(114,716)	207,029
Change in working capital and other changes		3,897,313	19,876,806
Net cash flow provided by/(used in) operating activities		**36,394,407**	**48,035,357**
Investments in tangible assets	1	(63,984,740)	(29,703,805)
Investments in intangible assets	2-3	(4,906,768)	(1,694,186)
Equity investments		(12,750)	0
Investments gross of contributions		**(68,904,258)**	**(31,397,991)**
Contributions to tangible assets	1	24,120,694	26,714,949
Contributions to intangible assets		0	0
Grants		**24,120,694**	**26,714,949**
Disposals of tangible assets	1	257,773	139,509
Disposals of equity investments		2,600	0
Disposals		**260,373**	**139,509**
Net cash flow provided by/(used in) investing activities		**(44,523,191)**	**(4,543,533)**
Issue/(repayment) of bond loans	14	(31,666,666)	(31,666,666)
Taking out of medium/long-term loans		27,136,000	-
(Repayment) of medium/long-term loans		(994,150)	-
Taking out of short-term loans		48,000,000	-
(Repayment) of short-term loans		(20,985,957)	-
Change in financial liabilities for leased assets	3	3,132,492	(647,003)
Change in financial assets	5	(492,193)	475,214
Change in financial liabilities	14	(887,320)	905,798
Financial income		993,329	102,088
Interest expense		(3,639,572)	(2,124,164)
Other financial charges		(1,455,514)	(113,735)
Dividends received	26	66,300	81,600
Net cash flow provided by/(used in) financial assets		**19,206,749**	**(32,986,868)**
NET CASH FLOW FOR THE PERIOD		**11,077,965**	**10,504,956**
Cash and cash equivalents at the start of the year		48,954,480	38,449,524
Cash and cash equivalents at the end of the year		60,032,445	48,954,480

EXPLANATORY NOTES

General information

TPER S.p.A. (hereinafter TPER or Company) is a joint stock company established in 2012 with registered office in Bologna, in Via di Saliceto, 3. The company term is fixed to 31 December 2050.

TPER is an integrated mobility company with core business in local automotive and railway public transport (hereinafter also "LPT"). For more details please refer to the Report on Operations.

At the date of preparation of these financial statements, no shareholder holds control: the Emilia-Romagna Region is the relative majority shareholder of TPER (46.13%). The other shareholders are the Municipality of Bologna (30.11%), the Metropolitan City of Bologna, (18.79%), the Azienda Consorziale Trasporti ACT of Reggio Emilia (3.06%), the Province of Ferrara (1.01%), the Municipality of Ferrara (0.65%), Ravenna Holding S.p.A. (0.04%) and the Province of Parma (0.04%). Furthermore, TPER owns 111,480 treasury shares (0.16%).

The present financial statements as at 31 December 2023 were approved by the Board of Directors of TPER at the meeting of 27 May 2024, considering that the Board of Directors of TPER dated 15 March 2024, as the conditions set forth in Article 2364, paragraph 2 of the Italian Civil Code were satisfied, resolved to defer the ordinary deadline for approval of the Company's financial statements from 120 days to 180 days from the end of the financial year.

These financial statements, drawn up in accordance with IFRS standards, are subject to statutory audit by PWC SpA, which is responsible for the statutory audit until the approval of the financial statements as at 31 December 2026.

It should be noted that the Company, which holds significant controlling interests, also provides for the preparation of the Group's consolidated financial statements, published together with these financial statements.

Structure and content of the interim financial statements

TPER's financial statements for the year ended as at 31 December 2023, drafted on the basis of the going concern assumption, were prepared in accordance with articles 2 and 3 of Italian Legislative Decree no. 38/2005, in compliance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board and approved by the European Commission, which include the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as well as the previous International Accounting Standards (IAS) and previous interpretations of the Standard Interpretations Committee (SIC) still in force. For simplicity, the set of all the standards and interpretations is hereafter defined as the "IFRS".

The financial statements of TPER consist of the financial statements (statement of financial position, income statement, statement of comprehensive income, statement of changes in shareholders' equity and cash flow statement) and of these explanatory notes and are prepared by applying the general cost criteria, with the exception of the balance sheet items that according to IFRS are recognised at fair value, as indicated in the evaluation criteria of the individual items described in note "Accounting standards and valuation criteria applied". The statement of financial position is presented on the basis of the scheme that provides for the distinction between current and non-current assets and liabilities. The income statement and the statement of comprehensive income are presented on the basis of the nature of the costs; in particular, the statement of comprehensive income, starting from the result for the year, shows the effects of gains and losses recognised directly in equity in application of IFRS. The Statement of changes in shareholders' equity represents the changes that took place during the year in the individual items that comprise it while the cash flow statement was prepared using the indirect method.

IFRS are applied consistently with the indications provided in the "Conceptual Framework for Financial Reporting" and there have not been any circumstances that have led to the use of derogations pursuant to IAS 1, Paragraph 19.

The statement of financial position, income statement, statement of comprehensive income, statement of changes in shareholders' equity and cash flow statement are expressed in Euro, while the explanatory notes are expressed in thousands of Euro unless otherwise indicated.

The Euro is the functional currency used to present TPER's financial statements.

For each item of the financial statements, the corresponding value of the previous year is shown for comparative purposes. For the purpose of a more accurate comparison, some values from the previous year have been reclassified. In particular, these reclassifications concerned changes in provisions, which were classified, where possible, by nature in the individual items of the income statement.

On the other hand, it should be noted that the comparative values have not been restated compared to those presented in the financial statements for the year ended 31 December 2022, as no significant events or changes in the accounting principles applied have occurred that have led to the need to make adjustments to the balances of the previous year's items.

Accounting policies and valuation criteria

The most important accounting standards and valuation criteria applied in the preparation of the financial statements for the year ending 31 December 2023 are described below. These standards and criteria are consistent with those used for the preparation of the financial statements for the financial year as at 31 December 2022, with the exception of the amendments introduced with effect from 2023 to the IFRS in force, for details of which please refer to the following paragraphs.

Tangible assets

A tangible asset is recognised if, and only if: (a) it is probable that the future economic benefits associated with the item will flow to the entity; and (b) the cost can be measured reliably.

Tangible assets are recorded at purchase cost, including any directly attributable accessory charges, as well as financial charges incurred in the period of realisation of the assets.

Costs for the improvement, updating and transformation of a tangible asset are recognised as an increase in the initial cost when it is probable that the expected future economic benefits will increase. The replacement costs of identifiable components are recognised as tangible assets and depreciated over their useful life. The remaining carrying amount of the replaced component is recognised in the income statement. All other maintenance and repair costs are charged to the income statement when incurred.

The depreciable amount is the difference between the cost and the residual value at the end of the useful life. The residual value of an asset is the estimated amount that an entity would currently obtain from the divestment of the asset, net of estimated disposal costs, if the asset was already of the age and in the expected condition at the end of its useful life.

Starting from the moment in which the asset is available and ready for use, the amount to be depreciated is systematically depreciated on a straight-line basis over its useful life, defined as the period of time in which the entity is expected to use the asset.

The residual value and useful life of an asset are reviewed at least at each year-end date and, if the expectations differ from the previous estimates, the change is accounted for as a change in an accounting estimate in accordance with IAS 8 Accounting standards, Changes in accounting estimates and errors.

In particular, for the purposes of defining the depreciation plan for buses and trolley buses used by TPER under the Bologna service contract and the Ferrara service contract and allocated for transfer, the depreciable amount is defined on the basis of the difference between the net carrying amount at the beginning of the year and the residual value, which in this specific case is represented by an estimate of the market value that will be recognised at the end of the service contracts by a possibly new contractor. This value is calculated according to the criteria identified by resolution no. 49 of 17 June 2015 of the Transport Regulation Authority and with reference to the UNI 11282/2008 standard and subsequent amendments or additions. The depreciable value is therefore amortised on the basis of the residual duration of the service contract, taking into account, where appropriate, any extensions as well as the residual technical life of the asset.

For all other types of tangible assets, presented by homogeneous categories, the following table shows the annual depreciation rates used in 2023.

Useful life	Years
Land indefinite useful life	indefinite
Buildings	10-39
Rolling stock	10-28
Plant and machinery	5-10
Other assets	4-8

In the presence of specific indicators regarding the risk of non-recovery of the carrying amount of the tangible assets, these are subjected to verification to detect any losses (impairment test), as described later in the specific paragraph.

Tangible assets are no longer shown in the financial statements following their disposal or when no future economic benefit is expected from their use or disposal; any gain or loss (calculated as the difference between the disposal value, net of costs to sell, and the carrying value) is recognised in the income statement for the year of disposal.

Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance, controlled by the company and capable of producing future economic benefits, as well as goodwill, when acquired for consideration.

The ability to identify is defined with reference to the possibility of distinguishing the acquired intangible asset compared to the goodwill. This requirement is normally satisfied when the intangible asset: (i) is attributable to a legal or contractual right or (ii) is separable, i.e. it can be sold, transferred, rented or exchanged independently or as an integral part of other activities. The control by the company consists in the ability to take advantage of the future economic benefits deriving from the asset and in the possibility of limiting its access to others.

Costs relating to internal development activities are recorded in the balance sheet when: (i) the cost attributable to the intangible asset can be reliably determined, (ii) there is the intention with, the availability of financial resources and the technical capacity to make the asset available for use or sale, (iii) it is demonstrable that the asset is capable of producing future economic benefits.

Intangible assets are recorded at cost, which is determined according to the same methods indicated for tangible assets.

Intangible assets with a finite useful life are amortised from the moment in which the same assets are available for use, in relation to the residual useful life.

The annual amortisation rates used in 2023, presented by similar categories, are shown in the following table.

Useful life	Years
Software	3-5

In the presence of specific indicators regarding the risk of non-full recovery of the carrying amount of the intangible assets, these are subject to a review to detect any impairments, as described in the paragraph “Impairment and reversal of impairment of assets”.

Intangible assets are no longer shown in the financial statements following their disposal or when no future economic benefit is expected from their use or disposal.

The gain or loss arising from the derecognition of an intangible asset is determined as the difference between the disposal value, less costs to sell, and the net carrying amount of the asset and is recognised in profit or loss when the asset is derecognised.

Right of use

In the case of a contract that falls within the definition of a lease, a right-of-use asset is recognised at the inception date of the contract equal to the initial value of the corresponding lease liability, plus payments due prior to or concurrently with the contractual inception date (e.g. agency fees). Subsequently, this right of use is measured net of accumulated amortisation/depreciation and impairment and is adjusted for any remeasurement of the correlated liability. Amortisation/depreciation starts on the date the lease takes effect, and extends in the shorter of the contractual duration and the useful life of the underlying asset.

The Company avails itself of the right granted by the principle of non-application of the relative provisions to short-term leases (with a duration not exceeding twelve months) and contracts in which the individual underlying asset is of low value; for these contracts, the Group recognises the lease fees in the income statement as a contra-entry to trade payables.

Business combinations and goodwill

Acquisitions of companies and business units are accounted for through use of the acquisition method, as required by IFRS 3; for this purpose, the acquired assets and identifiable liabilities acquired are recognised at their respective fair value at the date of acquisition. The cost of acquisition is measured by the total of the fair value, at the exchange date, of the assets, the liabilities assumed and any capital instruments issued by the Company, exchanging control of the acquired entity. Ancillary costs directly attributable to the business combination transaction are recognised in the income statement when incurred.

Goodwill is recorded as the positive difference between the acquisition cost, increased by both fair value on the date of acquisition of any non-controlling interests already held in the acquisition, and of the value of minority interests held by third parties in the acquisition (the latter valued, for each transaction, at the fair value or in proportion to the current value of the identifiable net assets of the acquisition), and the fair value of these assets and liabilities.

As at the date of acquisition, the goodwill that emerged was allocated to each of the units generating substantially autonomous financial flows that are expected to benefit from the synergies deriving from the business combination.

In the case of a negative difference between the acquisition cost (increased by the above components) and the fair value of assets and liabilities, this is recorded as income in the income statement of the year of acquisition.

If all the necessary information for determining the fair value of the assets and liabilities acquired is not available, these are provisionally recognised in the financial year in which the business combination transaction is realised and adjusted, with retroactive effect, no later than twelve months after the date of acquisition.

After initial recognition, goodwill is not amortised and is decreased by any accumulated impairment losses, determined using the methods described in the paragraph "Impairment and reversal of impairment of assets (impairment test)".

Service concession arrangements

The agreements for service under concession are recognised in accordance with the interpretation in IFRIC 12, on the basis of which, in the presence of certain characteristics of the concession deed, the infrastructures used for the provision of public services under concession are recorded under intangible assets and/or financial assets depending on whether the concessionaire is entitled to a fee, respectively, from the customer for the service provided and/or has the right to receive it from the granting public body.

Equity investments

Equity investments in subsidiaries, associates and joint ventures are valued at cost, including directly attributable additional charges. The cost is adjusted for any loss in value according to the criteria established by IAS 36, for which reference should be made to the section on "Impairment and reversal of impairment of assets (impairment test)". The value is subsequently reinstated if the conditions that determined the adjustments cease to exist; the reversal of value cannot exceed the original cost of the equity investment. In the event of any losses exceeding the carrying amount of the equity investment, the excess is recognised in a specific liability provision to the extent that the Company is committed to fulfilling legal obligations implied with regard to the investee company or in any case to cover its losses.

Equity investments in other companies, which can be classified in the category of capital financial instruments pursuant to IFRS 9, are initially recorded at cost, registered at the settlement date, insofar as it is representative of the fair value, including directly attributable transaction costs.

After the initial accounting, such equity investments are measured at fair value, with recognition of the effects in the income statement, except those that are not held for trading and for which, as allowed by IFRS 9, the option of designation at fair value with recognition of subsequent changes in the other components of other comprehensive income has been exercised at the time of acquisition.

Equity investments are derecognised when the contractual rights to the cash flows derived from the assets themselves expire or when the equity investment is sold, thereby effectively transferring all the risks and benefits pertaining thereto.

Treasury shares

The purchase cost of treasury shares is recognised as a reduction in equity. The effects of any subsequent transactions on these shares are also recorded directly in equity as transactions between shareholders.

Inventories

Inventories, mainly consisting of supplies and spare parts for the maintenance of rolling stock, are valued at the lower of the purchase or production cost, determined through the application of the average weighted cost, and the net estimated recoverable amount obtainable from its sale in the ordinary course of business.

Obsolete and/or slow-moving inventories are written down in relation to their presumed possibility of future use or sale, by recording a specific provision adjusting the value of the inventories. The write-down is reversed in subsequent years if the reasons for the write-down no longer apply.

Financial instruments

Financial instruments include cash and cash equivalents, derivative financial instruments and financial assets and liabilities (which for IFRS 9 include, among other things, trade receivables and payables). Financial instruments are recognised when the Company becomes part of the instrument's contractual clauses.

Cash and cash equivalents

They include cash, bank deposits or deposits with other credit institutions available for current transactions, current accounts and other equivalent values. Cash and cash equivalents are recognised at fair value, which normally coincides with the nominal value.

Financial assets

The classification of financial assets and related valuation is carried out considering both the management model of the financial asset and the contractual characteristics of the cash flows obtainable from the asset. The financial asset is valued using the amortised cost method if both of the following conditions are met:

- the management model of the financial asset consists in holding it with the purpose of collecting the related financial flows; and
- financial assets generate contractually, at predetermined dates, financial flows that are exclusively representative of the return on the financial asset itself (principal and interest).

The classification between current and non-current reflects the expectations of management regarding their realisation.

Financial assets measured at amortised cost are initially recognised at the fair value of the underlying asset; the measurement at amortised cost is carried out by applying the effective interest rate method.

The trade receivables, whose expiration falls within normal commercial terms or for which there are no significant financial components, are not discounted.

The financial asset is valued at fair value, with the recognition of the effects in the comprehensive income statement, if the objectives of the management model are to hold the financial asset for the purpose of obtaining the related contractual cash flows or selling it, and the financial generates, at predetermined dates, financial flows exclusively representative of the same financial asset.

Lastly, any residual financial assets held other than those described above are classified as assets held for trading and are measured at fair value with recognition of the effects in the income statement.

Write-down of financial assets designated at amortised cost

The Group applies the expected credit losses (ECL) model for the determination of impairment losses on financial assets designated at amortised cost. This model assumes a significant level of assessment regarding the impact of changes in economic factors on ECL, weighted by probability.

The provisions for the write-down of financial assets are determined using the following methodological approaches: the "*General deterioration method*" and the "*Simplified approach*".

The "*General deterioration method*" requires the classification of financial instruments into three stages, which reflect the level of impairment of credit quality from the time the financial instrument is acquired and involve a different method of calculating the ECL;

The "*Simplified approach*" provides for certain simplifications to be adopted for trade receivables, contract assets and receivables arising from leasing contracts, in order to avoid the need for entities to monitor changes in credit risk, as under the general model. The recognition of the loss under the simplified approach must be lifetime, so stage allocation is not required. It is calculated over a period corresponding to the residual life of the receivable, generally not exceeding 12 months.

In cases where the *General Deterioration Method* is applied, the financial instruments are classified into three stages according to the deterioration in credit quality between the date of initial recognition and the valuation date:

- Stage 1: includes all financial assets under review at the time of their initial recognition (Initial Recognition Date) regardless of qualitative parameters (e.g. ratings) and with the exception of situations with objective evidence of impairment. All financial instruments that have not had a significant increase in credit risk since the Initial Recognition Date or that have a low credit risk at the reference date remain in Stage 1 at a later valuation stage. For these assets, expected credit losses over the next 12 months (12-month ECLs) are recognised, which represent expected losses given the possibility of default events occurring in the next 12 months. Interest on financial instruments included in stage 1 is calculated on the book value gross of any write-downs on the asset;
- Stage 2: includes financial instruments that have experienced a significant increase in credit risk since the Initial Recognition Date, but have no objective evidence of impairment. For these assets, only expected credit losses arising from all possible events of default over the entire expected life of the financial instrument (Lifetime ECL) are recognised. Interest on financial instruments included in stage 2 is calculated on the book value gross of any write-downs on the asset;
- Stage 3: includes financial assets that have objective evidence of impairment at the Valuation Date. For these assets, only expected credit losses arising from all possible events of default over the entire expected life of the instrument are recognised.

The original value is reinstated in subsequent years to the extent that the reasons that determined the adjustment cease to exist. In this case, the reversal of value is recorded in the income statement and cannot in any case exceed the value of the amortised cost that the financial asset would have had in the absence of previous adjustments.

Financial liabilities

Financial liabilities are initially recognised at fair value, net of any directly attributable transaction costs. Subsequently, financial liabilities are measured at amortised cost, using the effective interest rate method, with the exception of those for which the irrevocable option is exercised, at the time of recognition, for the measurement at fair value with recognition of the changes in the income statement (to eliminate or reduce the mismatch in the measurement or recognition with respect to an asset also measured at fair value).

Trade payables, whose expiration falls within normal commercial terms or for which there are no significant financial components, are not discounted. If there is a change in one or more elements of an existing financial liability (also through substitution with another instrument), a qualitative and quantitative analysis is carried out in order to verify whether this change is substantial with respect to the existing contractual terms. In the absence of substantial changes, the difference between the present value of the flows thus modified (determined using the effective interest rate of the instrument in place at the date of the modification) and the carrying amount of the instrument is recognised in the income statement, with consequent adjustment of the value the financial liability and restatement of the effective interest rate of the instrument; if substantial changes occur, the existing instrument is derecognised and the fair value of the new instrument is recognised at the same time, with the related difference recognised in the income statement.

Derivative financial instruments

All derivative financial instruments are shown in their financial statements at fair value, determined on the closing date of the financial year.

The derivatives are classified as hedging instruments, in accordance with IFRS 9, when the relationship between the derivative and the subject of the hedge is formally documented and the effectiveness of the hedge, initially and periodically verified, is high.

For instruments which cover the risk of changes in the cash flows of assets and liabilities (including with reference to prospective and highly probable assets and liabilities) subject to hedging (cash flow hedges), changes in the fair value are recognised in the statement of comprehensive income and any non-effective part of the hedging is recorded in the income statement. The cumulative changes in fair value set aside in the cash flow hedge reserve are reclassified from the statement of comprehensive income to the income statement for the year in which the hedging relationship is to cease.

For instruments that cover the risk of changes of the fair value of hedged assets and liabilities (fair value hedge), the changes in fair value are recorded in the income statement for the year. The related hedged assets and liabilities are also consistently adjusted to fair value, with an impact on the income statement.

The changes of fair value derivatives that do not meet the conditions for qualifying for IFRS 9 as hedging instruments are recognised in the income statement.

Cancellation of financial instruments

Financial instruments are no longer shown in the financial statements when, as a result of their sale or settlement, the Company is no longer involved in their management, nor does it hold the risks and benefits relating to these transferred or extinguished instruments and therefore loses the right to collection / payment of cash flows associated with the financial instrument.

Liabilities for leased assets

The lease liability, with the nature of a financial liability, is initially recognised at the present value of lease fees unpaid at the date of contractual effectiveness; for the purposes of calculation of the present value, the Company uses the incremental borrowing rate, defined for the duration of the loan.

The payments included in the initial measurement of the lease liability include:

- fixed payments, net of any lease incentives to be received
- variable payments due for the lease that depend on an index or rate initially measured using an index or rate at the date of effectiveness (e.g. ISTAT adjustments)
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise the option.

Variable payments that do not depend on an index or a rate are, by contrast, not included in the initial value of the lease liability. These payments are booked as a cost in the Income Statement, in the period in which the event or condition that generates the obligation is verified.

Subsequently, the lease liability is reduced to reflect the lease fees paid and increased to reflect the interest on the value that remains.

The Company recalculates the lease liability (and makes a corresponding adjustment to the associated right of use) in the event of a change in:

- the duration of the lease
- future payments due for the lease, deriving from a variation in the index or rate used to determine the payments (e.g. ISTAT) or as a result of a re-negotiation of the economic conditions.

Only in the event of a significant change in the duration of the lease or the future payments due for the lease does the Company recalculate the residual value of the lease liability, making reference to the incremental borrowing rate in force on the date of the change; in all other cases, the lease liability is recalculated by using the initial discount rate.

Funds for provisions

"Funds for provisions" are recognised when, at the reference date, there is a current obligation (legal or implicit) with respect to third parties resulting from a past event, an outflow of resources is likely to satisfy the obligation and a reliable estimate of the amount of the obligation can be made.

The provisions are recorded at the value representing the best estimate of the amount that the Company would pay to extinguish the obligation or to transfer it to third parties as at the closing date of the financial year. If the effect of discounting is significant, the provisions are determined by discounting the expected future cash flows at a discount rate that reflects the current market valuation of the cost of money. When discounting is carried out, the increase in the provision due to the passage of time is recognised as a financial charge.

Employee benefits

The liabilities related to short-term benefits guaranteed to employees, paid during the employment relationship, are recognised on an accrual basis for the amount accrued as at the end of the financial year.

The liabilities related to medium-long term benefits guaranteed to employees are recorded in exercising the right of the law, net of any assets serving the plan and the advances paid, determined on the basis of actuarial assumptions, if significant, and are recorded on an accrual basis consistent with the work services necessary to obtain the benefits.

The liabilities relating to the benefits guaranteed to employees, paid in connection with or after the termination of the employment relationship through defined contribution plans, are recorded for the amount accrued as at the end of the financial year.

The liabilities related to the benefits guaranteed to employees, paid in connection with or after the termination of the employment relationship through defined benefit plans, are recorded in the year of maturity of the right, net of any assets servicing the plan and the advances paid, determined on the basis of actuarial assumptions and are recognised on an accrual basis consistent with the work services necessary to obtain the benefits. The liability assessment is carried out by independent actuaries. The profit or loss deriving from the actuarial calculation is fully recorded in the statement of comprehensive income, in the reference year.

Revenues from contracts with customers

Revenue is the gross inflow of economic benefits arising in the course of the ordinary activities of an entity and is recognised when the control of the goods or services is transferred to the customer, at a figure representing the amount of consideration to which the entity expects to be entitled. More specifically, revenue is recognised through the application of a model that meets the following criteria:

- identification of the contract, defined as an agreement in which the parties undertake to fulfil their respective obligations
- identification of the individual performance obligations contained in the contract
- determination of the transaction price, i.e. the consideration expected for the transfer to the customer of the goods or services
- allocation of the transaction price to each performance obligation, on the basis of the selling prices of the individual obligation
- recognition of revenue when (or as) the performance obligation is satisfied by transferring the promised good or service to the customer.

The transaction price is the amount of consideration on exchange of which the customer is considered to have right to the transfer of the promised goods and services. It may include fixed and/or variable amounts. Revenues based on variable amounts are recognised in the income statement if reliably estimated and only if it is highly likely that such consideration will not, in subsequent periods, need to be wholly or substantially reversed from the income statement. In the event of a high prevalence of uncertainty related to the nature of the consideration, said consideration is only be recognised when such uncertainty is resolved.

Revenues are recognised alternatively:

- at a point in time, when the entity fulfils the obligation to transfer the promised good or service to the customer
- over time, as the obligation to transfer the promised goods or service to the customer is fulfilled.

The good is transferred when, or in the course of the period in which, the customer acquires control of it.

Depending on the type of transaction, revenues are recognised on an accrual basis based on the specific criteria set out below:

- travel tickets: with provision of the service
- supplementations of remuneration: set forth in the appropriate service agreements with public authorities, revenue is recognised for an amount equal to the actual amount accrued on the basis of current laws and agreements
- car-sharing: with provision of the service
- maintenance activities: with the provision of the service;
- logistics and transport activities, connected to the railway freight service: with provision of the service

- Crealis infrastructure management activities: according to the financial activity model envisaged by IFRIC 12. In particular, according to the provisions of IFRIC 12, the financial asset model is applicable to the case in point as the operator has the unconditional right to receive contractually guaranteed cash flows from the future transport service operator for the construction services provided and the operational maintenance services that it has undertaken to provide as network manager.

Government grants

Government grants, in the presence of a formal resolution of attribution or other equivalent legal title, are recognised on an accrual basis in direct correlation with the costs incurred.

Government grants are recognised at fair value when: (i) their amount can be reliably determined; and (ii) there is reasonable certainty that they will be received and the conditions for obtaining them will be respected.

Grants for operating expenses are recorded in the income statement in the year they accrue, consistently with the costs to which they are commensurate and are recognised, depending on the cases, as a direct deduction of the expenses incurred, or in the context of other income.

The grants received for investments in rolling stock or other tangible assets are recorded as a reduction in the cost of the asset to which they refer and contribute, in reduction, to the calculation of the relative depreciation rates.

Financial income and charges

Interest is recognised on an accrual basis on the basis of the effective interest method, i.e. using the interest rate that makes all inflows and outflows financially equivalent (including any premiums, discounts, commissions, etc.) that constitute a given transaction.

Financial charges related to the acquisition, construction or production of certain assets that require a significant period of time to be ready for use or for sale (qualifying assets) are capitalised together with the asset itself.

Dividends

They are recognised in the income statement when the right to receive the payment arises, which normally corresponds to the shareholders' meeting resolution for the distribution of dividends.

The distribution of dividends to the shareholders of TPER is represented as a movement in shareholders 'equity and recorded as a liability in the period in which the distribution of the same is approved by the Shareholders' Meeting.

Income taxes

Income taxes are recorded on the basis of an estimate of the tax charges to be paid, in accordance with the applicable provisions in force.

The payables relating to income taxes are recorded under current tax liabilities in the Statement of Financial Position, net of advances paid. Any positive imbalance is recorded among current tax assets.

Deferred tax assets and liabilities are calculated on the basis of the temporary differences between the carrying amount of the assets and liabilities and their tax value.

Deferred tax assets are recognised:

- for all deductible temporary differences, if it is likely that a taxable income will be realised against which the deductible temporary difference can be utilised, unless the deferred tax asset derives:
- from the initial recognition of goodwill
- from goodwill whose amortisation is not deductible for tax purposes
- from the initial recognition of an asset or a liability in a transaction other than a business combination that, at the date of the transaction, does not influence either the accounting result or the taxable income (tax loss)
- for the carry-forward of unused tax losses and unused tax credits, if a taxable income is likely to be generated against which the tax loss or the tax credit can be used.

Deferred tax liabilities, if present, are booked in any case.

Deferred tax assets and liabilities are determined on the basis of the tax rates envisaged for the taxation of income in the years in which the temporary differences will reverse, based on the tax rates and tax legislation in force or essentially in force as at the reference date. The effect of the change in tax rates on the aforementioned taxes is booked to the income statement in the year in which said change materialises. Deferred tax assets and liabilities are only set off when legally allowed.

Impairment and reversal of impairment of assets (impairment test)

On the balance sheet date, the book value of tangible and intangible assets and equity investments is subject to verification to determine whether there are indications that these assets have suffered impairment.

An asset is impaired when its carrying amount exceeds its recoverable amount.

To this end, both internal and external sources of information are considered. 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 value investments.
If there are indications that an impairment loss may have occurred, the Company makes a formal estimate of the recoverable amount.

For intangible assets with an indefinite useful life and those in progress, the impairment test is carried out at least annually, regardless of whether or not events occur that lead to the assumption of a reduction in value, or more frequently in the case that events or changes in circumstances occur which may bring about any reduction in value.

The recoverable amount of an asset is the higher of its estimated fair market value, less costs to sell, and its value in use, the latter being the present value of estimated future cash flows for that asset.

If the recoverable value is lower than the relative net book value, the asset is written down to the extent of the recoverable value.

In determining the value in use, the expected future cash flows before taxes are discounted using a discount rate, before taxes, which reflects the current market estimate in relation to the cost of capital based on time and the specific risks of the asset.

If it is not possible to estimate the recoverable value of an asset individually, the estimated recoverable value is included within the Cash Generating Unit (CGU) the asset belongs to.

In the case of estimation of future cash flows of operating CGUs in operation, cash flows and discount rates are used instead net of taxes, which produce results that are substantially equivalent to those deriving from a pre-tax assessment.

The impairment losses are recorded in the income statement and are classified differently depending on the nature of the impaired asset. At the closing date of the financial statements, if there is an indication an impairment loss recognised in previous years may have been reduced, in whole or in part, the recoverability of the amounts recorded in the financial statements is checked and the potential amount of the write-down to be reversed is determined; this reversal cannot in any case exceed the amount of the write-down previously carried out. The relative impairment losses are restored, within the limits of the write-downs carried out, if the reasons that generated them cease to exist, except for goodwill and for the consideration of participating financial instruments valued at cost, in cases where the fair value cannot be reliably determined and they cannot be restored.

Estimates and evaluations

In application of IFRS, the preparation of annual accounts requires estimates and assumptions that are reflected in the determination of the book values of the assets and liabilities, as well as the information provided in the explanatory notes, also with reference to the contingent assets and liabilities present at the reporting date. These estimates are mainly used to determine amortisation, impairment testing of assets (including the estimate of the write-down of financial assets), funds for provisions, employee benefits, and the fair value of financial assets and liabilities, the state of completion of the activities relating to the provision of services that generate revenues, current, prepaid and deferred taxes.

The estimates made are complex by nature and characterized by a high degree of uncertainty as they can be influenced by multiple variables and assumptions that include technical and economic assumptions.

In making the budget estimates, the main sources of uncertainties that could have an impact on the evaluation processes are considered. Therefore, the subsequently recorded actual results could differ from these estimates; however, the estimates and valuations are reviewed and updated periodically and the effects deriving from any change are immediately reflected in the financial statements.

The estimates also took into account assumptions based on the parameters, market and regulatory information available as at the date the preparation of the financial statements. The current facts and circumstances that influence assumptions regarding future developments and events, however, may change due to changes in market developments or applicable regulations that are beyond the control of the Company. These changes in assumptions are also reflected in the financial statements when they occur.

It should be noted that an estimate was made - on the basis of the rules defined at national and local level - also of the Government grants pertaining to support revenue losses, during the period of lockdown and application of the restrictions as a result of the Covid pandemic.

Revenues from contracts with customers

The recognition of revenues from contracts with customers includes variable components, in which penalties are especially significant (other than those envisaged for compensation for damages). The variable components are identified at the inception of the contract and estimated at the close of each accounting period during the entire period of contractual validity, to take account of both new circumstances that materialised, and changes in the circumstances already considered for the purposes of previous evaluations. The variable price components include liabilities for future reimbursements.

Funds for provisions

The Company incorporates in Funds for provisions the probable liabilities attributable to disputes and expenses related to personnel, suppliers, third parties and, in general, other expenses deriving from the obligations undertaken. These assessments include, among other things, the measurement of the liabilities that could result from various types of disputes and proceedings, the economic effects of seizures ordered and still not definitively assigned, as well as foreseeable adjustments or reimbursements to be made to customers in cases in which they are not definitively determined.

The calculation of the allocations involves the assumption of estimates based on current knowledge of factors which may change over time, being able to generate final outcomes that are also significantly different from those taken into account in the drafting of these financial statements.

Impairment and stage allocation of financial instruments

For the purposes of the calculation of impairment and the determination of the stage allocation, the main factors subject to estimates by the Company, relating to the internal model prepared for counterparties, are as follows:

- estimate of the ratings for counterparties
- estimate of the probability of default for counterparties.

Depreciation of tangible assets and amortisation of intangible assets

The cost of tangible and intangible assets is amortised/depreciated on a straight-line basis over the estimated useful life of each asset. The economic useful life is determined at the time of purchase of the assets and is based on historical experience for similar investments, market conditions and the anticipation of any future events that could have an impact, including changes in technology. The actual useful life may therefore differ from the estimated useful life.

In particular, with regard to the depreciation plan relating to buses and trolley buses used as part of the service contracts for the LPT of Bologna and Ferrara, the estimated residual value at the end of the agreements was based on specific appraisals drawn up by an independent expert who determined the takeover value that will presumably be recognised to TPER in application of the criteria identified by Resolution no. 49 of 17 June 2015 of the Transport Regulatory Authority and referring to the UNI 11282/2008 standard and subsequent amendments or additions.

Recoverability of 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.

Deferred tax assets

Accounting for deferred tax assets takes place on the basis of expectations of taxable income in future years. The valuation of expected taxable income, for the purpose of accounting for deferred tax assets, depends on factors that may vary over time and have significant effects on the valuation of said financial statements item.

Employee severance indemnity

The evaluation of Employee severance indemnity is also based on the conclusions reached by the Company's external actuaries. The calculation takes account of the Employee severance indemnity accrued for work already carried out and is based on the different demographic and economic-financial assumptions. These assumptions, also based on experience and reference best practice, are subject to periodic revisions.

New accounting standards and interpretations, amendments to accounting standards and interpretations in force from 1 January 2023 and newly issued accounting standards and interpretations, revisions and amendments to existing standards and interpretations not yet in force.

As required by IAS 8 – Accounting Policies, Changes in accounting estimates and Errors - the table below shows:

a) the new accounting standards and new accounting interpretations, or amendments to existing standards and interpretations already applicable, which are in force from 1 January 2023;
b) the new accounting standards and interpretations, and the changes to the existing standards and interpretations already applicable, not yet effective as at 31 December 2023, that could be applied in the future in the Group's consolidated financial statements.

Document title	Date of entry into force of the IASB document	Date of approval by the EU
New accounting standards and new interpretations, amendments to accounting standards and interpretations in force from 1 January 2023		
Amendments to IAS 1 – Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of accounting policies	1 January 2023	2 March 2022
Amendments to IAS 8 – Accounting Policies, Changes in accounting estimates and errors: definition of accounting estimates	1 January 2023	2 March 2022
Amendments to IAS 12 – Income taxes – Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023	11 August 2022
IFRS 17 Insurance Contracts – Including Amendments to IFRS 17	1 January 2023	19 November 2021
Newly issued, revised or amended accounting standards and interpretations not yet in force or not endorsed		
Amendments to IAS 1 – Presentation of Financial Statements - Classification of liabilities as current or non-current; Non-current Liabilities with Covenants	1 January 2024	19 December 2023
Amendments to IFRS 16 – Lease liabilities in a sale and leaseback transaction	1 January 2024	20 November 2023

With reference to the standards in force from 1 January 2023, it should be noted that they had no impact on the values of the financial statements. On the other hand, the Company is assessing any impacts deriving from the future application of the new accounting standards and interpretations not yet in force as at 31 December 2023, for which no significant effects are expected.

Significant events after the close of the year

SERVICE CONTRACT EXTENSION – BOLOGNA AREA

With decision of the Municipal Council of Bologna no. DC/PRO/2024/41 of 6 May 2024 and of the Council of the Metropolitan City of Bologna no. 15 of 24 April 2024 concerning "*Guidelines for contracting out local public transport services in the Bologna area, including the red and green tram lines (northern section), as well as services related to Bologna Municipality's parking plan and complementary services. Extensions*", the Municipality of Bologna and the Metropolitan City of Bologna, having found the necessary conditions for extending the local public transport (LPT) service to the current operator, which includes the management of the tram lines under construction (Red Line and Green Line - Northern Section), until 28 February 2028, pursuant to Article 24 paragraph 5-bis of Decree Law no. 4/2022 and Article 5, paragraph 5 of EC Regulation no. 1370/2007, resolved, among other things, to instruct the mobility agency SRM S.r.l. (hereinafter "SRM"):

- to extend the duration of the current service contract concerning the local public transport services of the Bologna area, including the management of the Red and Green tram lines (Northern Section) and the San Donato metrobus service and related supply services, until 29 February 2028;
- to grant the extension on condition that an Economic and Financial Plan (hereinafter "PEF") is presented by the operator, accompanied by a Business Plan, demonstrating a commitment to improve service efficiency, technological innovation, emissions reduction and user relations.

The Company and SRM have thus begun discussions to define a comprehensive PEF spanning the entire service contract duration. This plan includes proper risk identification and allocation, as mandated by the Transport Regulation Authority. SRM will verify and approve the PEF, involving entities in the agency's preliminary investigation to ensure scrutiny of objectives and key aspects.

Corrente®: new cars for Sharing Mobility

In January 2024, TPER formalised the agreement reached with Volvo Car Italia to replace its car fleet with 300 new 100% electric cars from Volvo.

The new fleet will consist of the EX30s, a new model from the Swedish manufacturer chosen by Corrente for its significant upgrade, aligned perfectly with Tper's project to launch and enhance shared mobility with a focus on safety and quality.

Corrente car sharing now has a cross-section of users across different age groups. A transversal approach that has been further expanded since the summer of 2023 with the introduction of electric scooters in the city of Bologna.

With the introduction of the new Volvos equipped with advanced safety features, scheduled to be on the roads starting from spring 2024, Corrente is poised to further embed itself in the hearts and routines of the communities it serves.

Dispute with ATC S.p.A. in liquidation

On 29 February 2024, ATC S.p.a. in liquidation (hereafter ATC) was notified of the appeal against the sentence of the Court of Appeal of Bologna No. 1748 of 29 August 2023 whereby the first instance sentence was confirmed, rejecting the appeal proposed by TPER.

On 1 February 2012, two partial demerger transactions were completed. With the first, there was the demerger of certain elements of the railway transport branch of FER - Ferrovie Emilia Romagna S.r.l. in favour of the new company FER Trasporti S.r.l. The second demerger, on the other hand, transferred some assets of the local public transport branch of ATC S.p.A. in favour of the new company ATC Trasporti S.p.A. At the same time, the aforementioned new companies - FER Trasporti and ATC Trasporti - were merged into a new company, Trasporti Passeggeri Emilia-Romagna TPER S.p.A. (TPER).

The facts originate from the writ of summons with which ATC summoned TPER requesting the assessment of the latter's obligation to indemnify it with reference to a tax payable relating to IRAP (Regional Tax on Productive Activities) declared by ATC for the years 2007, 2008, 2009 and 2010. In fact, the Revenue Agency had served ATC with four notices of assessment for those four tax years, prior to the demerger.

The four notices of assessment were challenged by ATC and the related litigation, in which ATC was unsuccessful in the two levels of merit, is not yet final. In response to enforcement actions initiated by the Revenue Agency, ATC asserted that the tax liability in question had essentially been settled by TPER in accordance with Article 10 of the demerger and merger agreement referenced earlier. This article, in fact, after identifying the assets transferred from ATC to ATC Trasporti (later merged into TPER) states that: “any contingent assets or liabilities that may arise from the date on which the demerger takes effect shall remain respectively to the benefit or to the expense of the assets transferred if pertinent”.

The Court of Bologna's ruling no. 2451 of 14 November 2019 confirmed TPER's obligation to indemnify ATC for the amount paid to the Tax Authorities. However, it specified that this obligation would only take effect once the tax judgment is finalised, thus solidifying the debt.

TPER filed an appeal against this ruling before the Court of Appeal of Bologna, which ruled with the aforementioned ruling no. 1748/2023.

It should be noted that the risk of losing is fully covered by the entry of a specific provision for risks. In any case, the decision of the Court of Appeal of Bologna was challenged by TPER before the Court of Cassation.

Impacts related to the evolution of the macroeconomic scenario

The conflicts between Russia and Ukraine and those in the Middle East area are generating serious repercussions not only on a humanitarian level, but also on an economic level, having a major impact on global financial markets. The sanctions imposed by governments around the world on the Russian economy and the countermeasures taken by the latter, as well as the criticality of shipping routes through the Red Sea, contribute to the strong upward pressure on commodity prices (with particular reference to energy, metals and agricultural goods) and significant disruptions in international trade activities.

The significant rise in inflation has led to a change of course in the monetary policy of the world's major central banks, which has now shifted towards greater restrictiveness and austerity, as confirmed by the ECB's decisions in relation to raising interest rates and buying the public debt of EU member states. This change of course inevitably generated an increase in financial interest rates, with impacts on the real economy, on the level of investments made by individual companies, on their production levels and on the employment rate.

The changed macroeconomic environment requires the right level of transparency in financial reporting to adequately reflect the current and, as far as possible, foreseeable impact on the company's financial position, performance and cash flows. Geopolitical tensions and the changed macroeconomic environment, although not the only indicators, were appropriately evaluated in the analysis conducted with reference to the identification of possible impairment of intangible and tangible assets, the effects of which are described below.

In this regard, it is worth noting that TPER has no direct exposure to nations directly involved in the conflicts. However, the Company is indirectly exposed to the effects that the continuation or escalation of conflicts could have on the geopolitical environment and the main economic and macroeconomic variables such as (i) the increase in commodity prices; (ii) the rise in interest rates.

With reference to the first aspect, the increase in the price of raw materials and commodities in general, especially with reference to the costs of fuels and energy, could further lead to an increase in the costs that the Company will have to bear in connection with the provision of transport services. TPER constantly monitors the trend of its costs and the company situation, verifying the potential impacts on its planning, while respecting the commitments undertaken in terms of investments, attention to the quality of the service and to its users. It should also be noted that during the first few months of 2023, instruments were used to support businesses, such as: (i) tax credits on energy and gas consumption; and (ii) the fund set up at the Ministry of Infrastructure and Sustainable Mobility to recognise a contribution to tackle exceptional increases in the prices of fuel and energy products in connection with the provision of local public transport services.

In relation to the rise in interest rates, on the other hand, it should be noted that this has entailed in 2023 and may entail in the future an increase in the cost of debt related to the financing operations that TPER has concluded in order to support its investment plan. In this context, it should be noted that the Company:

- has long pursued a strategy of centralising credit capital activities, including those for its subsidiaries. This approach enables larger volume transactions, thereby mitigating the impact of rising interest rates.
- constantly assesses the market opportunities, aimed at any hedging transactions through derivative financial instruments, which could constitute a valid control to mitigate the risk of fluctuations in its cash flows.

Impacts from climate change

Sustainability is at the heart of TPER's strategy in line with the objectives of the United Nations 2023 Agenda for sustainable development. The achievement of these objectives requires the implementation of significant actions aimed at a more efficient and sustainable use of the resources used, an increasing attention to safety and the promotion, without distinction of gender, of the Company's talents. This must be achieved by actively involving TPER's supply chain with the aim of studying and implementing solutions that use materials with progressively lower emission factors.

Sensitivity to the evolution of climate change and its effects on the businesses managed is now a consolidated issue at international level, which is also reflected in a greater demand for disclosure in the annual financial report. Although there is no international accounting standard that regulates how the impacts of climate change are to be considered in the preparation of financial statements, the IASB has issued some documents to support IFRS-Adopters in meeting this request for interested parties' disclosure. Similarly, ESMA, in its *European Common Enforcement Priorities*, highlighted that issuers must consider climate risks in the preparation of IFRS financial statements to the extent that they are material regardless of whether or not these risks are explicitly envisaged by the accounting standards of reference.

TPER describes its considerations regarding actions related to the mitigation of the effects of climate change as well as climate change adaptation in the non-financial statement. In this context, considering the business sectors in which it operates in continuing the definition of updated future plans currently being developed and prepared, certain risks deriving from the current mitigation and adaptation process have been identified.

For the sectors in which the Company operates, the main effects deriving from climate change have been identified as the need to continue investments in infrastructure and vehicles.

In particular, with reference to the infrastructure and vehicles used in the local public road transport service, the management has assessed that these investments change the expectation of future economic benefits related to the buses that will be replaced. Consequently, the useful life of vehicles whose replacement is likely before the end of the service contracts was reviewed and the relative residual value was zeroed (represented by an estimate of the market value that will be recognised at the end of the service contracts by a possible new contractor).

In relation to railway rolling stock, a timely recognition of the risks associated with the existence of impairment indicators was carried out. The analysis conducted did not reveal the existence of these indicators, considering the circumstance that the foreseeable divestment ahead of schedule, also as a consequence of the gradual process of electrification of the regional railway network, had already been subject to verification as part of an impairment test, the outcome of which had led, with reference to the financial year ended 31 December 2022, to the recognition of an impairment loss aimed at aligning the book value of these assets to their recoverable value.

For all other investments, management concluded that they were not able to reduce or change the expectation of future economic benefits associated with the use of tangible and intangible assets. In pursuing the definition of updated development plans currently being prepared, no further specific considerations were identified to be factored into the application of the accounting standards for the preparation of the financial statements.

Finally, it should be noted that the legislation introduced in response to climate change could give rise to new obligations that did not exist before. In addition, an entity can make a public commitment to behave in a certain way or undertake certain activities in response to climate change. It is possible, therefore, that provisions previously recognised for future events could be realised sooner, necessitating a corresponding change in the estimated recognition. Climate change and the resulting associated legislation may require this assumption to be reconsidered with the consequent need to recognise or re-value certain liabilities.

Information on the Statement of Financial Position

The items in the statement of financial position as at 31 December 2023 are commented on below. The values in brackets in the headings of the notes refer to balances as at 31 December 2022.

1. Tangible Assets

Euro 177,452 (166,706) thousand

Tangible assets as at 31 December 2023 showed a net value of Euro 177,452 thousand compared to the net value as at 31 December 2022, amounting to Euro 166,706 thousand. The table below shows the initial and final amounts of the items of tangible assets, with evidence of the original cost and accumulated depreciation as at the end of the year.

In thousands of Euro	31/12/2023			31/12/2022		
	Cost	Accumulated amortisation	Net value	Cost	Accumulated amortisation	Net value
Real estate	4,572	(1,573)	2,999	4,406	(1,499)	2,907
Real estate under construction	188	-	188	188	-	188
REAL ESTATE	**4,760**	**(1,573)**	**3,187**	**4,594**	**(1,499)**	**3,095**
Rolling stock buses/trolley buses	294,609	(202,839)	91,770	305,780	(216,498)	89,282
Rolling stock of buses/trolley buses in progress	11,244	-	11,244	7,336	-	7,336
Railway rolling stock	84,499	(28,698)	55,801	84,499	(25,872)	58,627
Railway rolling stock in progress	2,993	-	2,993	2,993	-	2,993
Vehicle rolling stock	3,673	(2,967)	706	3,211	(2,748)	463
Vehicle rolling stock in progress	804	-	804	-	-	-
ROLLING STOCK	**397,822**	**(234,504)**	**163,318**	**403,819**	**(245,118)**	**158,700**
Infrastructure	20,196	(19,157)	1,039	20,093	(18,760)	1,333
Infrastructure in progress	8,913	-	8,913	2,313	-	2,313
INFRASTRUCTURE	**29,109**	**(19,157)**	**9,952**	**22,406**	**(18,760)**	**3,646**
OTHER TANGIBLE ASSETS	**10,879**	**(9,884)**	**995**	**10,753**	**(9,488)**	**1,265**
TOTAL TANGIBLE ASSETS	**442,570**	**(265,118)**	**177,452**	**441,572**	**(274,865)**	**166,706**

Compared to the previous year, tangible assets increased by Euro 10,746 thousand mainly due to:

- investments made in 2023 amounting to Euro 54,606 thousand;
- amortisation for the year of Euro 14,685 thousand;
- grants on investments amounting to Euro 29,014 thousand.

In 2023, the depreciation schedule for assets used in the Bologna and Ferrara service contracts, which are slated for return, was adjusted to reflect the new contract expiration dates (28 February 2028 for the Bologna Service Contract and 31 December 2026 for the Ferrara Service Contract). In particular, for the purpose of defining the depreciation plan for rolling stock consisting of buses and trolleybuses, the value to be depreciated was defined on the basis of the difference between the book value at the beginning of the financial year and the residual value, which in this specific case is represented by an estimate of the market value that will be recognised at the end of each service contract by a possible new contractor.

The table below provides details of the changes in tangible assets that occurred in 2023. In the table, the values of the disposals are shown net of the relative accumulated depreciation.

In thousands of Euro	31/12/2022 Net value	CHANGES IN THE FINANCIAL YEAR Investments	Depreciation	Write-downs and write-backs	Disposals	Other reclassifications and adjustments	Grants on investments	31/12/2023 Net value
Real estate	**2,907**	23	(74)	-	-	143	-	**2,999**
Real estate under construction	**188**	-	-	-	-	-	-	**188**
REAL ESTATE	**3,095**	**23**	**(74)**	**-**	**-**	**143**	**-**	**3,187**
Rolling stock buses/trolley buses	**89,282**	1,487	(10,766)	-	(159)	38,949	(27,023)	**91,770**
Rolling stock of buses/trolley buses in progress	**7,336**	42,857	-	-	-	(38,949)	0	**11,244**
Railway rolling stock	**58,627**	-	(2,826)	-	-	-	0	**55,801**
Railway rolling stock in progress	**2,993**	-	-	-	-	-	0	**2,993**
Vehicle rolling stock	**463**	2,457	(223)	-	-	-	(1,991)	**706**
Vehicle rolling stock in progress	**0**	804	-	-	-	-	0	**804**
ROLLING STOCK	**158,700**	**47,605**	**(13,815)**	**-**	**(159)**	**0**	**(29,014)**	**163,318**
Infrastructure	**1,333**	105	(399)	-	-	-	-	**1,039**
Infrastructure in progress	**2,313**	6,743	-	-	-	(143)	-	**8,913**
INFRASTRUCTURE	**3,646**	**6,848**	**(399)**	**-**	**-**	**(143)**	**-**	**9,952**
OTHER TANGIBLE ASSETS	**1,265**	**130**	**(397)**	**-**	**(3)**	**-**	**-**	**995**
TOTAL	**166,706**	**54,606**	**(14,685)**	**-**	**(162)**	**0**	**(29,014)**	**177,452**

The item “Real estate”, amounting to Euro 3,187 thousand, includes buildings and land owned for the purposes of operations.

Rolling stock amounted to Euro 163,318 thousand as at 31 December 2023 and includes:

- the value of buses and trolley buses, totalling Euro 103,014 thousand at 31 December 2023, used to provide local public transport services in the Bologna and Ferrara areas and regulated by specific service contracts;
- the value of the railway rolling stock, partly leased to the jointly controlled company Trenitalia Tper S.c.a.r.l. (hereinafter “TT”) which guarantees the coordination and performance of the services to be rendered in execution of the service contract with Company Ferrovie Emilia- Romagna S.r.l. for the provision of the public passenger transport service by rail under the responsibility of the Emilia-Romagna Region and in part leased to the subsidiary Dinazzano Po S.p.A. and used by the latter as part of freight transport activities;
- the value of the vehicles used to support the local public transport services provided.

The "infrastructure" item, amounting to Euro 9,952 thousand as at 31 December 2023, includes the value of the works carried out in support of the activities for the provision of public transport as well as issuers, validators, information panels and user information systems. The increase compared to the previous year mainly relates to investments in progress for the construction of electric recharging systems to power the new electric-powered vehicles.

Lastly, the item “Other tangible assets” includes the value of plant, equipment and furniture and office furnishings.

It should be noted that as at 31 December 2023, the tangible assets are not encumbered by mortgages, liens or other collateral securities that limit their availability.

2. Intangible assets

Euro 459 (394) thousand

In thousands of Euro	31/12/2023 Cost	Accumulated amortisation	Net value	31/12/2022 Cost	Accumulated amortisation	Net value
Intangible assets	8,198	(7,999)	199	8,043	(7,734)	309
Intangible assets in progress	260	-	260	86	-	86
TOTAL	**8,458**	**(7,999)**	**459**	**8,129**	**(7,734)**	**394**

The item refers entirely to investments in software relating to operational management systems. The table below shows the amounts at the beginning and at the end of the year as well as the relative changes occurred in 2023.

	31/12/2022	CHANGES IN THE FINANCIAL YEAR						31/12/2023
In thousands of Euro	Net value	Investments	Depreciation	Write-downs and write-backs	Disposals	Other reclassifications or adjustments	Grants on investments	Net value
Intangible assets	309	55	(265)	-	-	-	-	199
Intangible assets in progress	86	174		-	-	-	-	260
TOTAL	**395**	**329**	**(265)**	**-**	**-**	**-**	**-**	**459**

As at 31 December 2023, the value of intangible assets recorded an overall increase of Euro 64 thousand as the combined effect of investments for the period, totalling Euro 329 thousand, mainly for the purchase of software licences, and amortisation for the period of Euro 265 thousand.

3. Assets for rights of use and liabilities for leased assets

Right-of-use assets

Euro 5,403 (2,297) thousand

In thousands of Euro	LPT Bologna and Ferrara	Company cars	Business unit rental fees	Total
Balance as at 01/01/2023	**916**	**83**	**1,298**	**2,297**
Increases/(decreases)	1,724	149	2,704	**4,577**
Amortisation/depreciation	(521)	(72)	(877)	**(1,471)**
Balance as at 31/12/2023	**2,119**	**160**	**3,125**	**5,403**

Right-of-use assets equal to Euro 5,403 thousand as at 31 December 2023 refer to:

- Euro 2,119 thousand for contracts relating to the management of Local Public Transport in the Municipality of Bologna and Ferrara;
- Euro 160 thousand for the rental of company cars;
- Euro 3,125 thousand, for the right of use relating to the business unit rental contract (LPT Bologna) entered into between TPER, via the TPB consortium and the granting body SRM,

in-house company of the Municipality of Bologna on 4 March 2011 and the concession contract for use of the assets conducive to the LPT service of the Municipality of Ferrara.

The changes that occurred during the year 2023 include both the effects of the adjustments to the lease payments of each contract qualified as a lease pursuant to IFRS 16, made as a contra-entry to specific adjustments of the related financial liabilities, and the effects of the new contracts entered into during 2023.
It should be noted that for leased assets used in the context of existing service contracts, the duration of the lease has been aligned with that of the relevant service contract, on the assumption that the rights in question are closely related to the activities to which they relate. In the course of 2023, due adjustments were therefore made to the values of the rights of use related to the service contracts in relation to the new expiry dates of the aforementioned service contracts (28 February 2028 - Bologna service contract; 31 December 2026 - Ferrara service contract). The corrections took the form of recalculating the values of the rights of use and the related amortisation period, which was aligned with that of the service contracts to which they refer.

Liabilities for leased assets

(Non-current portion) Euro 4,148 (837) thousand
(Current portion) Euro 1,414 (1,593) thousand

In thousands of Euro	LPT Bologna and Ferrara	Company cars	Business unit rental fees	Car sharing	Total
Balance as at 01/01/2023	**940**	**86**	**1,391**	**12**	**2,430**
of which:					
Current liabilities	579	56	946	12	**1,593**
Non-current liabilities	361	30	445	0	**837**
Balance as at 31/12/2023	**2,127**	**165**	**3,272**	**0**	**5,564**
of which:					
Current liabilities	490	62	863	0	1,414
Non-current liabilities	1,637	103	2,409	0	4,148

Liabilities for leased assets, totalling Euro 5,564 thousand, up by Euro 3,134 thousand compared to 31 December 2022 (Euro 2,430 thousand), are related to the rights of use described above. It should be noted that in 2023 the liabilities for leased assets related to lease contracts used under the current service contracts relating to local public transport in the Bologna and Ferrara areas were restated to take into account the new residual durations of the contracts.

Financial charges totalling Euro 322 thousand (Euro 61 thousand in 2022) accrued on liabilities for leased assets in the year 2023.

4. Equity investments

Euro 53,949 (57,429) thousand

The following table shows the opening and closing balances (with indication of the original cost and cumulative write-downs) of the equity investments held by the Company classified by category.

	31/12/2023	31/12/2022

In thousands of Euro	% ownersh ip	Cost	Revaluations (write-downs)	Final value	% ownersh ip	Cost	Revaluations (write-downs)	Final value
Subsidiaries								
TPF S.c.r.l.	97%	10	-	10	97%	10	-	10
SST S.r.l.	51%	94	-	94	51%	94	-	94
TPB S.c.r.l.	85%	9	-	9	85%	9	-	9
OMNIBUS S.c.r.l.	51%	39	-	39	51%	39	-	39
DINAZZANO PO S.p.A.	95%	36,905	(3,528)	33,377	95%	36,905	-	36,905
MA.FER S.r.l.	100%	3,100	-	3,100	100%	3,100	-	3,100
HERM S.r.l.	95%	10,621	(2,400)	8,221	95%	10,621	(2,400)	8,221
TPH2 S.c.a.r.l.	51%	51	-	51	-	-		-
Associates								
CTI S.c.r.l. in liquidation	26%	-	-	-	26%	3	-	3
Marconi Express S.p.A.	25%	2,600	(860)	1,740	25%	2,600	(860)	1,740
SETA S.p.A.	7%	673	-	673	7%	673	-	673
Jointly controlled equity investments								
Trenitalia Tper S.c.a.r.l.	30%	3,300	-	3,300	30%	3,300	-	3,300
Equity investments in other companies								
START ROMAGNA S.p.A.	14%	4,036	(700)	3,336	14%	4,036	(700)	3,336
TOTAL		**61,437**	**(7,488)**	**53,949**		**61,390**	**(3,960)**	**57,429**

It should be noted that the new company, TPH2 S.c.a.r.l., was established in January 2023, marking a significant milestone in the hydrogen project. This initiative is integrated into the energy mix for local public transport in the Bologna and Ferrara areas. The new company was established between TPER S.p.A. (which holds 51%) and HGENERATION S.r.l., a company of the Italian division of the Wolftank group, an international leader in the development and implementation of hydrogen mobility solutions.

With regard to the equity investment in the company Consorzio Trasporti Integrati, CTI S.c.r.l., it should be noted that the liquidation process was concluded in 2023 with the approval by the shareholders of the final liquidation financial statements on 21 December 2023 and the filing of the same for registration in the Company Register at the same time as the cancellation request.

With regard to the recoverability of the carrying amount of the investments held as of 31 December 2023, with the exception of the investment held in Dinazzano PO S.p.a. (hereinafter "DP"), no events or changes in circumstances were noted that could constitute indicators of impairment.

With regard to the equity investment held in DP, at the end of the year, certain indicators of impairment of the value were found, in connection with various factors, including: (i) the elimination of subsidies on the cost of gas oil used to power diesel locomotives, which took place through the reimbursement of the higher excise duty paid in accordance with Ministerial Decree 689/1996; (ii) the reduction of the train kilometres eligible for the track discount subsidies relating to the rail freight support rule set forth in Ministry of Infrastructure and Transport Decree No. 61 of 30 December 2016 only for train kilometres produced with electric locomotives; (iii) the critical issues related to the network used in the reference traction market; (iv) the level of saturation reached by the airports operated under franchise by DP; (v) the results achieved in recent years that show a contraction in business. Consequently, the recoverable value was tested for impairment.

With regard to the methodology for verifying the recoverable value of the equity investment, it should be noted that the value in use was determined by referring to a value configuration based on the determination of the present value of expected cash flows. For both the estimation of cash flows and the estimation of the discount rate parameters, recourse was mainly made to publicly available external sources, supplemented, where appropriate, by estimates also based on historical data. The value in use was estimated using the most recent business plan available, which was approved by the investee's administrative body at its meeting on 12 April 2023, as well as DP's 2024 budget approved by the investee's Board of Directors at its meeting on 14 February 2024. In order to estimate cash flow projections beyond the explicit forecast time horizon (2024-2025), an extrapolation of cash flows was made, based on the same documents, using an assumed stable growth rate of 1.00% for the following years until the end of the concession period. The cash flows, determined in the configuration of operating cash flows (so-called ‘unlevered free cash flow’), were discounted at a discount rate of 7.7%, estimated as the weighted average cost of capital using the so-called capital asset pricing model methodology. The net financial position of the investee at 31 December 2023 was therefore added to the present value of the expected cash flows, thus arriving at an equity-side value configuration. The latter value was finally multiplied by the percentage of interest held by TPER in the capital of the investee and compared with the book value of the shareholding.

As a result of the valuation performed, an impairment loss of Euro 3,528 thousand was recognised in the income statement under “Impairment of non-financial assets”.

The following table shows the main information of the investee companies as taken from the latest available financial statements. In this regard, it should be noted that for the investee Start Romagna S.p.A. the latest available financial statements relate to the year ended 31 December 2022, while for all the other investee companies the data used was taken from financial statements for the year ended 31 December 2023.

In thousands of Euro	Registered office	% ownership	Shareholders' equity	Profit/(loss) for the year
Subsidiaries				
TPF S.c.r.l.	Ferrara	97.0%	13	0
SST S.r.l.	Ferrara	51.0%	1,875	213
TPB S.c.r.l.	Bologna	85.0%	19	0
OMNIBUS S.c.r.l.	Bologna	51.0%	109	1
DINAZZANO PO S.p.A.	Reggio Emilia	95.3%	35,698	(3,445)
MA.FER S.r.l.	Bologna	100.0%	10,309	18
HERM S.r.l.	Bologna	95.0%	8,433	(9)
TPH2 S.c.a.r.l.	Bologna	51.0%	100	0
Associates				
Marconi Express S.p.A.	Bologna	25.0%	14,684	(189)
SETA S.p.A.	Modena	6.7%	18,050	62
Jointly controlled equity investments				
Trenitalia Tper S.c.a.r.l.	Bologna	30.0%	39,649	25,066
Equity investments in other companies				
START ROMAGNA S.p.A.	Rimini	13.9%	30,377	73

5. Financial assets

Non-current portion Euro 38,283 (35,296) thousand
Current portion - Euro 11,284 (8,179) thousand

The table below shows the breakdown of other financial assets at the beginning and end of the financial year, highlighting the current and non-current portions.

In thousands of Euro	31/12/2023 Financial statement value	Current portion	Non-current portion	31/12/2022 Financial statement value	Current portion	Non-current portion
Financial assets for contributions	**10,884**	**10,884**	**-**	**5,893**	**5,893**	**-**
Emilia-Romagna Region	749	749	-	1,138	1,138	-
Municipality of Bologna	6,128	6,128	-	3,066	3,066	-
Municipality of Ferrara	3,622	3,622		-	-	
Municipality of San Lazzaro	-	-	-	34	34	-
Other	385	385	-	1,655	1,655	-
Other financial assets	**38,683**	**400**	**38,283**	**37,582**	**2,286**	**35,296**
Loan to Marconi Express S.p.A.	8,997	-	8,997	10,170	2,286	7,884
Receivable from OMNIBUS for car-sharing fleet rental	-	-	-	6	-	6
Loan investee TPH2 S.c.a.r.l.	400	400	-		-	-
Loans for Crealis project investments	31,292	-	31,292	29,268	-	29,268
Provision for the write-down of financial assets	**(2,006)**	**-**	**(2,006)**	**(1,861)**	**-**	**(1,861)**
TOTAL	**49,567**	**11,284**	**38,283**	**43,475**	**8,179**	**35,296**

The receivable from the Emilia-Romagna Region, amounting to Euro 749 thousand, refers for Euro 549 thousand to contributions to be collected relating to investments in buses and for the remainder to contributions on investments made for the extension of the no. 14 trolley bus line.

Financial assets for contributions held with the Municipality of Bologna and the Municipality of Ferrara refer to amounts still to be collected related to investments made for the purchase of buses under agreements entered into as part of various active contribution lines including the National Strategic Plan Sustainable Mobility (PSNMS).

The loan to the investee company Marconi Express S.p.A., amounting to Euro 8,997 thousand as at 31 December 2023, was disbursed in line with the approved business plans and the shareholders' agreements, and refers to the TPER share of the loan for the construction of the monorail connecting the railway station and Bologna airport. The repayment of said receivable is to be considered subordinated with respect to the satisfaction of the other creditors of the investee by express contractual clause, even in the absence of the prerequisites pursuant to Article 2467 of the Italian Civil Code. Therefore, this is a voluntary subordination with respect to the bank loan, from which it follows that the timing of the collection is within the limits set forth in the bank loan agreement of the investee itself. In light of this, the value of this receivable was recalculated during financial year 2023, taking into account the most recent repayment forecasts. The new cash flows were therefore discounted at the interest rate originally used to determine the value of the financial asset on the basis of the amortised cost method. This restatement entailed the recognition of a one day loss, for an amount of Euro 1,671 thousand, recognised under other financial charges.

The Crealis investment receivable refers to the financial asset recognised in accordance with IFRIC 12, against the right claimed against the eventual successor operator upon the expiry of the service contract regulating local public transport in the Bologna area. In particular, following the entry into operation of the TPGV-Crealis service, 1 July 2020, and the definition of the new contractual framework between TPER, SRM, the Metropolitan City of Bologna, the Municipality of Bologna and the Municipality of San Lazzaro di Savena, against the construction services rendered, the Company has accrued a right to receive a fee starting from the end of the service contract and quantified so as to remunerate both the costs incurred for the investment and future maintenance and investment activities. In the course of 2023, in light of the changes in the timing and amount of the investments to be made, the value of the financial asset was recalculated. Taking into account the most recent expenditure forecasts, the new cash flows were discounted at the effective interest rate defined at the initial recognition of the financial asset. This restatement resulted in the recognition of a so-called one-day profit in the amount of Euro 997 thousand recognised in other financial income.

In compliance with the provisions of IFRS 9, a specific write-down provision was allocated to the aforementioned financial assets, which increased by Euro 145 thousand in 2023 to take into account the changed expectations in terms of expected credit loss.

THOUSANDS OF EUROS	31/12/2022	Uses/releases	Provisions	31/12/2023
On financial assets	1.861		145	2.006
TOTAL PROVISION FOR DOUBTFUL DEBTS	**1.861**	**-**	**145**	**2.006**

6. Trade assets

Euro 67,419 (65,990) thousand

As at 31 December 2023, trade assets included:

- inventories of Euro 12,894 thousand (Euro 13,450 thousand at 31 December 2022) mainly consisting of inventories and spare parts for maintenance and replacement activities carried out on vehicles and related infrastructures;
- trade receivables, equal to Euro 54,525 thousand (Euro 52,540 thousand at 31 December 2022).

The breakdown of trade receivables is detailed in the table below.

In thousands of Euro	31/12/2023	31/12/2022
Inventories		
Raw materials and automotive parts	18,827	18,770
Provision for inventory write-downs	(5,933)	(5,321)
TOTAL	**12,894**	**13,450**

The provision for inventory write-downs, which increased by Euro 612 thousand, was determined by taking into account the net realisable value of certain engines and other complex used and overhauled subsets as well as the slow-moving parts and spare parts referring to vehicles whose discontinuation is expected in the short term.

The table below shows the changes in the provision in 2023.

In thousands of Euro	31/12/2022	Uses/Releases	Provisions	31/12/2023

Provision for inventory write-downs	5,321	0	612	5,933
TOTAL	**5,321**	**0**	**612**	**5,933**

The breakdown of trade receivables is detailed in the table below.

In thousands of Euro	31/12/2023	31/12/2022
Trade receivables from:		
Subsidiaries	27,682	30,793
Associates	8,125	12,325
Owner entities	564	896
Receivables from third parties	23,070	13,994
Total trade receivables	**59,441**	**58,008**
Provision for doubtful debts	(4,916)	(5,468)
TOTAL	**54,525**	**52,540**

Trade receivables from subsidiaries, amounting to Euro 27,682 thousand, essentially refer to invoices issued or to be issued for fees for minimum services for automotive services to the TPB and TPF consortia, as well as for rentals, administrative services and personnel secondments provided to subsidiaries.

Trade receivables from associates, amounting to Euro 8,125 thousand, refer to commercial transactions involving specific activities with Trenitalia Tper, Marconi Express, as well as with Seta S.p.A.

The item "Receivables from third parties", equal to Euro 23,070 thousand, is essentially attributable to receivables for the sale of travel tickets as well as receivables from customers for services rendered as part of maintenance activities, for rent receivables and for the sale of advertising space. The increase recorded by the item is mainly attributable to the recognition of the effects of the deed of recognition of the contractual provisions on the subject of regulating the method of calculating the investments made by TPER in relation to the assets subject to the lease of the business unit from SRM to TPER with reference to the metropolitan area of Bologna. On the basis of the aforementioned deed, given that the Municipality of Bologna, the Metropolitan City of Bologna, SRM, TPB and TPER intended to quantify the effects of the tariff manoeuvre with effect from 1 August 2023, in compliance with the provisions of Article 12 bis of the service contract relating to the Bologna area, in a predefined amount, the same parties agreed that the needs of the manoeuvre would be met through the recognition by TPER, as tenant of the business unit relating to the networks, plants and capital equipment intended for the disbursement of local public transport in the territorial area of the metropolitan area of Bologna, of certain contribution lines and calculation of investments for the purpose of determining the adjustment value. As a result of the above, TPER's accrued right to the tariff manoeuvre pursuant to the aforementioned Article 12-bis of the service contract will be satisfied through the recognition of certain accrued contributions on the investments made under the business branch lease agreement, in application of the calculation method with which the value of the adjustment that will be settled at the end of the business branch lease agreement has been redefined.

Receivables are shown net of a bad debt provision of Euro 4,919 thousand as at 31 December 2023, whose changes in the year are shown in the table below.

In thousands of Euro	31/12/2022	Uses/Releases	Provisions	31/12/2023

Provision for doubtful debts	5,468	(839)	287	4,916
TOTAL	**5,468**	**(839)**	**287**	**4,916**

For trade receivables, the valuation related to recoverability is based on the weighting of a customer rating determined in consideration of the following parameters:

- the analysis of historical profiles of collections and losses;
- analysis of the past due situation on the total credit analysed;
- the application of a default rate in relation to the segmentation of customers in the portfolio by type of membership.

Lastly, it should be noted that the carrying amount of trade receivables approximates the relative fair value.

7. Cash and cash equivalents

Euro 60,032 (48,954) thousand

The item includes bank and postal deposits as well as cash provisions for petty and urgent expenses and increased by Euro 11,078 thousand compared to the previous year.

For more details on the events that generated the increase in cash and cash equivalents during the 2023 financial year, please refer to the note "Information on the cash flow statement".

8. Assets and liabilities for income taxes

Income tax assets - Euro 610 (1,990) thousand
Income tax liabilities - Euro 812 (-) thousand

The table below shows the amount of current tax assets and liabilities at the beginning and end of the year.

In thousands of Euro	31/12/2023	31/12/2022
IRES	-	1,072
IRES from tax consolidation	610	340
IRAP	-	578
Assets for income taxes	**610**	**1,990**
IRAP	812	-
Liabilities for income taxes	**812**	**-**

As of 31 December 2023, the Company had income tax assets, which decreased by Euro 1,380 thousand compared to 31 December 2022, consisting of taxes arising from participation in the national tax consolidation scheme. In fact, starting from the 2022 financial year, as consolidating company, together with the subsidiaries Mafer S.r.l. and Dinazzano Po S.p.A., as consolidated companies, the Company exercised the optional regime that allows, inter alia, the determination of a single total taxable income for the purposes of Corporate Income Tax (“IRES”), corresponding to the algebraic sum of the total net income of all the parties included in the tax unit and, consequently, of a single amount of tax paid and due, pursuant to and for the effects of art. 117 et seq. of the TUIR, and of Ministerial Decree of 1 March 2018.

During the year 2023, the Company proceeded to use the IRES and IRAP credit existing at the end of the previous year as a set-off and recognise the IRAP tax liability accrued with reference to the estimated tax liability for the year 2023.

9. Other current assets

Euro 16,054 (21,424) thousand

The item consists of receivables and other current assets of a nature other than trade and financial assets, as detailed in the following table.

In thousands of Euro	31/12/2023	31/12/2022
Receivables for compensation on lost revenues	13,639	13,639
Receivables for fuel relief Art. 9 Decree Law no. 115/2022	-	1,827
Receivables due from Ferrovie Emilia Romagna	220	220
Prepaid expenses	400	377
Tax credits for investments	519	1,946
Energy and gas tax credits	-	2,718
Other receivables	6,020	5,412
Total	**20,798**	**26,139**
Provision for doubtful debts	(4,744)	(4,715)
TOTAL	**16,054**	**21,424**

Receivables for compensation on lost revenue, amounting to Euro 13,639 thousand, refer to the amount not yet collected, relating to the year 2021 and the first quarter of 2022, in relation to the compensatory measures introduced by Law no. 77 of 17 July 2020 (art. 200 paragraph 1, “Relaunch Decree”) and subsequent regulatory provisions that supplemented the allocations to the fund set up by the Ministry of Infrastructure and Transport to offset the reduction in tariff revenues relating to passengers in the period of the COVID-19 epidemiological emergency (23 February 2020 - 31 March 2022). In this regard, it should be noted that on 28 March 2024 the Emilia-Romagna Region in view of the conclusion of the procedure for the allocation of resources intended to offset the reduction in tariff revenues relating to local and regional public transport in the period 23 February 2020 - 31 March 2022, requested each contractor entity to communicate the amount of the resources referring to said offsetting after verifying the contractual balances in order to avoid overcompensation. The aforementioned verifications by the AMI and SRM agencies in relation to the amount of relief to be paid to the Company are therefore underway. Pending the conclusion of the verification procedures by the agencies, the company management has carried out simulations that confirm the reasonable certainty of the recoverability of the amount of the receivables outstanding as at 31 December 2023.

At 31 December 2022, the item “Receivables for fuel compensation” included the estimated value of the amounts subsequently collected during 2023 relating to part of the contributions allocated to cover the increase, recorded in the second and third quarters of 2022, in the costs of fuel used to supply vehicles used for local and regional public transport pursuant to Article 9 of Decree Law no. 115/2022 and Article 6 of Decree Law no. 144/2022.

The energy and gas tax credits recognised at the end of the financial year 2022 related to benefits introduced during the year 2022 and utilised during the financial year 2023, intended for companies other than energy and gas companies, which were granted a percentage benefit on the expenses incurred for the purchase of electricity and gas for the third and fourth quarter of 2022.

The item “Other receivables” mainly includes: (i) the receivable from ATC S.p.A. in liquidation, equal to Euro 3,593 thousand, referring to the balances of the merger transaction that took place in 2012; (ii) receivables due from resales for travel tickets equal to Euro 863 thousand; (iii) the receivable of Euro 597 thousand relating to the recovery of the higher excise duty paid in relation to the use of diesel fuel used for passenger transport; (iv) receivables from companies within the national tax consolidation scope in the amount of Euro 441 thousand. With reference to the receivable due from ATC S.p.A. in liquidation, it is noted that it has been fully written down because, despite the recognition of the debt and the full willingness to settle it, the creditor is currently involved in tax litigation that could compromise - in the event of a defeat in the dispute - the financial capacity of the company.

To take into account the estimate of uncollectability of part of the other receivables, a specific provision for bad debts has been set aside, the changes in which are shown in the following table.

In thousands of Euro	31/12/2022	Uses/Releases	Provisions	31/12/2023
Provision for write-downs of other current assets	(4,715)	-	(29)	(4,744)
TOTAL	**(4,715)**	**-**	**(29)**	**(4,744)**

10. Shareholders' equity

Euro 162,494 (159,396) thousand

In thousands of Euro	31/12/2023	31/12/2022
Capital issued	68,493	68,493
Treasury shares	(189)	(189)
Reserves	67,610	65,923
Profit/(loss) carried forward	23,129	23,129
Actuarial profit/loss reserve	156	353
Profit/loss for the year	3,295	1,687
TOTAL	**162,494**	**159,396**

The fully subscribed and paid-up share capital of TPER as at 31 December 2023 consists of 68,492,702 ordinary shares with a par value of Euro 1 each, for a total of Euro 68,493 thousand, and did not change in financial year 2023.

As at 31 December 2023:

- there are 68,492,702 outstanding shares (68,492,702 as at 31 December 2022)
- there are 111,480 treasury shares (111,480 as at 31 December 2022).

The increase in shareholders' equity compared to 31 December 2022, amounting to Euro 3,098 thousand, detailed in the statement of changes in shareholders' equity, is entirely due to the comprehensive income result for 2023, consisting of the profit for the year (Euro 3,294 thousand) and the negative balance of other comprehensive income (for Euro 197 thousand) affected by the actuarial loss arising from the valuation of employee benefits related to the employee severance indemnity.

The following is a summary table of the shareholders' equity items as at 31 December 2023 with an indication of the relative possibility of use and the evidence of the available quota.

				Summary of uses made in the period 01/01/2014 - 31/12/2019 (pursuant to Article 2427, 7 bis, of the Italian Civil Code)	
In thousands of Euro	31/12/2023	Possibility of use (A,B,C,D)*	Portion available	To cover losses	For other reasons
Capital issued	68,493				
Legal reserve	5,509	B	5,509		

Extraordinary reserve	27,596	A,B,C	27,596
Reserve from profits/(losses) from actuarial valuation of provisions for employee benefits	156		156
Other reserves	34,505	A,B,C	34,505
Profits carried forward	23,129	A,B,C	23,129
Reserves and profits carried forward	**159,388**		
Treasury shares	(189)		
TOTAL	**159,199**		
of which:			
Non-distributable portion			5,665
Distributable portion			85,230

(*) **Key:**
A: share capital increase
B: coverage of losses
C: distribution to shareholders
D: other statutory/shareholders' meeting restrictions

The objectives of TPER in capital management are aimed at safeguarding business continuity and guaranteeing the interests of the stakeholders, as well as allowing efficient access to external sources of financing aimed at adequately supporting the development of operating activities and compliance with the commitments undertaken.

11. Trade liabilities

Non-current portion - Euro 1,242 (1,556) thousand
Current portion - Euro 49,604 (58,039) thousand

In thousands of Euro	31/12/2023	Current portion	Non-current portion	31/12/2022	Current portion	Non-current portion
Trade payables	41,880	40,638	1,242	46,677	45,121	1,556
Trade payables to subsidiaries	3,310	3,310	-	6,074	6,074	-
Trade payables to associate companies	5,310	5,310	-	6,402	6,402	-
Trade payables due to shareholders	8	8	-	7	7.00	-
Other trade payables	338	338	-	435	435	-
TOTAL	**50,846**	**49,604**	**1,242**	**59,595**	**58,039**	**1,556**

Trade liabilities, which amounted to Euro 50,846 thousand, mainly consist of trade payables to third-party suppliers (for Euro 41,880 thousand) and decreased by a total of Euro 8,749 thousand compared to the end of the previous year, mainly due to higher payments made close to year-end 2023, and lower material costs incurred.

12. Funds for provisions

Non-current portion - Euro 44,208 (42,137) thousand
Current portion - Euro 7,927 (7,110) thousand

As at 31 December 2023, funds for provisions amounted to Euro 52,135 thousand (Euro 49,247 thousand as at 31 December 2022). The following table shows the details of the funds for provisions with an indication of the relative current and non-current portions.

	31/12/2023			31/12/2022		
In thousands of Euro	Financial statement value	Current portion	Non-current portion	Financial statement value	Current portion	Non-current portion
Provisions for employee benefits	11,163	833	10,330	12,673	1,072	11,601

Other provisions	40,972	7,094	33,878	36,574	6,038	30,536
TOTAL	**52,135**	**7,927**	**44,208**	**49,247**	**7,110**	**42,137**

The changes in funds for provisions broken down by nature are shown below.

	31/12/2022	CHANGES IN THE FINANCIAL YEAR						31/12/2023
In thousands of Euro	**Opening balance**	**Provisions**	**Financial charges**	**Decreases for uses**	**Decreases for releases**	**Changes in OCI**	**Other reclassifications or adjustments**	**Closing balance**
Provision for employee benefits	12,673	420		(2,190)		259	1	11,163
Insurance deductibles provision	3,465	1,534	-	(1,614)	-	-	-	3,385
Provision for labour disputes in progress	17,911	4,997	561	(965)	(5,652)		(309)	16,543
Provision for SRM litigation risks	1,198	-	-	-	(322)	-	-	876
Provision for tax disputes	5,620	-	-	-	-	-	-	5,620
Provision for onerous contract risks	7,360	1,155	445	-	-	-	-	8,960
Provision for privacy risks	502	-	-	0	(477)	-	-	25
Provision for excise duties	0	3,500						3,500
Other provisions	518	1,745	-	(200)	-	-	-	2,063
TOTAL	**49,247**	**13,351**	**1,006**	**(4,969)**	**(6,451)**	**259**	**(308)**	**52,135**

Provisions for employee benefits

Non-current portion - Euro 10,330 (11,601) thousand
Current portion - Euro 883 (1,072) thousand

As at 31 December 2023, the item consists of the employee severance indemnity to be paid on the transfer of the employment relationship as required by the regulations in force in Italy. The decrease of Euro 1,510 thousand mainly related to settlements and advances during the year (Euro 2,190 thousand), partially offset by the recognition of actuarial charges for the year (Euro 259 thousand) and financial charges (Euro 420 thousand).

The reference actuarial model for the valuation of employee severance indemnity is based on both demographic and economic assumptions.

The main assumptions defined for the purposes of the actuarial estimate process of the employee severance indemnity provision as at 31 December 2023 are summarised below.

Financial assumptions	**31/12/2023**	**31/12/2022**
Annual discounting rate	2.98%	3.63%
Annual inflation rate	2.00%	2.30%
Annual rate of increase of employee severance indemnity	3.00%	3.10%
Frequency of advances	2.00%	2.00%
Annual turnover rate	1.50%	1.50%

Demographic assumptions	
Mortality	RG48 mortality tables published by the State General Accounting Office
Disability	INPS tables distinguished by age and sex
Retirement age	100% upon reaching the AGO requirements

Future estimated benefits	
Years	In thousands of Euro
1	833
2	746
3	852
4	418
5	1,142

During the 2023 financial year, the following changes took place:

In thousands of Euro	
Balance as at 01/01/2022	**12,673**
Financial charges	420
Benefits paid	(2,190)
Transferred	1
Actuarial (profits)/losses	259
Balance as at 31/12/2022	**11,163**

Other provisions

Non-current portion - Euro 33,878 (30,536) thousand
Current portion - Euro 7,094 (6,038) thousand

The item includes provisions relating to risks and charges deemed probable at the end of the year and increased by Euro 4.398 thousand essentially due to the combined effect of:

- provisions, amounting to Euro 12,931 thousand, mainly related to: (i) risks related to disputes with personnel (for Euro 4,997 thousand); (ii) risks related to the payment of insurance excess as a result of claims (for Euro 1,534 thousand); (iii) risks related to a possible non-recognition of the benefit related to the recovery of the higher excise duty paid in relation to the use of diesel fuel used for passenger transport (for Euro 3,500 thousand); (iv) higher charges related to the contract qualified as onerous pursuant to IAS 37 and relating to the management of the infrastructure held by Marconi Express S.p.a. that connects the central station of Bologna to the airport (for Euro 1,155 thousand); (v) higher estimated charges in relation to the reclamation of the locomotive refuelling area of the Sermide railway station (for Euro 1,717 thousand);
- decreases due to uses, for Euro 2.778 thousand, mainly referring to uses against payments of deductibles on motor vehicle claims and the conclusion of certain labour cases;
- decreases for releases, amounting to Euro 6,451 thousand, mainly related to the provision for litigation risks with personnel;
- the recognition of the financial effects related to the estimated utilisation of provisions in the amount of Euro 1,006 thousand.

The “Insurance deductibles provision” includes the estimate of the probable liability related to the insurance deductibles to be paid on motor vehicle claims occurring before the end of the year.

The "Provision for work disputes", amounting to Euro 16.543 thousand, has been created to cover the foreseeable liabilities, expressed at current values, relating to disputes or with employees. The provision also includes an estimate of legal fees and other potential ancillary costs.

The "Provision for tax disputes", amounting to Euro 5,620 thousand, mainly attributable to the involvement of the Company - as legally jointly and severally liable entity - in relation to tax disputes prior to its constitution.

The “Provision for onerous contract risks” includes the value of the provision made against the contract, qualifying as onerous pursuant to IAS 37, which underlies the infrastructure management activities, held in concession by the company Marconi Express S.p.A., which connects the airport to the central station of Bologna through an elevated electric monorail.

The “Provision for excise duties” includes the estimate of the charges related to the possible non-recognition of the benefit connected to the recovery of the higher excise duty paid in relation to the use of diesel fuel used for passenger transport.

The remaining part of the provisions for risks mainly consists of: (i) the provision for environmental reclamation work to be carried out on the locomotive refuelling area of the Sermide Railway Station; (ii) the provision for risks relating to penalties related to the return of certain motor vehicles used as part of the car sharing service.

13. Deferred tax liabilities

Euro -92 (-207) thousand

The following table shows the amount of deferred tax liabilities in relation to temporary differences between book values and corresponding tax values at year-end.

In thousands of Euro	31/12/2023	31/12/2022
Deferred tax liabilities IRES	(92)	(207)
Deferred tax liabilities IRAP	-	-
Deferred tax liabilities	**(92)**	**(207)**

Changes in deferred taxes are summarised in the table below.

		Changes in the financial year				
In thousands of Euro	31/12/2022	Provisions	Releases/Uses	Allocations to (releases from) OCI	Other reclassifications or adjustments	31/12/2023
Other temporary differences	(207)	-	53	62	-	(92)
Deferred tax liabilities	**(207)**	**-**	**53**	**62**	**-**	**(92)**

The balance of deferred taxes, which amounted to Euro 92 thousand as of 31 December 2023, is mainly composed of temporary differences related to the difference between the tax value and the book value of the liability for employee severance indemnity.

It should be noted that in consideration of the current macroeconomic context, the inflationary pressure on operating costs and the variables correlated to the finalisation of the agreements related to the extension of the Bologna service contract, no deferred tax assets have been recognised in relation to temporary differences and tax losses, as the estimate of future taxable income is not reasonably certain at present and not capable of reabsorbing them within a reasonable timeframe.

14. Financial liabilities

Non-current portion Euro 24,575 (32,682) thousand
Current portion Euro 60,728 (32,053) thousand

As at 31 December 2023, financial liabilities amounted to Euro 85,304 thousand (Euro 64,735 thousand as at 31 December 2022).

The schedule of financial liabilities is shown below, highlighting the composition of the financial statement balance, the corresponding nominal value of the liability and the related collectability (current and non-current portion):

In thousands of Euro	31/12/2023 Nominal value	31/12/2023 Financial statement value	31/12/2023 Current portion	31/12/2023 Non-current portion	31/12/2022 Nominal value	31/12/2022 Financial statement value	31/12/2022 Current portion	31/12/2022 Non-current portion
Bond loans	31,667	31,779	31,779	-	63,333	63,482	32,053	31,429
Medium/long-term loans	26,168	26,141	1,931	24,210	-	-	-	-
Short-term loans	27,018	27,018	27,018	-	-	-	-	-
Other financial liabilities	366	366	-	366	1,253	1,253	-	1,253
TOTAL	**85,219**	**85,304**	**60,728**	**24,576**	**64,586**	**64,735**	**32,053**	**32,682**

On 15 September 2017, TPER completed the issue of an unsecured debenture bond loan for an amount of Euro 95 million, listed on the Dublin Stock Exchange (Irish Stock Exchange). The (non-convertible) bonds had an original maturity of seven years and amortising repayments starting from the fifth year, present a fixed annual coupon of 1.85%. They were entirely placed with institutional investors. During 2023, the second instalment of the bond loan was repaid, which consequently decreased compared to the previous year by Euro 31,703 thousand.

The item medium/long-term loans includes the value of two loan transactions completed in 2023 and in particular:
- a term loan, backed by a “Sace Green” guarantee, for a total principal amount of up to Euro 15 million to be used to support investments in the bus fleet, regulated at a variable rate and with a term of eight years;
- a term loan, backed by a “Sace Green” guarantee, for a total principal amount of approximately Euro 12 million to be used to support investments in the train fleet, regulated at variable rate and with a term of 10 years.

The item short-term loans shows a balance at the end of the year of Euro 27,018 thousand, which refers to:
- part of a revolving loan (for Euro 17,018 thousand), contracted with a pool of lenders, for a maximum principal amount of Euro 65 million which can be used to support the investment plan for the renewal and improvement of the road rolling stock and related infrastructures pending the provision by the competent mobility agency and/or other competent body (Emilia Romagna Region, Municipality of Bologna, Municipality of Ferrara, Ministry of Infrastructure) of an amount corresponding to certain grants

ultimately allocated to TPER. This loan is regulated at a floating rate and has a term of four years;

- short-term financing lines, in the form of cash credit facilities, totalling Euro 10,000 thousand.

It should be noted that certain financing lines require compliance with certain financial parameters (financial covenants). The criteria for determining the economic figures used in the calculation of the ratios are set forth in the agreements. Failure to meet these by the respective reference dates may result in a default event and entail the obligation to repay in advance the principal amounts, the interest and the additional amounts provided for in the agreements. For more details on financial liabilities, please refer to the note "Financial risk management".

Other financial liabilities mainly refer to security deposits at variable rates.

15. Other liabilities

Non-current portion - Euro 17,484 (23,469) thousand
Current portion - Euro 55,850 (49,582) thousand

As at 31 December 2023, other liabilities amounted to Euro 73,698 thousand and recorded an increase of Euro 647 thousand compared to the end of the previous year. The table below shows the breakdown by nature of the item with an indication of the current and non-current portion.

In thousands of Euro	31/12/2023	Current portion	Non-current portion	31/12/2022	Current portion	Non-current portion
Payables to shareholders	2,894	2,380	514	3,064	2,549	514
Payables to subsidiaries	133	95	38	152	152	-
Payables to associated companies	29	29	-	29	29	-
Payables due to pension institutions	1,760	1,760	-	1,824	1,824	-
Tax payables	635	635	-	351	351	-
Payables to employees	8,906	8,906	-	9,414	9,414	-
Payables to SRM mobility agency	17,296	-	17,296	22,295	-	22,295
Other payables	42,045	42,045	-	35,922	35,263	659
TOTAL	**73,698**	**55,850**	**17,848**	**73,051**	**49,582**	**23,469**

"Payables to shareholders" mainly relate to the payable for dividends resolved as part of the approval of the financial statements for the year ended 31 December 2021.

"Payables to employees" include the amounts due to employees at the end of the year for services rendered by them.

"Payables due to the SRM mobility agency" (Società Reti e Mobilità S.r.l.) refer essentially to the balance due, at the reference date, in relation to the contract concerning the business unit consisting of networks, plants, capital endowments and contracts relating to the company complex intended for the exercise of the LPT service in the provincial area of Bologna.

The item "Other payables" amounting to Euro 42,045 thousand is essentially made up of: (i) the counter-value of commitments undertaken by the Company under advances obtained on certain investment grant lines (for Euro 16,589 thousand); (ii) deferred income on travel tickets (for Euro 15,857 thousand) valid beyond 31 December 2023 and therefore pertaining to future years, as well as deferred income (for Euro 6,402 thousand) related to the effects of the deed acknowledging the contractual provisions on the regulation of the method for calculating investments made by TPER in relation to the assets subject to business branch leasing from SRM with reference to the metropolitan area of Bologna, which balances TPER's accrued right to the tariff manoeuvre as per Article 12- bis of the service contract.

Information on the income statement items

The analysis of the main balances of the income statement is shown below. The values indicated in brackets in the headings of the notes refer to the 2022 financial year.

For details on the balances of the income statement items deriving from transactions with related parties, please refer to the section "Transactions with related parties".

16. Revenues for LPT line services

Euro 180,242 (159,386) thousand

The revenues from services from the LPT line amounted to Euro 180,242 thousand, marking an increase of Euro 20,856 thousand compared to 2022 (Euro 159,386 thousand).

In thousands of Euro	2023	2022	Change
Travel tickets	70,596	59,758	10,838
Remuneration supplements	92,646	83,914	8,732
NCLA contributions	10,509	10,509	-
Sanctions	5,460	4,497	963
Other revenues	1,031	708	323
TOTAL	**180,242**	**159,386**	**20,856**

The positive performance recorded by revenues for LPT services was significantly affected by the increase in passenger traffic recorded in 2023 compared to 2022, which recorded an increase in travel tickets sold of Euro 10,838 thousand.

The additional fees recorded a positive change of Euro 8,732 thousand mainly due to:

- adjustments to kilometric fees for minimum services operated in the Bologna and Ferrara areas (Euro +3,973 thousand);
- the recognition in 2023 (for Euro 5,511 thousand) of the effects of the deed of recognition of the contractual provisions on the subject of regulating the method of calculating the investments made by TPER in relation to the assets subject to the lease of the business unit from SRM to TPER with reference to the metropolitan area of Bologna. On the basis of the aforementioned deed, given that the Municipality of Bologna, the Metropolitan City of Bologna, SRM, TPB and TPER intended to quantify the effects of the tariff manoeuvre with effect from 1 August 2023, in compliance with the provisions of Article 12 bis of the service contract relating to the Bologna area, in a predefined amount, the same parties agreed that the needs of the manoeuvre would be met through the recognition by TPER, as tenant of the business unit relating to the networks, plants and capital equipment intended for the disbursement of local public transport in the territorial area of the metropolitan area of Bologna, of certain contribution lines and calculation of investments for the purpose of determining the adjustment value. As a result of the above, TPER's accrued right to the tariff manoeuvre pursuant to the aforementioned Article 12-bis of the service contract will be satisfied through the recognition of certain accrued contributions on the investments made under the business branch lease agreement, in application of the calculation method with which the value of the adjustment that will be settled at the end of the business branch lease agreement has been redefined.

Compared to 2022, the performance related to sanctions revenue also improved, with an increase of Euro 963 thousand.

Finally, it should be noted that other revenues, which amounted to Euro 1,031 thousand at year-end, mainly include the value of advertising and sponsorship activities carried out in connection with LPT services rendered.

17. Revenues from railway line services

Euro 6,666 (8,139) thousand

In thousands of Euro	2023	2022	Change
Revenues from railway services	6,666	8,139	(1,473)
TOTAL	**6,666**	**8,139**	**(1,473)**

Revenues for railway line services recorded a negative change of Euro 1,473 thousand compared to the previous year mainly due to the income recognised in 2022 in relation to the closure of the previous railway service contract concluded in 2019.

These revenues essentially include the rental services of railway rolling stock provided as part of the passenger transport services on rail operated in the Emilia-Romagna Region through the joint venture Trenitalia Tper Scarl.

18. Revenues from parking and car-sharing

Euro 2,256 (328) thousand

The revenues for parking and car sharing amounted to Euro 2,256 thousand, an increase of Euro 1,928 thousand compared to 2022 (Euro 328 thousand).

In thousands of Euro	2023	2022	Change
Car parks	12	17	(5)
Sharing mobility	2,244	311	1,933
TOTAL	**2,256**	**328**	**1,928**

The positive change recorded was mainly affected by revenues deriving from sharing mobility activities which, as from 1 January 2023, are managed directly by TPER by virtue of a supplementary service agreement for free-flow car sharing signed with the previous owner Omnibus Scarl (a subsidiary of TPER) and the mobility agency SRM.

19. Other revenues

Euro 38,719 (51,525) thousand

The details of other revenues are shown in the following table.

In thousands of Euro	2023	2022	Change
Vehicle maintenance and other services rendered to third parties	7,882	7,773	109
Insurance and other reimbursements	6,531	5,563	968
Fines	683	354	329
Other income	23,623	37,835	(14,212)
TOTAL	**38,719**	**51,525**	**(12,806)**

Other revenues amounted to Euro 38,719 thousand and showed a decrease of Euro 12,806 thousand compared to 2022 (Euro 51,525 thousand) mainly due to:

- the increase in insurance reimbursements for Euro 968 thousand;

- the recognition in the financial year 2022 of the value of reimbursements for loss of revenue resulting from the COVID-19 epidemiological emergency, as well as an estimate of the value of contributions granted to cover the increase in fuel costs recorded in the second and third quarters of 2022, used to power local and regional public transport vehicles pursuant to Article 9 Decree Law No. 115/2022 and Article 6 Decree Law No. 144/2022 (for a total of approximately Euro 15,780 thousand);
- the increase in revenues from LPT rental and replacement services in the amount of Euro 3,654 thousand.

20. Personnel costs

Euro 94,308 (93,987) thousand

The breakdown of personnel costs is shown in the following table.

In thousands of Euro	2023	2022	Change
Salaries and wages	68,892	65,840	3,052
Social security contributions	20,421	18,799	1,622
Pension provisions	4,855	4,345	510
Change in provisions for personnel risks	(654)	4,246	(4,900)
Other personnel costs	794	757	37
TOTAL	**94,308**	**93,987**	**321**

Personnel costs are substantially in line with that recorded at the end of the previous year as a combined effect of:

- the increase in wages and salaries and related social security charges for a total of Euro 4,674 thousand as a result of the greater number of resources employed in 2023 with respect to the previous year, salary adjustments and the settlement of certain relative salary components accrued in previous years;
- the reduction in changes in provisions for personnel-related risks (for Euro 4,900 thousand) in connection with the settlement of certain litigation risks for which a provision that was partially in excess had been set aside in financial year 2022 and released in 2023. This release was partially offset by the provision made to cover further new risks of disputes related to employment relationships.

The following tables show the headcount at the end of the year and the average headcount, broken down by job level.

STAFF AS AT 31/12/2023			
Classification	**2023**	**2022**	**Change**
Senior Managers	9	10	(1)
Middle managers	48	45	3
White-collar workers	232	226	6
Blue-collar workers	1,623	1,604	19
Apprentices	151	168	(17)
TOTAL	**2,063**	**2,053**	**10**

AVERAGE WORKFORCE			
Classification	**2023**	**2022**	**Change**

Senior Managers	10	10	(0)
Middle managers	47	46	1
White-collar workers	233	222	11
Blue-collar workers	1,621	1,563	58
Apprentices	161	183	(22)
TOTAL	**2,071**	**2,024**	**47**

21. Costs for services

Euro 58,608 (55,939) thousand

The financial statement balance is detailed in the following table.

In thousands of Euro	2023	2022	Change
Transport services	12,331	9,208	3,123
Maintenance	14,245	13,050	1,195
Cleaning	6,509	7,663	(1,154)
Insurance	6,545	6,593	(48)
Electric power	1,996	3,007	(1,011)
Canteen service	1,826	1,584	242
Other utilities	1,899	1,790	109
Consultancy	1,500	1,410	90
Other costs for services	11,757	11,634	123
TOTAL	**58,608**	**55,939**	**2,669**

Costs for services recorded an increase of Euro 2,669 thousand compared to the previous year, essentially due to the combined effect of:

- the increase in transport services in relation to the higher volume of replacement services operated for railway transport;
- the increase in maintenance costs as a result of the increase in the volume and prices of maintenance carried out on rolling stock as well as the increase in maintenance activities and repairs of building systems;
- the reduction in the cleaning costs primarily due to lower prices for these services and a return to normal activity levels following the non-recurring interventions implemented in 2022 to address the COVID-19 pandemic;
- the reduction in electricity costs caused mainly by the calming of energy prices, which had risen significantly in 2022 as a result of emerging geopolitical tensions.

22. Raw materials and materials

Euro 35,545 (41,604) thousand

The item includes costs for the purchases of materials, as detailed in the table below:

In thousands of Euro	2023	2022	Change
Fuels	21,440	28,008	(6,568)

Lubricants	464	423	41
Tyres	934	677	257
Spare parts	10,426	10,251	175
Various materials	1,265	1,262	3
Change in inventory write-down provision	612	633	(21)
Other	404	350	54
TOTAL	**35,545**	**41,604**	**(6,059)**

The year-on-year decrease in material costs of Euro 6,059 thousand was almost entirely attributable to the reduction in fuel costs following the calming of reference commodity prices after the price spike recorded in 2022 and significantly influenced by geopolitical uncertainties triggered by the escalation of the Russian-Ukrainian conflict.

23. Costs for use of third-party assets

Euro 2,419 (1,095) thousand

Costs for the use of third-party assets mainly refer to the rental of real estate (for Euro 854 thousand) and the cost of leasing cars used in the provision of sharing mobility services. Compared to the previous year, these costs show an increase of Euro 1,324 thousand, almost entirely attributable to the costs of rentals deriving from sharing mobility activities, which as of 1 January 2023 are managed directly by TPER under a supplementary service agreement for free-flow car sharing operations signed with the previous owner (Omnibus Scarl - a company wholly owned by TPER) and the mobility agency SRM.

24. Other operating costs

Euro 3,736 (4,186) thousand

Other operating costs, detailed in the following table, are substantially in line with the figures at the end of the previous year.

In thousands of Euro	2023	2022	Change
Taxes and fees	1,059	1,128	(69)
Audits and inspections	125	141	(16)
Membership fees	240	221	19
Other	2,312	2,696	(384)
TOTAL	**3,736**	**4,186**	**(450)**

The item “Other” mainly includes the accrued expenses relating to the use of the business unit consisting of the networks, plants, capital equipment and contracts relating to the business complex intended for the exercise of the LPT service in the provincial area of Bologna, governed by a specific contract signed with the mobility agency Società Reti e Mobilità S.r.l.

25. Change in funds for provisions

Euro 5,601 (1,824) thousand

The amount of the item, negative for Euro 5,601 thousand, is essentially attributable to:

- the release, in the amount of Euro 322 thousand, of the provision set aside to cover the risk of non-recognition of part of the legal bonuses to the service contract related to the Bologna area;
- the provisions made with reference to the contract classified as onerous pursuant to IAS 37, relating to the management activities of the infrastructure held by Marconi Express S.p.a. (for Euro 1,155 thousand);
- a provision of Euro 3,500 thousand to cover the risk of the non-recognition of part of the benefits related to the recovery of the higher excise tax paid on fuel purchases;
- the release of the provision for privacy risks in the amount of Euro 477 thousand following the outcome and closure of the verification procedure carried out by the competent authority;
- the provision, in the amount of Euro 1,745 thousand, related to the adjustment of the estimate of higher charges in connection with the reclamation of the locomotive refuelling area of the Sermide railway station.

For more details on the change in funds for provisions, please refer to note no. 12 - "Funds for provisions".

26. Financial income/(charges)

Financial income - Euro 3,892 (2,577) thousand
Financial charges - Euro -7,296 (-2,279) thousand

The balance of financial income and charges is detailed in the table below.

In thousands of Euro	2023	2022	Change
Dividends	66	82	(16)
Other financial income	3,826	2,495	1,331
of which:			
- interest income on receivables	1,519	1,485	34
- interest income on bank accounts	993	99	894
- income from discounting of provisions	310	828	(518)
- other income	1,004	83	921
Total financial income	**3,892**	**2,577**	**1,315**
Charges on bonds	(1,136)	(1,798)	662
Charges on loans	(2,472)	(26)	(2,446)
Other financial charges	(3,688)	(455)	(3,233)
of which:			
- charges from discounting provisions	(561)	(1)	(560)
- interest on liabilities for leased assets	(322)	(61)	(261)
- other charges	(2,805)	(393)	(2,412)
Total financial income	**(7,296)**	**(2,279)**	**(5,017)**
Total financial income/(charges)	**(3,403)**	**299**	**(3,702)**

Compared to the previous year, total financial income shows an increase of Euro 1,315 thousand, essentially due to the combined effect of: (i) higher interest income on bank current accounts for Euro 894 thousand; (ii) the reduction in financial income from the discounting of provisions for Euro 518 thousand; (iii) the increase in other financial income for Euro 921 thousand, which affects the one day profit arising from the recalculation of the financial asset related to the Crealis project, as commented on in note no. 5 - "Financial assets" to which reference should be made.

Financial charges recorded an increase of Euro 5,017 thousand compared to the previous year, primarily due to the higher charges from loans accrued on the new credit lines taken out in 2023 and settled at variable rates, as well as the increase in other financial charges, which were affected by the recognition of the one day loss related to the restatement of loans receivable from the associated company Marconi Express S.p.A. as a result of the change in the repayment schedule, as better described in Note 5 – "Financial Assets", to which reference should be made.

27. Tax charges

Euro -460 (4,766) thousand

The table below shows the details of the tax charges in the two financial years compared.

In thousands of Euro	2023	2022	Change
IRAP	812	0	812
Income from tax consolidation	(204)	(556)	352
Current income taxes	**608**	**(556)**	**1,164**
CURRENT TAXES	**608**	**(556)**	**1,164**
Provisions	0	96	(96)
Releases	(53)	0	(53)
Deferred taxes	**(53)**	**96**	**(149)**
DEFERRED TAX ASSETS AND LIABILITIES	**(53)**	**96**	**(149)**
TAX (INCOME) CHARGES	**555**	**(460)**	**1,015**

The balance of tax income and charges shows a net charge of Euro 555 thousand in 2023 (income of Euro 460 thousand in 2022) and a change of Euro 1,015 thousand.

The change is affected by the determination of the current tax burden consisting only of IRAP (regional business tax) for Euro 812 thousand, as well as the lower tax income deriving from inclusion in the national tax consolidation scheme with the subsidiaries Mafer S.r.l. and Dinazzano Po S.p.a.

The following table shows the reconciliation between the theoretical tax burden and what was effectively incurred.

IRES (In thousands of Euro) Description	Value	Tax
Result before tax	3,850	
Theoretical tax charge (rate 24%)		924
Taxable temporary differences in subsequent years		
TOTAL	-	
Deductible temporary differences in subsequent years		

Non-deductible provision for labour disputes	5,558	
Provision for customs litigation risk	3,500	
Allocation to provision for deductibles	1,534	
Provision for environmental reclamation fund	1,719	
Write-down of equity investment	3,528	
Provision for onerous contracts	1,600	
Other deductible temporary differences in subsequent years	836	
TOTAL	**18,275**	
Reversal of temporary differences from previous years		
Use of provisions	(10,492)	
Other reversal of temporary differences from previous years	(253)	
TOTAL	**(10,745)**	
Differences that will not be reversed in subsequent years		
Profit from actuarial valuation of employee severance indemnity in OCI	(259)	
Other non-deductible costs	468	
Fuel grants pursuant to Decree Law 115/2022	(51)	
Non-taxable Energy and Gas Credit	(1,608)	
Super amortisation/depreciation	(3,922)	
Iper amortisation/depreciation	(1,901)	
Other non-taxable revenues and income	(192)	
TOTAL	**(7,465)**	
Tax base	**3,915**	
ACE and previous tax losses	(3,915)	
Tax deductions		
Current income taxes	-	-

IRAP (thousands of Euro)		
Description	**Value**	**Tax**
Difference between value and costs of production	7,563	
Non relevant income statement items	104,079	
TOTAL	**111,642**	
Theoretical tax charge (rate 4.20%)		4,689
Differences that will not be reversed in subsequent years		
Increases	2,137	
Decreases	(1,014)	
Personnel deductions	(91,699)	
TOTAL	**(90,576)**	
Deductible temporary differences in subsequent years		
Reversal of temporary differences from previous years		
Use of provisions for risks and deductible charges	(1,614)	
Amortisation of the cost of trademarks and goodwill	(125)	
TOTAL	**(1,739)**	

Tax base	19,327
Current income taxes	812

Additional financial information

Information on the cash flow statement

The financial trend in 2023 shows an increase in cash and cash equivalents of Euro 11,078 thousand compared to the increase of Euro 10,505 thousand in 2022.

The flow generated by operating activities in 2023 amounted to Euro 36,394 thousand, down by Euro 11,641 thousand compared to the 2022 value (Euro 48,035 thousand).

The following impact the flow generated in 2023:

- the operating cash flow generated before changes in working capital and other changes of Euro 32,497 thousand (Euro 28,158 thousand in 2022), which was impacted by the increase in profit for the year (Euro +1,608 thousand compared to 2022), impairment of non-financial assets (Euro +1,179 thousand compared to 2022) and net financial charges (Euro +2,875 thousand compared to 2022);
- changes in working capital and other changes of Euro 15,979 thousand essentially generated by changes in other current assets and liabilities partially offset by changes in trade liabilities.

The cash flow absorbed by investment activities amounted to Euro 44,523 thousand, mainly due to:

- investments in tangible and intangible assets for a total of Euro 68,892 thousand, up by Euro 37,494 thousand compared to 2022;
- contributions collected for investments made and to be made for Euro 24,121 thousand, down by Euro 2,594 thousand compared to 2022;
- disposals of tangible assets for Euro 258 thousand

The cash flow generated by financial assets in 2023 amounted to Euro 19,207 thousand, mainly as a result of:

- the repayment of the second instalment of the bond loan, in the amount of Euro 31,667 thousand;
- the taking out of new medium/long-term loans for Euro 27,136 thousand and short-term loans for Euro 48,000 thousand;
- the repayment of medium/long-term loans for Euro 994 thousand and short-term loans for Euro 20,986 thousand;
- the increase in liabilities for leased assets for Euro 3,132 thousand;
- the payment of interest expense in the amount of Euro 3,693 thousand;

Management of the financial risk

The Company's objective is to maintain over time a balanced management of its financial exposure, designed to ensure a liability structure that is balanced with the composition of assets and able to ensure the necessary operational flexibility by using liquidity generated from current operating activities and bank loans.

The ability to generate liquidity from ordinary operations, combined with the debt capacity, enables the Company to adequately satisfy its operating needs, financing of operating working capital and investment requirements, as well as respect for its financial commitments.

The Company, in the ordinary performance of its operating and financial activities, is exposed to:

- liquidity risk, attributable to the availability of adequate financial resources to meet short-term commitments, as well as related to the risk of downgrading of creditworthiness with consequent limitation of the possibility of securing medium-long term resources to meet one's own investment operational needs, as well as to meet the financial liabilities assumed;
- the risk of breaches of financial covenants under the bond loan and medium/long-term loans taken out that could trigger early repayment clauses;
- to market risk, mainly attributable: (i) the changes in the interest rates related to financial liabilities assumed and financial assets provided; (ii) to fluctuations in commodity prices;
- credit risk, connected both to normal commercial relations, and to the possibility that a financial counterparty with which liquidity investments have been made may not be able to honour all or part of its commitment.

The Company is not exposed to foreign exchange risk and has not made use of derivative financial instruments to hedge the aforementioned risks.

Liquidity risk

The liquidity risk represents the possibility that the available financial resources may be insufficient to cover the operational needs and the maturing financial debt. This risk is also attributable to the potential reduction in the credit rating, which allows the Company to access credit capital at favourable conditions and to secure medium/long-term resources to meet its investment needs.

Credit ratings may be decreased as a result of events that materially affect the Company's financial position or involve a significant change in its risk profile, as well as a change in the methodologies used to assess creditworthiness. Consequently, the Company's financing conditions could become more onerous and its access to financial markets more complex.

In addition to the dynamics of credit ratings, the main factors that contribute to the liquidity risk are, on the one hand, the generation/absorption of financial resources by operating and investment activities, and on the other, the maturities of financial payables and use of liquidity.

To mitigate these risks, the Company monitors the financial ratios that contribute to the determination of the rating and maintains a regular dialogue with the credit institutions, monitoring any changes to the methodologies used that could generate an impact on the credit score attributed to the Company.

The strategy adopted by the Company for the management of liquidity risk focuses on optimising its ability to generate cash flows, and on diversifying sources of funding to cover its requirements both for operational needs and for investments as well as on the continuous monitoring of expected cash flows to comply with the expiry of the commitments assumed.

The following table provides details on the remaining expiries of liabilities based on the non-discounted cash flows. For financial liabilities for leased assets, the flows are determined on the basis of contractual fees and, in the event in which these are subject to indexing, their non-discounted value is estimated by applying, for subsequent expiries, the latest variable rate applied in 2023.

		Contractual flows				
In thousands of Euro	Financial statement value	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	After 5 years	TOTAL

As at 31 December 2023						
Bond loans	31,779	32,253	-	-	-	**32,253**
Medium/long-term loans	26,141	3,349	4,157	19,975	4,405	**31,886**
Short-term loans	27,018	27,018	-	-	-	**27,018**
Liabilities for leased assets	5,564	1,676	1,654	2,872	-	**6,202**
Trade liabilities	50,846	49,604	994	248	-	**50,846**
As at 31 December 2022						
Bond loans	63,482	32,838	32,253	-	-	**65,091**
Liabilities for leased assets	1,391	1,629	846	-	-	**2,475**
Trade liabilities	59,595	58,039	872	684	-	**59,595**

TPER believes it has the ability to fulfil its payment obligations through the generation of cash flows from operating activities and, subordinately, through the use of stocks of cash and/or financial instruments in the portfolio that can be converted to cash.

Risk of default and non-compliance with covenants

The Company is exposed to the risk associated with non-compliance with a minimum threshold contractually defined in some financial covenants that could expose it to the risk of early redemption of certain medium- and long-term loans and the bond loan.

The loan agreements, as with the bond, in line with international practice for similar transactions, generally give the lender/bond-holder the right to request the reimbursement of its receivable by arranging for the early termination of the relationship with the debtor in all cases where the latter is declared insolvent and/or subject to bankruptcy proceedings, or has initiated a liquidation procedure or another procedure with similar effects.

Specifically, certain outstanding loans, including the bond, include the obligation to maintain, throughout the life of the debt:

- a ratio of consolidated net financial position to consolidated shareholders' equity not exceeding 1;
- a ratio of consolidated net financial position to consolidated EBITDA not exceeding 3.5.

Non-compliance with the clauses described above constitutes a breach of the contractual obligations and the Company may be required to pay the residual debt.

The aforementioned covenants and the relative calculations are periodically monitored, also using prospective data, and in the case of exposure to early repayments, a dialogue is initiated with the lenders aimed at remedying them. It should be noted that as at 31 December 2023 there are no indications that the aforementioned covenants have not been complied with.

Interest rate risk

The interest rate risk is linked to the uncertainty caused by the trend in interest rates and can generally present a double manifestation:

- cash flow risk: this is connected to financial assets or liabilities with flows indexed to a market interest rate;
- fair value risk: it represents the risk of loss deriving from an unexpected change in the value of a financial asset or liability following an unfavourable change in the market rate curve.

The Company's approach to managing interest rate risk, which takes account of the structure of assets and the stability of the cash flows, aims to minimise funding costs and stabilise cash flows, in such a way as to safeguard margins and ensure the certainty of cash flows deriving from ordinary activities. The approach to managing interest rate risk is, therefore, prudent and provides for the analysis and control of the position, carried out periodically based on specific requirements.

As at 31 December 2023, the Company's exposure is entirely regulated at variable rates, net of the bond loan, which is regulated at a fixed rate. The following table shows the expected contractual cash flows in relation to the type of interest rate applied.

In thousands of Euro	31/12/2023	Contractual cash flows	Current portion	Between 1 and 2 years	Between 2 and 5 years	After 5 years
Fixed rate	31,779	32,253	32,253	-	-	-
Variable rate	53,159	58,904	30,367	4,157	19,975	4,405
TOTAL	**84,938**	**91,157**	**62,620**	**4,157**	**19,975**	**4,405**

In thousands of Euro	31/12/2022	Contractual cash flows	Current portion	Between 1 and 2 years	Between 2 and 5 years	After 5 years
Fixed rate	63,482	65,091	32,838	32,253	-	-
TOTAL	**63,482**	**65,091**	**32,838**	**32,253**	**-**	**-**

Commodity price risk

TPER is exposed to the price risk of energy commodities, i.e. electricity and oil products, since procurement is impacted by fluctuations in the prices of these commodities.

In 2023, as is well known, there was a reduction in fuel and electricity costs following the sharp increases in 2022, which were further exacerbated by heightened geopolitical tensions.

In this context, TPER constantly monitored the situation, verifying the potential impacts on planning and in any case committing itself to maintaining its commitments in terms of investments and attention to the quality of the services provided.

At present, the Company is analysing the effects of the continuing volatility of commodity prices in order to implement any appropriate hedging strategies or to carry out manoeuvres that allow the maintenance of equilibrium conditions in the provision of its services, including any contracts that regulate them.

In order to diversify the risk involved, the Company has also long since embarked on an energy mix path, which allows it to use different power sources to operate its services. This diversification significantly reduces the Company's exposure to change in the prices of a single commodity.

Credit risk

Credit risk represents the exposure to potential losses resulting from the failure of commercial and/or financial counterparties to meet their obligations.

TPER's counterparties are primarily composed of:

- Group companies;

- the Municipality of Bologna, the Municipality of Ferrara, the Emilia-Romagna Region and their investees;
- financial counterparties in relation to deposits at banks and capital contributions, also in the form of loans granted to investees.

As regards users of LPT services, TPER operates by providing public services and the revenues deriving from the tariffs applied are essentially collected with the provision of the service.

The credit risk on liquidity and on financial instruments in the portfolio is limited given that TPER only operates with counterparties with a high credit rating.

Credit positions are subject to individual write-downs, if individually significant, for which there is an objective condition of partial or total non-collectability. The amount of the write-down takes into account an estimate of the recoverable flows and the related collection date, future recovery charges and expenses, as well as the value of any guarantees. For receivables that are not subject to an analytical write-down, provisions are allocated on a collective basis taking into account historical experience and the statistical data available.

The table below shows the exposure to credit risk, gross of the write-downs made, of the Company as at 31 December 2023 and as at 31 December 2022.

			past due				
In thousands of Euro	**Receivables 31/12/2023**	**not past due**	**0-30**	**31-60**	**61-90**	**91-180**	**over 180**
Trade assets	59,441	46,234	2,514	722	2,102	1,675	6,195
Financial assets	51,573	50,824	-	-	-	-	749
Other assets	20,798	16,296	-	-	-	1	4,501
Provision for doubtful debts	(11,667)	(3,027)	(106)	(148)	(111)	(309)	(7,966)
TOTAL	**120,145**	**110,326**	**2,408**	**574**	**1,991**	**1,367**	**3,478**

			past due				
In thousands of Euro	**Receivables 31/12/2022**	**not past due**	**0-30**	**31-60**	**61-90**	**91-180**	**over 180**
Trade assets	58,004	46,012	(131)	3,100	323	297	8,403
Financial assets	45,336	45,336	-	-	-	-	-
Other assets	26,125	21,505	-	-	-	-	4,620
Provision for doubtful debts	(12,043)	(3,762)	(28)	(276)	(26)	(113)	(7,838)
TOTAL	**117,422**	**109,090**	**(159)**	**2,824**	**297**	**184**	**5,185**

Additional disclosures on financial instruments

The details of financial assets and liabilities required by IFRS 7, subdivided into the categories defined by IFRS 9, are shown below.

In thousands of Euro	Notes	Fair value level	Amortised cost		Fair Value		Total	
			31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Non-current assets								
Equity investments	4	3	48,200	51,677	5,749	5,752	53,949	57,429
Financial assets	5		38,283	35,296			38,283	35,296
Current assets								
Trade receivables	6		54,525	52,540			54,525	52,540
Financial assets	5		11,284	8,179			11,284	8,179
Assets for current income taxes	8		610	1,990			610	1,990
Other assets	9		16,054	21,424			16,054	21,424
Non-current liabilities								
Bond loans	14		-	31,429			-	31,429
Medium/long-term loans	14		24,210	-			24,210	-
Other financial liabilities	14		366	1,253			366	1,253
Trade liabilities	11		1,242	1,556			1,242	1,556
Long-term liabilities for leased assets	3		4,148	837			4,148	837
Other liabilities	15		17,848	23,469			17,848	23,469
Current liabilities								
Bond loans	14		31,779	32,053			31,779	32,053
Trade liabilities	11		49,604	58,039			49,604	58,039
Medium/long-term loans	14		1,931	-			1,931	-
Short-term loans	14		27,018	-			27,018	-
Liabilities for leased assets - short-term portion	3		1,414	1,593			1,414	1,593
Current income tax liabilities	8		812	-			812	-
Other liabilities	15		55,850	49,582			55,850	49,582

Determination of the fair value

The fair value of the financial assets and liabilities is determined in line with IFRS 13, which requires these values to be classified based on a hierarchy of levels, which reflects the characteristics of the inputs used to in its determination:

- level 1: valuations performed on the basis of quoted prices in active markets for financial assets and liabilities identical to those subject to valuation;
- level 2: valuations performed on the basis of inputs other than quoted prices pursuant to level 1, which for the financial asset or liability are directly (prices) or indirectly (price derivatives) observable;
- level 3: valuations that take as a reference parameters not observable on the market.

Taking the aforementioned classification as a reference, procedures were implemented to measure the fair value of the assets and liabilities as at 31 December 2023 and 31 December 2022, with reference to the observable market parameters and, in particular:

- The fair value of the financial assets and liabilities with standard conditions and terms, quoted on an active market, measured with reference to prices published in said market by leading market contributors;
- the fair value of other financial assets and liabilities is measured, where the conditions are met, by applying the discounted cash flow method, using the prices recorded for recent market transactions by leading market contributors for similar instruments as the reference balances.

The table below shows the financial assets and liabilities measured at fair value:

In thousands of Euro	31/12/2023	Fair value as at the reporting date Level 1	Level 2	Level 3
Equity investments	5,749	-	-	5,749

In accordance with the provisions of IFRS 13, the fair value of the financial liabilities as at 31 December 2023.

In thousands of Euro	31/12/2023 Financial statement value	31/12/2023 Fair Value
Bond loans	31,779	31,217
Liabilities for leased assets	5,562	5,578
Medium/long-term loans	26,141	26,557
Short-term loans	27,018	27,018
Other financial liabilities	366	366

During the year, there were no transfers between the different levels of the fair value hierarchy.

For medium/long-term financial instruments where no market shares are available, the fair value was determined by discounting the expected cash flows, using the market interest rate curve as at the reference date and considering its own credit risk.

Guarantees

As at 31 December 2023, there were guarantees issued by the Company and risks assumed in relation to third-party assets at the company, including the following by relevance:

DESCRIPTION	31/12/2023	31/12/2022	Change
GUARANTEES GIVEN TO THIRD PARTIES			
Sureties granted	12,371	11,541	830
RISKS			
SRM rented assets at the company	29,032	26,277	2,755
SRM assets at the company	19	19	-
TOTAL	**41,422**	**37,837**	**3,585**

The sureties granted to third parties mainly refer to the guarantees provided by TPER, on behalf of TPB S.c.r.l. and TPF S.c.r.l., to the respective mobility agencies for obligations assumed in relation to service contracts for local public transport in the Bologna and Ferrara areas.

The item "SRM leased assets" corresponds to the net carrying amount of the assets included in the scope of the business unit held by virtue of the lease contract and owned by the SRM mobility agency used as part of the local public transport service in the Bologna area.

In addition to the guarantees summarised above, it should be noted that the Company, in order to guarantee the payment obligations arising from the loans contracted, has established a set of guarantees (the so-called "Security Package"), which consists of the transfer of receivables accruing on certain investment contribution lines as well as on any takeover value that a possible third-party manager would have to pay to the Company in the event of termination of one and both service contracts.

Management and coordination activities pursuant to Article 2497 et seq.

TPER autonomously defines its strategic guidelines and is fully autonomous in terms of organisation, management and negotiation, as it is not subject to any management and coordination activity pursuant to Article 2497 et seq. of the Italian Civil Code.

Transactions with related parties

The main transactions made by the Company with its related parties, identified according to the criteria defined by IAS 24, are described below.

The following tables show the economic and financial balances of a commercial and financial nature, deriving from transactions with related parties, including those relating to directors, statutory auditors and other executives with strategic responsibilities in the Company.

Transactions with related parties do not include atypical or unusual transactions and are settled on an equivalent basis to those prevailing in transactions with independent parties. There were no non-recurring events and/or transactions in 2023.

In thousands of Euro		Sales to related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
SUBSIDIARIES					
Omnibus S.c.r.l.	2022	3,508	9,970	3,216	5,343
	2023	815	9,892	293	2,327
TPF S.c.r.l.	2022	19,686	589	2,386	160
	2023	18,877	568	4,133	149
TPB S.c.r.l.	2022	75,327	70	18,854	55
	2023	77,900	75	15,285	75
MA.FER S.r.l.	2022	2,970	7	5,770	54
	2023	3,113	272	6,962	118
DINAZZANO PO S.p.A.	2022	1,890	6	590	63
	2023	2,249	6	1,169	6
HERM S.r.l.	2022	3	11	-	11
	2023	-	3	-	-
SST S.r.l.	2022	467	2,611	282	541
	2023	489	2,511	336	652
TPH2 S.c.a.r.l.	2022				
	2023	9	27	411	116
TOTAL SUBSIDIARIES	2022	103,851	13,264	31,097	6,227
	2023	103,453	13,354	28,589	3,443
ASSOCIATES					
SETA S.p.A.	2022	730	353	839	774
	2023	1,131	492	635	441

CONSORZIO TRASPORTI INTEGRATI	2022	142	2	150	109
	2023	-	-	-	-
TRENITALIA TPER S.c.a.r.l.	2022	22,199	0	6,971	4,764
	2023	23,107	-	2,452	3,888
MARCONI EXPRESS S.p.A.	2022	6,008	154	14,534	785
	2023	6,280	-	14,035	1,010
TOTAL ASSOCIATES	2022	29,079	509	22,495	6,431
	2023	30,518	492	17,122	5,339
OWNER ENTITIES					
Emilia-Romagna Region	2022	371	-	1,539	1,719
	2023	354	-	1,077	1,670
Municipality of Bologna	2022	932	992	3,237	761
	2023	956	1,108	6,276	762
Metropolitan city of Bologna	2022	50	-	50	471
	2023	52	1	57	471
Azienda Consorziale Trasporti ACT Reggio Emilia	2022	-	-	-	296
	2023	-	-	-	220
Province of Ferrara	2022	-	-	-	25
	2023	-	-	-	-
Municipality of Ferrara	2022	40	-	25	16
	2023	46	0	3,668	-
Province of Parma	2022	-	-	-	1
	2023	-	-	-	-
Ravenna Holding	2022	-	-	-	1
	2023	-	-	-	-
TOTAL OWNER ENTITIES	2022	1,393	992	4,850	3,290
	2023	1,408	1,109	11,078	3,122
TOTAL	2022	134,323	14,764	58,442	15,949
	2023	135,379	14,955	56,788	11,904

No guarantees have been provided for receivables and payables with related parties.

Compensation to directors and statutory auditors and independent auditors

The information concerning the remuneration of the directors, statutory auditors and the independent auditors of TPER S.p.A. is presented below.

In thousands of Euro	31/12/2023	31/12/2022	Change
Directors' fees	160	142	18
Statutory auditors' fees	92	92	- 0
Independent auditors' fees	45	45	-
TOTAL	297	279	18

Grants, contributions, paid offices and economic benefits Italian Law no. 124/2017

Pursuant to Article 1, paragraph 125, of Italian Law no. 124 of 4 August 2017, in accordance with the obligation of transparency, it should be noted that in 2022 the following grants/contributions were received from public administrations, including through consortia:

Issuing entity	Description	Amount received Euro
Emilia-Romagna Region	Grant for the purchase of buses - POR-FESR provisions 201/2020 action 4.6.2	388,741
Ministry of Infrastructure and Transport	Grant for the realisation of the Guided Public Transport System Bologna City Centre - San Lazzaro (BO) (TPGV) - Italian Law no. 211/92	709,893
Municipality of San Lazzaro	Grant for the implementation of the Guided Public Transport System Bologna City Centre - San Lazzaro (BO) (TPGV)	34,214
SRM Bologna	20% advance payment on grant for the purchase of buses - MATTM funds in the Bologna area	210,652
Municipality of Bologna	balance of grant for the purchase of buses - REACT EU resources (agreement prot. 6697/2022)	16,185,143
Municipality of Ferrara	10% advance payment on grant for the purchase of buses - NRRP resources	550,000
Municipality of Ferrara	10% advance payment on grant for the construction of LPT infrastructures for NRRP resources	154,578
SRM Bologna	20% advance payment on grant for the purchase of buses - resources 1 five-year period 2019-2023 PSNMS RER Bologna area	2,388,971
SRM Bologna	20% advance payment on grant for the construction of LPT infrastructures - resources 1 five-year period 2019-2023 PSNMS RER Bologna area	536,000
SRM Bologna	14% advance payment on grant for the purchase of buses - resources 1 five-year period 2019-2023 PSNMS 100K Bologna area	589,157
SRM Bologna	14% advance payment on grant for the construction of LPT infrastructures - resources 1 five-year period 2019-2023 PSNMS 100K Bologna area	83,965
SRM Bologna	20% advance payment on grant for the purchase of buses - NRRP resources - MD 315/2021	1,815,270
AMI Ferrara	20% advance payment on grant for the purchase of buses - NRRP resources - MD 315/2021	474,110
Municipality of Bologna	grant for Car Sharing activities	277,294
AMI Ferrara	Grant to the higher costs for the NCLA pursuant to Italian Laws nos. 47/04, 58/05, 296/06	2,295,625
SRM Bologna	Grant to the higher costs for the NCLA pursuant to Italian Laws nos. 47/04, 58/05, 296/06	8,213,001
Revenue Agency	Tax credit in favour of companies for the purchase of electricity and natural gas (Decree Law 21/2022 and subsequent extensions)	4,325,624
Revenue Agency	Tax credit for investments in capital goods art. 1, paragraph 1054-1058, Law 178/2020	1,426,931
Customs Agency	Excise duties on transport diesel	567,777
Mobility agencies	Fuel relief pursuant to Article 9 of Italian Decree Law 115/2022	1,878,165
Revenue Agency	Art-Bonus (Decree Law 83/2014)	64,350
Total received in 2023		**43,169,461**

Report on the 2023 Financial Statements

Board of Statutory Auditors' Report

TPER S.p.A.

Registered office in Bologna - via di Saliceto n. 3

Share capital Euro 68,492,702.00 fully paid-up

Registered in the Register of Companies and Tax Code 03182161202

* * * * *

Report of the Board of Statutory Auditors on the Financial Statements as at 31 December 2023 prepared pursuant to Art. 2429, paragraph 2, of the Italian Civil Code

******

Dear Shareholders,

The Board of Statutory Auditors, pursuant to Art. 2429, paragraph 2 of the Italian Civil Code, is called upon to report to the Shareholders' Meeting of TPER S.P.A. ("*TPER*" or "*the Company*"), called to approve the financial statements, on the results of the financial year and on the activities carried out during the year in the fulfilment of its duties, as well as on the omissions and on any questionable facts identified. The Board of Statutory Auditors also has the right to make observations and proposals regarding the financial statements and their approval as well as matters within its competence.

During the financial year ended 31 December 2023, the Board of Statutory Auditors performed the supervisory functions provided for in Articles 2403 of the Italian Civil Code, and therefore monitored compliance with the law and the Articles of Association, compliance with the principles of proper administration and the adequacy of the organisational structure, the financial reporting process, the internal control and risk management system, the Company's administrative-accounting system – including the latter's reliability in correctly represent operating events – the adequacy of the instructions issued by the Company to its Subsidiaries and the manner in which the corporate governance rules are actually implemented, as well as monitoring - in its capacity as the internal control and audit committee pursuant to Art. 19 of Italian Legislative Decree no. 39 of 27 January 2010 - the statutory audit of the annual and consolidated accounts, and verifying the selection process and the independence of the Independent Auditors.

The activities and functions assigned to us as the Board of Statutory Auditors were carried out in accordance with the provisions of the law and the Rules of Conduct for the Board of Statutory Auditors of Listed Companies, insofar as compatible, issued by the National Council of Certified Public Accountants and Accounting Experts.

TPER has drawn up the Integrated Report that combines the statutory Annual Report and the Sustainability Report. In particular, the Integrated Financial Statements include the TPER S.p.A. Separate Financial Statements for the year ended as at 31 December 2023, the TPER Group's Consolidated Financial Statements for the year ended as at 31 December 2023 and the Report on Operations including the Consolidated Non-Financial Statement pursuant to Italian Legislative Decree no. 254/2016 and the GRI Standards.

This report was approved collectively and in time for its filing at the registered office of the Company, 15 days prior to the date of the Shareholders' Meeting for the approval of the financial statements of 2023, together with the other mandatory attachments that accompany them and the Report on

Operations, as outlined above. The Board of Directors made available the related documents approved on 27 May 2024 and relating to the separate financial statements as at 31 December 2023, in compliance with the terms set out in Article 2429 of the Italian Civil Code.

This report does not concern the statutory audit of the accounts, given these functions are carried out by the Independent Auditors PricewaterhouseCoopers S.p.A. (from now also PWC), appointed for this purpose.

The functions of the Supervisory Body pursuant to Italian Legislative Decree no. 231/2001 are assigned to another collegiate body within the Company TPER.

General introduction

TPER is one of the main sustainable mobility groups in Italy and is the largest company in Emilia-Romagna in the public transport sector, carrying out its activities mainly in the Bologna and Ferrara areas through road transport and trolley bus transport. The company also manages regional rail passenger transport, in partnership with Trenitalia through its associate Trenitalia Tper (TT), on the basis of specific service contracts.
It is a publicly held non-controlling company listed pursuant to Article 26, paragraph 5 of the Italian Legislative Decree no. 175/2016 and, therefore, is excluded from the scope of application of this Decree, as well as, partially, from the scope of application of the transparency obligations provided for by Italian Legislative Decree no. 33/2013.

With regard to the nature and legal qualification of TPER, it is believed that the indicators of public control required by the combined provisions of the aforementioned Italian Legislative Decree no. 175/2016 and the relevant Italian Civil Code are not met.

In particular, the Shareholders do not hold controlling shares pursuant to Article 2 lett. b) of Italian Legislative Decree no. 175/2016 and Article 2359 of the Italian Civil Code and there are no bylaws or shareholders' agreements among the public shareholders that require the unanimous consent of the same shareholders for the company's strategic financial and management decisions (there is no formalised coordination among the participating public administrations).

The financial statements were prepared in compliance with the provisions of the applicable law and the IAS/IFRS international accounting standards issued by the IASB and adopted by the EU, as well as according to the relevant interpretations of the IFRIC, integrated with the approved amendments and currently applicable, in addition to the verified compliance with the provisions of Italian Legislative Decree 38/2005, due to the obligation imposed by current legislation and consequent to having assumed, from 2017, with the issue of the Bond Loan, the qualification of Public Interest Entity (PIE) as defined by Article 16 of Italian Legislative Decree 39/2010.

The year **2023** was characterised by:

- the adoption of a document aimed at quantifying the impact of the tariff adjustment in the service contract for the Bologna area. This involved recognising contributions to Tper based on investments made under the business branch lease contract, using a recalibrated adjustment value calculation method. As a result of the recognition, there was an economic impact of Euro 5.5 million recorded in LPT revenues for 2023. This also led to a decrease in debt owed to Agenzia S.R.M. - Società reti e mobilità S.r.l., with no additional financial implications.

- the significant increase in gross investments paid and net exposure as a result of the utilisation of new financing lines contracted during the year;

- the direct management of sharing mobility directly by TPER and no longer through its subsidiary Omnibus Scarl;

- the repayment of the second instalment of the bond loan finalised in 2017 and compliance with certain financial covenants defined in the loan agreement;

- the write-down of the equity investment held in Dinazzano PO for Euro 3.5 million as a result of impairment testing;

- the establishment of the company TPH2 scarl, of which TPER holds 51%, operating in the creation, development of know-how, management and marketing of innovative technologies in the field of plants and solutions for the production and hydrogen fuelling of means of transport.

In the first few months of **2024,** the Municipality of Bologna and the Metropolitan City of Bologna, having determined that the conditions were right, decided to extend the LPT service contract with the current manager. This extension includes the management of the tram lines currently under construction. The contract for scheduled local public transport services in the Bologna basin, covering the Red and Green tramway lines (Northern Section), the San Donato metrobus service, and related supply services, has been extended until 29 February 2028. This extension is contingent upon the Manager submitting a financial and economic plan, along with a Business Plan, demonstrating a commitment to improving service efficiency, technological innovation, emission reduction and user relations.

The Ferrara service contract was also extended to 31 December 2026.

Verification of the independence requirements by the Board of Statutory Auditors

On 12 September 2023, the Board of Statutory Auditors carried out its annual self-assessment, with positive results, with regard to all members meeting the independence requirements in compliance and consistent with the requirements set forth in Standard Q.1.7. (Rules of conduct of the Board of Statutory Auditors of listed companies issued in December 2023 by the CNDCEC).

Meetings of the Board of Statutory Auditors

In the period between the start of the 2023 financial year and 31 December 2023, the Board of Statutory Auditors participated in Shareholders' Meetings and the meetings of the Board of Directors; the Board also met periodically 9 times to carry out its own pertinent activities, acquiring the necessary information, including through the collection of documents, data and information during periodic meetings scheduled with the Company's *management*, whose attendance and relevance is certified by the related duly signed minutes.

In this context, the Board acknowledges that during the period of its mandate, there were no violations of the law or of the Articles of Association, nor any transactions that were manifestly imprudent, risky, and in potential conflict of interest or such as to compromise the integrity of the corporate assets.

The Board also held periodic meetings with the independent auditor PricewaterhouseCoopers S.p.A., with the Supervisory Body as well as with the Internal Auditor from which no significant data or information emerged that needs to be highlighted in this report.

In addition, it met with the subsidiaries' statutory auditors for a fruitful exchange of information.

Knowledge of the company, risk assessment and report on assigned tasks

Given the knowledge that the Board of Statutory Auditors declares to have with regard to the Company and with regard to:

i) the type of activity carried out;

ii) its organisational and accounting structure;

also taking into account the size and problems of the company, it is reiterated that the "planning" phase of the supervisory activity, in which it is necessary to assess the intrinsic risks and critical issues with respect to the two parameters mentioned above, was carried out by means of positive feedback with regard to what is already known on the basis of information acquired over time.

It was therefore possible to confirm that:

- the typical activity carried out by the Company (automotive and railway LPT services carried out both directly and through subsidiaries and investee companies) did not change during the year in question and is consistent with the corporate purpose;
- the organisational structure is suitable to allow the preparation of the financial statements on the basis of the IAS/IFRS international accounting standards and in the logic of business development, for an appropriate and effective functional reorganisation, therefore, not only from an accounting and administrative point of view;
- the human resources dedicated to TPER's business activities have increased (when considering the average figure) from 2,024 in the 2022 financial year to 2,071 in the 2023 financial year;
- it should also be noted that the Company operated in 2023, taking into account the above, in terms substantially comparable with the previous year and, consequently, our checks were carried out on these assumptions, having the elements to be able to verify the substantial comparability of values and results with those of the previous year.

This report therefore summarises the activity concerning the disclosure required by article 2429, paragraph 2, of the Italian Civil Code and more precisely:

- on the activity carried out in fulfilling the duties envisaged by the law;
- on the results of the financial year;
- on the observations and proposals regarding the financial statements, with particular reference to the possible use by the Board of Directors of the exemption pursuant to article 2423, paragraph 5, of the Italian Civil Code and pursuant to Art. 5 of Italian Legislative Decree no. 38/2005;
- on the possible receipt of complaints from shareholders pursuant to Art. 2408 of the Italian Civil Code.

Significant events during the year

With regard to the significant events that occurred in the year ended as at 31 December 2023, in addition to the above, please refer to the Report of the Board of Directors on Operations accompanying the Financial Statements which, to the best of the knowledge of the Board of Statutory Auditors, fully summarises the most significant events that concerned the TPER Company and the Group as a whole.

The Board of Statutory Auditors continuously monitored the progress of governmental and regional interventions in the transport sector, the Company's corresponding initiatives, and the status of the Covid-19 refund receivables recorded in 2022 that are still outstanding.

The available 2023 Group companies financial statements closed with a profit, with the exception of the subsidiary Herm, Dinazzano Po, which was significantly impacted by write-downs of receivables and fixed assets due to permanent losses, and the associate Marconi Express. For the associate, however, there was a marked improvement over the loss recorded in 2022 due to the significant recovery in airport passenger traffic, which was reflected in a marked increase in the company's revenues.

Macro-organisational structure of TPER

In 2021, TPER started a process of reorganisation to support the evolution of the business based on the changes taking place in the mobility sector, and to develop all the new projects that will enable the company to evolve in the light of the new objectives and role of the LPT and the new technological scenario (digital transformation, green transition) that require a very large amount of investments.

In this perspective, in the key sectors of the company, also from a Group perspective, in 2023 the Company recruited young people to offset retirements to support main functions with a view to strengthening and developing skills as well as to manage the many related activities.

Intercompany transactions or transactions with related parties

To the best of our knowledge, the Company has not carried out atypical and/or unusual transactions with Group companies, related parties or third parties; the transactions carried out with companies of the TPER Group are essentially the provision of services and transactions of a commercial or financial nature, carried out in compliance with the procedures adopted by the Board of Directors, which assessed their adequacy and correspondence with an effective corporate interest.

Significant events subsequent to the close of the financial year and foreseeable management evolution

With regard to significant events, the directors illustrated in detail:

- the extension of the current service contract concerning the local public transport services of the Bologna basin and the Ferrara basin;

- the plan to invest in new vehicles and infrastructure as well as the agreement reached with a well-known car manufacturer to replace a fleet of electric vehicles for the Corrente car sharing scheme.

Supervisory activities

During the financial year ended as at 31 December 2023, the Board of Statutory Auditors, as far as possible, was able to ascertain that:

- the decisions made by the Shareholders and the Board of Directors were compliant with the law and the Articles of Association and were not clearly imprudent or such as to compromise the integrity of the company assets;
- sufficient information was acquired on the general operating performance and on its outlook, as well as on the most significant transactions, in terms of size or characteristics, carried out by the company and its subsidiaries; in accordance with the management organisational chart, the information required by Art. 2381, paragraph 5, of the Italian Civil Code, were provided and acquired by the Chief Executive Officer and by the Director, both during scheduled meetings and at the time of any individual meeting with the members of the Board of Statutory Auditors at the Company's registered office; and also through telephone and computer contacts/information flows with the members of the Board of Directors: it follows from all of the foregoing, and on the basis of our understanding, that the directors have complied, in substance and form, with the requirements imposed on them by the aforementioned rule;
- the transactions carried out were also compliant with the law and the articles of association and not in potential conflict with the resolutions adopted by the Shareholders' Meeting or such as to

compromise the integrity of the company assets, and were adequately assessed by the Board of Directors;

- no specific observations are made regarding the adequacy of the company's organisational structure during the year, nor regarding the adequacy of the administrative, accounting and control systems, as well as the reliability of the latter in correctly representing the operating events, to the extent of our competence, also for the purposes and effects of the disclosure due pursuant to Italian Legislative Decree no. 254/2016, with regard to matters of a non-financial nature, as indicated below;
- knowledge was acquired and monitored, to the extent applicable, on the adequacy and functioning of the administrative-accounting system, as well as on the reliability of the latter to correctly represent management events, also in relation to the timely detection of a business crisis and the loss of business continuity, by obtaining, in this regard, specific information from the heads of functions, from PricewaterhouseCoopers S.p.A., appointed as independent auditor, and by examining company documents and, in this regard, there are no particular observations to report;
- no critical issues have arisen with regard to the proper implementation of the organisational model that need to be highlighted in this report;
- we have not made any reports to the administrative body pursuant to and for the purposes of Article 25-*octies* of Italian Legislative Decree no. 14 of 12 January 2019;
- we have not received any reports from public creditors pursuant to Article 25-*novies* of Italian Legislative Decree no. 14 of 12 January 2019;
- we have acknowledged that, within the terms of the law, the company has appointed a Data Protection Officer (DPO), as required by European Regulation no. 2016/679 on privacy;
- the consultants and external professionals appointed to provide accounting, tax, corporate and employment law assistance have not substantially changed, except for those relating to any extraordinary or non-recurring transactions, and therefore they have historical knowledge of the activities carried out and of any management issues, including extraordinary ones, that have impacted on the results of the financial statements;
- no interventions were necessary due to omissions of the management body pursuant to Art. 2406 of the Italian Civil Code;
- no complaints were received pursuant to Art. 2408 of the Italian Civil Code;
- no complaints were made pursuant to Art. 2409, paragraph 7, of the Italian Civil Code;
- during the year, the Board of Statutory Auditors, also in its capacity as Internal Control and Audit Committee, was requested to issue an opinion pursuant to Article 19, letter e), of Italian Legislative Decree no. 39 of 27 January 2010.

In its capacity as the Internal Control and Audit Committee, the Board of Statutory Auditors carried out the activities envisaged by Article 19 of Italian Legislative Decree no. 39/2010, due to its qualification as a Public Interest Entity (PIE), being required to:

i) inform the Management Body of the Company of the outcome of the statutory audit, sending the same the additional Report addressed to this Board in its capacity of Committee for Internal Control and Audit, pursuant to Art. 11 of European Regulation no. 537/2014 prepared by the independent auditors, accompanied by any observations;

ii) monitor the financial reporting process and submit recommendations or proposals aimed at ensuring its integrity;

iii) monitor the effectiveness of the Company's internal quality control and risk management systems and, if applicable, of the internal audit, with regard to financial reporting of the audited entity, without violating its independence;

iv) monitor the statutory audit of the financial statements and of the consolidated financial statements, also taking into account any results and conclusions of the quality controls carried out pursuant to Art. 26, paragraph 6, of the European Regulation, where available;

v) verify and monitor the independence of the statutory auditors or independent auditors pursuant to Articles 10, 10-bis, 10-ter, 10-quater and 17 of Italian Legislative Decree no. 39/2010 and Art. 6 of the European Regulation, in particular with regard to the adequacy of the provision of services other than auditing to the audited entity, in accordance with Art. 5 of said Regulation;

vi) respond to the procedure for the selection of statutory auditors or independent auditors and recommend the statutory auditors or audit firms to be appointed pursuant to Art. 16 of the European Regulation.

The following findings emerge from the supervisory activities carried out by the Board of Statutory Auditors for this purpose:

i) Comments on the Additional Report pursuant to Article 11 of the European Regulation

The Board of Statutory Auditors has read the report by the independent auditors PricewaterhouseCoopers S.p.A. on 10 June 2024, issued pursuant to Article 11 of European Regulation (EU) 537/2014. The document adequately illustrates the results of the statutory audit as well as the mandatory information pursuant to the second paragraph of the aforementioned Art. 11 of Regulation (EU) 537/2014.

ii) Monitoring of the financial reporting process

As part of the audits carried out during the year, the Board of Statutory Auditors obtained feedback on the existence of adequate rules and processes to oversee the process of formulation and disclosure of financial information, obtaining evidence of the financial disclosure process and of the administrative and accounting procedures, which are adequate with respect to the activities currently carried out by TPER;

We verified TPER's ability to fulfil its obligations taking into account the government measures in support of the LPT and the availability of liquidity reserves or other forms of access to credit.

The Board also checked compliance during the year with the financial covenants relating to the bond loan issued in 2017, listed on the Dublin Stock Exchange and for which repayment of the third and final instalment is expected in September 2024 (approximately Euro 31.7 million).

iii) Supervision of the effectiveness of the internal control, internal audit and risk management systems

The Board of Statutory Auditors periodically met with the Heads of the control functions and in particular with the Internal Audit function of TPER to exchange information on the activities carried out, obtaining updates on the execution of the audit plan and, in this context, on the audit interventions carried out and the related results, also on a programmatic and prospective basis.

Pursuant to art. 11 of Regulation (EU) 537/2014, we received from the Independent Auditors the Report to the Internal Control and Audit Committee ("additional report") which did not reveal any significant shortcomings relating to the Internal Control System (ICS), such as to be brought to the attention of the same Board.

iv) Supervision of the statutory audit of the annual financial statements

The Board of Statutory Auditors met with the representatives of the Independent Auditors (PricewaterhouseCoopers S.p.A.) with whom an exchange of information was established in accordance with best practice.

In the report pursuant to Article 11 of European Regulation (EU) 537/2014, and in the report pursuant to Article 14 of Italian Legislative Decree no. 39/2010, issued by the independent auditors on 10 June 2024, the same certified that, on the basis of the checks carried out, no significant shortcomings emerged in the internal control system in relation to the process of financial reporting, "key aspects" of the statutory audit were highlighted, with the relative description of the separate and consolidated financial statements.

v) Supervision of the independence of the independent auditors, in particular with regard to the provision of non-audit services.

The Board of Statutory Auditors supervised the independence of the Independent Auditors and obtained the annual confirmation of independence pursuant to Article 6, paragraph 2) letter a) of European Regulation 537/2014.

In particular, on 10 June 2024, the independent auditors PricewaterhouseCoopers S.p.A. confirmed, with specific certification, that it had complied with the ethical principles set out in Articles 9 and 9-bis of Italian Legislative Decree no. 39/2010 and that no situations were found that compromised their independence pursuant to Articles 10 and 17 of Italian Legislative Decree no. 39/2010 and Articles 4 and 5 of European Regulation 537/2014, also confirming the fulfilment of the requirements of Article 6, paragraph 2, letter b) of Regulation (EU) 537/2014.

Pursuant to Article 19 of Italian Legislative Decree no. 39/2020 and European Regulation no. 537/2014, the Board expressed a favourable opinion on the assignment to PWC of additional non-audit services consisting, in particular, in the revision of the schedule for the calculation of sickness benefits for local public transport workers.

In addition, the information obtained by the Board of Statutory Auditors shows that during the 2023 financial year no mandates were assigned to subjects part of the PWC "network".

Lastly, we attest that TPER, having the qualification of PIE pursuant to the law, is obliged, also by virtue of its size requirements, to provide the necessary communications of non-financial information (known as "Non-Financial Statement - NFS") in compliance with the provisions of Italian Legislative Decree no. 254/2016 at both separate and consolidated level.

In this regard, as specified above, the directors have prepared the Integrated Report on Operations that includes the NFS for the financial year 2023 in accordance with Articles 3 and 4 of Italian Legislative Decree no. 254/2016, implementing Directive 2014/95/EU, whose contents refer to environmental, social and personnel-related issues, respect for human rights and the fight against active and passive corruption, useful to ensure the understanding of the activities carried out by the TPER Group, and the impact produced by them, its performance, its results.

The Control Body has verified the fulfilment of the obligations imposed by the regulations regarding the preparation and publication of the non-financial statement and has acknowledge the presentation of the compliance certificate issued by the Independent Auditors PricewaterhouseCoopers S.p.A., on 10 June 2024, pursuant to the provisions of Article 3, paragraph 10, of Italian Legislative Decree no. 254/216.

In conclusion, we can therefore state that in the course of the supervisory activity carried out by this Board, no significant facts and/or elements emerged, such as to require notification in this report.

Consolidated financial statements

The consolidated financial statements for the year ended 31 December 2023 were prepared in accordance with Articles 2 and 3 of Italian Legislative Decree no. 38/2005, based on the going concern assumption of the Parent Company and of the other consolidated companies and consist of the consolidated statements (statement of financial position, income statement, statement of comprehensive income, statement of changes in shareholders' equity and cash flow statement) and the explanatory notes.

The consolidated financial statements has been in compliance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board and approved by the European Commission, which include the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as well as the previous International Accounting Standards (IAS) and previous interpretations of the Standard Interpretations Committee (SIC) still in force.

The Consolidated Financial Statements of the TPER Group were audited in accordance with the law by the Independent Auditors PricewaterhouseCoopers S.p.A., which issued a specific report on 10 June 2024, without observations or requests for specific disclosures.

The subsidiaries, consolidated on a line-by-line basis, are as follows:

COMPANY NAME	SHARE CAPITAL	GROUP INTEREST (%)
Omnibus S.c.a.r.l.	80,000	51
TPF S.c.a.r.l.	10,000	97
TPB S.c.a.r.l.	10,000	85
Ma.Fer S.r.l.	3,100,000	100
Dinazzano PO S.p.A.	38,705,000	95.35
SST S.r.l.	500,000	51

Herm S.r.l.	10,840,000	94.95
TPH2 scarl	100,000	51

The Board of Statutory Auditors notes that the scope of consolidation as at 31 December 2023 changed from that of 31 December 2022 due to the inclusion of the newly formed TPH2 S.c.r.l.

The statement of financial position shows a consolidated net profit of Euro 8,480 thousand, of which the Group's share was Euro 8,582 thousand compared to a profit of Euro 1,605 thousand (Group share Euro 1,524 thousand) in the previous year.

The Board of Statutory Auditors observed that the Consolidated Financial Statements correspond to the facts and information of which it is aware following the participation in the meetings of the corporate bodies of TPER, in the exercise of its supervisory duties and its powers of inspection and control.

Integrated Report on Operations

The Board of Statutory Auditors examined the contents of the Integrated Report on Operations prepared by the Board of Directors in relation to the separate financial statements, highlighting that the independent auditors PricewaterhouseCoopers S.p.A. had carried out the procedures aimed at expressing their opinion, with positive results, on the consistency of the above-mentioned report with the financial statements and its compliance with the law.

Furthermore, to the best of our knowledge, in preparing the financial statements in question, the Directors did not need to avail themselves of the possibility of derogation provided for by Art. 2423, paragraph 5, of the Italian Civil Code and Art. 5, first paragraph, of Italian Legislative Decree no. 38/2005.

Report on Corporate Governance

Pursuant to Article 22.4 of the Articles of Association, the directors prepared the Corporate Governance Report for the financial year 2023.

The Board of Statutory Auditors monitored:

- the role of the board of directors in defining the strategies of the company and the group, also with regard to the pursuit of sustainable success, and in promoting dialogue with shareholders and other stakeholders relevant to the company;

- the effective and concrete implementation of the corporate crisis risk assessment programme.

Financial Statements

The financial statements for the year ended 31 December 2023, prepared on a going concern basis, were prepared in accordance with Articles 2 and 3 of Italian Legislative Decree no. 38/2005, in compliance with the *International Financial Reporting Standards* (IFRS), which include the interpretations issued by the IFRIC.

Without prejudice to the fact that the tasks relating to the statutory audit and, therefore, the opinion on the financial statements are the exclusive responsibility of the independent auditors PricewaterhouseCoopers S.p.A., it should be noted that the draft financial statements for the year as at 31 December 2023 were approved by the Board of Directors and consist of the financial statements (statement of financial position, income statement, statement of comprehensive income, statement of changes in shareholders' equity, cash flow statement) and the explanatory notes which include the accounting standards adopted for the individual financial statement items.

Furthermore:

- the management body also prepared the report on operations pursuant to Art. 2428 of the Italian Civil Code;
- the statutory audit is entrusted to PricewaterhouseCoopers S.p.A., which prepared its own report pursuant to Art. 14 of Italian Legislative Decree no. 39 of 27 January 2010 and pursuant to Art. 10 of European Regulation no. 537/2014 to the separate financial statements which does not highlight findings of significant deviations, or negative opinion or the impossibility to express an opinion or requests for disclosure and, therefore, the opinion issued is positive;
- the Independent Auditors also prepared the Additional Report for the Internal Control and Audit Committee pursuant to Article 11 of European Regulation no. 537/2014 for the exclusive use of this Board and for the purposes of Article 19 of Italian Legislative Decree no. 39/2010;
- the measurement criteria adopted, with the exception of equity investments, are the same for both the separate financial statements and the consolidated financial statements and are compliant with those used in the previous year, with the exception of the amendments introduced with effect from 2023 to the IFRS in force.

The draft financial statements were also examined, and in relation to these the following additional information is provided:

- attention was paid to the layout of the draft financial statements, and the accompanying documents, to their general compliance with the law as regards their format and structure, and in this regard there are no observations that need to be highlighted in this report;
- the compliance of the financial statements with the facts and information of which it became aware following the performance of the typical duties of the Board of Statutory Auditors was verified, and in this regard no further observations are highlighted;
- pursuant to Art. 2426, paragraph 5, of the Italian Civil Code, the Board of Statutory Auditors attests that, for mere reporting purposes, “other intangible assets” do not refer to “start-up and expansion costs” nor to “development costs” with long-term useful lives yet to be amortised;
- the Company did not subscribe to any derivative financial instruments, not even for hedges.

The net result ascertained by the Board of Directors relating to the financial statements of TPER for the year ended 31 December 2023, as also evident from the reading of the financial statements, was positive for Euro 3,294,825 (against Euro 1,686,971 in the previous year).

Today, the Board has received the report prepared by the Independent Auditors on the separate financial statements as at 31 December 2023 and has acknowledged:

- the opinion on the financial statements reported therein, which show that they provide a true and fair view of the equity and financial position, the economic result and the cash flows for the year ended as at 31 December 2023, prepared in compliance with the IFRS adopted by the EU;
- the absence of requests for disclosure;
- the key aspects of the audit;
- the opinion of consistency and compliance with the law of the Report on Operations of the Board of Directors included in the financial statements;
- other opinions required by the current legislation and other information to be communicated on the basis of regulations (Italian Legislative Decree no. 39/2010 and EU Regulation 537/2014), as required.

Observations and proposals regarding the approval of the financial statements; conclusions

On the basis of the above and to the extent to which the Board of Statutory Auditors is aware and was confirmed by the periodic checks carried out, it is unanimously believed that there are no impediments, also in light of the report prepared by the Independent Auditors and of the related opinion on the financial statements, the approval on your part of the separate financial statements for the year ended as at 31 December 2023 as prepared and presented by the Board of Directors, as well as the proposal formulated by your Board of Directors to allocate the profit for the year (Euro 3,294,825) to the legal reserve (Euro 658,965) and to the extraordinary reserve (Euro 2,635,860).

Finally, at the conclusion of the work done and also of the three-year term of office that has come to a natural end, which the shareholders' meeting is called upon to resolve, we would like to thank the Board of Directors, the Employees and all the staff, as well as Collaborators for their active participation and the effective support received, wishing the Company a successful future.

Bologna, 12 June 2024

The Board of Statutory Auditors

Enrico Corsini, Chairperson

Patrizia Preti - Statutory Auditor

Fabio Ceroni, Statutory Auditor

INDEPENDENT AUDITORS' REPORTS

pwc

Independent auditor's report

in accordance with article 14 of Legislative Decree 39 of 27 January 2010 and article 10 of Regulation (EU) 537/2014

To the shareholders of
Tper SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Tper SpA (the "Company") and its subsidiaries (hereinafter, "Tper Group" or the "Group"), which comprise the consolidated statement of financial position as of 31 December 2023, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in shareholders' equity and the consolidated cash flow statement for the year then ended and the explanatory notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2023 and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers SpA

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40124 Via Luigi Carlo Farini 12 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

www.pwc.com/it

Key Audit Matters	*Auditing procedures performed in response to key audit matters*
Government grants covid 19 *The assessments made by the Company related to the recoverability of government grants due to the Covid 19 pandemic are described in the Notes to the Financial Statements as of 31 December 2023 Note 10 "Other current assets"."* The local public transport sector has been severely impacted by the Covid-19 pandemic, an emergency that has led to a significant contraction in passengers' traffic, resulting in reduced revenues and marginality in fiscal years 2020, 2021 and partly in 2022. In order to manage this situation the Italian state has allocated and committed funds to compensate the Italian companies involved in this public service. Company's Management has carried out an examination of what is reported within the national regulations and has accounted for the government grants under the assumption of reasonable certainty of receiving them, based on the provisions of International Accounting Standard IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance." The amount accounted for in the consolidated financial statements as of 31 December 2023, and not yet collected, as shown in Note 10 "Other current assets", is 13.6 million Euros. We have identified an area of attention in this context in consideration of the exceptional nature of the impact of the health emergency on the Company and of the fact that Management's evaluation process is complex and based on certain assumptions (distribution of government grants determined on a national and regional basis among the different local public transport companies, the presence of over- or under-compensation, and the availability of funds allocated by the Italian state).	We have carried out an understanding of the approach adopted by Management in identifying the main risks and critical issues inherent to the recognition of government grants and the assumptions underlying in the assessment process. We have obtained details of the estimates made by Management, verifying their reasonableness, with reference to the recoverability of the amounts recognized as "Other current assets", based on current regulations and on the practice followed by the industry. We reperformed the analysis carried out by Management, taking into account industry practices, in order to identify the presence of any overcompensation. We conducted audit procedures on subsequent events to identify whether there were any new elements arising from new regulations that might impact what was already recorded in the financial statements as of 31 December 2023. Finally, we have verified the accuracy and completeness of the information presented in the notes "Other current assets" included in the Notes to the Consolidated Financial Statements as of 31 December 2023.

Key Audit Matters	*Auditing procedures performed in response to key audit matters*
Valuation of provisions for risks and charges *Evaluation of provision for risk and charges as described in the Note 13 "Funds for Provisions" of the explanatory notes to the Consolidated Financial Statements as of 31 December 2023* The value of provisions for risks and charges recorded in the consolidated financial statements as of 31 December 2023 amounted to approximately 43 million Euros and represented some 15 percent of the Company's liabilities. Due to the significance of the amounts in question and to the use of estimates utilized by Management in order to comply with the requirements of the international accounting standard "IAS 37 - Provisions, Contingent Liabilities and Contingent Assets" adopted by the European Union, we paid specific attention to the verification of the liabilities in question. The main analyses carried out by Management involved checking ongoing legal or constructive obligations, estimating the probability of having to fulfil them, and estimating the amount involved.	We have carried out an understanding and evaluation of the procedure adopted by the Company for the purpose of determining the provisions for risks and charges regarding the adequacy of the liabilities recognized in the statement of financial position as of 31 December 2023. In particular, we performed an understanding and validation of the relevant controls underlying the determination of these provisions and the assessment of the appropriateness of the liabilities recognized. In this regard, it should be noted that the Company for the most significant issues uses the support of independent external advisors who update Management on the status of disputes and potential impacts on the financial statements. We also obtained the breakdown of the amounts set aside, analyzing, on a sample basis, the reasonableness of the assumptions adopted by Management in quantifying the liability to be recognized in the annual financial statements. With reference to the external advisors who support the Company in the evaluation of provisions for risks and charges, we also proceeded to send letters requesting information from them and analyzed the responses received. In addition, in order to understand the characteristics of current disputes, we conducted interviews with Management, the internal legal department, managerial reporting managers, internal technical managers and external professionals.

Finally, our audits included an analysis of the notes to the annual consolidated financial statements to assess the accuracy and completeness of the disclosures related to the item "Funds for Provisions."

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the Directors use the going concern basis of accounting unless they either intend to liquidate Tper SpA or to cease operations, or have no realistic alternative but to do so.

The Board of Statutory Auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- we identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- we evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we concluded on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- we evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- we obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) 537/2014

We were appointed by the shareholders of Tper SpA at the general meeting held on 29 May 2018 to perform the statutory audit of the Company's and the consolidated financial statements for the years ending 31 December 2018 through 31 December 2026.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree 39/2010

The Directors of Tper SpA are responsible for preparing a report on operations of Tper Group as of 31 December 2023, including its consistency with the relevant consolidated financial statements and its compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) 720B in order to express an opinion on the consistency of the report on operations, with the consolidated financial statements of the Tper Group as of 31 December 2023 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations mentioned above is consistent with the consolidated financial statements of Tper Group as of 31 December 2023 and is prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree 39/2010, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Statement in accordance with article 4 of Consob's Regulation implementing Legislative Decree 254 of 30 December 2016

The Directors of Tper SpA are responsible for the preparation of the non-financial statement pursuant to Legislative Decree 254 of 30 December 2016.

We have verified that the Directors approved the non-financial statement.

Pursuant to article 3, paragraph 10, of Legislative Decree 254 of 30 December 2016, the non-financial statement is the subject of a separate statement of compliance issued by ourselves.

Bologna, 10 June 2024

PricewaterhouseCoopers SpA

Signed by
Roberto Sollevanti
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers

6 of 6

pwc

Independent auditor's report

in accordance with article 14 of Legislative Decree 39 of 27 January 2010 and article 10 of Regulation (EU) 537/2014

To the shareholders of
Tper SpA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tper SpA (the "Company"), which comprise the statement of financial position as of 31 December 2023, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity and the cash flow statement for the year then ended and the explanatory notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2023 and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the

PricewaterhouseCoopers SpA

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40124 Via Luigi Carlo Farini 12 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

www.pwc.com/it

context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	*Auditing procedures performed in response to key audit matters*
Government grants Covid 19	
The assessments made by the Company related to the recoverability of government grants due to the Covid 19 pandemic are described in the Notes to the Financial Statements as of 31 December 2023 Note 9 "Other current assets".	
The local public transport sector has been severely impacted by the Covid-19 pandemic, an emergency that has led to a significant contraction in passengers' traffic, resulting in reduced revenues and marginality in fiscal years 2020, 2021 and partly in 2022. In order to manage this situation the Italian state has allocated and committed funds to compensate the Italian companies involved in this public service. Company's Management has carried out an examination of what is reported within the national regulations and has accounted for the government grants under the assumption of reasonable certainty of receiving them, based on the provisions of International Accounting Standard IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance." The amount accounted for in the financial statements as of 31 December 2023 and not yet collected, as shown in Note 9 "Other current assets", is 13.6 million Euros. We have identified an area of attention in this context in consideration of the exceptional nature of the impact of the health emergency on the Company and of the fact that Management's evaluation process is complex and based on certain assumptions (distribution of government grants determined on a national and regional basis among the different local public transport companies, the presence of over- or under-compensation, and the availability of funds allocated by the Italian state).	We have carried out an understanding of the approach adopted by Management in identifying the main risks and critical issues inherent to the recognition of government grants and the assumptions underlying in the assessment process. We have obtained details of the estimates made by Management, verifying their reasonableness, with reference to the recoverability of the amounts recognized as "Other current assets", based on current regulations and on the practice followed by the industry. We reperformed the analysis carried out by Management, taking into account industry practices, in order to identify the presence of any overcompensation. We conducted audit procedures on subsequent events to identify whether there were any new elements arising from new regulations that might impact what was already recorded in the financial statements as of 31 December 2023. Finally, we have verified the accuracy and completeness of the information presented in the notes "Other current assets" included in the Notes to the Financial Statements as of 31 December 2023.

Key Audit Matters	*Auditing procedures performed in response to key audit matters*
Valuation of provisions for risks and charges *Evaluation of provision for risk and charges as described in the Note 12 "Funds for Provisions" of the explanatory notes to the Financial Statements as of 31 December 2023*	
The value of provisions for risks and charges recorded in the consolidated financial statements as of 31 December 2023 amounted to approximately 41 million Euros and represented some 15 percent of the Company's liabilities. Due to the significance of the amounts in question and to the use of estimates utilized by Management in order to comply with the requirements of the international accounting standard "IAS 37 - Provisions, Contingent Liabilities and Contingent Assets" adopted by the European Union, we paid specific attention to the verification of the liabilities in question. The main analyses carried out by Management involved checking ongoing legal or constructive obligations, estimating the probability of having to fulfil them, and estimating the amount involved.	We have carried out an understanding and evaluation of the procedure adopted by the Company for the purpose of determining the provisions for risks and charges regarding the adequacy of the liabilities recognized in the statement of financial position as of 31 December 2023. In particular, we performed an understanding and validation of the relevant controls underlying the determination of these provisions and the assessment of the appropriateness of the liabilities recognized. In this regard, it should be noted that the Company for the most significant issues uses the support of independent external advisors who update Management on the status of disputes and potential impacts on the financial statements. We also obtained the breakdown of the amounts set aside, analyzing, on a sample basis, the reasonableness of the assumptions adopted by Management in quantifying the liability to be recognized in the annual financial statements. With reference to the external advisors who support the Company in the evaluation of provisions for risks and charges, we also proceeded to send letters requesting information from them and analyzed the responses received. In addition, in order to understand the characteristics of current disputes, we conducted interviews with Management, the internal legal department, managerial reporting managers, internal technical managers and external professionals.

	Finally, our audits included an analysis of the notes to the annual financial statements to assess the accuracy and completeness of the disclosures related to the item "Funds for Provisions."

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, the Directors use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Board of Statutory Auditors is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- we identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- we obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we concluded on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- we evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) 537/2014

We were appointed by the shareholders of Tper SpA at the general meeting held on 29 May 2018 to perform the statutory audit of the Company's and consolidated financial statements for the years ending 31 December 2018 through 31 December 2026.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree 39/2010

The Directors of Tper SpA are responsible for preparing a report on operations of the Company's as of 31 December 2023, including its consistency with the relevant financial statements and its compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) 720B in order to express an opinion on the consistency of the report on operations, with the financial statements of Tper SpA as of 31 December 2023 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations is consistent with the financial statements of Tper SpA as of 31 December 2023 and is prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree 39/2010, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Bologna, 11 June 2024

PricewaterhouseCoopers SpA

Signed by
Roberto Sollevanti
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers

pwc

Independent auditor's report on the consolidated non-financial statement

pursuant to article 3, paragraph 10, of Legislative Decree no. 254/2016 and article 5 of CONSOB regulation no. 20267 of January 2018

To the Board of Directors of
Tper SpA

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016 (the "Decree") and article 5 of CONSOB Regulation No. 20267/2018, we have undertaken a limited assurance engagement on the consolidated non-financial statement of Tper SpA (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2023, prepared in accordance with article 4 of the Decree included in the Integrated Report and approved by the Board of Directors on 27 May 2024 (the "NFS").

Our review does not extend to the information set out in the paragraph "Tables EU taxonomy - Regulation EU 2021/2178" of the NFS, required by article 8 of European Regulation 2020/852.

Responsibilities of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and with the "Global Reporting Initiative Sustainability Reporting Standards" defined in 2016, and updated to 2021, by the GRI - Global Reporting Initiative (the "GRI Standards") identified by them as the reporting standard. The NFS is identifiable within the Integrated Report by the symbol **NFS**, placed in the title of the relevant paragraphs.

The Directors are also responsible, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of a NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the Directors are responsible for identifying the content of the NFS, within the matters mentioned in article 3, paragraph 1, of the Decree, considering the activities and characteristics of the Group and to the extent necessary to ensure an understanding of the Group's activities, its performance, its results and related impacts.

Finally, the Directors are responsible for defining the business and organisational model of the Group and, with reference to the matters identified and reported in the NFS, for the policies adopted by the Group and for the identification and management of risks generated and/or faced by the Group.

The Board of Statutory Auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

Auditor's Independence and Quality Control

We are independent in accordance with the principles of ethics and independence set out in the Code of Ethics for Professional Accountants published by the International Ethics Standards Board for Accountants, which are based on the fundamental principles of integrity, objectivity, competence and professional diligence, confidentiality and professional behaviour. In the period this engagement refers to our firm applied International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintained a comprehensive system of quality control including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

We are responsible for expressing a conclusion, on the basis of the work performed, regarding the compliance of the NFS with the Decree and the GRI Standards. We conducted our work in accordance with International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. The standard requires that we plan and apply procedures in order to obtain limited assurance that the NFS is free of material misstatement. The procedures performed in a limited assurance engagement are less in scope than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the NFS were based on our professional judgement and consisted in interviews, primarily of company personnel responsible for the preparation of the information presented in the NFS, analyses of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures:

1. analysis of the relevant matters reported in the NFS relating to the activities and characteristics of the Group, in order to assess the reasonableness of the selection process used, in accordance with article 3 of the Decree and with the reporting standard adopted;
2. analysis and assessment of the criteria used to identify the consolidation area, in order to assess their compliance with the Decree;
3. comparison of the financial information reported in the NFS with the information reported in the Group's consolidated financial statements;
4. understanding of the following matters:
    a. business and organisational model of the Group with reference to the management of the matters specified by article 3 of the Decree;
    b. policies adopted by the Group with reference to the matters specified in article 3 of the Decree, actual results and related key performance indicators;
    c. key risks generated and/or faced by the Group with reference to the matters specified in article 3 of the Decree.

With reference to those matters, we compared the information obtained with the information presented in the NFS and carried out the procedures described under point 5 a) below;

5. understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the NFS.

In detail, we held meetings and interviews with the management of Tper SpA and we performed limited analyses of documentary evidence, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the NFS.

Moreover, for material information, considering the activities and characteristics of the Group:

- at a group level,
  a) with reference to the qualitative information included in the NFS, and in particular to the business model, the policies adopted and the main risks, we carried out interviews and acquired supporting documentation to verify its consistency with available evidence;
  b) with reference to quantitative information, we performed analytical procedures as well as limited tests, in order to assess, on a sample basis, the accuracy of consolidation of the information.

- for the company Tper SpA, which was selected on the basis of its activities and its contribution to the performance indicators at a consolidated level, we carried out site visits during which we met local management and gathered supporting documentation regarding the correct application of the procedures and calculation methods used for the key performance indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of Tper Group for the year ended 31 December 2023 is not prepared, in all material respects, in accordance with articles 3 and 4 of the Decree and with the GRI Standards.

Our conclusions on the NFS of Tper Group do not extend to the information set out in the paragraph "Tables EU taxonomy - Regulation EU 2021/2178" of the NSF, required by article 8 of European Regulation 2020/852.

Bologna, 11 June 2024

PricewaterhouseCoopers SpA

Signed by
Roberto Sollevanti
(Partner)

This report has been translated from the Italian original solely for the convenience of international readers. We have not performed any controls on the NFS 2023 translation.