

AMAG Leasing AG

Investor Report 2024

Green Bonds



amag

Contents

| | |
|--|---|
| Introduction to Corporate Sustainability | 4 |
| Green Bond Framework | 5 |
| Allocation Report | 6 |
| Impact Report | 7 |
| Case studies | 8 |
| Independent assurance review | 9 |
| Disclaimer | 9 |



1. Introduction to Corporate Sustainability

Founded in 1980, AMAG Leasing AG («ALAG») is a subsidiary of AMAG Group AG («AMAG»), which is the general importer of Volkswagen and the largest mobility company in Switzerland. ALAG has become the leading car leasing company for business and private customers in Switzerland. ALAG's portfolio currently comprised of approximately 183'000 contracts valued at more than CHF 5.2 billion. AMAG has subsidiaries in the vehicle import and retail sectors, including over 80 own retail locations, as well as in logistics. Additionally, AMAG owns and operates car parks and is a licence holder of Europcar in the car rental business.

As a value-based company, AMAG is aware of its responsibility and is committed to contributing to the climate agenda in Switzerland. In addition to economic success, AMAG incorporates socially and ecologically responsible corporate governance. AMAG assumes responsibility not only for its own activities, but also for its entire value chain. Hence, the company has communicated a comprehensive climate strategy as a cornerstone of its corporate strategy in 2021. AMAG's vision is to become the leading provider of sustainable individual mobility. AMAG pursues a comprehensive approach and is committed to the Paris Climate Agreement and the Science Based Targets Initiative.

AMAG has set the goal achieving net zero by 2040. It follows a clear three-step process:

1. Effective and sustainable CO₂ reduction
2. Switch to renewable sources of energy
3. Offsetting unavoidable emissions

ALAG intends to finance its activities to promote electric mobility and reduce or eliminate CO₂ emissions by issuing Green Bonds or other Green finance instruments.

2. Green Bond Framework

AMAG Leasing AG (ALAG) issued its inaugural Green bond in September 2021, becoming the first Green bond issuer in the Auto sector in Switzerland. Subsequently, ALAG issued the following further tranches under its Green Finance Framework:

Overview of Green bond issuance as of Jun-2024

| Nominal in mCHF | Maturity |
|-----------------|----------|
| 175 | 06/2025 |
| 130 | 09/2027 |
| 175 | 09/2026 |
| 190 | 09/2029 |
| 170 | 05/2026 |
| 115 | 02/2027 |
| 185 | 02/2029 |
| Total: 1,140 | |

Proceeds raised from the Green bonds will be used for financing or refinancing, fully or partially, a portfolio of Eligible Green Assets.

Eligible Green Assets are currently focused on Clean transportation – comprising of leasing contracts of electric or hybrid vehicles in Switzerland. Criteria, as defined in the Green Finance Framework, is as follows:

- (i) Battery Electric Vehicle ("BEVs")
- (ii) Plug-in Hybrid Vehicles ("PHEVs") that have a maximum of 50g CO₂ emission per kilometre

The issuance of Green bonds allows ALAG to benefit from diversification of its funding portfolio. By the issuance of Green bonds ALAG can benefit from risk differentiation and a competitive advantage against other leasing companies in Switzerland.

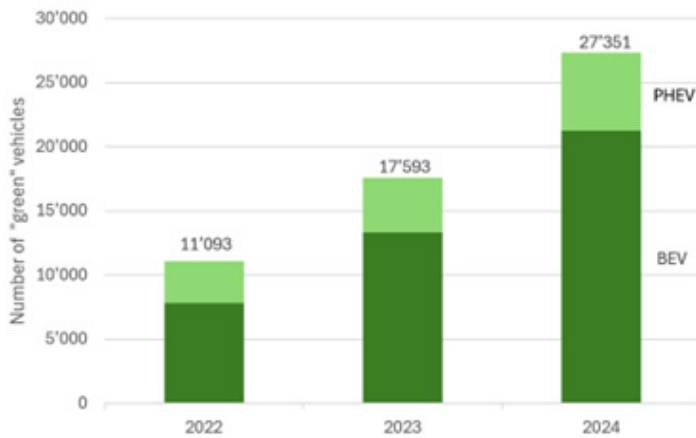
Sustainalytics has reviewed the Green Finance Framework and is of the opinion that the Framework is credible and impactful, aligned with the four core components of the ICMA Green Bond Principles 2021 and LMA Green Loan Principles 2021. The work involved in Green bonds and the portfolio of eligible assets is carried out in cooperation with AMAG's Sustainability Board and Treasury.

ALAG's Green Finance Framework addresses the two of the UN Sustainable Development Goals:



3. Allocation Report

As of June 2024, the Eligible Green Assets stood at CHF 1,103m including a total of 27'351 lease contracts, up from 758m year on year compared to end of June 2023, an increase of 45%.



By end of June 2024 the allocation was 97%. In line with the Green Finance Framework, ALAG intends to fully allocate the net proceeds within two years of issuance.

Composition Eligible Green Asset portfolio:

| | 30.06.2023 | share in % | 30.06.2024 | share in % | Allocation 06/2024 |
|----------------------------|--------------------|------------|----------------------|------------|----------------------|
| Portfolio in CHF | 758'390'795 | | 1'103'268'675 | | 1'140'000'000 |
| Hybrid (3) | 159'848'871 | 21.1 | 214'986'356 | 19.5 | 214'986'356 |
| BEV (4) | 598'541'924 | 78.9 | 888'282'319 | 80.5 | 888'282'319 |
| Collateralized | 0 | 0.0 | 148'788'563 | 13.5 | |
| Uncollateralized | 758'390'795 | 100.0 | 954'480'112 | 86.5 | |
| Portfolio by number | 17'593 | | 27'351 | | |
| Hybrid (3) | 4'248 | 24.1 | 6'067 | 22.2 | |
| BEV (4) | 13'345 | 75.9 | 21'284 | 77.8 | |
| Collateralized | 0 | 0.0 | 3'961 | 14.5 | |
| Uncollateralized | 17'593 | 100.0 | 23'390 | 85.5 | |
| Portfolio in CHF | 758'390'795 | | 1'103'268'675 | | |
| BEV | 598'541'924 | 78.9 | 888'282'319 | 80.5 | |
| PHEV Petrol | 159'848'871 | 21.1 | 214'596'815 | 19.5 | |
| PHEV Diesel | 0 | 0.00 | 389'541 | 0.04 | |

The Eligible Green Assets can be randomly selected as security for the secured financing transactions such as Auto Covered Bonds. The split of Eligible Assets into collateralized and uncollateralized assets is provided in the Table above. No CO2 impact is being claimed under the Auto Covered Bond Program of ALAG.

In the reporting period, no proceeds have been allocated to the acquisition and installation of onsite photovoltaic technology and related infrastructure.

4. Impact Report

ALAG has estimated the environmental impact of the Eligible Green Assets portfolio, focusing on carbon emission savings from the use of BEV and PHEV compared to vehicles with combustion or other engines.

For the calculation of CO₂ emissions there are uncertainties resulting from technical car specifications and considering the expected emission of each car from the lease portfolio. Assumptions in the calculation of carbon emissions savings includes:

1. Fuel used by a consumer for a hybrid engine
2. Location where the vehicle was driven (e.g. in the city or open road)
3. Average mileage per year

The estimated consumption of each car in the Green lease portfolio is the basis for the calculation of emissions. For electric cars the average emission in grams per km is 0.0 and 36.1 for electric hybrids (electricity in combination with petrol or diesel), the manufacturer's declared consumption figure (according to WLTP/NEDC) is used.

In Switzerland, the average emission for newly registered cars in 2023 was 112.7 g CO₂ / km (2022: 120.9 g CO₂ / km) based on the information of the Swiss Federal Office of Energy (www.bfe.admin.ch). The expected CO₂ reduction from the Green lease portfolio is calculated as the difference in tailpipe emissions between the financed cars in the Green lease portfolio and the average emission of newly registered cars 2023 in Switzerland.

Considering the total portfolio of Green lease assets by end of June 2024 the CO₂ emission is 2'625 tons. Compared to the average emission of 2023 for new cars we assume an annual reduction of 34'364 CO₂ through the total portfolio of Green lease assets. The calculation is based on an average mileage of 12'000km per year of each car.

With the outstanding Green bond volume of CHF 475m by end of June the CO₂ reduction is – 14'373 tons per year.

| Average emission 2023 on new cars in Switzerland (g CO ₂ /km) | Average emission on the Green portfolio by end of June 2023 (g CO ₂ /km) | Estimated impact Total portfolio (tons CO ₂ /year) |
|--|---|---|
| 112.7 | 8.0 | -34'364 |

5. Case studies

Clyde, a subsidiary of the AMAG Group, has emerged as a pioneering force in the realm of electric mobility in Switzerland. Launched in 2019, Clyde offers a flexible electric car subscription service that includes insurance, taxes, service, tires, and even home delivery. As of 2024, Clyde transitioned to a fully electric fleet, reinforcing its commitment to sustainability and green financing. Clyde's business model aligns perfectly with the principles of green financing, as it promotes the use of electric vehicles (EVs) and reduces reliance on fossil fuels.

Clyde's subscription model is designed to make electric mobility accessible and convenient to all its customers. Subscribers pay a fixed monthly rate that covers all costs, including unlimited charging across Switzerland and Europe. This model not only simplifies the transition to electric vehicles but also ensures cost transparency and predictability for users.

By offering a 100% electric fleet, Clyde is significantly reducing its carbon footprint, and thus contributing to Switzerland's sustainability ambitions. The AMAG Group's commitment to sustainability is evident in its support for Clyde, providing the necessary investment to scale the business.

Subscribers to Clyde enjoy numerous benefits, including:

- Cost Savings: Electric car subscriptions are 15% cheaper than comparable combustion-engine cars on a lease.
- Convenience: The subscription covers all aspects of car ownership, from insurance to maintenance, making it a hassle-free experience.
- Sustainability: By driving electric vehicles, customers contribute to reducing emissions and promoting sustainable transportation.

While Clyde has made significant strides, challenges remain. These include expanding the charging infrastructure and ensuring the availability of green electricity. Both are being facilitated by AMAG's investment in Helion, a leading Swiss specialist in the fields of photovoltaics, electricity storage, heat pumps and charging stations for electric vehicles, as well as by direct investments in (hyper-) charging infrastructure and photovoltaic systems at AMAG sites.

AMAG's investment in Clyde exemplifies how green financing can drive sustainable business models. By offering an all-inclusive electric car subscription service, Clyde not only promotes the use of electric vehicles but also contributes to environmental sustainability and efficient use of resources.



6. Independent assurance review

Sustainalytics has conducted the verification of ALAG's Green bond and has provided an independent opinion confirming the conformance with the use of proceeds and reporting criteria outlined in the Framework. The post-issuance opinion is available on ALAG's webpage.

7. Disclaimer

This report has been prepared by ALAG solely for the purpose of investor relations efforts in connection with its Green Bonds. It contains non-exhaustive information about ALAG and AMAG's Green Finance Framework and the use and allocation of the proceeds from Green Bonds issued by ALAG at the time this document was prepared. ALAG has prepared this report on the basis of the best of its knowledge and judgement. In the event that any information in this report is subsequently found to be inaccurate, ALAG shall not be held liable. Sustainalytics has verified ALAG's green bond use of proceeds outlined in this report and provided an independent opinion. ALAG does not assume any responsibility for the assurance review process carried out by Sustainalytics and the findings set out in its opinion.

No assurance can be given that AMAG's Green Finance Framework is credible and impactful and that projects that meet the requirements of the Green Finance Framework will be available at the relevant time. This may mean that the proceeds from Green Bonds issued by ALAG are not always fully allocated to projects meeting the requirements of the Green Finance Framework.

This report serves informational purposes only and (i) it is not intended to constitute an offer or solicitation to purchase or invest in Green Bonds issued by ALAG, (ii) it does not constitute a prospectus or key information document pursuant to the Financial Services Act, (iii) it does not constitute investment advice or recommendation to invest in Green Bonds issued by ALAG and (iv) it does not represent an assessment of ALAG's economic performance, financial situation or creditworthiness. Investors are required to make their own independent review and are solely responsible for any use that may be made of the information contained in this report. ALAG shall not be liable for any direct, indirect or other damages arising out of or in connection with the use of this report by investors.

