Comunidad de Madrid

CONSEJERÍA DE ECONOMÍA, HACIENDA Y EMPLEO

INVESTOR PRESENTATION

June 2026

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I. MACRO OUTLOOK AND FORECASTS 2024-2025

Community of Madrid key figures

GDP pc 2024*
€44,775 (Madrid)
€32,633 (Spain)

** Latest official data available*

Average annual population growth (2014-2025)
+1.0% (Madrid)
+0.5%(Spain)

Company stock 2025
526,588 +2.5% YoY (Madrid)
3,310,824 +1,7% YoY (Spain)

CPI data (Apr - 2026)
+3.8% YoY (Madrid)
+3.2% YoY (Spain)

Unemployment rate (2026 1Q)
7.9% (Madrid)
10.8% (Spain)

ICTs Service 2023
Region best positioned in advanced digital services such as Artificial Intelligence or Big Data

GDP: € 313,320 mill (2024)
Population: 7.2 mill (2026)

National %:
GDP: 21.1%.
Population: 14.5%.

R&D expenditure (2024)
2.2% of GDP (Madrid)
1.5% of GDP (Spain)

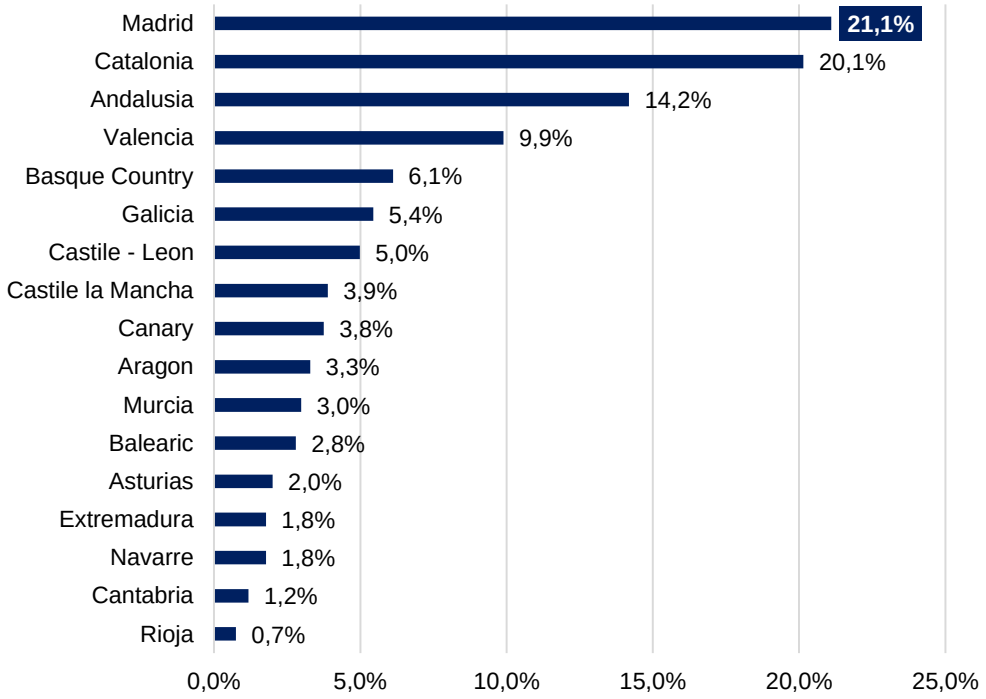
Foreign investment
51.9% of Total Spain (4Q25)·
(accumulated)

Source: Community of Madrid and INE

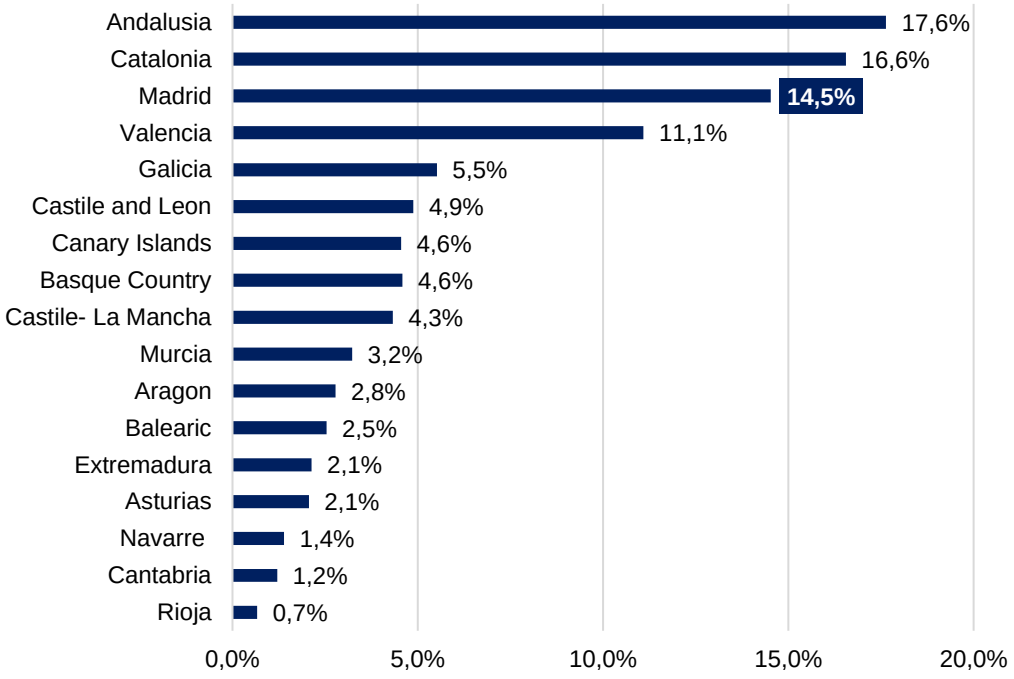
The Community of Madrid in Spain

- The regional GDP of the Community of Madrid continuous on the path of growth in 2024 (+3.6% YoY), while the evolution of the national economy was less positive.
- In terms of population, the Madrid Region represents 14.5% of the total population at the end of the second quarter of 2025, with a figure of 7,161,662 (out of a national total of 49,315,949).

Contribution by region to national GDP (2024)



Population distribution by Autonomous Community (2025)



Source: Community of Madrid and INE, Economy.*

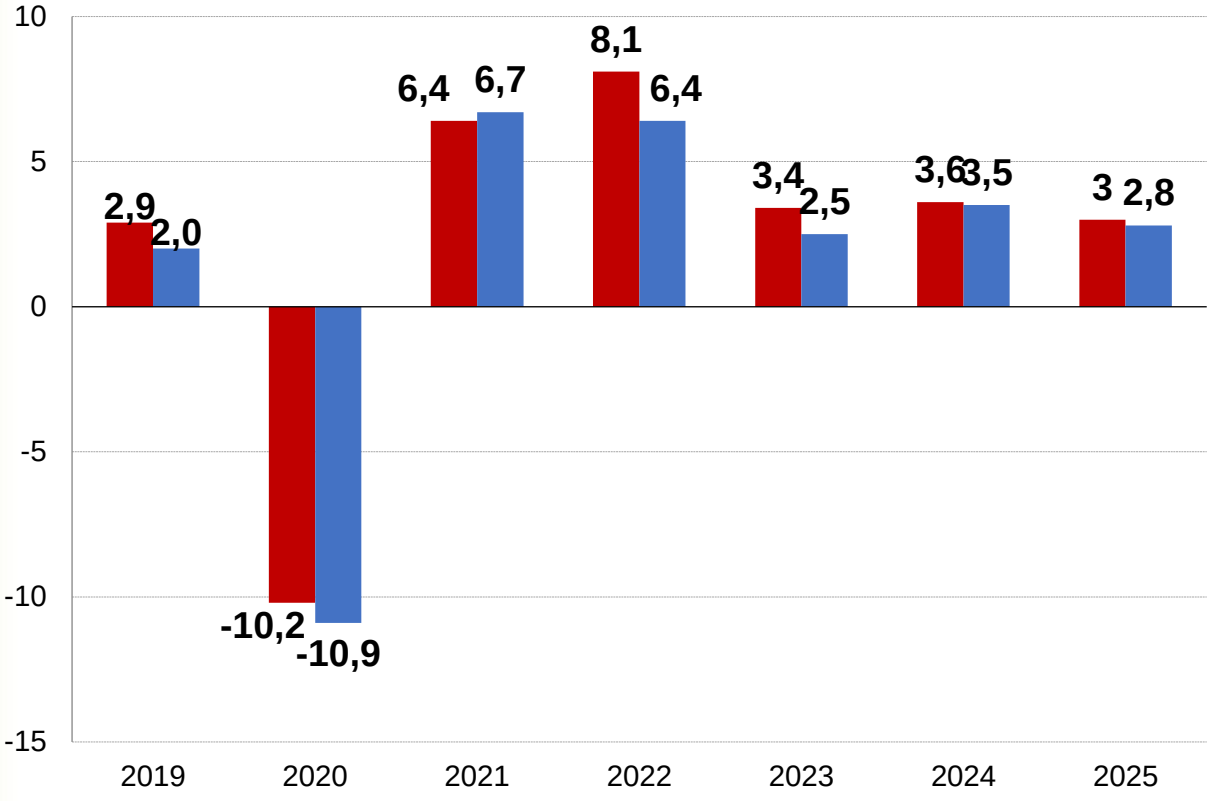
The Community of Madrid in Europe

- In 2024, Madrid was the **third largest regional economy in the EU** and the largest in Spain.

Region	Country	GDP (Million €)	GDP PPP (Million €)
Ile de France	France	865.652	797.013
Lombardia	Italy	584.729	527.957
Community of Madrid	**Spain**	**316.193**	**352.821**
Catalonia	Spain	302.304	337.323
Oberbayern	Germany	359.141	321.405
Eastern and Midland	Ireland	335.539	284.059
Rhône-Alpes	France	299.156	275.436
Lazio	Italy	246.487	257.830
Stuttgart	Germany	285.396	255.409
Darmstadt	Germany	266.733	238.707
Düsseldorf	Germany	212.359	236.959
Andalusia	Spain	271.328	234.996
Warszawski stoleczny	Poland	156.556	216.890
Köln	Germany	236.726	211.853
Veneto	Italy	201.245	210.507
Noor Holland	France	243.327	208.662

Madrid's economy continues to grow at a steady pace

Gross Domestic Product
Rates of change in real terms



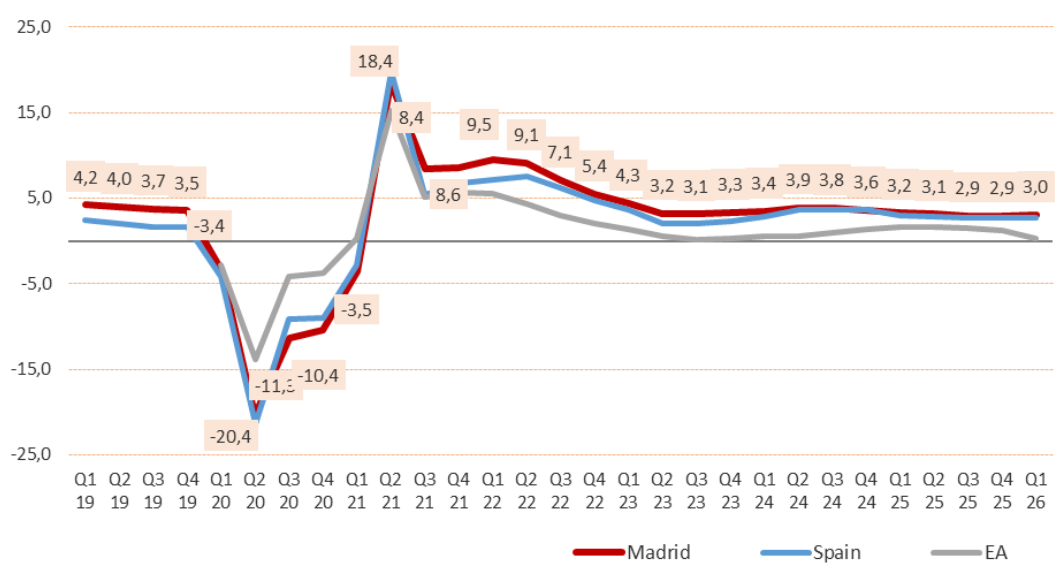
Source: IECM and INE

C. Madrid ■ Spain

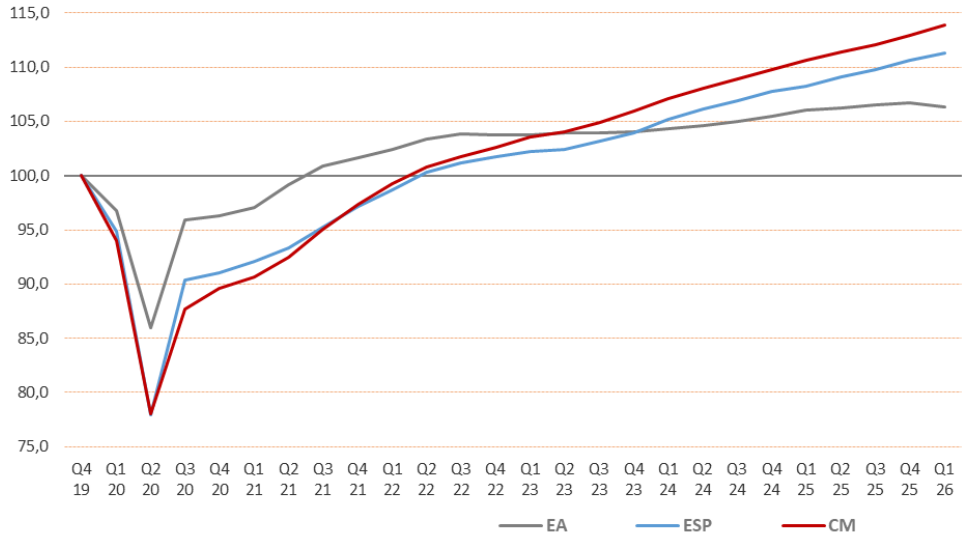
- ✓ With inflation under control, the economy continues to grow above the european average. In adittion, Madrid improves the Spain's growth by 0,2 p.p.
- ✓ **GDP Community of Madrid: +3.0% 2025 vs SPAIN: +2.8%**

Regional momentum anticipates recovery to pre-COVID activity levels

Gross domestic product
Year-on-year actual rates of change



Gross domestic product
Index Q4 - 2019=100



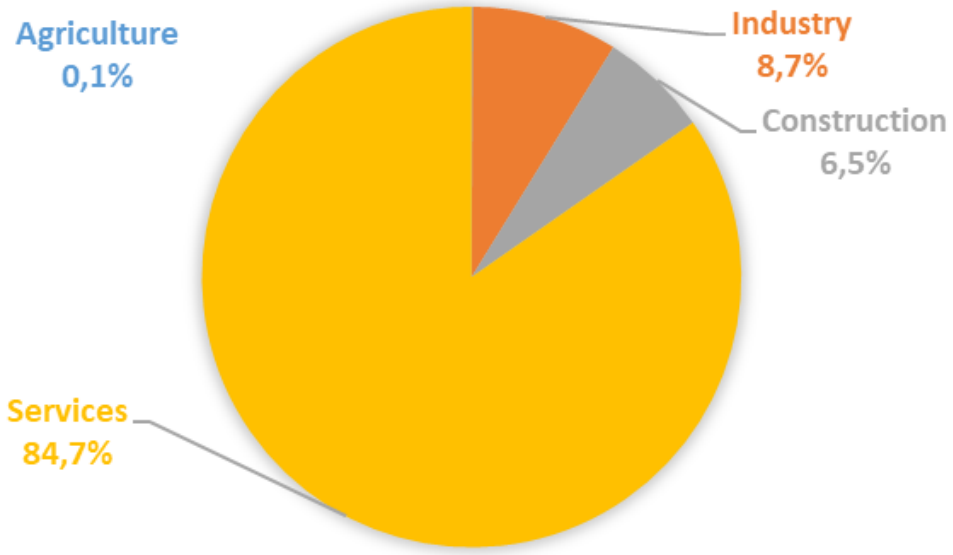
Source: IECM, INE and EUROSTAT. Data adjusted for seasonality and calendar effect.

- ✓ **GDP Comunidad de Madrid 26Q1: +0.8% quarter-on-quarter (0.6% Spain) +3% year-on-year (2.7% Spain).**
- ✓ In 26Q2, Madrid's GDP was 13.9% above pre-pandemic levels (19Q4); Spain has recovered at a similar pace, and both remain above the European average.

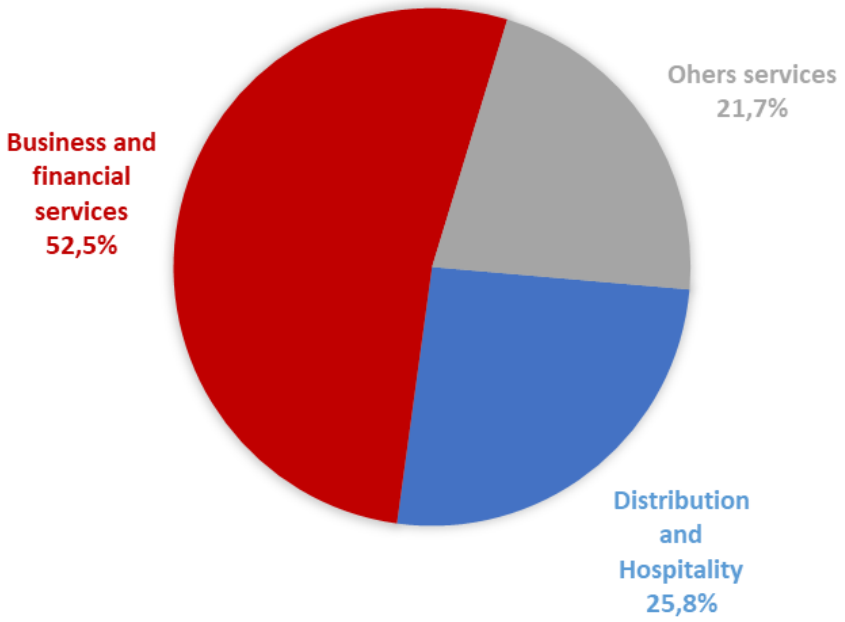
Distribution by sectors 2026 Q1

✓ The **regional economy** has a high weight in the services sector, with **84.7%** compared to the **national average of 75.6% in Q1 2025**.

Composition of constant GVA by sector in Madrid, 2026 Q1
(% of total)



Composition of constant GVA by service sector in Madrid, 2026 Q1
(% of sector total)



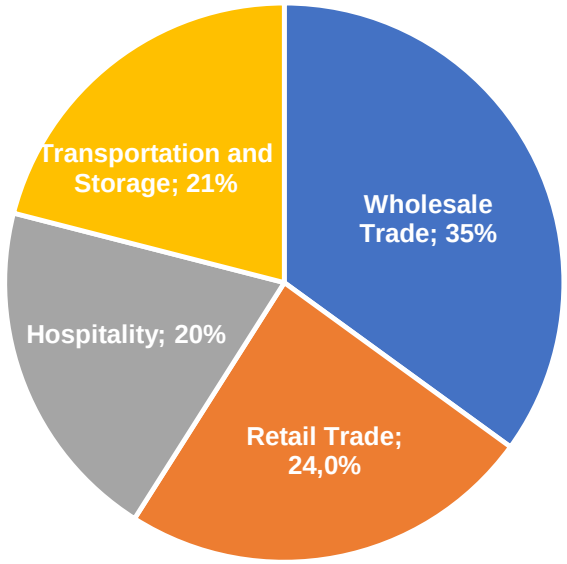
Fuente: IECM

Source: INE

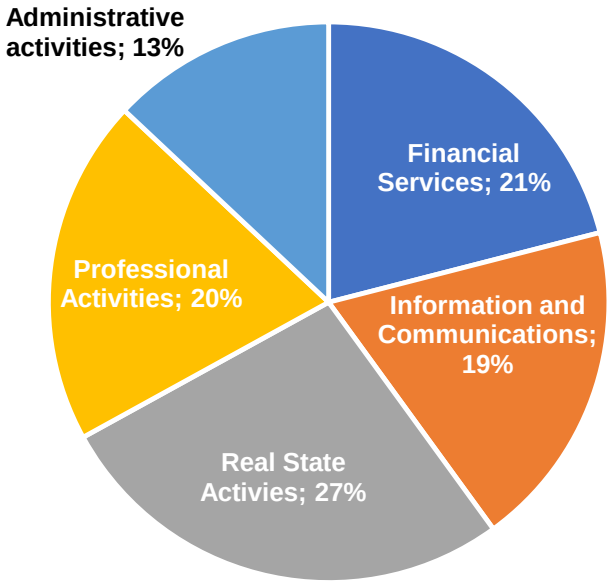
Composition of the two main categories of the services sector in 2023

- By breakdown of the **Distribution and Hospitality** category in 2023, the most important sub-sector is **wholesale trade (35%).**
- Within **Business and financial services,** almost half corresponds to **Real estate activities (27%) and Information and communications (21%).**

Composition of constant GVA by breakdown of the Distribution and Hotels & Catering category in Madrid, 2023 (% of category total)



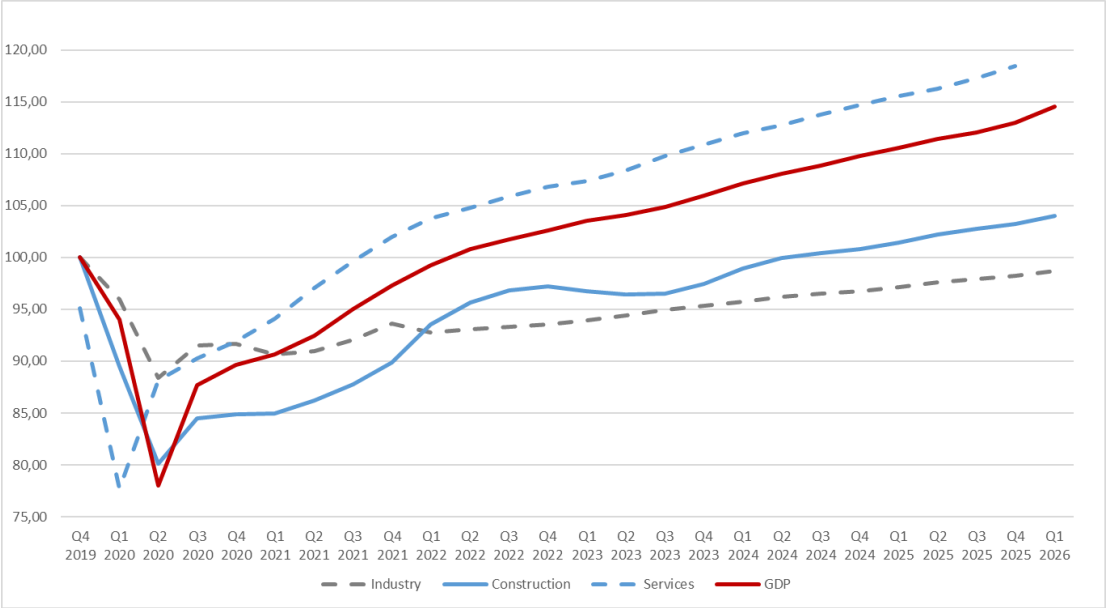
Composition of constant GVA by breakdown of the category Business and Financial Services in Madrid, 2023 (% of category total)



Source: Statistical Institute of the Community of Madrid, INE.

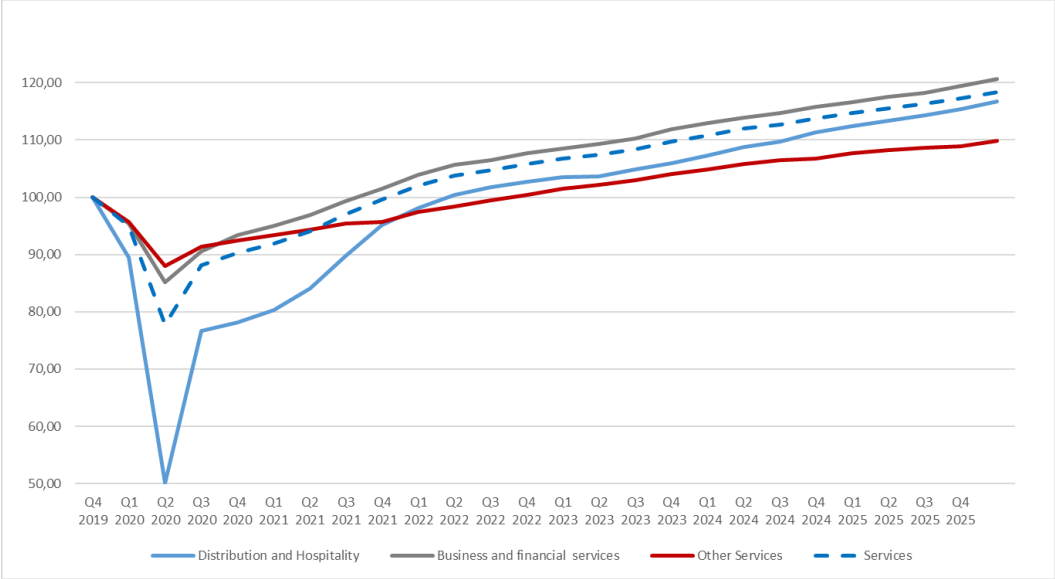
The regional economy has recovered to pre-pandemic levels

Main sectors in the Community of Madrid
Index Q4-2019=100



Source: Based on data from the IECM. GVA adjusted for seasonality and calendar effect

GVA services sector
Index Q4-2019=100



Source: Based on data from the IECM. GVA adjusted for seasonality and calendar effect

- ✓ **Year-on-year growth 3% continued in 26Q1 compared to 25Q1.**
- ✓ Services sector +3.2% in 26Q1.
- ✓ Services are the most dynamic branch, with a year-on-year increase of 3.9%. (16.7% above 19Q4)
- ✓ **Construction** +2.6% 26Q1 vs. +2.5% 25Q1 (4% above 19Q4)
- ✓ **Industry** 1.6% 26Q1 vs. +1.5% 25Q1 (0.1 below 19Q4)

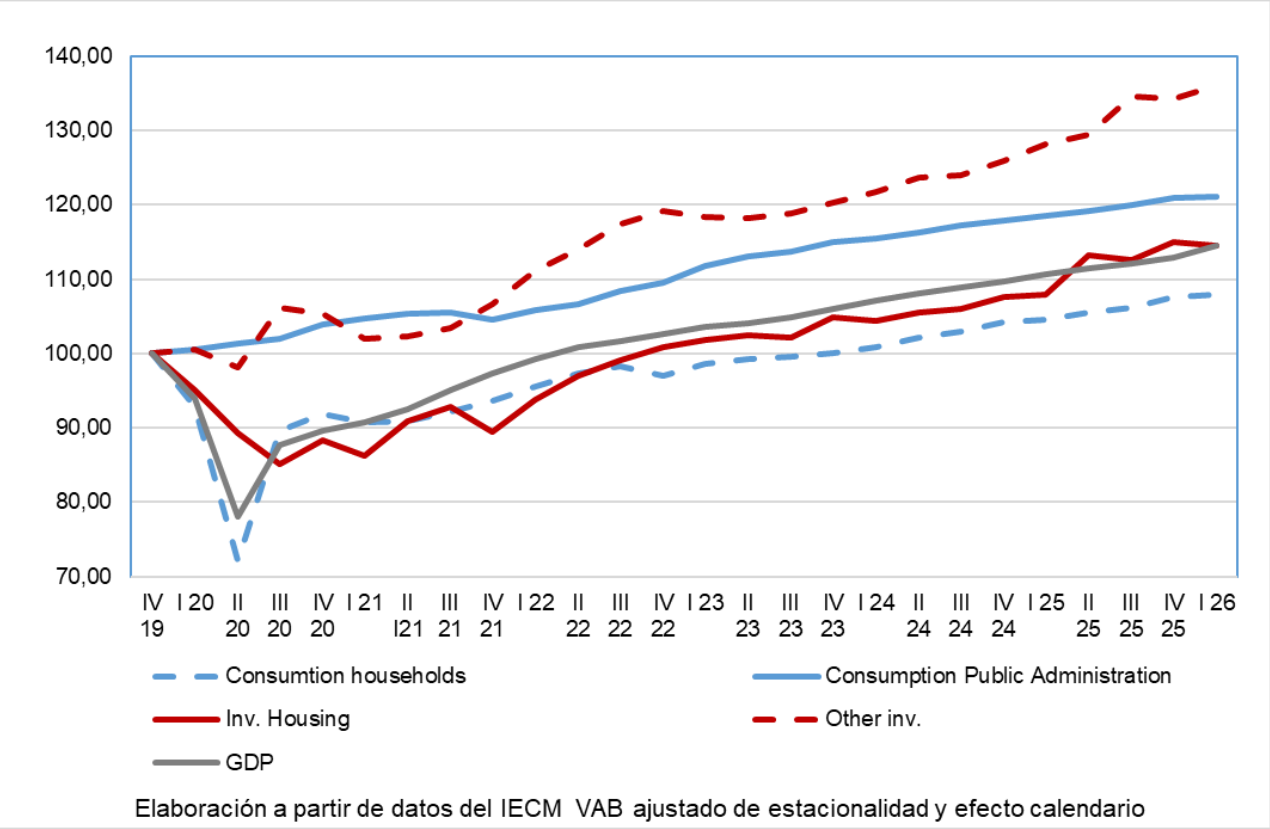
Regional demand maintains a favorable growth rate despite global macroeconomic uncertainty in 2025

✓ **Year 2025**

- **Consumption continued to recover**, albeit at a more moderate pace of 3.1%, with greater momentum in household consumption (3.2%) than in general government consumption (2.5%).
- **New investment** had an increase of 6.3%; housing investment reactivated (6%) and a faster pace in the rest (6.3%).
- **The contribution of external demand** drains 0.3 points.

✓ **2026Q1**

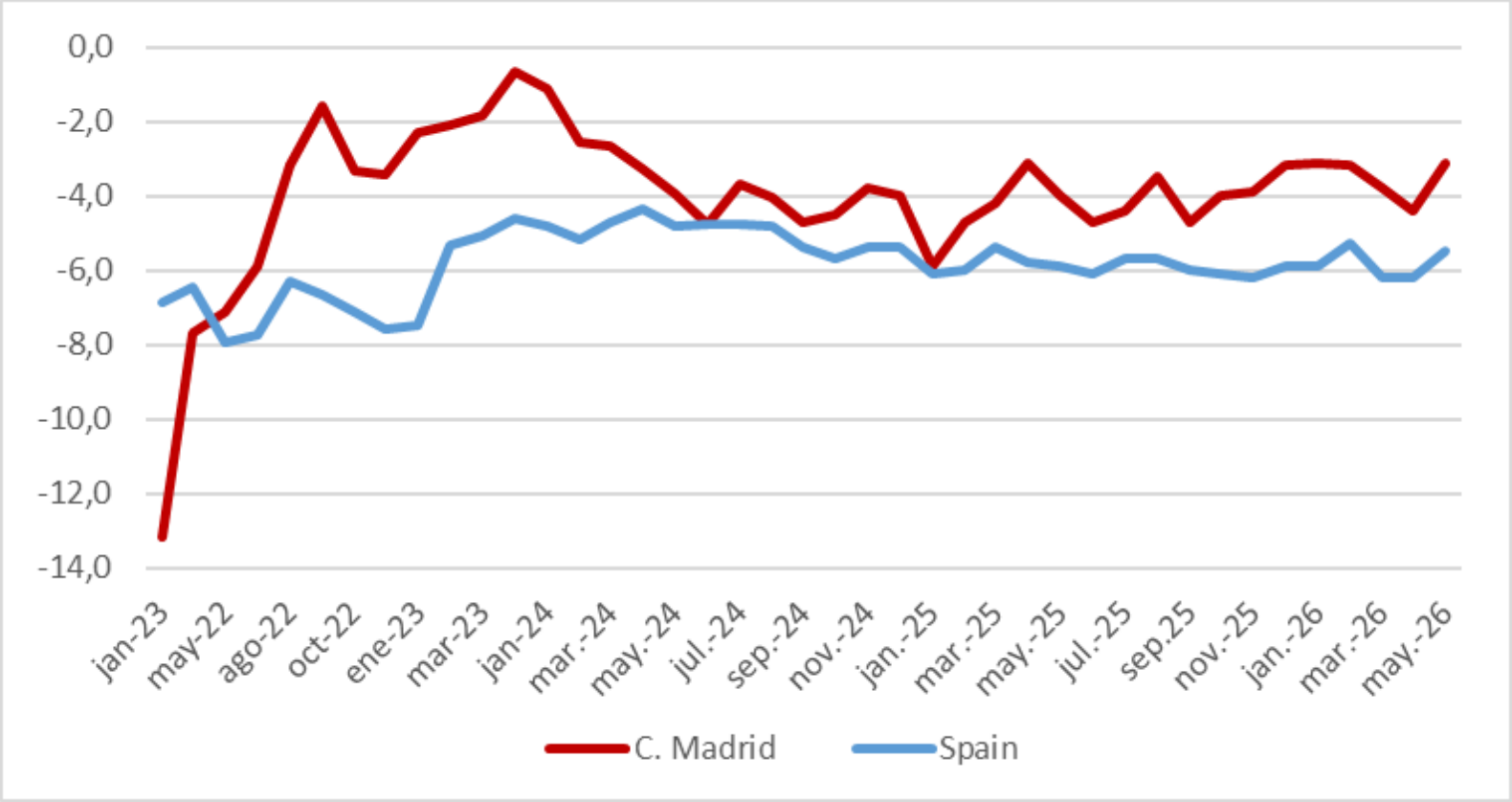
- **Domestic demand** +3.8% 26Q1 vs +3.8% 25Q1
  - **Investment** +6.1% 26Q1 :
    - » Housing investment 6%,11 p.p. above 19Q4.
    - » Rest of lending +6.1%, 36 p.p. above 19Q4.
  - Final **consumption** expenditure +3.0% 26Q1:
    - » Household consumption +3.3% in 25Q1, 7.9 p.p. above 19Q4.
    - » General government consumption +2.2%, 21 p.p. above 19Q4.



Source: Based on IECM data GVA adjusted for seasonality and calendar effect.

Unemployment at lowest level since 2008

Evolution of registered unemployment
Year-on-year rate of change

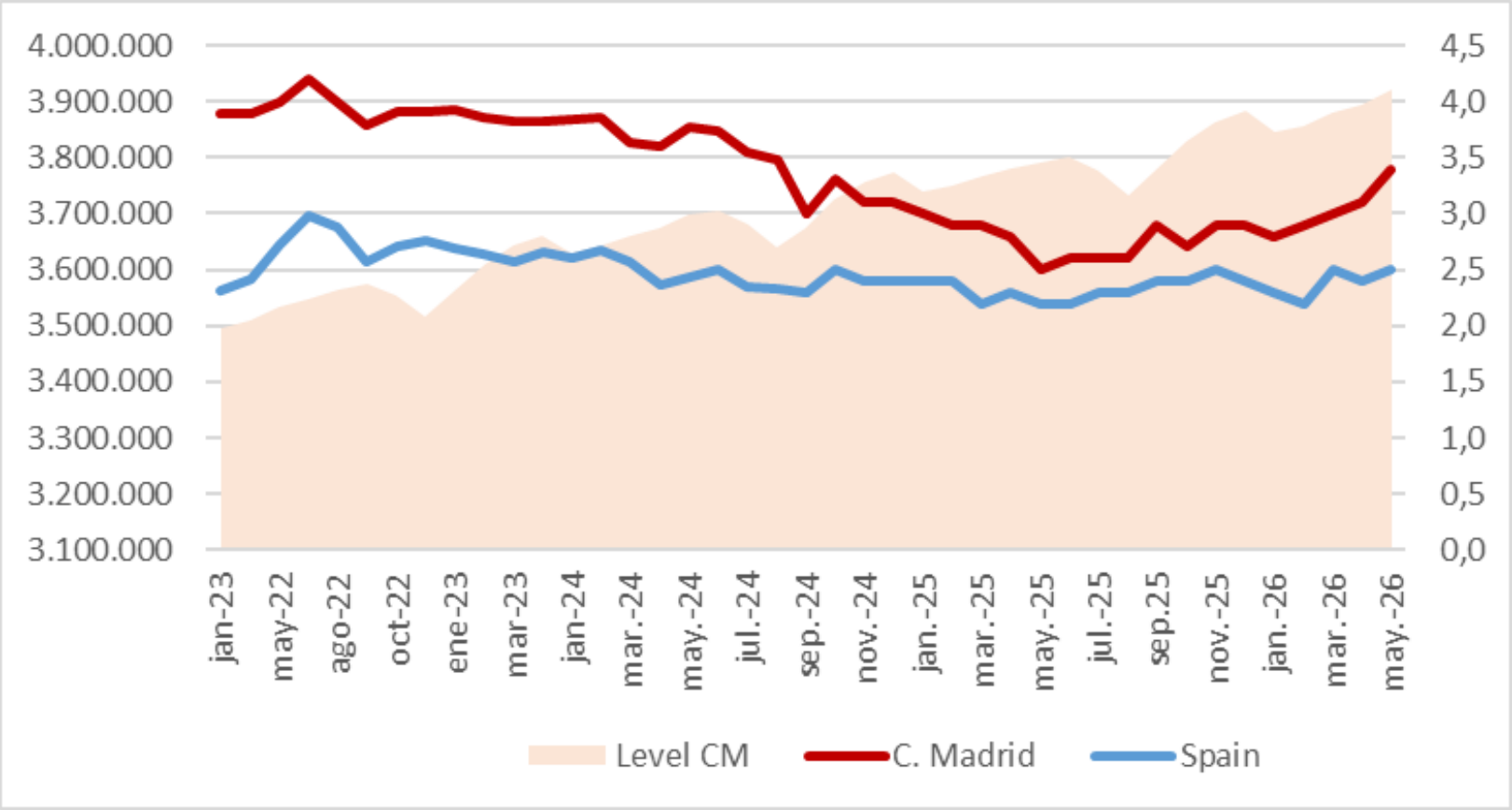


- ✓ **Continued decline in the number of unemployed,** falling below pre-crisis levels.
- ✓ MaY 2026: 272,542 -3,1% YoY.

Source: Ministerio de Trabajo y Economía Social

Social Security enrollment in maximum levels

Average monthly enrollment in Social Security

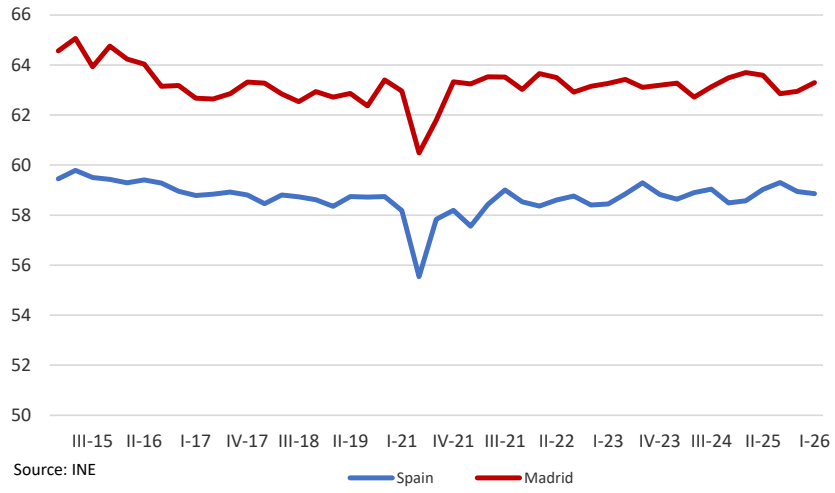


- ✓ **Social Security enrollment performed very well in the last months.**
- ✓ May -26: 3,920,268 members, +3.4% YoY

Source: Ministry of labour

Significant increase in the labour force in the region - LFS

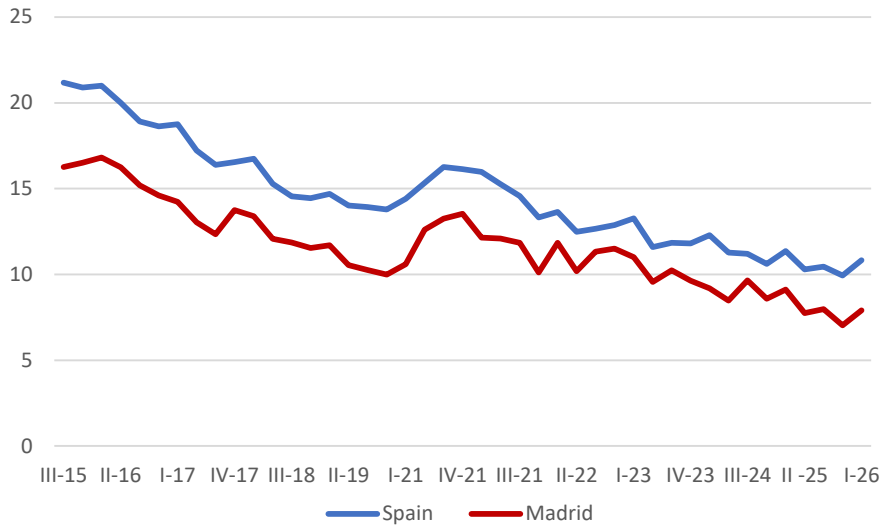
Evolution of activity rate



✓ **CM activity rate**
63.3% 26Q1 vs. 63.7% 25Q1.
The highest of all the Autonomous Communities.

✓ **Activity rate SPAIN**
58.9% 26Q1 vs. 58.6% 25Q1.

Evolution of unemployment rate

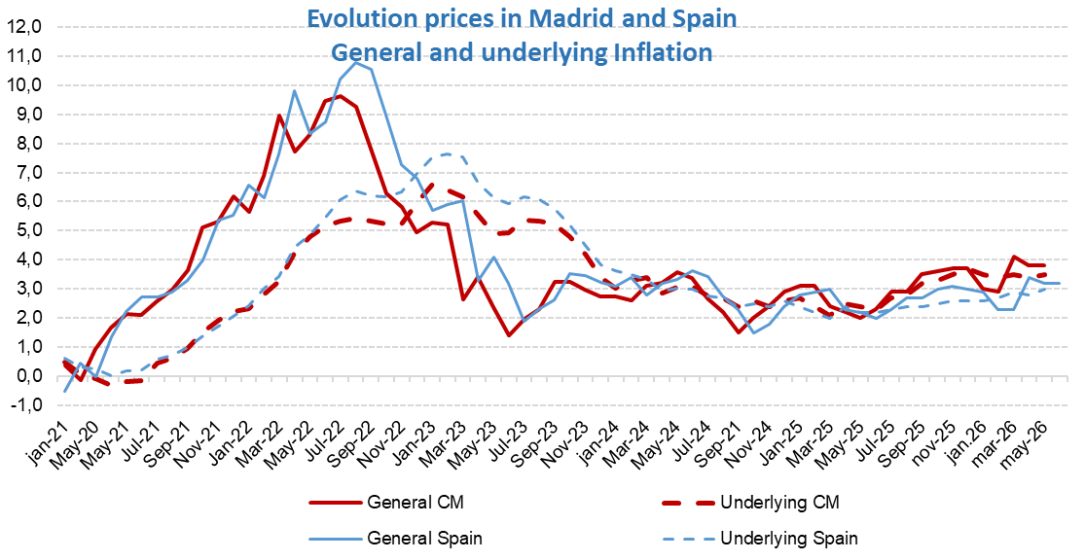


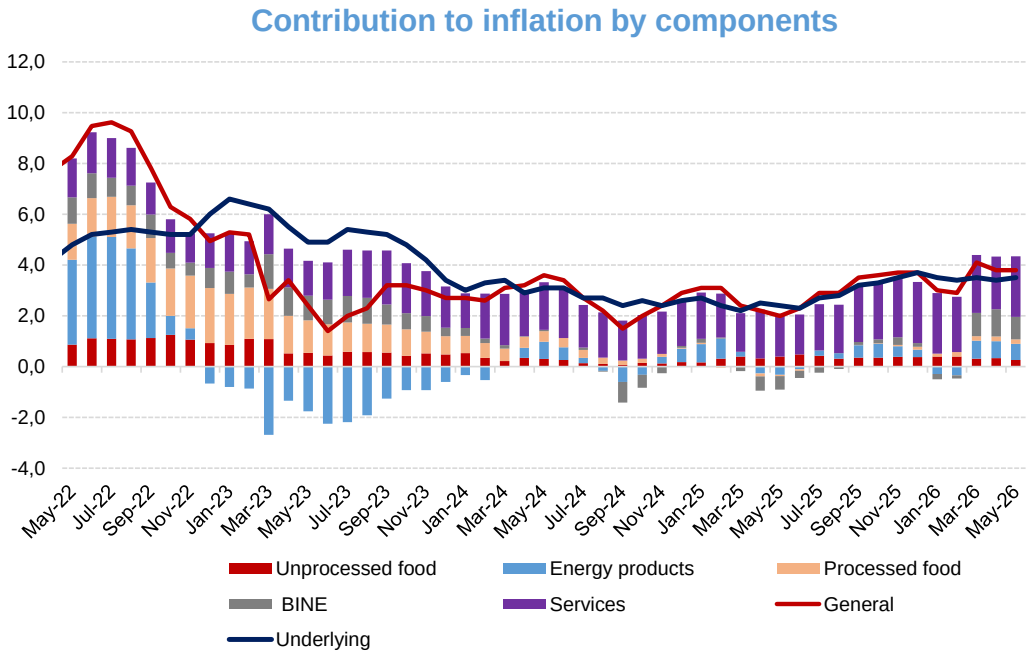
✓ **Unemployment rate CM**
7.9% 26Q1 vs. 9.1% 25Q1

✓ **Unemployment rate SPAIN**
10.8% 26Q1 vs. 11.4% 25Q1

Source: Labour Force Survey (EPA), INE.

Services are pushing upward the inflation

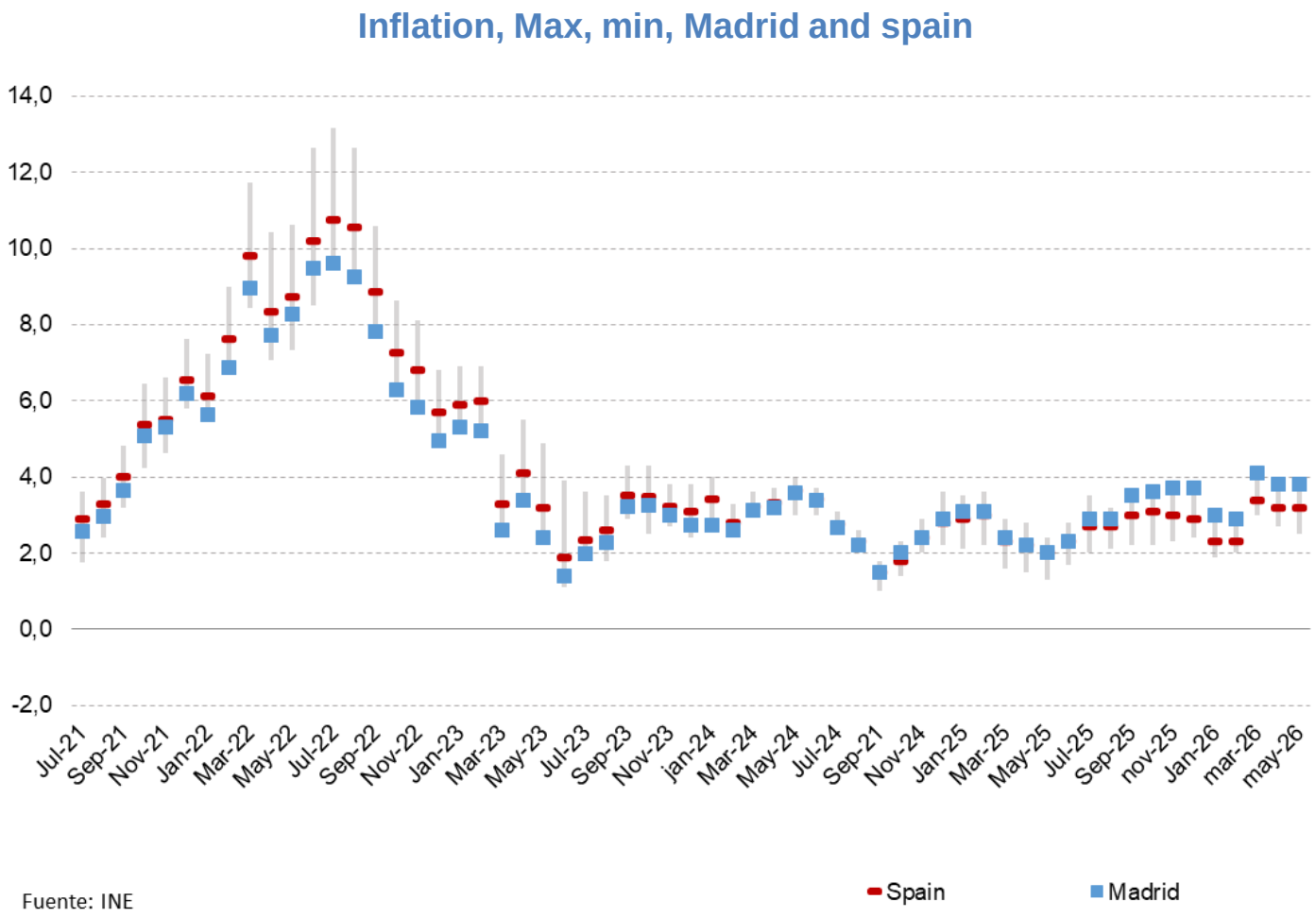




Source: INE

- ✓ **General Inflation:**
- ✓ **SPAIN: 3,2% in May 2026, 0.1 points higher than the previous month.**
- ➢ CM 3,8% in May,. Same than the previous month
- ✓ **Core inflation**
  - ➢ SPAIN 3% May 26 vs. 2.8% April 26
  - ➢ CM 3.5% May 26 vs. 3.4% April 26

Inflation in the Community of Madrid in the regional context



Fuente: INE

- **Geopolitical conflicts puts upward pressure in inflation**

Growth estimates for the Community of Madrid in 2025-2027

- **Growth in the Madrid Region is expected to be 3.1% in 2025 or even more and to decelerate slightly in 2026 and 2027.**
- **In all the years, the Madrid economy is expected to be more dynamic than that of Spain.**

RESUMEN COMUNIDAD DE MADRID Y ESPAÑA

Fecha	Promedio de Previsiones	2025	2026	2027
	CM			
may-26	Ceprede	2,9	2,7	2,4
mar-26	BBVA	3,1	2,7	2,4
mar-26	CaixaBank	3,1	2,6	n.d.
abr-26	AIReF	2,9	2,5	n.d.
ene-26	Hispalink	3,4	2,5	2,3
	Promedio CM	**3,1**	**2,6**	**2,4**
	ESP			
	Ceprede	2,8	2,3	2,1
may-26	BBVA	2,8	2,4	2,4
mar-26	CaixaBank	2,8	2,4	n.d.
mar-26	AIReF	2,8	2,3	n.d.
abr-26	Hispalink	2,9	2,3	2,1
ene-26	**Promedio ESP**	**2,8**	**2,3**	**2,2**

Issues to follow:

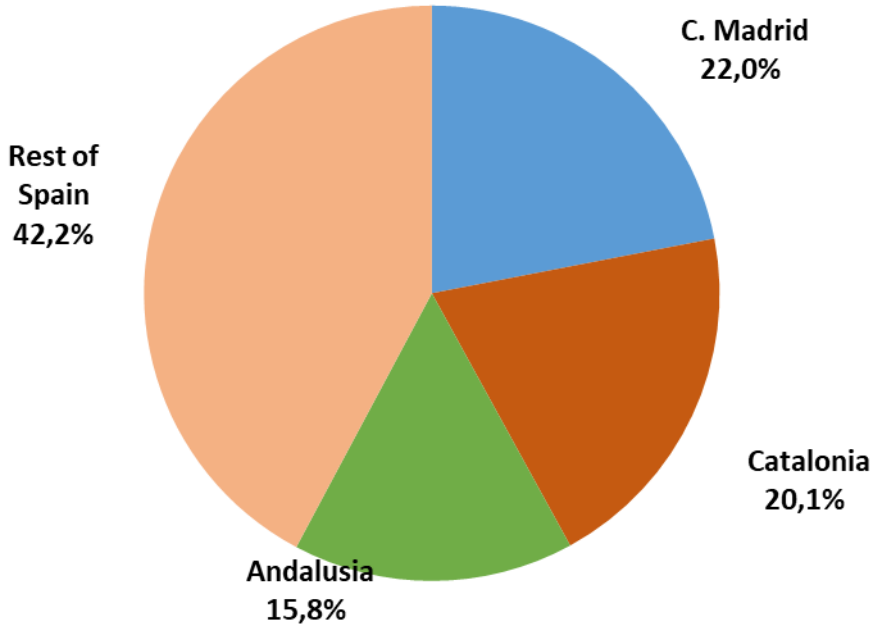
- ✓ United States foreign policy.
- ✓ Block polarisation and its implications.
- ✓ General weakening of global demand.
- ✓ Developments in the wars
- ✓ Response of activity and employment to current and future changes in the policy mix.
- ✓ Risk of financial fragmentation stemming from high levels of public debt and possible territorial asymmetry in the current adjustment phase.
- ✓ Challenge: the cohesion of the European Union and its positioning in the new global geopolitical framework.

Madrid leads business creation in 2024 and 2025

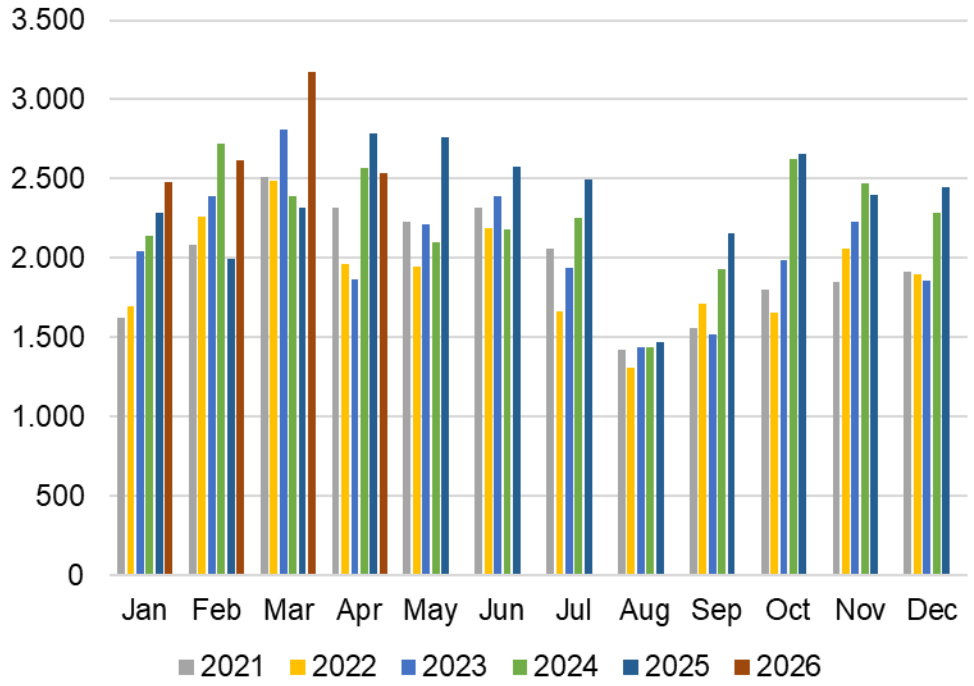
Community of Madrid maintains its leadership in company creation with a total of 2,537 companies in april 2026.

Madrid leads in the creation of trading companies in april 2026, with 22.0% of the national total.

Commercial companies created
(Percentage of the national total April 2026)



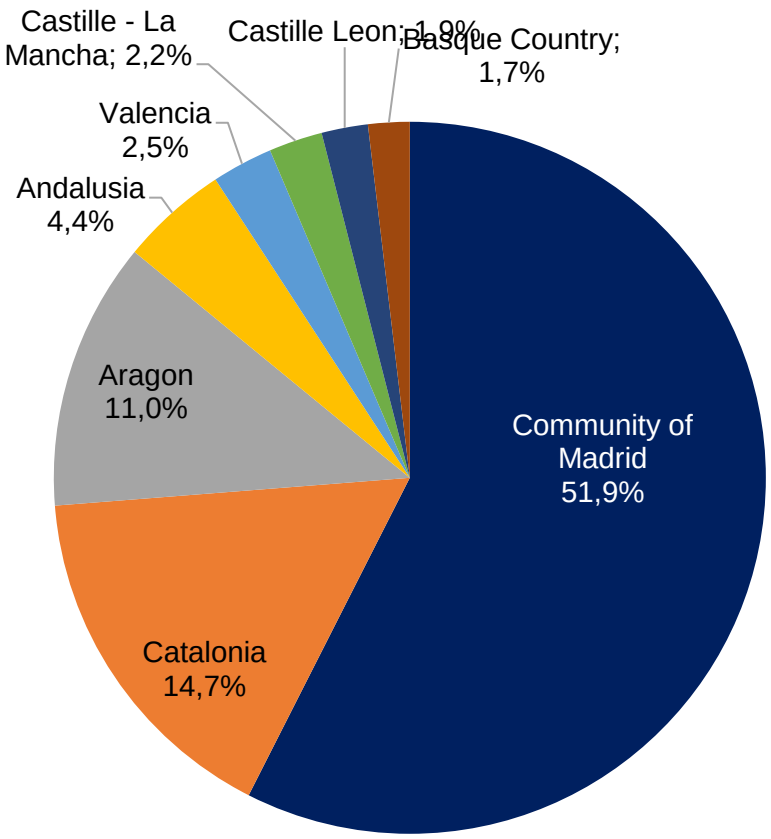
Companies set up montly
Community of Madrid



Source: Community of Madrid, INE

Madrid, preferred destination for foreign investment

- Based on data up to the first quarter of 2026, the Community of Madrid attracted **€15.279** million in investment, representing **51.9%** of the national total. Considering the fourth quarter alone, this share rose to 47.6% of the total.

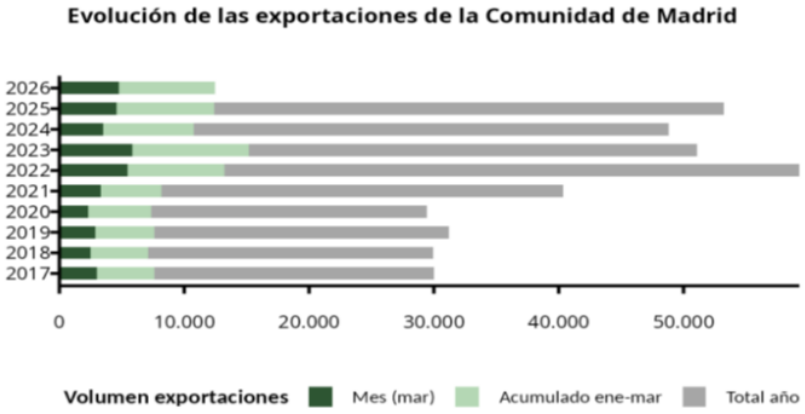


Source: Ministry of Industry, Trade and Tourism

International flows continue to improve.

- In the first quarter 2026 Exports **increased** compared to the same period of the previous year, reaching **12,466** million euros. Imports also increased, with a volume of 25,525 million euros.

- First quarter 2026, exports from the Community of Madrid represent **12.9% of the total exported** by Spain and imports account for **23.6% of total Spanish purchases abroad**.



Fuente: AEAT

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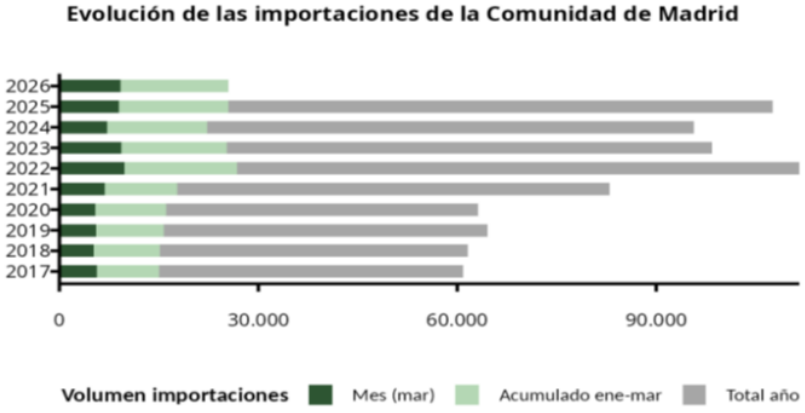
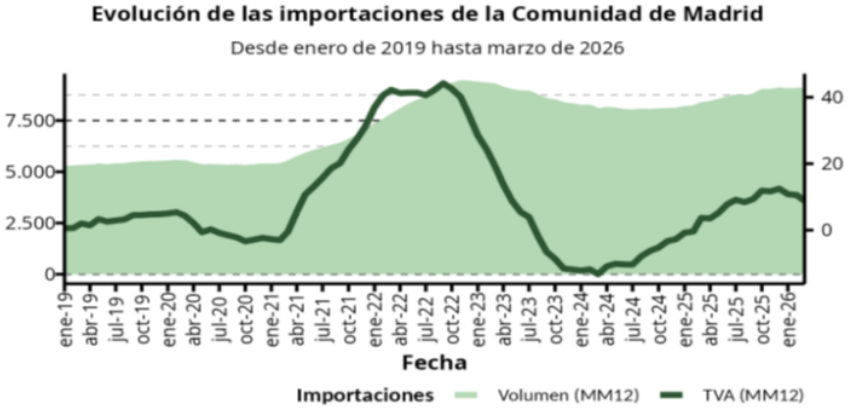


Fuente: AEAT

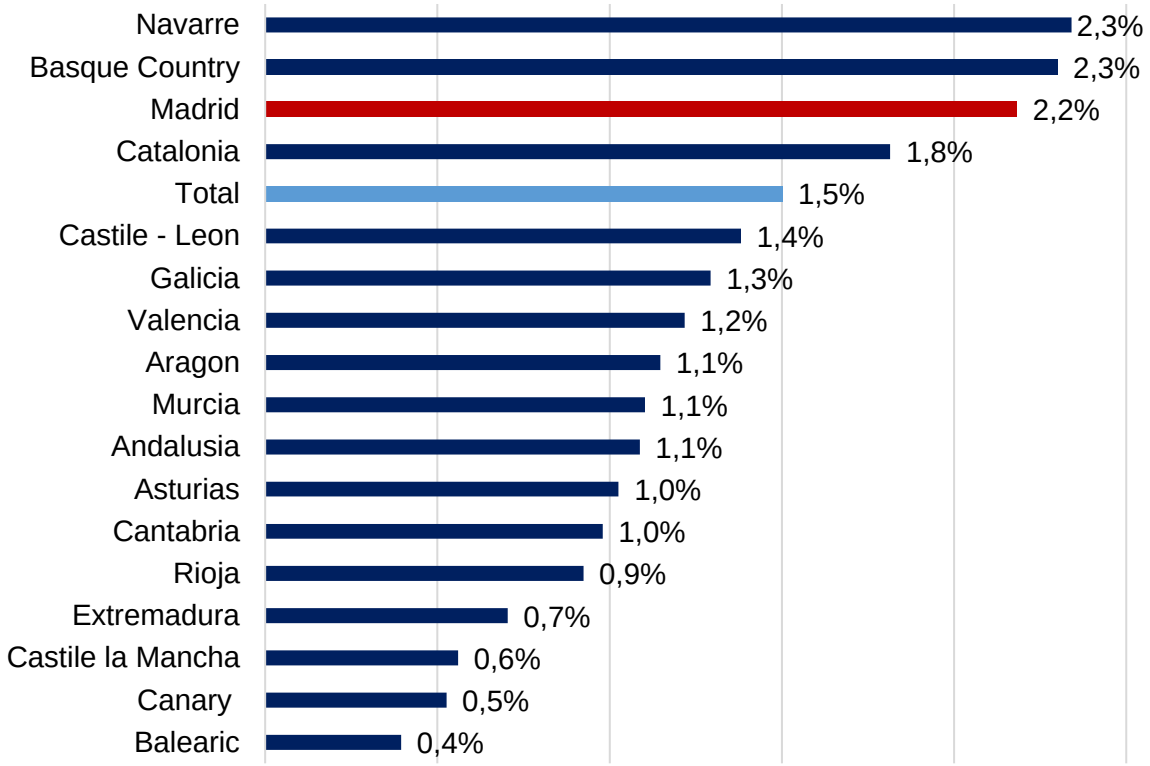


Fuente: AEAT

R&D investment remains strong

- **6,902 M€** of R&D investment in the Community of Madrid (2024).
- **+13.3%** year-on-year growth.
- **28.8%** of total Spanish R&D expenditure (first region in terms of expenditure).
- Third **region in investment as a % of GDP (2.2%),** +70 basis points compared to the national average.

R&D investment over GDP (%, 2024)

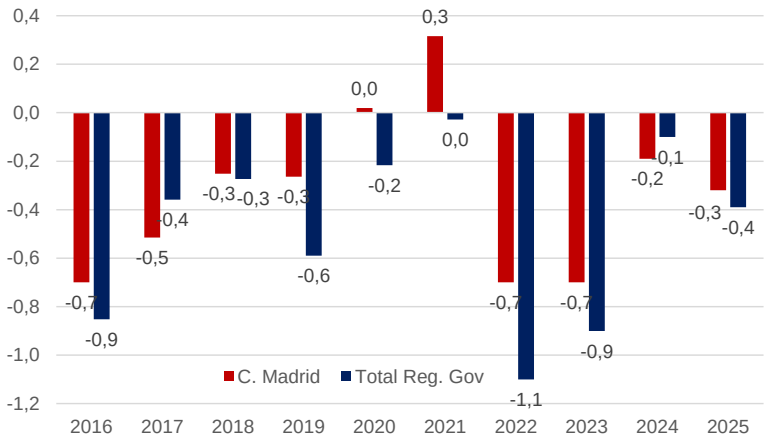


Source: INE

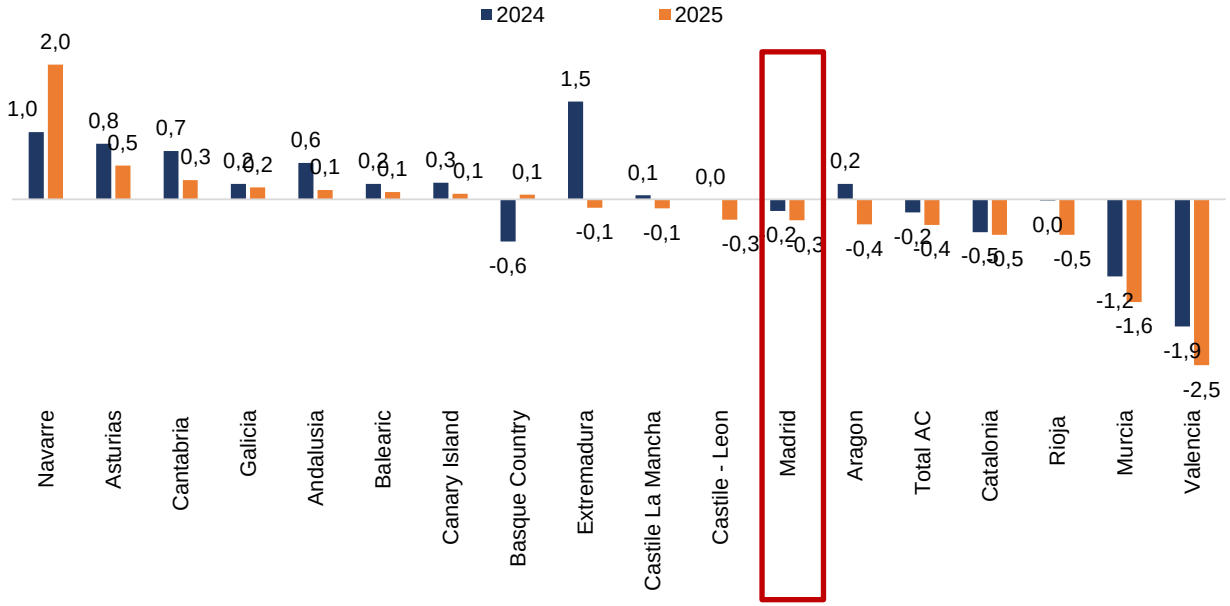
Near fiscal equilibrium in 2025

- At the aggregate level, Spanish public administrations have made an effort to reduce the deficit to 2.4% of GDP (fourty basic points lower than in 2023).
- The historical fiscal discipline of the Community of Madrid has allowed the region to consistently deliver better fiscal execution than the regional average, (-0.3% vs -0.4% of GDP).

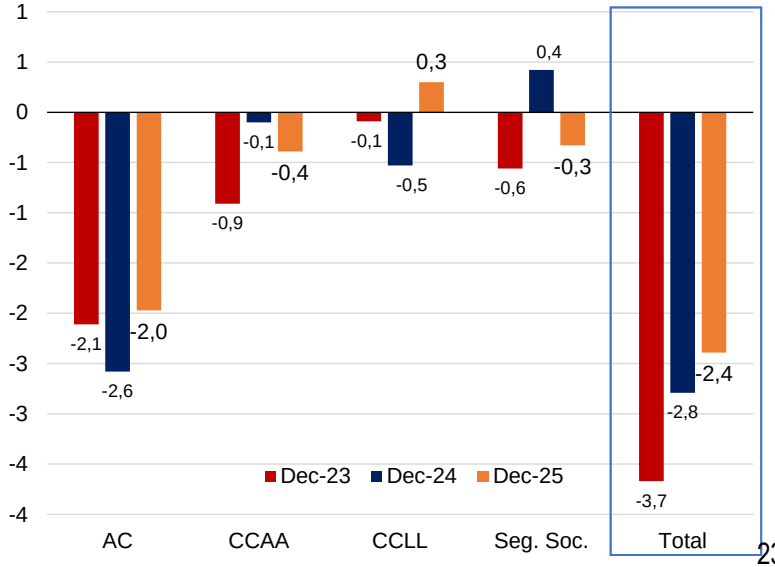
Evolution of the public deficit (% GDP)



Deficit evolution by Autonomous Regions as % of GDP



Evolution of public deficit by subsector (% GDP)

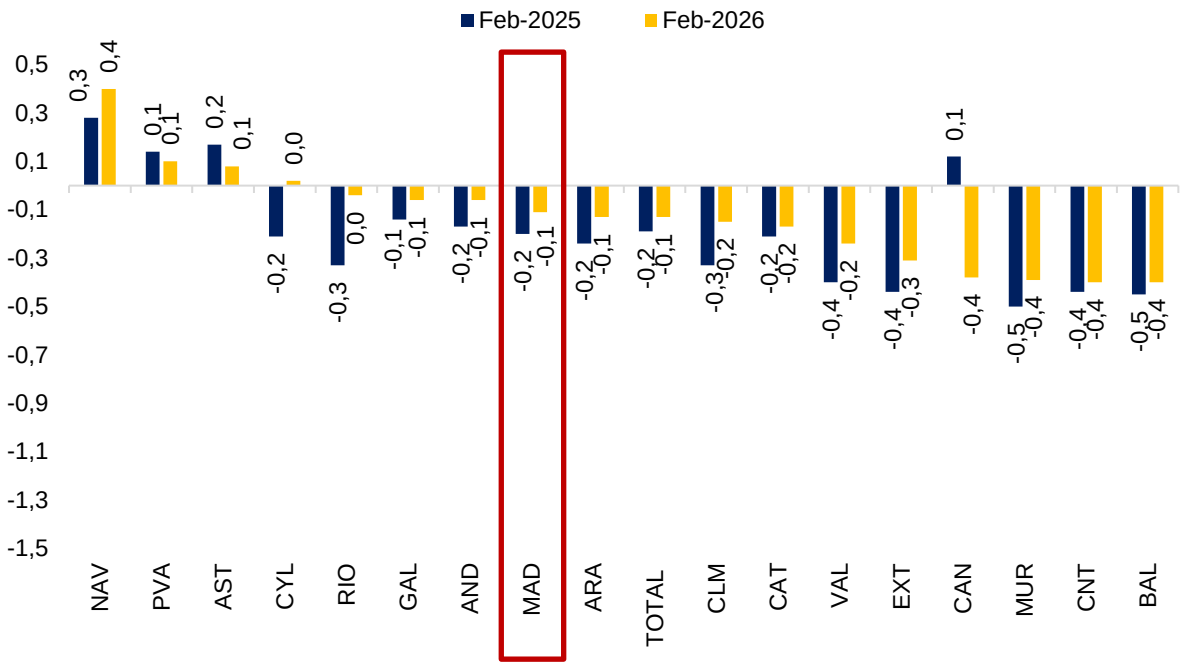


Source: Ministry of Finance

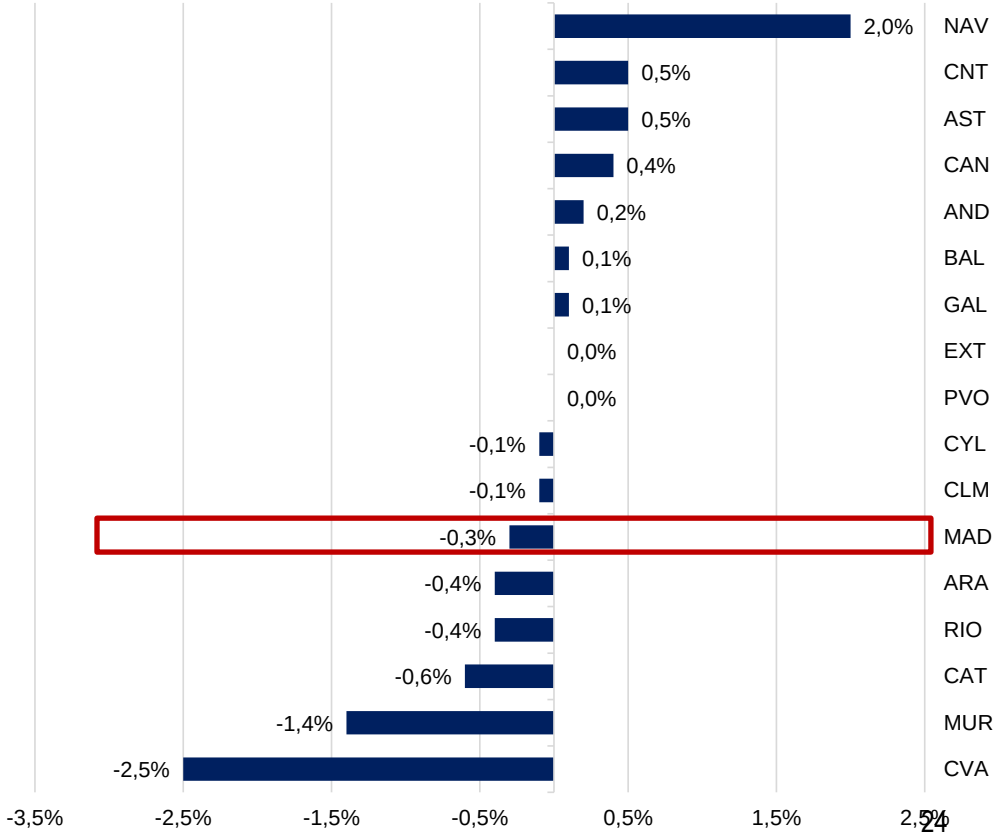
Fiscal dynamics in 2025

- Expectations for this fiscal year 2025 are positive for the common regime regional administrations. The strong growth of the spanish economy supports fiscal accounts
- According to AIReF, the expected budget deficit for Madrid would be at -0,3% of GDP by 2025YE.

Deficit evolution by Autonomous Regions as a % of GDP



AIReF 2025 forecasts GDP (%)



Source: Ministry of Finance

The Community of Madrid. Rating Comparison

- Fitch upgraded the Autonomous Community of Madrid to “A” from “A-” in 27th April; outlook stable

Region	Fitch			Moodys			S&P		
	Issuer	Outlook	Issuer Date	Issuer	Outlook	Issuer Date	Issuer	Outlook	Issuer Date
Autonomous Community of Madrid	**A**	**STABLE**	**25/04/2025**	**A3**	**STABLE**	**30/09/2025**	**A**	**STABLE**	**26/07/2024**
State of North Rhine-Westphali	AAA	STABLE	25/03/1999	Aa1	STABLE	15/12/2006	AA	NEG	13/09/2019
State of Hesse							AA+	STABLE	02/03/2018
Free State of Bavaria	NR		02/12/2010	Aaa	STABLE	20/01/2000	AAA	STABLE	19/01/2012
Land Baden-Wuerttemberg				Aaa	STABLE	14/12/1999	AA+	STABLE	14/08/2020
State of Saxony-Anhalt	AAA	STABLE	25/03/1999	Aa1	STABLE		NR		15/12/2023
Free and Hanseatic City of Hamburg	AAA	STABLE	22/05/2013				NR		16/12/2010
Region of Ile de France	A+	STABLE	19/09/2025	Aa3	NEG	03/02/2012	NR		20/10/2017
Province of Ontario Canada	AA-	STABLE	19/12/2014	Aa3	STABLE	13/12/2018	AA-	STABLE	03/12/2024
Province of Alberta Canada	AA	STABLE	12/06/2024	Aa2	STABLE	15/06/1999	AA-	STABLE	18/12/2023
Province of British Columbia C	AA+	NEG	27/02/2025	Aa1	NEG	02/04/2025	A+	NEG	02/04/2025
Province of Quebec Canada	AA-	STABLE	18/06/2002	Aa2	STABLE		A+	STABLE	16/04/2025

Community of Madrid and the City of Madrid

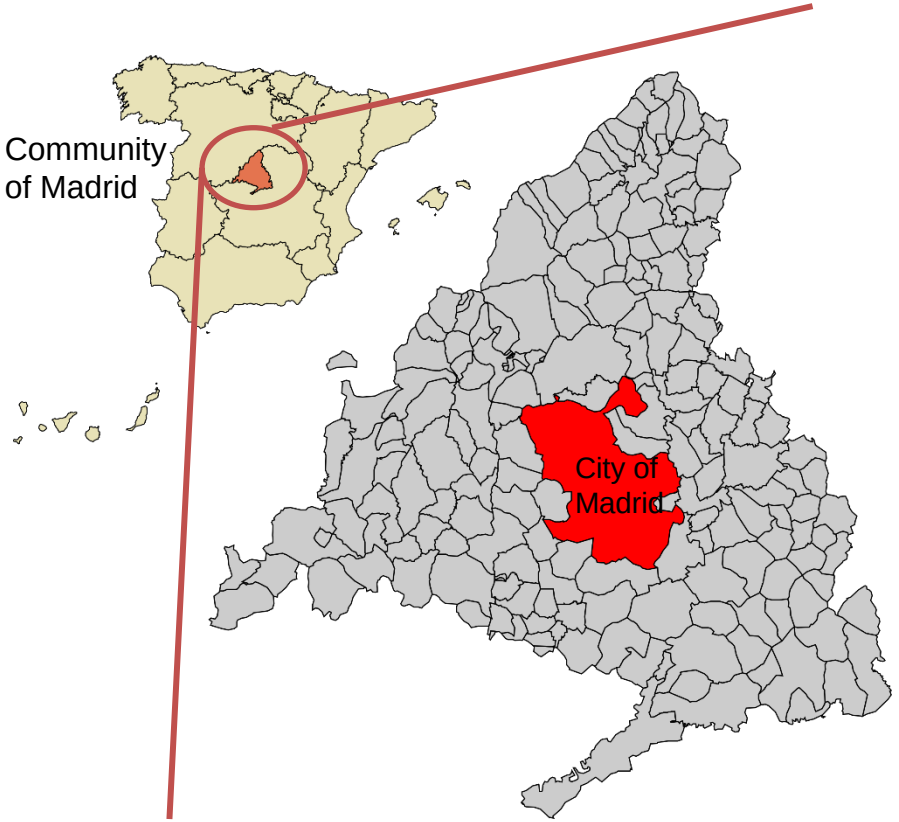
- ✓ The Community of Madrid is an **autonomous region** with its own regulatory, fiscal, and economic policy powers, covering the city of Madrid and its metropolitan area, as well as 178 other municipalities.

- ✓ The **Madrid City Council** is a municipal government responsible for local services and urban management, **operating within the regional framework established by the Community.**

- ✓ **The Community of Madrid manages broad areas of responsibility such as health, education and social services,** while Madrid City Council focuses on local issues: urban planning, cleaning, traffic, parks and direct services to citizens.

- ✓ To this end, the **Community of Madrid manages taxes transferred by the State and some of its own**, such as the regional portion of personal income tax, inheritance and gift tax (ISD), property transfer tax (ITP) and stamp duty (AJD), and wealth tax. For its part, **Madrid City Council manages municipal taxes** focused on property tax (IBI), motor vehicle tax (IVTM), municipal capital gains tax (IIVTNU), and business tax (IAE).

Community of Madrid and the City of Madrid



Autonomous Regional Financing System

- ✓ The **total resources of the regional financing system (SFA)** for the year consist of the **State account transfers** (an estimate made by the State of the resources expected to be collected in the year) and the **settlements of the system** (an adjustment made two years later, representing the difference between the payments on account and what was actually collected).

- ✓ **The Community of Madrid will receive revenues from the SFA of 21,252.05 million euros in 2025 (+2.4% with respect to 2024)**

- ✓ **For 2026, State account transfers will grow by 7.6% year-on-year to 22,007 million euros.** The distribution of the settlement, amounting to 805 million euros, is still pending.

State account transfers (EUR mn)

	2025 State account transfers	2023 Settlement	Total resources SFA 2025	2026 State account transfers	YoY 2025/2026
Catalonia	28.229	2.723,48	30.952,48	30.267,00	7,2%
Galicia	10.262	679,46	10.941,46	10.929,00	6,5%
Andalusia	27.523	1.230,23	28.753,23	29.390,00	6,8%
Asturias	3.763	227,21	3.990,21	3.984,00	5,9%
Cantabria	2.487	194,72	2.681,72	2.689,00	8,1%
La Rioja	1.360	54,56	1.414,56	1.447,00	6,4%
Murcia	4.571	400,92	4.971,92	4.903,00	7,3%
Valencia	13.974	2.003,90	15.977,90	14.995,00	7,3%
Aragon	4.981	120,88	5.101,88	5.322,00	6,8%
Castille La Mancha	6.957	283,58	7.240,58	7.480,00	7,5%
Canary Islands	6.594	982,08	7.576,08	7.101,00	7,7%
Extremadura	4.198	256,34	4.454,34	4.482,00	6,8%
Balearic	2.986	1.037,48	4.023,48	3.167,00	6,1%
Madrid	20.447	805,05	21.252,05	22.007,00	7,6%
Castille and Leon	8.987	616,26	9.603,26	9.568,00	6,5%
TOTAL	**147.319**	**11.616**	**158.935,15**	**157.731**	**7,1%**

Source: Ministry of Finance

A flexible tax regime that drives competition and dynamism

The Community of Madrid's policy on regional taxes aims at a flexible tax regime that favours business creation and economic dynamism.

			Community of Madrid	Catalonia	Andalusia	Castile - Leon
Personal income tax		Tariff	18-45%	20-50%	19-47%	18,5-46%
Wealth Tax		Exempt minimum	700.000 €	500.000 €	700.000 €	700.000 €
		Tariff	Bonus of 100%	0,21-2,75%	0,24-3,03%	0,2-2,5%
Inheritance and Gift Tax	**Inheritance**	Tariff	7,65-34%	7-32%	7,65-26%	7,65-34%
		Reduction - Bonif. -Ded.	Group I y II: 99% Group III: 10-15%	Group I y II: 99-20%	Group I y II: 99%	Group I y II: 99%
	Gifts	Tariff	7,65-34%	Group I y II: 5-9%	7,65-26%	7,65-34%
		Reduction - Bonif. -Ded.	Group I y II: 99% Group III: 25%			
Tax on property transfers and acts	**TPO**	Rate	6%	10-11%	7%	8-10%
	ADJ	Rate	0,75%	1,50%	1,20%	1,50%

Source: Tax Agency.

*Note: It should be noted that the tax rates and deductions shown in the following table are of general application. However, the tax regulations establish other deductions with a more residual application.

Fiscal measures 2024:

1) **Tax incentive to attract new foreign investors.**
2) Deduction for the **rental of empty properties**.
3) Deduction for the **increase in the cost of external financing** for investment in primary residence due to the rise in interest rates.
4) Deduction for **change of residence to a municipality at risk of depopulation.**
5) Tax credit for **purchasing a primary residence in municipalities at risk of depopulation**.
6) Tax relief on transfer tax and stamp duty for the **purchase of a primary residence in municipalities at risk of depopulation.**

Characteristics:

- ✓ **Deduction of 20%** of the personal tax liability on the financial investment made (no minimum investment and applicable to all types of assets).
- ✓ **Minimum tax deduction of 6 years.**

Objectives:

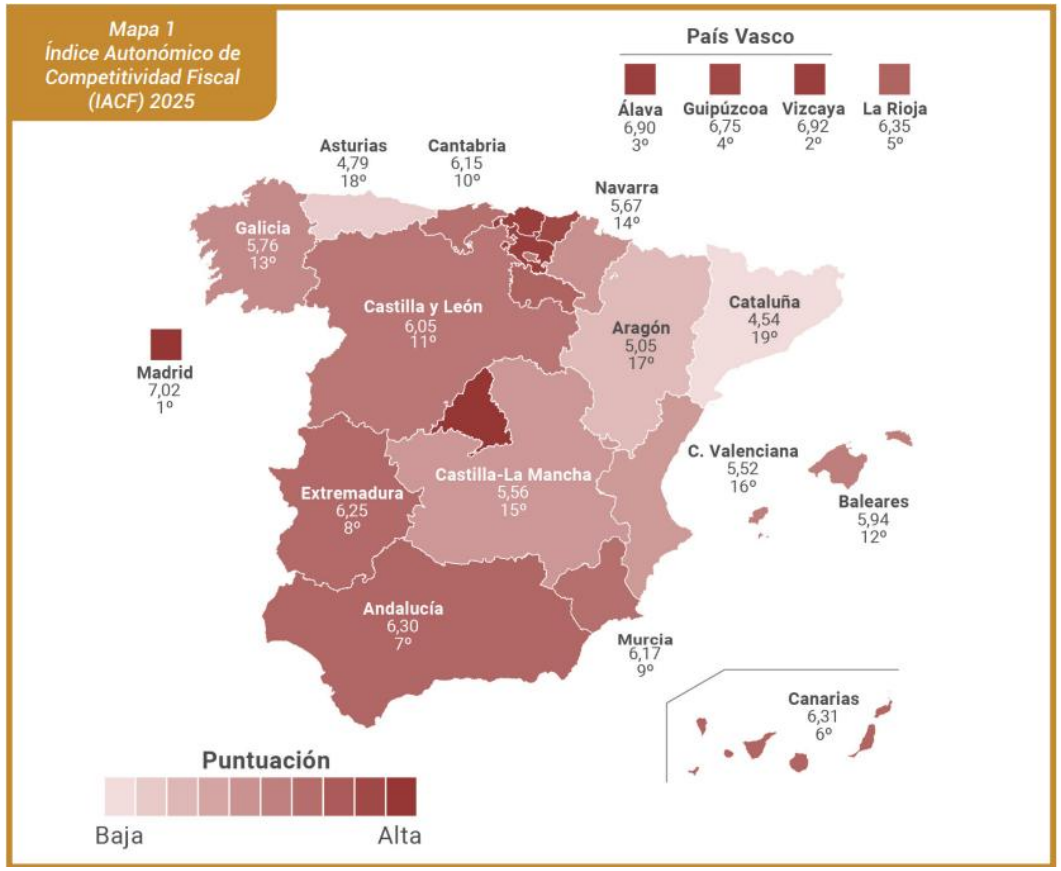
- ✓ **Boost savings and investment**.
- ✓ **Encourage the creation of new companies** and support the growth of existing ones.
- ✓ **Strengthen Madrid's position as** a benchmark for international investment to counteract the negative effects of the creation of the New High Wealth Tax.

Fuente: Agencia Tributaria.

The region of Madrid is the region with the highest tax competitiveness index (RTCI)

- ✓ The Autonomous Community Tax Competitiveness Index (IACF) **makes it possible to evaluate, measure and compare the tax system of the different Autonomous Communities**, with the aim of analysing the structure of the tax system in each one of them.
- ✓ The IACF is a **hierarchical index made up of five taxes** (Income, Wealth, Inheritance, Inheritance, Transfer Tax (ITP) and Stamp Duty (ADJ), and the autonomous community taxes) that assesses the specific indicators of each of these taxes.
- ✓ In **2025, the most fiscally competitive Autonomous Community was Madrid** with a value of **7.02, leading the index for the sixth consecutive year.**

Autonomous Index of Fiscal Competitiveness
(IACF 2025)



Source: Foundation for the Advancement of Freedom.

Economic strengths of the region

- **The Community of Madrid has consolidated its position as national leader during 2024** by remaining the **autonomous community with the greatest weight in Spain's Gross Domestic Product (GDP), accounting for 21,1%.** The region also has the **highest per capita income, reaching 44,775 euros.**
- Significant **contribution of domestic demand to the region's growth**, focused on household consumption and investment. Moderate inflation growth compared to other regions means that consumers' purchasing power is not excessively eroded, **maintaining a positive outlook for** subsequent **quarters.**
- **Leadership in the creation of new companies**. A diversified productive structure with a large presence of larger companies.
- The **good relative performance of the labour market**. Madrid has one of the highest percentages in higher education in Spain (40.8%). Moreover, in the first quarter of 2026, the unemployment rate in Madrid was 7.9% (2.9 percentage points below the Spanish rate).
- **Madrid is the most deregulated and lowest taxed economy in Spain** and the most open to foreign trade and investment.
- Until April 2026, the region has **evolved favourably in terms** of the **number of commercial companies created, leading the creation of new companies in Spain.**

Community of Madrid: Key sectors

Digital economy

- Madrid is the epicentre of the Spanish digital economy, accounting for 30.7% of the market.
- Digitalisation is already responsible for 24% of regional GDP.
- It leads in start-ups investment, with 2.48 billion euros in 2023.
- Madrid is the 5th European region with the highest number of startups and the 6th most promising hub.

Aeronautics and aerospace

- Madrid is home to 25% of the country's aeronautics and aerospace companies.
- The companies in this sector operating in Madrid produce a turnover of more than 5,200 million, 48% of the national total.

Video games and content industry

- Madrid hosts 28% of the national companies.

Banking, insurance and fintech

- Madrid stands out with the 33% of national activity.

Pharmaceuticals and Biotechnology

- +9.2 billions of turnover, accounting for the 45% of the national total.
- Exports reach 17 billions, 63% of the national total in 2023

Higher education

- 85% of labor market insertion rate compared to 80% in Spain.

Entrepreneurial ecosystem

- Represents more than a quarter part of total R&D expenditure in Spain in 2023.
- Madrid is the second region in Europe with more offices opened by foreigners, only behind London in 2022.

Logistics

- 14% of the road transport surface area in Spain is concentrated in the vicinity of Madrid.
- Represents more than 38 million square metres dedicated to logistics infrastructure.

Design and graphic arts

- Second region by number of companies in this sector (more than 2,500), behind only Catalonia (3,000) in 2022.

Communications and ICT

- Madrid is home to 26,8% of ICTs and communication companies.
- 71,2% of the turnover of the Spanish communications an ICT sector in 2023.

Sustainable mobility

- First major European capital without a single diesel bus.
- Sustainable mobility accounted for 55% of the journeys in Madrid during October 2023.

Competitive advantages

Breakdown of the sectoral weightings of Spanish regions
(Year 2024)

CCAA	Farming	Industry	Construction	Wholesale & Retail commerce. vehicle repairs. hospitality. transport.	Information & Communication activities	Finance & Insurance acties	Real Estate activities	Technical & Scientific activities and auxiliary services	Public Administration. Defense. Social Security. Education. Healthcare and Social Services	Art. Culture and Entertainment. activities.	Total Services
Andalusia	6,7%	11,2%	6,1%	22,7%	2,1%	4,6%	12,4%	6,2%	23,8%	4,1%	82,1%
Aragon	7,2%	22,5%	5,4%	19,7%	2,2%	4,8%	8,9%	5,6%	20,4%	3,3%	70,2%
Asturias	1,5%	19,4%	6,4%	22,6%	2,4%	5,0%	12,0%	6,3%	20,9%	3,4%	79,1%
Balearic	0,4%	4,9%	7,6%	37,0%	1,8%	4,2%	14,3%	8,2%	17,7%	4,0%	94,7%
Canary Islands	1,3%	4,8%	4,5%	28,4%	1,6%	19,6%	10,0%	6,3%	19,9%	3,6%	93,9%
Cantabria	1,4%	16,7%	5,1%	19,4%	1,5%	19,3%	10,8%	4,7%	17,9%	3,1%	81,8%
Castille and Leon	5,2%	20,7%	5,8%	20,4%	1,5%	5,0%	9,7%	5,3%	23,0%	3,5%	74,1%
Castille la Mancha	8,0%	21,9%	6,4%	19,1%	1,3%	4,6%	9,2%	4,1%	21,9%	3,4%	70,1%
Catalonia	1,0%	17,3%	4,5%	27,0%	3,7%	4,6%	11,6%	9,5%	17,2%	3,5%	81,7%
C. Valenciana	1,8%	13,9%	5,0%	20,1%	1,8%	20,5%	10,6%	5,8%	17,0%	3,3%	84,2%
Extremadura	7,7%	15,2%	6,0%	15,3%	1,2%	15,6%	7,3%	4,1%	24,4%	3,2%	77,1%
Galicia	5,6%	18,4%	6,1%	23,4%	2,2%	4,6%	9,6%	6,4%	20,2%	3,5%	76,1%
Community of Madrid	0,1%	7,1%	4,1%	29,3%	8,9%	7,2%	9,1%	13,4%	16,8%	4,0%	92,8%
Murcia	6,2%	19,0%	5,5%	24,5%	1,5%	4,1%	8,6%	5,9%	21,3%	3,4%	74,7%
Navarre	3,3%	24,4%	4,6%	18,1%	1,3%	16,0%	7,0%	5,3%	16,7%	3,3%	72,3%
Basque Country	0,6%	21,9%	5,8%	22,1%	2,6%	5,0%	10,1%	7,7%	20,2%	4,0%	77,4%
Rioja	5,2%	24,8%	5,3%	19,4%	1,5%	4,6%	9,8%	5,5%	20,7%	3,1%	70,0%
Spain	3,0%	15,6%	5,7%	24,1%	4,1%	5,6%	11,5%	9,1%	17,3%	4,1%	81,3%

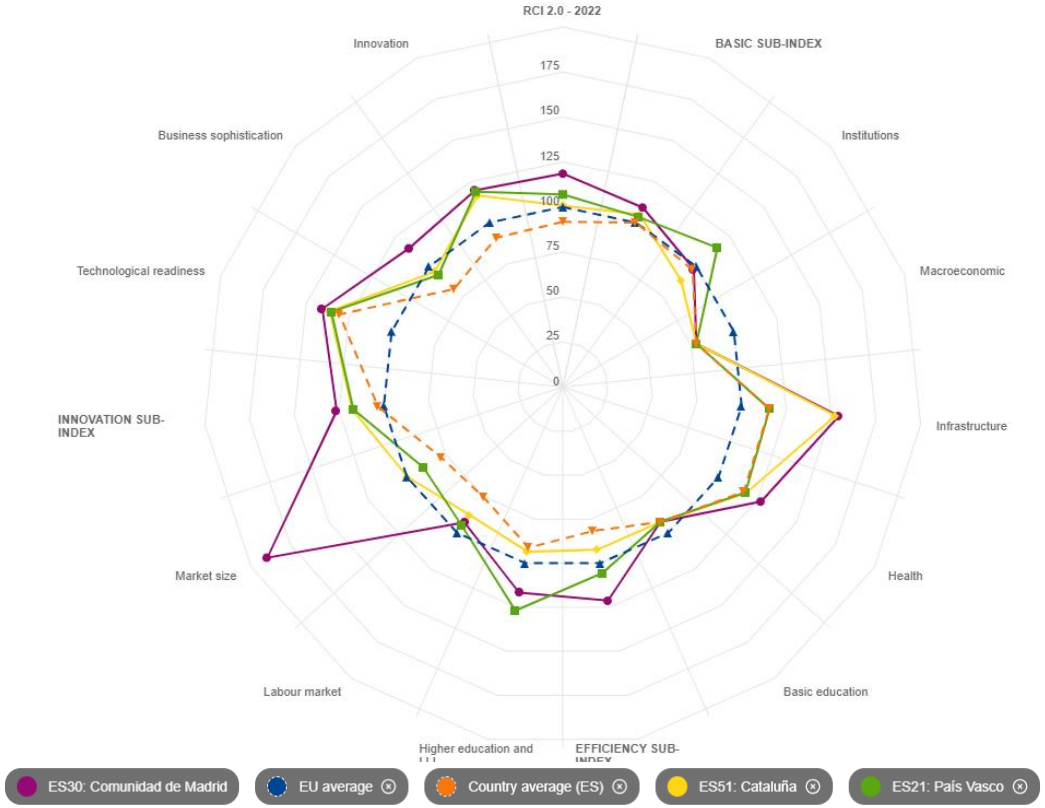
- ✓ Higher than average exposure to the **services sector** (92,8%), a dynamic and highly competitive sector that allows it to be at the forefront of technological developments and productivity.
- ✓ Less weight than average in **construction**; a very labor-intensive sector and very sensitive in terms of unemployment rates in recessions and stress scenarios.
- ✓ Leader among other regions in activities with great potential for development and growth: **information, communications, finance, IT, scientific activities, etc.**

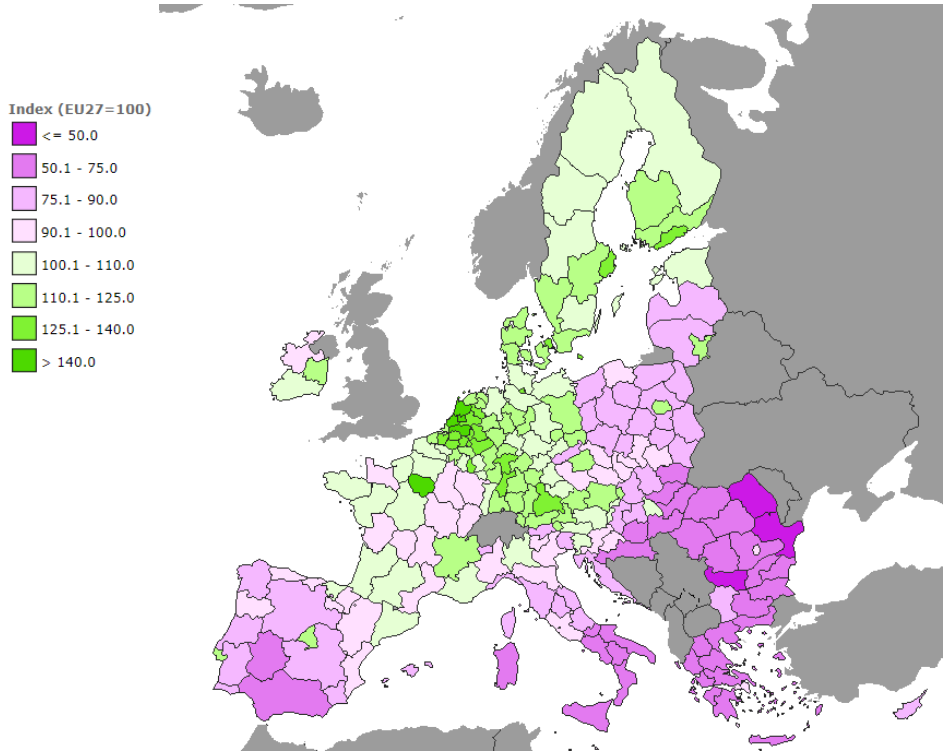
Fuente: Afi, Ine.

Competitive advantages

- The Community of Madrid recorded **a competitiveness index** in 2022 (corrected in March 2023) **higher than not only Spain but also some EU countries such as France, Italy and Portugal**.
- It is also the **most attractive Spanish region to live and work in**, followed by the Basque Country and Catalonia.
- The Community of Madrid is the **European region with the best public health indicators.**

EU Regional Competitiveness Index (2022)





Source: European Commission.

II. FUNDING PROFILE AND STRATEGY

Strong Normative protection of Debt payment

The Comunidad de Madrid´s debt is included in the scope of State debt

- *Article 135 of the Constitution states ...*

- ***". Loans to meet payment on the interest and capital of the State's Public Debt shall always be deemed to be included in budget expenditure and may not be subject to amendment or modification as long as they conform to the terms of issue.".***

In terms of Organic Law

Article 14.5 of the Law on Financing of the Autonomous Communities states:

"The public debt of the autonomous communities and the securities of an equivalent nature issued by them shall be subject, to the same rules and shall enjoy the same benefits and conditions as the Public Debt of the State" .

Article 14 of the Organic Law 2/2012 of 27 April on Budgetary Stability and Financial Sustainability provides:

"The payment of interest and principal on the debt of public administrations shall have absolute priority over any other expenses"

In practice, the Spanish Government has provided financial support to regions that have experienced budgetary difficulties or access to the financial market

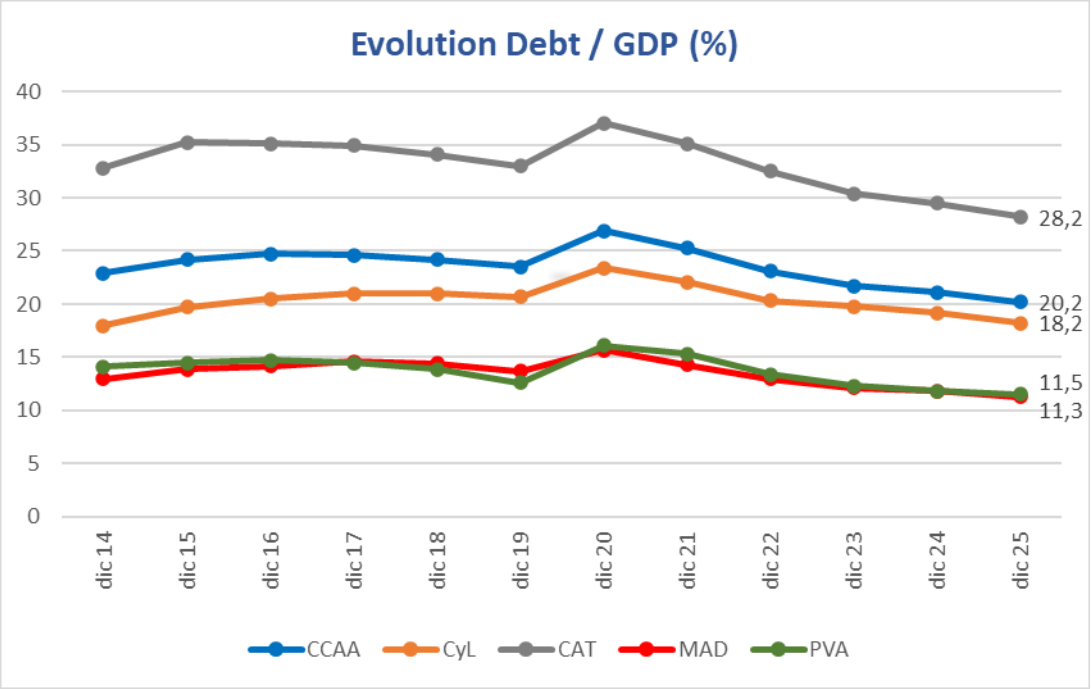
✓ *Since 2012 the Treasury has implemented mechanisms such as the FLA (Autonomous Liquidity Fund) and FFPP (Payment Provider Fund) to provide liquidity to the regional governments and local authorities to enable them to cope with their payment obligations (Royal Decree-Law 17/2014).Ultimately, the Government of Spain is the ultimate guarantor of debt amortization.*

Debt ratios of the Comunidad de Madrid

The Comunidad de Madrid has strong credit fundamentals, putting it in a very favourable starting position to face the current economic and health crisis.

These debt ratios mean that the Community's cost of financing is very favourable. As a result, the Community has opted for **greater financial autonomy** (similar to the strategy of the Foral Regions), having repaid early in 2020 all the outstanding capital concentrated in the FFCA (unlike other regions where more than 80% of its debt is state-funded).

CCAA	2025 4Q	
	Debt (€ mill.)	Debt/GDP (%)
Comunidad Foral de Navarra	2.647.445	9,4
Canarias	6.619.432	10,8
Comunidad de Madrid	**37.825.069**	**11,3**
País Vasco	11.136.772	11,5
Principado de Asturias	3.893.177	12,3
Galicia	12.009.804	13,9
La Rioja	1.678.974	14,3
Cantabria	3.215.264	17,2
Illes Balears	8.363.575	17,7
Aragón	9.420.489	17,9
Andalucía	40.720.871	18,1
Castilla y León	14.260.902	18,2
Extremadura	5.206.640	18,5
Cataluña	90.081.729	28,2
Castilla-La Mancha	16.609.551	28,3
Región de Murcia	14.018.829	31,2
Comunitat Valenciana	63.933.895	40,7
National Average	**341.642.418**	**20,2**



Source: Bank of Spain

Gross Financing Needs 2026

2,973MM	• Refinancing of long-term debt redemptions in 2026
348 MM	• Deficit 2026 (0.1% Regional GDP)
55 MM	• Negative settlement 120 monthly payments (DA 36th, Law 2/2012, 29 june)
1,061 MM	• Deficit 2025 (0.32% Regional GDP)*

TOTAL FUNDING NEEDS 2026: 4, 437 MM

TOTAL ISSUED 2025: 3,445.61MM

*According to preliminary data published in the Quarterly Report of Public Administrations, IGAE, 4Q 2025

2026 Debt Strategy

1. Initial authorized Funding needs: EUR 3,028 bn.

2. Deficit 2025 (0.32% GDP): EUR 1,061 bn.

3. EUR Benchmarks transactions.

4. Preference for medium and long maturities.

5. Smooth the maturity profile towards longer term financing.

6. Promote Sustainable Finance:
   - Capacity to issue bonds and loans.
   - Public and private deals.
   - In compliance with the GBP and SBP and aligned with the SDG.

Rating and debt ratios

	Moody's	S&P	DBRS	FITCH	SCOPE
Current Rating	A3	A	A (high)	A	A
Outlook	Stable	Stable	Stable	Stable	Positive
Date	30 Sep. 25	26 Jul. 24	05 Jun.26	24 Apr.26	28 Nov. 25

	Comunidad de Madrid				National Total			
	2023	2024	2025	2026 1Q	2023	2024	2025	2026 1Q
Debt/GDP (%)	12.1	11.8	11.3	12.0	21.7	21.1	21.2	20.3
Debt	35,880	37,260	37,825	40,574	325,242	335,944	341,642	346,910

	Comunidad de Madrid				Spanish Tresury			
	2023	2024	2025	2026 1Q	2023	2024	2025	2026 1Q
Debt Average Cost (%)	2.27	2.27	2.33	2.39	2.09	2.21	2.31	2.39

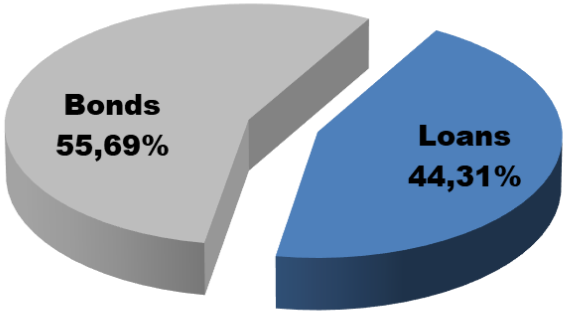
LCR (Liquidity Coverage Requirement): NIVEL 1 EUROCLEAR.ECB
0% risk weighted.
Minimum risk applicable in accordance with European Prudential Regulations

The average cost of Comunidad de Madrid is 2.39% (May 2026)

Source: Comunidad de Madrid, INE and Bank of Spain
Considering rights and obligations
****Cost: Spanish Treasury***

The main characteristics of the debt

Distribution bonds/loans

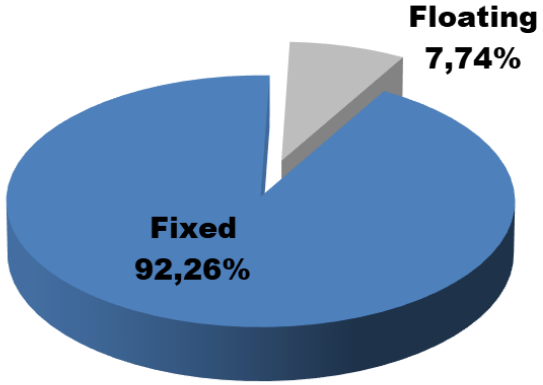


Loans	
Type	**%**
Public entities	17,33%
Private entities	82,67%
Total % Loans	44,31

Bonds	
Type	**%**
Euro	100.00
Foreign currency	0.00
Total % Bonds	55,69

Currency distribution

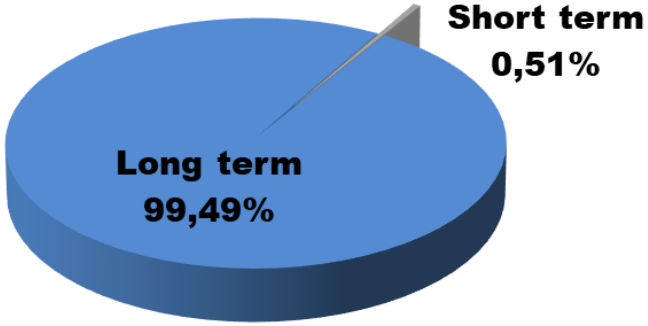
Distribution fixed/variable



A commitment to fixed-rate issuances is a strength:

- Reducing risks.
- Reducing volatility when making payments.

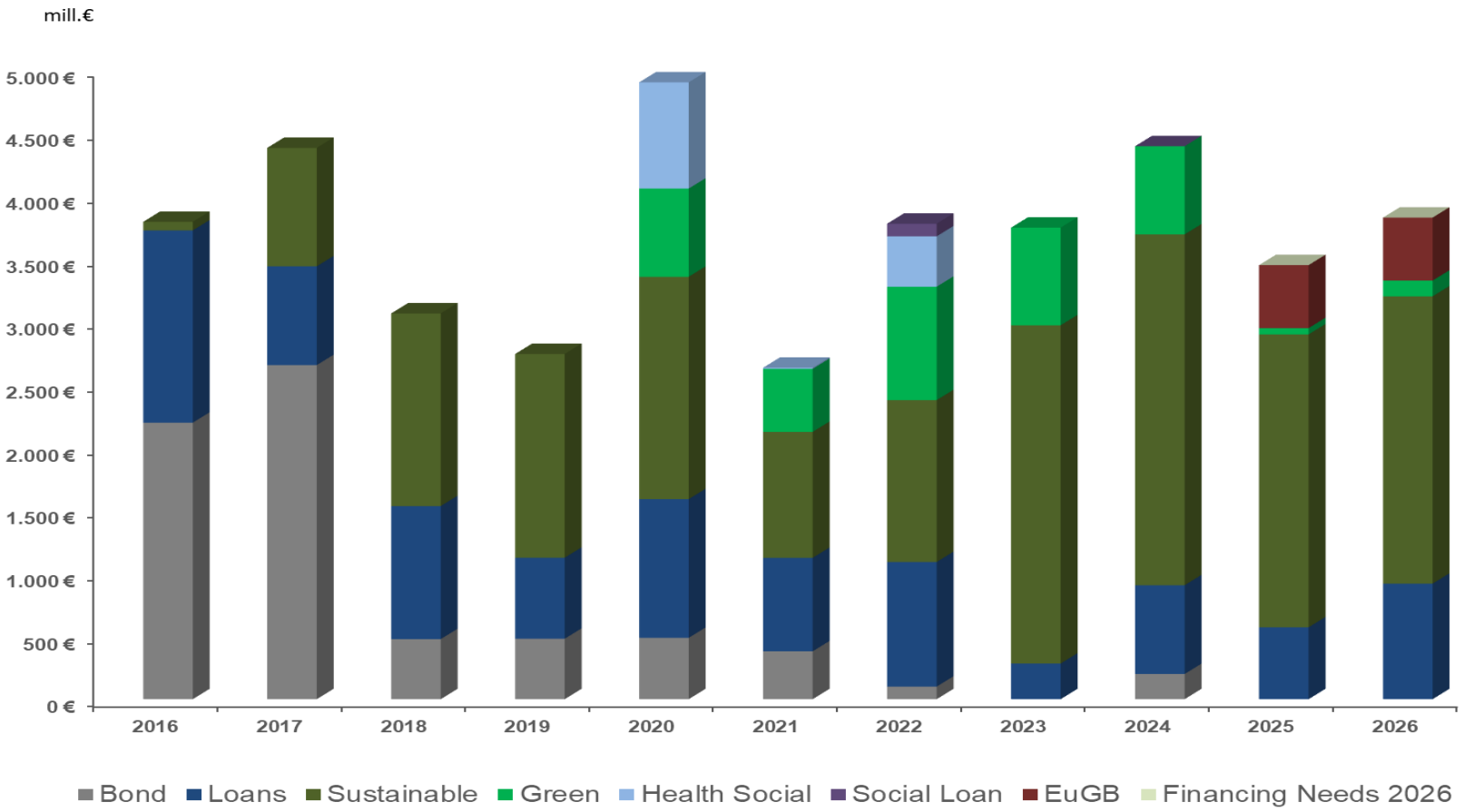
Maturity Distribution



Source: Comunidad de Madrid. (*) SEC 2010
Update: 31/12/2025

**Public entities: European and Spanish (ICO) Financial Institutions*
**Private entities, Private Banks*

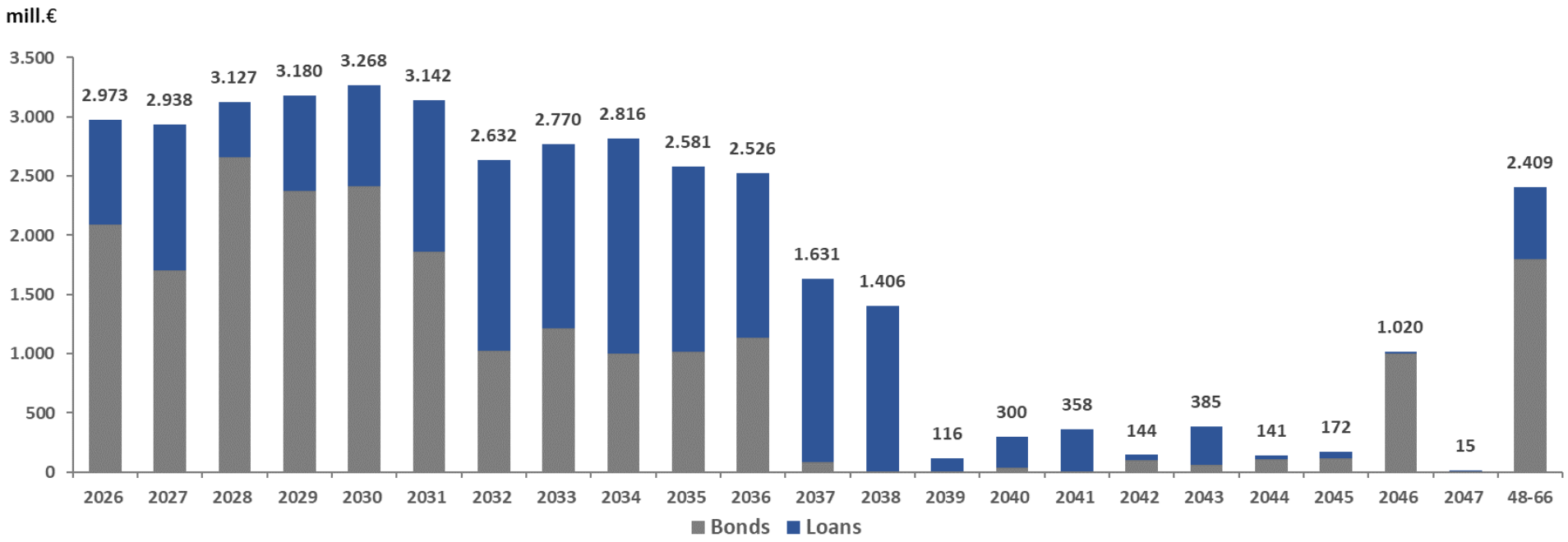
Funding Activity



Madrid, regular player in Capital Markets.

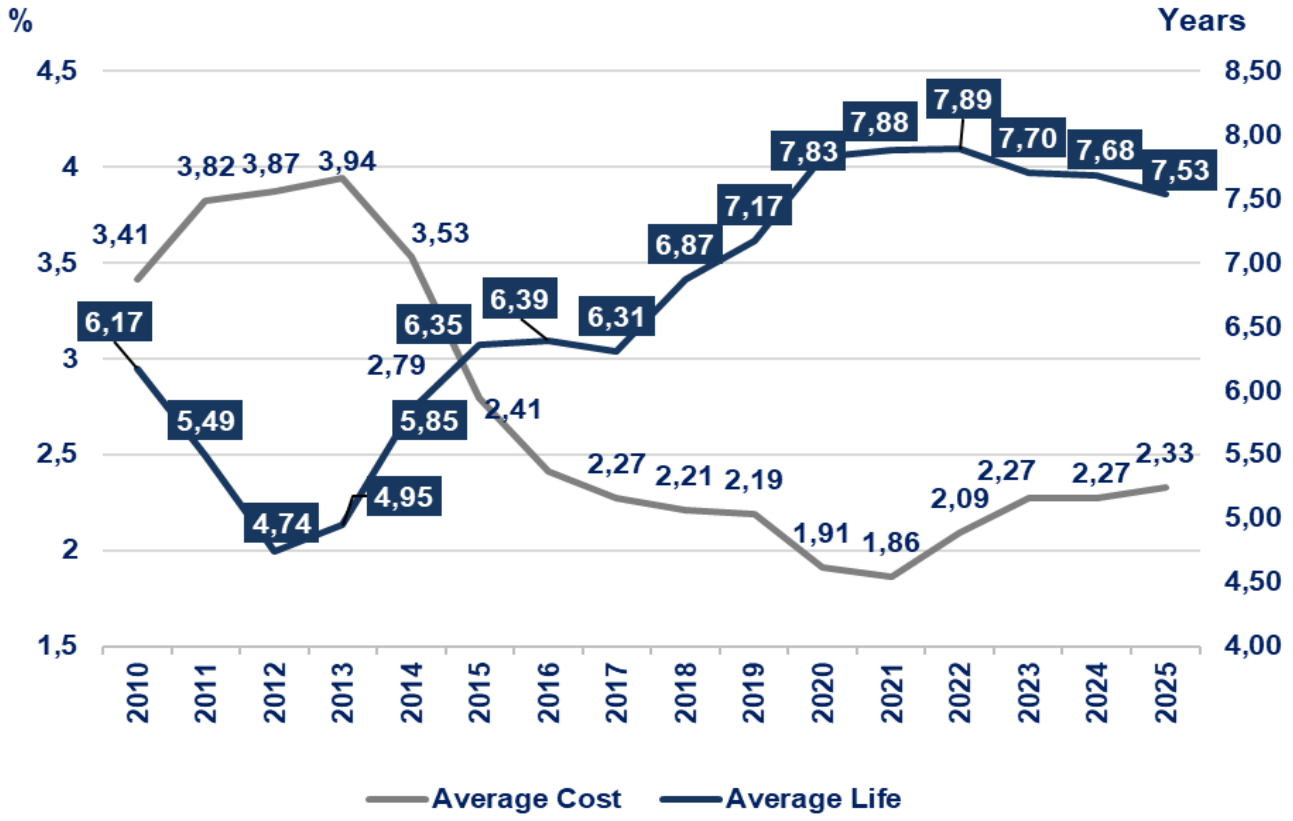
Source: Comunidad de Madrid

Maturities profile



Source: Comunidad de Madrid

Average cost and life

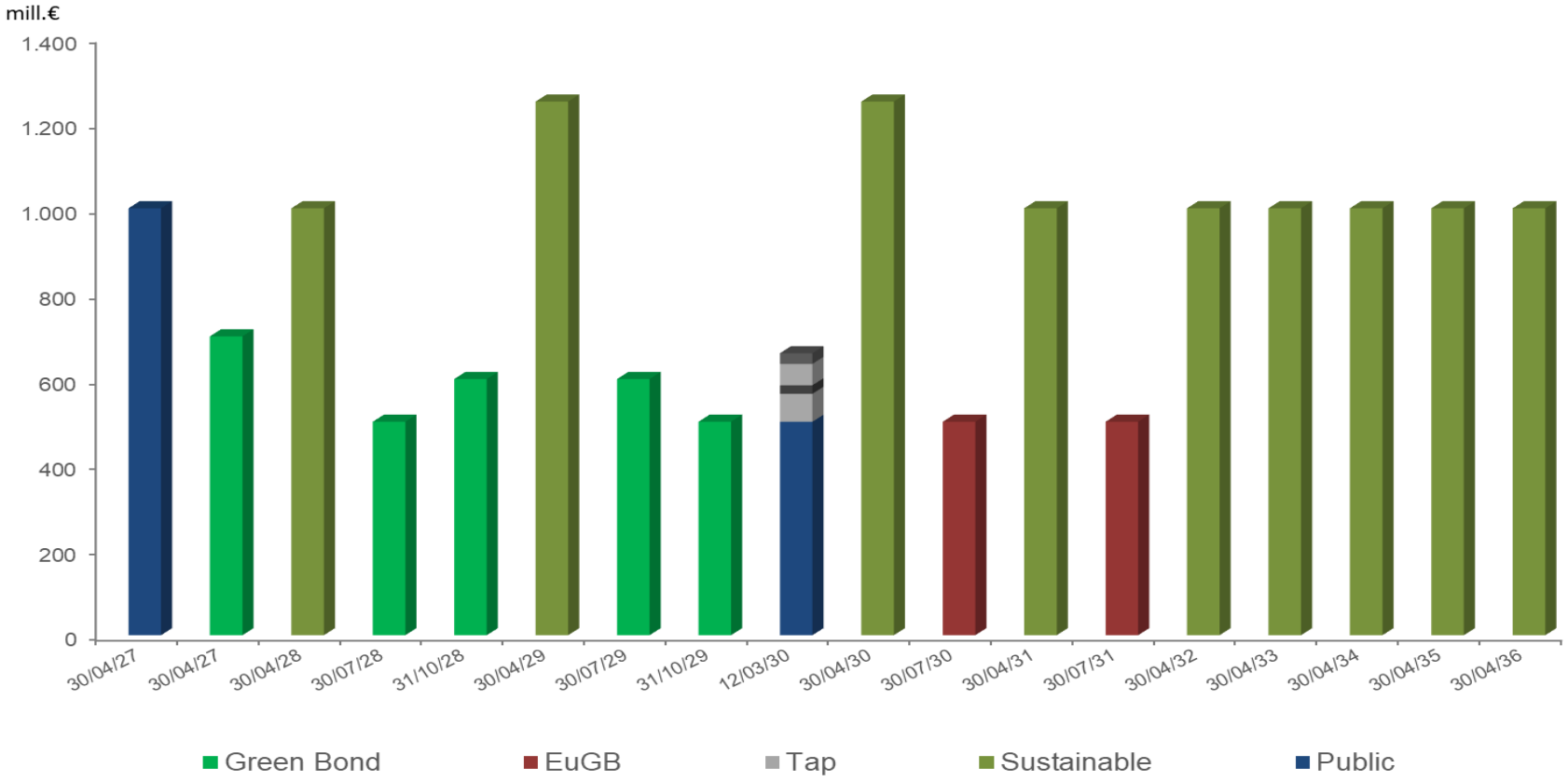


Average maturity of debt (May 2026)

- Community of Madrid: 7.60 years.
- Spanish Treasury: 7.97 years.

Source: Comunidad de Madrid

Comunidad de Madrid: Benchmark Transactions



Common features of these operations:

- **Extraordinary investor`s response.**
- **Outstanding quality of the orderbook: Demand driven by real money investors.**
- **High international support, very well diversified in geographical terms.**

Source: Comunidad de Madrid

Deals Breakdown

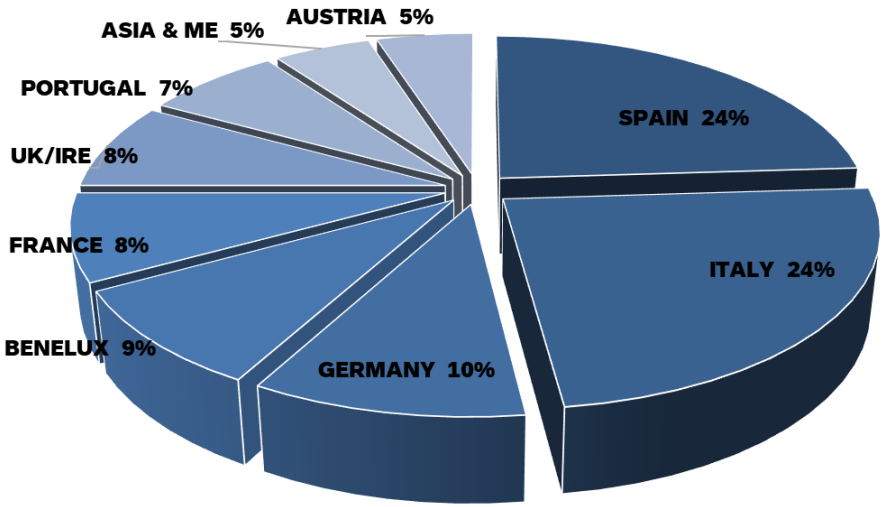
	Amount	Tenors	Average Maturity
2026			
Loans	2,322,000,000	10-20	12.55
Public Benchmark (Sustainable)	1,000,000,000		10.17
Public Benchmark (EuGB)	500,000,000		5,14
	3,822,000,000	**5-20**	**10.83**
2025			
Loans	1,945,610,000	8-20	11.87
Public Benchmark (Sustainable)	1,000,000,000		10.21
Public Benchmark (EuGB)	500,000,000		5,13
	3,445,610,000	**5-20**	**10.41**
2024			
Loans	2,544,310,000	3-25	10.87
Public Benchmark (Sustainable)	1,000,000,000		10.16
Public Benchmark (Green)	600,000,000		5,16
Tap	200,000,000	22	22.06
Private Placements	45.000.000,00	8-11	9.57
	4,389,310,000	**3-22**	**10.42**
2023			
Loans	2,143,000,000	8-13	10.39
Public Benchmark (Sustainable)	1,000,000,000		10.18
Public Benchmark (Green)	600,000,000		5.34
	3,743,000,000	**5-13**	**9.52**

Source: Comunidad de Madrid

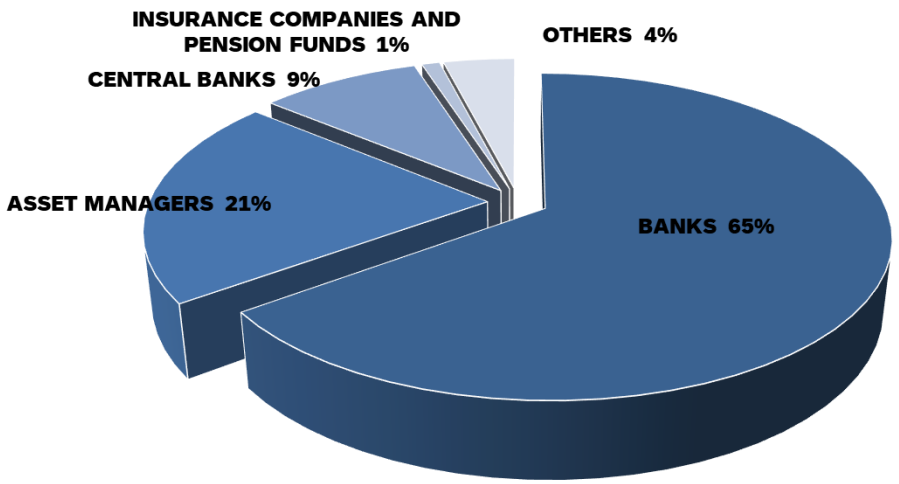
€1bn 3.216% due 30th April 2036

10º Sustainable Public Deal

BY REGIONS



BY INVESTOR TYPE



TOTAL AMOUNT 1,000,000,000 €

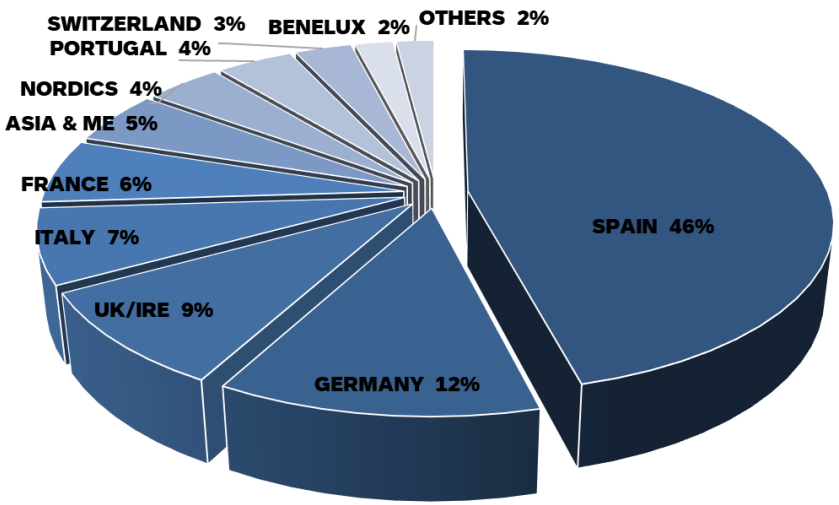
- 10th Sustainable Public Benchmark Bond
- The deal attracted a record demand, allowing the tightest spread ever achieved by the region
- 76% placed outside Spain.
- 120 investors involved

Source: Comunidad de Madrid

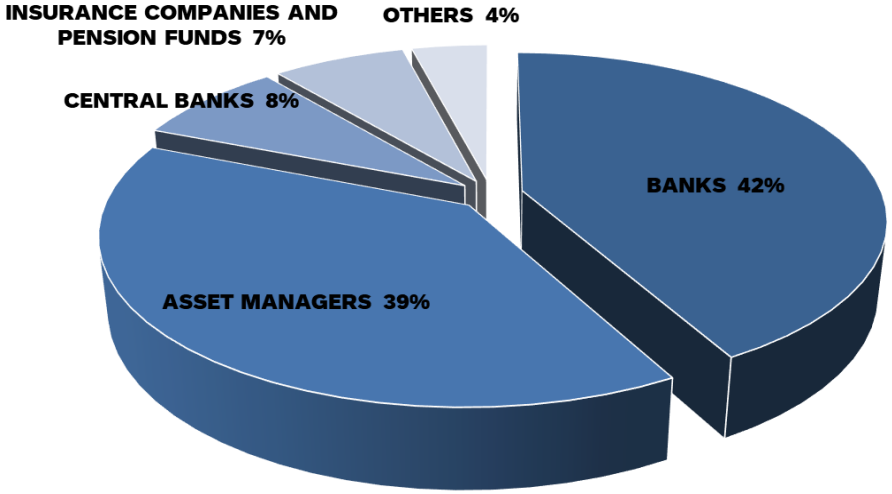
€1bn 3.137% due 30th April 2035

9º Sustainable Public Deal

BY REGIONS



BY INVESTOR TYPE



TOTAL AMOUNT 1,000,000,000 €

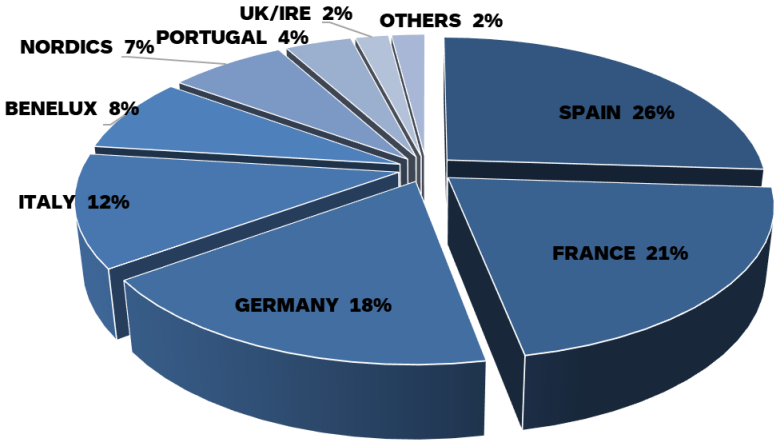
- First public benchmark issued by Comunidad de Madrid in 2025.
- 54% placed outside Spain.
- 6 oversubscribed book with over 150 investors involved

Source: Comunidad de Madrid

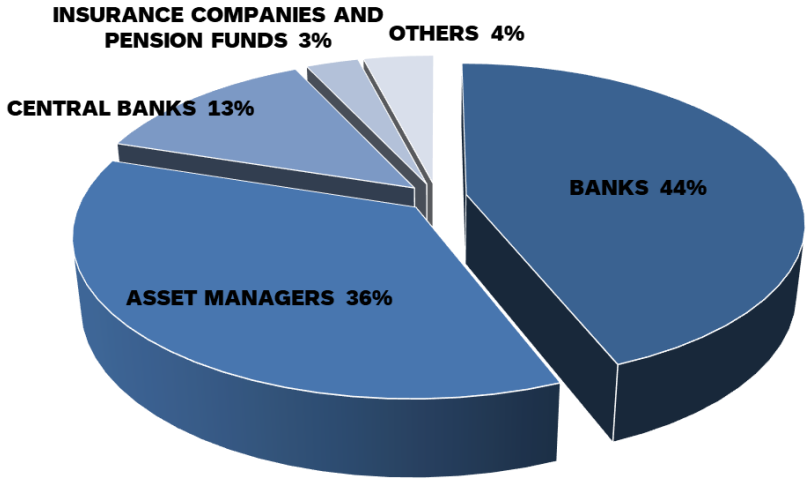
€500 bn 2.976% due 30 July 2031

2º EuGB Public Deal

BY REGIONS



BY INVESTOR TYPE



TOTAL AMOUNT 500,000,000 €

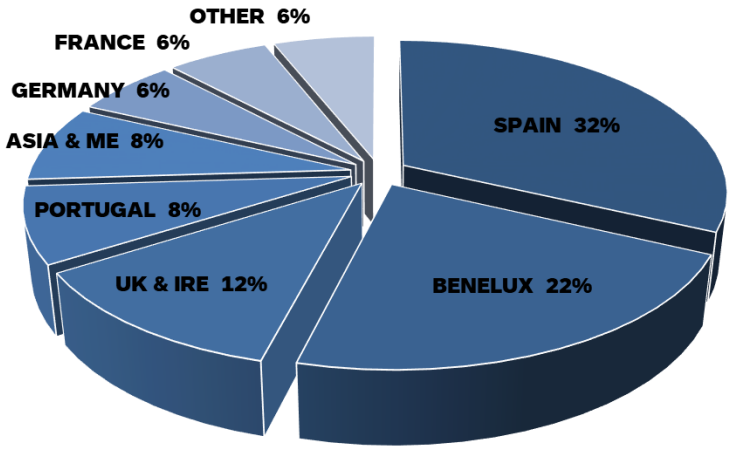
- This transaction represents the seventh Green syndicated benchmark transaction and the second EU-GBS-aligned Green Bond.
- International demand took around 74% of transaction.
- The transaction was met with strong investor demand with a final orderbook in excess of 2.9bn.

Source: Comunidad de Madrid

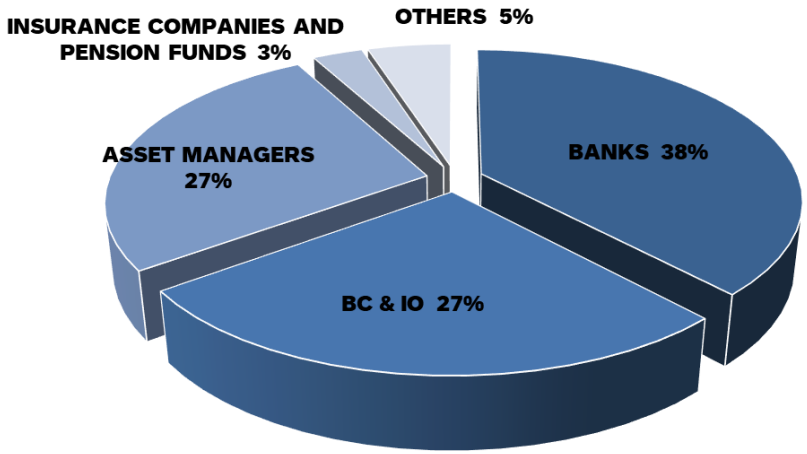
€500 bn 2.487% due 30 July 2030

1º EuGB Public Deal

BY REGIONS



BY INVESTOR TYPE



TOTAL AMOUNT 500,000,000 €

- This transaction represents the sixth Green syndicated benchmark transaction, and it constitutes the first EU-GBS aligned Green Bond from European Sub-Sovereign Issuer.
- International demand took around 68% of transaction.
- The transaction was met with strong investor demand with a final orderbook in excess of 2.4bn.

Source: Comunidad de Madrid

2026 Notes Issuance Program Operations

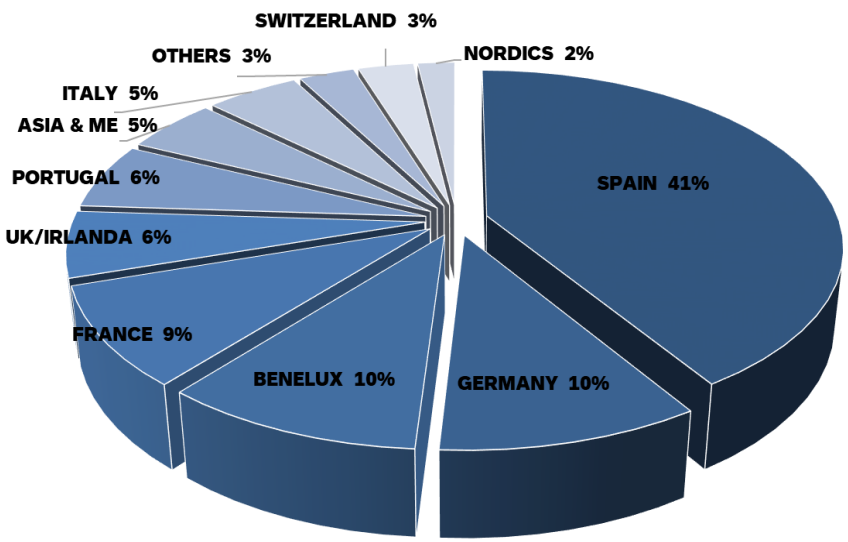
Operation	Amount € mill	Settlement Date	Maturity Date
Notes	20,000,000	01/19/2026	12/04/2026
Notes	27,500,000	01/30/2026	09/04/2026
Total	47,500,000		

- **The total Note Issuance Program amounts to €1 bn.**
- **The registered amount of the Note Issuance Program in AIAF is €350 million**
- **The outstanding amount of the registered Note Issuance Program is €302.5 million .**

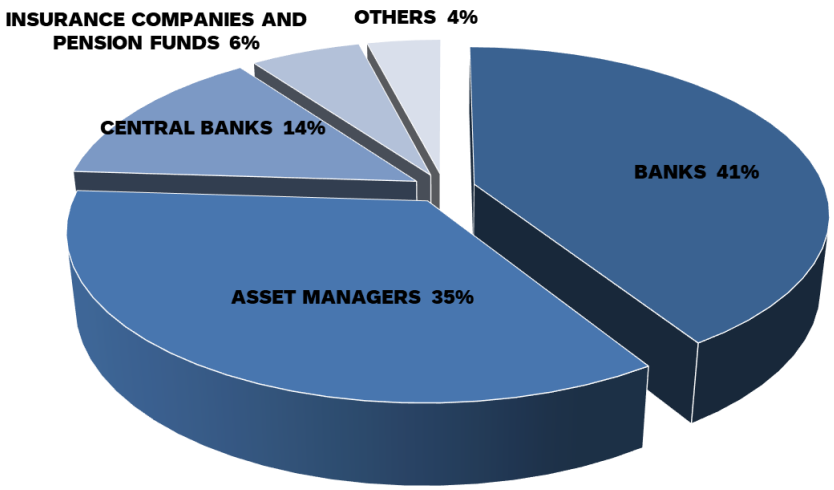
2025 Bond Profile

BOND TRANSACTIONS

BY REGIONS



BY INVESTOR TYPE



AMOUNT ISSUED 1,500,000,000 €

Source: Comunidad de Madrid

Comunidad de Madrid

CONSEJERÍA DE ECONOMÍA, HACIENDA Y EMPLEO

SUSTAINABLE AND GREEN FINANCING

SUSTAINABLE FINANCING

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I. Approach to Sustainability

II. Sustainable Finance 2025 - Impact Report

I. APPROACH TO SUSTAINABILITY

Sustainability Mandate of the Community of Madrid

Comunidad de Madrid has a **clear social and environmental mandate** to meet the needs of its citizens**. Fostering inclusive growth** is core for the Region, and so it is committed to integrate sustainable development and social responsibility in all its activities while playing a key role to promote sustainable initiatives on the territory.

Social expenditures include several programs such as the financing of public polices related to **public health**, **education, social services, employment promotion, public transportation,** and **subsidized housing.** Comunidad de Madrid's expenditure on social programs aim to strengthen Madrid's socio-economic recovery and improve social cohesion, thanks to the development of public services that benefit all the citizens and the implementation of programs to promote employment through investment of small businesses.

Strategy for Social Inclusion 2016/2021, within the framework of the Europe 2020 Strategy, which seeks to eradicate severe poverty from the region

Comunidad de Madrid
2023 - Sustainability Strategy Highlights

€ 1,99 Bn

Social Inclusion Projects

321 families

Affordable Housing

€ 610.6 Mm
66.000+ patients

High impact medicines for rare diseases

Source: Comunidad de Madrid

Contribution to the UN SDGs

Comunidad de Madrid is committed to the implementation of the 2030 Agenda for Sustainable Development. In order to implement concrete actions, the project "Madrid is Action" has been established

SUSTAINABLE DEVELOPMENT GOALS
17 GOALS TO TRANSFORM OUR WORLD

WE SUPPORT
Comunidad de Madrid
THE GLOBAL GOALS
For Sustainable Development

1 NO POVERTY	➢ Affordable Housing (Target 1.4) ➢ Social Inclusion (Target 1.1 and 1.B)
3 GOOD HEALTH AND WELL-BEING	➢ Healthcare (Target 3.8)
4 QUALITY EDUCATION	➢ Education (Target 4.1, 4.2, 4.4, 4.A)
5 GENDER EQUALITY	➢ Social Inclusion - Fight against gender violence and promotion of equal opportunities (Target 5.1 & 5.2)
8 DECENT WORK AND ECONOMIC GROWTH	➢ Social Inclusion (8.6) ➢ SMEs financing (8.3, 8.6)
11 SUSTAINABLE CITIES AND COMMUNITIES	➢ Affordable Housing (11.1) ➢ Clean and Sustainable Transportation (11.2)
13 CLIMATE ACTION	➢ Climate Change Policies (13.2, 13.3)
15 LIFE ON LAND	➢ Environmental conservation and biodiversity (15.1, 15.2)

Source: Comunidad de Madrid

II. SUSTAINABLE FINANCE 2025 - IMPACT REPORT

Rationale for Sustainable Financing

Community of Madrid' Sustainability Mandate

- Comunidad de Madrid devotes a substantial portion of its budget to social and environmental spending
- Via the issuance of sustainable debt, Community of Madrid contributes to its social and environmental policies and actions
- Alignment of the funding strategy with the sustainability strategy

Addressing the social and environmental transition

- By issuing Sustainable Finance Instruments, Community of Madrid contributes to global, EU and national social and environmental objectives
- Contribution to the achievement of UN Sustainable Development Goals (SDGs)
- Achievement of sustainable growth for Community of Madrid's citizens

Supporting the growth of a sustainable financial market

- Address the increasing demand for more sustainable assets by responsible investors
- Diversify its investor base targeting SRI and dark green investors, while fostering the relationship with existing investors
- Contribution to the development of a sustainable financial market

Comunidad de Madrid believes that Sustainable Finance Instruments are effective tools to channel investments to projects demonstrating climate and social benefits

Sustainable Finance Framework

Alignment with the Standards

The Sustainable Finance Framework of the Community of Madrid complies with:

- ICMA Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines
- LMA Green Loan Principles

ICMA

The Green Bond Principles

The Social Bond Principles

The Sustainability Bond Guidelines

Loan Market Association

Green Loan Principles

Community of Madrid Framework's pillars

1	Use of Proceeds	• Sustainable Finance Instruments' proceeds will be allocated to eligible expenditures with a clear social and/or environmental benefit within the General Budget
2	Project Evaluation and Selection	• Carried out by the Committee of Selection, Monitoring and Evaluation that meets before the issuance of a Sustainable Finance Instrument, in accordance with the Eligibility and the Exclusionary Criteria
3	Management of Proceeds	• Sustainable Finance Instruments' proceeds will be managed in a portfolio approach
4	Reporting	• Allocation and Impact reporting provided annually until full allocation of the Sustainable Finance Instruments' proceeds
5	External Review	• Second Party Opinion (SPO) from Sustainalytics. Community of Madrid might hire an external party to audit the allocation of proceeds

Under the Green Finance Framework, Community of Madrid can issue Sustainable Finance Instruments which include Green, Social, Sustainability bonds, private placements and loans

Source: Comunidad de Madrid

Second Party Opinion by Sustainalytics[1]

Use of Proceeds

- By financing social housing, CdM ***directly supports Spain's State Housing Plan***
- Comunidad de Madrid's finances ***public education for all***, and allocates resources to guarantee access to education for ***students in disadvantaged situations***
- The financing of the healthcare programme will facilitate ***the ongoing provision of quality healthcare services to the local population***
- Comunidad de Madrid ***supports social cohesion and inclusion, protection of children and women, and care for the elderly and incapacitated*** via its measures and policies
- The support provided to Madrid's SMEs, will ***strengthen the competitiveness of SMEs and leading to the creation and preservation of jobs***, and ***promote the integration of vulnerable people***
- Financing ***low carbon transportation and reduction of global CO2 emissions*** are considered an impactful use of proceeds

Project Evaluation and Selection

In line with market practice

Management of Proceeds

In line with market practice

Reporting

In line with market practice

SUSTAINALYTICS

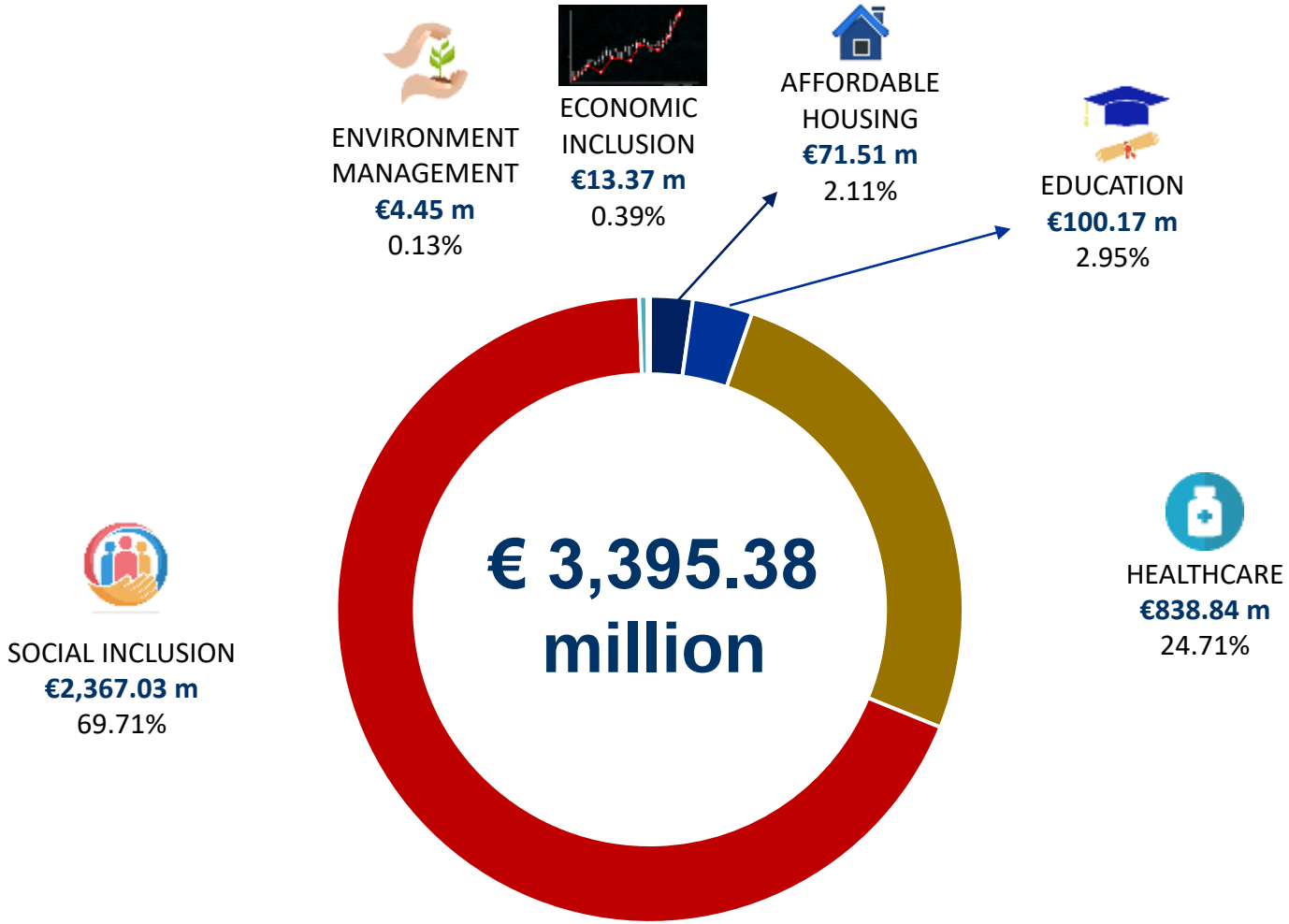
Sustainalytics is of the opinion that the Comunidad de Madrid Sustainable Finance Framework is credible and impactful, and aligns with the Green and Social Bond Principles and Green Loan Principles 2018

Source Comunidad de Madrid

[1]The full Second Party Opinion is available at: http://www.comunidad.madrid/inversion/relacion-inversores/deuda-sostenible

2025 Eligible Portfolio – Budgetary Programs

AMOUNT OF THE RESPONSIBLE EXECUTED PORTFOLIO

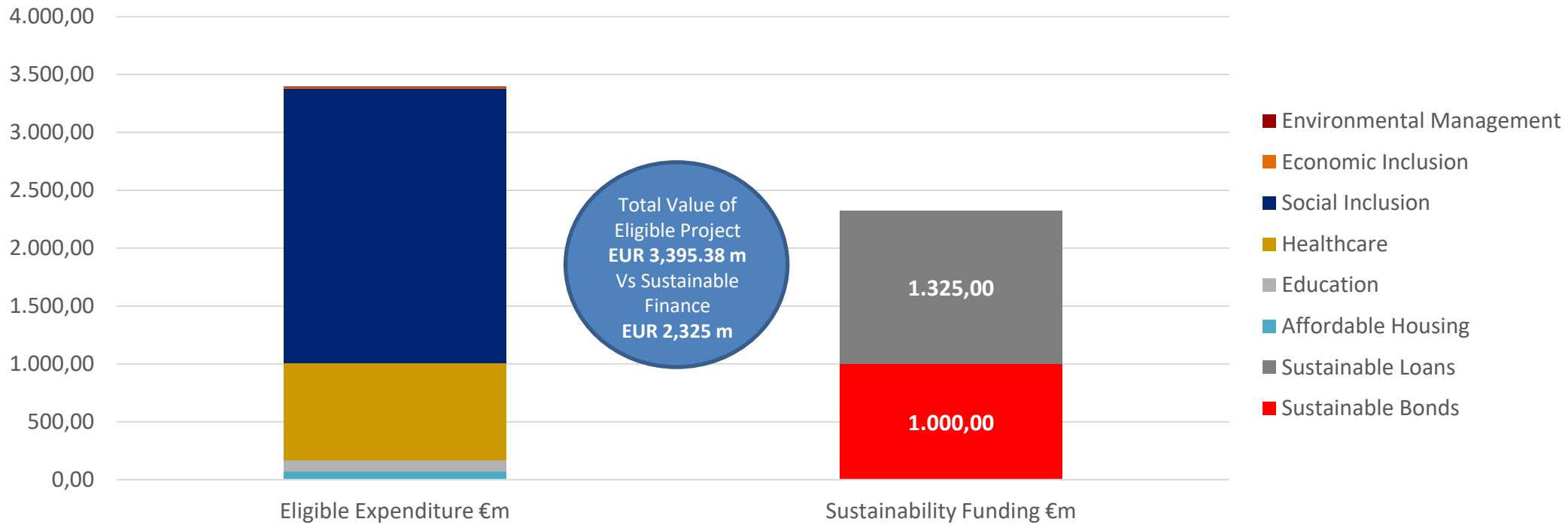


2025 Eligible Portfolio

Eligible categories	Program Description	Program in the General Budget	Amount in € million (budgeted 2025)	UN SDGs
Affordable Housing	• Provision of affordable housing and shelter to disadvantaged populations	261B	470.85	
Education	• Provision of education to the youth (including disadvantaged groups) and support of public schools and universities	232A / 322A, B, C, F/ 323M / 324M	2,955.62	
Healthcare	• Support to Madrid's Public Healthcare System and financing of high impact medicines against rare diseases	312A, 313B	3,813.17	
Social Inclusion	• Fight against gender violence and promotion of equal opportunities • Integration, education and employment programmes and financial assistance to vulnerable groups at risk of social exclusion • Universal accessibility to the public transportation system (reduced price ticked) • Provision of goods and services to the elderly and the mentally and/or physically disabled	231A,B,C,D,E,F,I/ 232A, B, E / 241A, M/ 261B / 322A,B,F / 323M / 324 M / 422B/ 431A/ 433A/ 453N / 463A /	2,618.50	
Economic Inclusion	• SMEs financing • Employment promotion and advancement, including people with distance to labour market	463A / 466A	547.94	
Environmental Management	• Environmental conservation and biodiversity	422B / 453N / 456A,N	797.97	

Source: Comunidad de Madrid

Reporting Framework example: Sustainability Financing: Allocation Reporting 2025



% of Eligible Sustainable Project Portfolio allocated: 68.5%

% Sustainable net proceeds allocated: 100%

Source: Comunidad de Madrid

Sustainability Financing Impact KPIs

Project category		Target population	Allocation information			Impact indicators			
Eligible Project Category	SDG Addressed	Target Group *(if applicable)*	Budgetted amount	Allocated to sustainable bond (amount)	Share of Total Budget Financing	Number of beneficiaries		Other impact indicators	
			mEUR		%	Number	Unit of measure	Additional Indicators	number / unit of measure
Affordable Housing	Goal 1: No Poverty Goal 11: Sustainable Cities and Communities	*Disadvantaged and underserved groups*	71,512,834.84	71,512,834.84	3.08%	130	Families with social housing	Number of social housing units acquired	879
								Number of mortgages granted	3,979
Education	Goal 4: Quality education	*Youth, disadvantaged groups*	100,170,893.33	100,170,893.33	4.31%	508,099	Number of vulnerable students	Number of students with academic reinforcement	34,634
								Number of scholarships professional training higher degree	12,270
								Number of public schools (0-18 years)	1,463
Healthcare	Goal 3: Good Health and Well-being	*Citizens (including disadvantaged and underserved groups*	838,844,020.75	838,844,020.75	36.08%	1,206	Number of people with a rare disease being provided access to services and adequate medication	Number of people treatment medication high impact	77,804
Social inclusion	Goal 1: No Poverty SDG 5: Gender equality	*Disadvantaged and underserved groups*	2,367,032,322.50	1,296,654,806.16	55.77%	1,400,872	Number of individuals or families benefiting from social benefits	Number of individuals or families benefiting of social minimum income	488
								Number of victims of gender violence supported	2,638
								Number of subsidized trips	171 millions
Economic inclusion	Goal 4: Quality education Goal 8: Decent work and economic growth	*SMEs and long-term unemployed*	13,367,202.64	13,367,202.64	0.57%	228	Number of SMEs that received support	Number of projects that received subsidies	164
Environmental management	Goal 13: Climate Action		4,450,242.28	4,450,242.28	0.19%			Number of annual data for air quality parameters	1,432,199
								Number of annual data meteorological parameters	1,703,654
								Number of environmental education centers	13
Total			3,395,377,516.34	2,325,000,000.00	100%	1,910,535			

Sustainability Bond Impact KPIs

Project category		Target population	Allocation information			Impact indicators			
Eligible Project Category	SDG Addressed	Target Group *(if applicable)*	Budgetted amount	Allocated to sustainable bond (amount)	Share of Total Budget Financing	Number of beneficiaries		Other impact indicators	
			mEUR		%	Number	Unit of measure	Additional Indicators	number / unit of measure
Affordable Housing	Goal 1: No Poverty Goal 11: Sustainable Cities and Communities	*Disadvantaged and underserved groups*	71,512,834.84	30,758,208.53	3.08%	56	Families with social housing	Number of social housing units acquired	378
								Number of mortgages granted	1,711
Education	Goal 4: Quality education	*Youth, disadvantaged groups*	100,170,893.33	43,084,255.20	4.31%	218,537	Number of vulnerable students	Number of students with academic reinforcement	14,896
								Number of scholarships professional training higher degree	5,277
								Number of public schools (0-18 years)	629
Healthcare	Goal 3: Good Health and Well-being	*Citizens (including disadvantaged and underserved groups*	838,844,020.75	360,793,127.20	36.08%	519	Number of people with a rare disease being provided access to services and adequate medication	Number of people treatment medication high impact	33,464
Social inclusion	Goal 1: No Poverty SDG 5: Gender equality	*Disadvantaged and underserved groups*	2,367,032,322.50	557,700,991.90	55.77%	602,526	Number of individuals or families benefiting from social benefits	Number of individuals or families benefiting of social minimum income	210
								Number of victims of gender violence supported	1,135
								Number of subsidized trips	73,548,387
Economic inclusion	Goal 4: Quality education Goal 8: Decent work and economic growth	*SMEs and long-term unemployed*	13,367,202.64	5,749,334.47	0.57%	98	Number of SMEs that received support	Number of projects that received subsidies	71
Environmental management	Goal 13: Climate Action		4,450,242.28	1,914,082.70	0.19%			Number of annual data for air quality parameters	616,000
								Number of annual data meteorological parameters	732,754
								Number of environmental education centers	6
Total			3,395,377,516.34	1,000,000,000.00	100%	821,736			

Selected Projects for the 2025 Sustainability Bond

Comunidad de Madrid has a clear social and environmental mandate to meet the needs of its citizens.

*Sustainable development is at the **centre of our policies** for strong, sustainable and inclusive growth and development.*

SELECTED PROJECTS

ELIGIBLE CATEGORY	PROJECT NAME	AMOUNT
Affordable Housing	My First Home Program (Programa Mi Primera Vivienda)	25,000,000.00
	Maintenance and conservation of occupied social housing	6,433,375.89
	Land development for social housing construction	0.00
	Neighborhood Assistance Service of the Community of Madrid (ASIVECAM)	1,305,724.86
	Construction of new social housing developments	31,490,398.06
	Repair of vacant social housing for secondary allocation	7,283,336.03
Education	Support for students with special educational needs	3,657,593.84
	Book loan program (ACCEDE Program)	35,570,230.60
	Maintenance of Secondary Education Centers	22,735,565.30
	"Refuerza" Program (academic support and reinforcement activities)	2,708,200.00
	Training and awareness for women at risk of social exclusion	540,000.00
	Higher-level vocational training scholarships	28,252,684.91
	Educational compensation classrooms	706,618.68
	Financial aid for public university studies	6,000,000.00
Healthcare	High-impact medicines and orphan drugs	837,330,000.00
	Collaboration with Local Entities (CCLL)	116,400
	Collaboration with professional entities	52,967.50
	Mobile service for drug-dependent individuals	844,653.25
	Collaboration with citizen organizations	500,000.00
Social Inclusion	Reduced prices for school menus	61,003,264.75
	Economic benefits for dependency situations	402,811,962.95
	Home care for dependency situations	155,140,863.00
	Care for the elderly in centers	422,723,021.05
	Public transport user subsidies	1,248,036,615.00
	Senior center care	16,298,311.00
	Comprehensive care in residential centers for gender-based violence	900,443.64
	Soup kitchen services	4,202,028.00
	Care in non-residential centers for gender-based violence	0.00
	Economic benefits for the social integration of women victims of gender violence	292,320.00
	Free school transport for students in special education centers	9,401,603.03
	Free transport for students with physical disabilities	10,325,707.73
	Free school canteen service for students in special education centers	4,242,844.90
	Free school transport for students from shanty towns	628,554.55
	Participation and Integration Centers (CEPI)	2,371,420.00
	Volunteering school	147,361.94
	"Housing First" Program	295,759.61
	Care center for persons in situations of social exclusion	2,393,927.27
	Network of volunteer information points (PIV)	76,465.66
	Madrid Information and Care Program for LGTBI individuals	321,829.20
	Minimum Insertion Income (RMI)	1,378,476.01
	Subsidies for integration projects linked to Minimum Insertion Income	4,900,000.00
	Telecare service for dependent persons	9,585,983.00
	Development cooperation subsidies	4,490,232.00
	Youth at risk of social exclusion	1,527,125.97
	Youth: Temporary residential care (severe risk of social exclusion)	130,858.50
	Youth: First professional experience	1,300,000.00
	Convalescent care for those at severe risk of social exclusion	1,807,241.74
	Homeless women	0.00
	"Sal de la calle" Program	298,102.00
Economic Inclusion	Re-guaranteeing Avalmadrid (Land purchase)	5,000,000.00
	Aid to promote technological sectors and Start-ups	1,225,631.87
	Innovation service aid for SMEs (Innovation Vouchers)	562,270.76
	Aid for industrial SMEs (Industry 4.0 projects)	5,703,331.20
	Aid for intermediate innovation entities	875,968.81
Environmental Management	Environmental protection and improvement measures. Environmental Education	2,789,469.08
	Subsidies for non-profit entities with environmental goals	500,000.00
	Air Quality Network	1,160,773.20
	TOTAL	3,395,377,516.34

Source: Comunidad de Madrid

CASE STUDY for HEALTHCARE

High Impact Medicines and Orphan Drugs

- Comunidad de Madrid offers universal healthcare coverage to all of its citizens. The overall objective of the healthcare programme is the maintenance of a quality healthcare service and an efficient use of resources. Madrid's public healthcare service includes plans such as the **"Plan to improve healthcare services for people with rare diseases".**
- Providing integrated and comprehensive care by all the agents involved is essential to improve the daily life of these people and their families.

Mobile Support Service for Drug Dependency

- **Comunidad de Madrid provides healthcare** to **drug addicts** out of treatment **through mobile devices in marginal areas**.
- This project aims to minimize the negative effects related to consumption and contributes to public health by controlling and monitoring transmitted diseases, providing referrals to drug addiction treatment, counselling and support services network.

Proceeds of the bond will be allocated to projects aimed at providing a modern and sustainable public healthcare service system to the citizens of Madrid (including, but not limited to, vulnerable groups)

Source: Comunidad de Madrid

CASE STUDY for EDUCATION

ACCEDE – Book lending program

- **Accede Program textbook lending program** for eligible students of Primary Education, Compulsory Secondary Education and Basic Vocational Training.
- Over **515,000 students** from nearly **1,400 schools** benefited from this program.
- Comunidad de Madrid has allocated **EUR 35.5m** to this program.

Education Centers Maintenance

- Comunidad de Madrid **offers a wide network of public primary and secondary education schools and special education schools.**
- Every year, Comunidad de Madrid builds new centers to cope with takes care of the maintenance of schools, by taking preventive, diagnostic, updating, replacement, and repair procedures.

REFUERZA-Academic Support

- **The Academic Support program** seeks to complement Primary Schools training by offering students reinforcement activities, study techniques or knowledge expansion sessions.
- Over **12,000 students benefited** form this program.

Education is a fundamental social right, bringing significant benefits to society. An educated and skilled workforce is essential for our region's competitiveness.

Source: Comunidad de Madrid

CASE STUDY for AFFORDABLE HOUSING

Uninhabited Social Houses Refurbishment

- **Comunidad de Madrid** dedicated close to **EUR 7.2m** to Social Housing projects.
- Among others those dedicated to the maintenance and conservation of inhabited social housing to **improve the safety** and the **accessibility** and enhance its **energy efficiency**
- **222 vacant** social homes were **refurbish**

Mortgage Assistance Program

- **'Mi primera Vivienda'** is a pioneering plan for young people under 40 years old who are economically solvent but do not have savings.
- The project facilitates the granting of up to 100% of the mortgage
- Budget of 25 million euros for 2025
- 3,979 mortgages conceded

ASIVECAM – Neighborhood Assistance

- **ASIVECAM** – the Comunidad de Madrid Neighborhood Assistance service
- Aims to favor and activate processes of coexistence and communication, to provide answers to the problems raised in the promotions of public housing of the Social Housing Agency, which facilitate the integration of people and the development of these, through their participation.
- Hired 41 socio-educational technicians, adquisition 5 vehicles

Comunidad de Madrid is committed to tackle inequalities and provide access to affordable and quality housing. Social housing plays a vital role in meeting the housing needs of people across Comunidad de Madrid

Source: Comunidad de Madrid

CASE STUDY for SOCIAL INCLUSION

Minimum Insertion Income (RMI)

- **Minimum Insertion Income (RMI)** refers to the different programs aimed at individuals and families who lack sufficient economic resources to cover their basic needs, accompanied by a process of social intervention.
- Comunidad de Madrid earmarked **EUR 7.8m** for this purpose

Assistance for Women Victims of Gender Violence

- Comunidad de Madrid funds a broad range of initiatives and programs aiming to **end all forms of gender-based violence**
- In 2025, **100 women and 70 children** were treated in **Shelter Centers** specialized in offering women and their dependents a comprehensive recovery treatment that from the psychological, educational, socio-labour and legal fields, favors the normalization of the family unit.

Care for Seniors in Centers

- Comunidad de Madrid provided assistance to more than **22,299 dependent people.**
- Promote the social integration of older people by encouraging them to remain in their environment.
- Create and maintain adequate resources for the care of dependent elderly people through the provision of specialised and quality services.

Comunidad de Madrid's strategy for social inclusion aims to achieve the full integration in society of people who are in a situation (or at risk) of poverty and social exclusion, fighting against gender violence and promoting equal opportunities

Source: Comunidad de Madrid

CASE STUDY for SME FINANCING

Industry digitalization projects

- **SMEs** play a major role in Comunidad de Madrid's economy.
- **Supporting SMEs is a priority for the regional goverment**, as well as providing these companies with the necessary tools to adapt to current market needs and expand their businesses
- Under the **Digitalization program**, Comunidad de Madrid provided in 2024 assistance and funding of **104 digital projects** for the development and implementation of innovative proyects

Digitising industries is one of the key challenges to be tackled for fostering growth. Comunidad de Madrid is committed in supporting SMEs in all stages of their life cycle to develop and achieve growth and engage in innovation

Source: Comunidad de Madrid

Leadership in Sustainable Bonds

- **First Spanish Region to issue Sustainable Bonds, Green and EuGB.**
- **Largest number of Sustainable Bonds and Green issued in Spain.**
- **Ability to Issue Green, Social and Sustainable Bonds, EuGB and Loans.**
- **9 Sustainable Bonds, 5 Green Bonds and 1 EuGB issued.**
- **Largest amount outstanding in Sustainable Bonds (8,500 MM€), Green (2,900 MM€) and EuGB (500 MM€).**
- **Transparent and public reporting on projects financed by under the framework.**

	Amount (EUR million)	Sttlement	Tenor
Sustainable Bond (Public) (MATURED)	700	04/18/2017	5
Sustainable Bond (Public)	1,000	02/23/2018	10
Sustainable Bond (Public)	1,250	02/14/2019	10
Sustainable Bond (Public)	1,250	02/27/2020	10
Green Bond	700	05/08/2020	7
Sustainable Bond (Public)	1,000	03/26/2021	10
Green Bond	500	11/26/2021	7
Sustainable Bond (Public)	1,000	04/11/2022	10
Green Bond	500	10/14/2022	7
Sustainable Bond (Public)	1,000	02/24/2023	10
Green Bond	600	06/29/2023	5
Sustainable Bond (Public)	1,000	02/29/2024	10
Green Bond	600	05/31/2024	5
Sustainable Bond (Public)	1,000	02/14/2025	10
EuGB Bond	500	06/12/2025	5

GREEN FINANCING

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I. NEW SUSTAINABILITY STRATEGY

CAM New Sustainability Strategy – 2023 -2030

The Community of Madrid established a **new Energy, Climate, and Air Strategy (EECAM)** for the 2023-2030 period which introduces **7 Strategic Objectives**. The plan identifies key sectors for urgent action and potential challenges, proposing targeted areas where stakeholders and society **can drive meaningful change**. The strategy incorporates **58 detailed measures** within the framework to effectively address these environmental challenges.

Goal

Transform the Community of Madrid into a decarbonized, energy-secure region with excellent air quality, leading in economic, social, and environmental aspects.

Overview of the Key measures

- **Transport & Mobility:** Efficient use of transport, promotion of public transport, electric mobility, and low-emission zones.
- **Residential, Commercial & Institutional:** Energy certification, building rehabilitation, and support for renewable self-consumption.
- **Energy, Industry & Utilities:** Ensure energy supply quality, integrate distributed generation, and promote renewable technologies.
- **Agriculture & Natural Environment:** Improve energy efficiency in agriculture, reduce emissions, and promote sustainable forestry.
- **Cross-cutting Areas:** Climate change education, R&D, public awareness, and green public procurement.

Strategic Objectives

1. Boost **energy efficiency** and promote self-consumption of renewable sources.
2. Contribute to the **improvement** of the **availability, security, and quality of energy supply** at a reasonable price and promoting self-sufficiency.
3. Promote the growth of electric and thermal energy production using **renewable or low-carbon sources.**
4. **Reduce greenhouse gas emissions**, encouraging carbon capture and sequestration.
5. **Reduce emissions of atmospheric pollutants** to improve air quality.
6. Progress towards a **territory fully adapted to potential climate threats.**
7. Support **cultural change towards the transition to a decarbonized society**, driving development and research

Source: Comunidad de Madrid

https://www.comunidad.madrid/transparencia/informacion-institucional/planes-programas/estrategia-energia-clima-y-aire-comunidad-madrid-2023

Main areas for action per sector (EECAM)

TRANSPORTATION AND MOBILITY SECTOR

Areas of Action

1. **Efficient Use of Transport and Promotion of Public Transport**
2. Support for Modal Shift
3. **Promotion of Electric and Low-Emission Mobility**
4. Transformation of Passenger and Freight Transport Fleets Using Less Polluting Technologies and Fuels
5. Renewal of Institutional Fleet and Urban and Interurban Bus Fleet
6. Promotion of **Mobility Based on 100% Renewable Hydrogen**
7. Implementation of **Low-Emission Zones in Municipalities of the Community of Madrid**
8. Actions on Transport Infrastructure in the Community of Madrid

2023-2030 Main Targets

- **23% reduction** in the number of **journeys** made by **private vehicles** (vehicles/km)
- **Taxi and vehicle-for-hire** (VTC) sectors to reach **100% zero emissions**
- Vehicles used for passenger transport and goods distribution targeted to achieve 50% zero emissions
- **Urban and interurban bus fleets**, as well as institutional vehicles, to be **100% zero emissions**
- Registration of **850,000 electric vehicles** and **installation of 20,455 public charging points**
- Targeting an average age of vehicles on the road to be 10 years
- Progressive introduction of hydrogen fuel cell technology in private fleets of light and heavy vehicles
- Establishment of low-emission zones in all municipalities in the CAM with more than 50,000 inhabitants.

Source: Comunidad de Madrid

https://www.comunidad.madrid/transparencia/informacion-institucional/planes-programas/estrategia-energia-clima-y-aire-comunidad-madrid-2023

Main areas for action per sector (EECAM)

RESIDENTIAL, COMMERCIAL, AND INSTITUTIONAL SECTOR

Areas of Action

9. **Energy Efficiency Certification and Energy Rehabilitation of Residential and Commercial Buildings**
10. **Energy Efficiency Certification, Energy Rehabilitation, and Self-Consumption in Public Buildings**
11. Renewal of Energy-Consuming Appliances
12. Support for **Renewable Self-Consumption**, Both Individual and Shared, **in the Residential and Commercial Sector**
13. Efficient Public Lighting

2023-2030
Main Targets

- **All public and residential buildings** must achieve at least an **E energy rating** in 2030
- **Reduction** of over **30% in the consumption of non-renewable** primary energy in rehabilitated buildings
- Increase the number of devices with more efficient energy labeling
- **1 GW of self-consumption** in 2030
- Ensure **all public lighting is energy-efficient** in the Community of Madrid

Main areas for action per sector (EECAM)

ENERGY, INDUSTRY, AND UTILITIES SECTOR

Areas of Action

14. Ensure **Energy Supply Quality**
15. Adaptation of Electrical Networks for Integration of Distributed Generation
16. Promotion of Installation of Renewable Electricity Generation Technologies
17. Promotion of Deployment of Energy Storage Technologies
18. Promotion of Hydrogen Technologies in the Community of Madrid
19. Promotion of Energy Service Companies
20. Support for the Creation of Energy Communities
21. **Protection of Energy Consumers**
22. Utilization of Residual Heat and Energy and Efficient Process Management
23. **Promotion of High-Efficiency Cogeneration**
24. Development and Promotion of Energy Efficiency Measures in Industry
25. Reduction of Diffuse Emissions of Fluorinated Gases in the Industrial and Commercial Sector
26. Incorporation of Renewables in the Industrial Sector within the Framework of the Industrial Plan
27. Energy Efficiency and Renewable Energy in Water Management
28. Improvement of Water Footprint in Productive, Commercial, and Public Buildings
29. Promotion of **Responsible Water Use**
30. Waste Management Based on a Circular Economy Approach
31. **Utilization of Waste for Generation of Renewable Gases and Biofuels**
32. Improvement of Adaptation Capacity of Productive Sectors to Climate Change Effects
33. Promotion of Renewable Thermal Energies
34. Support for the Implementation of Medium-High Enthalpy Geothermal Energy
35. **Foster the Development of Synthetic Fuels**

2023-2030 Main Targets

- **Reduce** the Interruption time Equivalent to the installed Capacity (**TIEPI**) and Number of Equivalent Interruptions per Installed Power in Medium Voltage (**NIEPI**) by **10%**
- Achieve at least **5 GW of installed photovoltaic solar**
- Coordinate renewable energy development with **storage facilities** to reach **20%** of **renewable installed capacity**
- Gradually introduce hydrogen technologies from pilot projects to fully operational industrial projects
- **Reduce energy intensity** by an average annual rate of **2.53%**
- Increase cumulative annual growth of energy communities by 10%
- Increase by 10% the industries improving their processes for heat and energy utilization*
- Achieve primary energy savings and reduction of GHG emissions, improving the self-sufficiency capacity of the CM
- **Reduce fluorinated gas emissions by 33%** compared to 2005
- 25% of industrial companies using some form of renewable energy
- 100% renewable or clean energy self-consumption in CYII facilities
- **15% reduction in waste weight generated** compared to 2010

Main areas for action per sector (EECAM)

AGRICULTURE AND NATURAL ENVIRONMENT SECTOR

36. Improvement of **Energy Efficiency in Agricultural Holdings and Agricultural Machinery**
37. Promotion of the Use of Renewable Energies in Agricultural Holdings
38. Reduction of Methane and Ammonia Emissions in the Livestock Sector
39. Promotion of **Sustainable Agriculture and Livestock Farming that Contribute to Climate Change Adaptation**
40. Promotion of Carbon Farming
41. Sustainable and Resilient Forest Management
42. Promotion of the Use of Sustainable Forest Biomass from the Community of Madrid
43. **Improvement of Biodiversity**
44. Detailed **Evaluation of the Effects of Climate Change on Natural Heritage, Biodiversity, and the Natura 2000 Network**
45. Impact, Vulnerability, and Adaptation Capacity Studies in the Agricultural and Livestock Sector
46. Promotion of Carbon Silviculture
47. Strengthening Forest Fire Prevention Tasks
48. **Flood Protection**
49. Development of Municipal Plans and Actions for Climate Change Adaptation

2023-2030 Main Targets

- **Reduce energy consumption from petroleum** derivatives in the agricultural sector by up to **50%**
- Achieve a **21% reduction in ammonia** emissions from farms compared to 2005 emissions
- Contribute to reducing **CH4 emissions** linked to livestock
- Improve the carbon capture capacity of agricultural soils
- Ensure **50% of the forests** in the Community of Madrid have **sustainable forest management** plans or silvicultural references
- Increase the sustainable use of forest biomass
- Analyze the risks and vulnerabilities of the agricultural and livestock sectors to climate change and enhance their capacity to adapt to such impacts
- Develop studies and projects for ecosystem services and promoting carbon absorption
- Reduce the risk of fire and minimize its magnitude
- Ensure 100% of municipalities with more than 50,000 inhabitants have an adaptation plan

Main areas for action per sector (EECAM)

CROSS-CUTTING AREAS OF ACTION

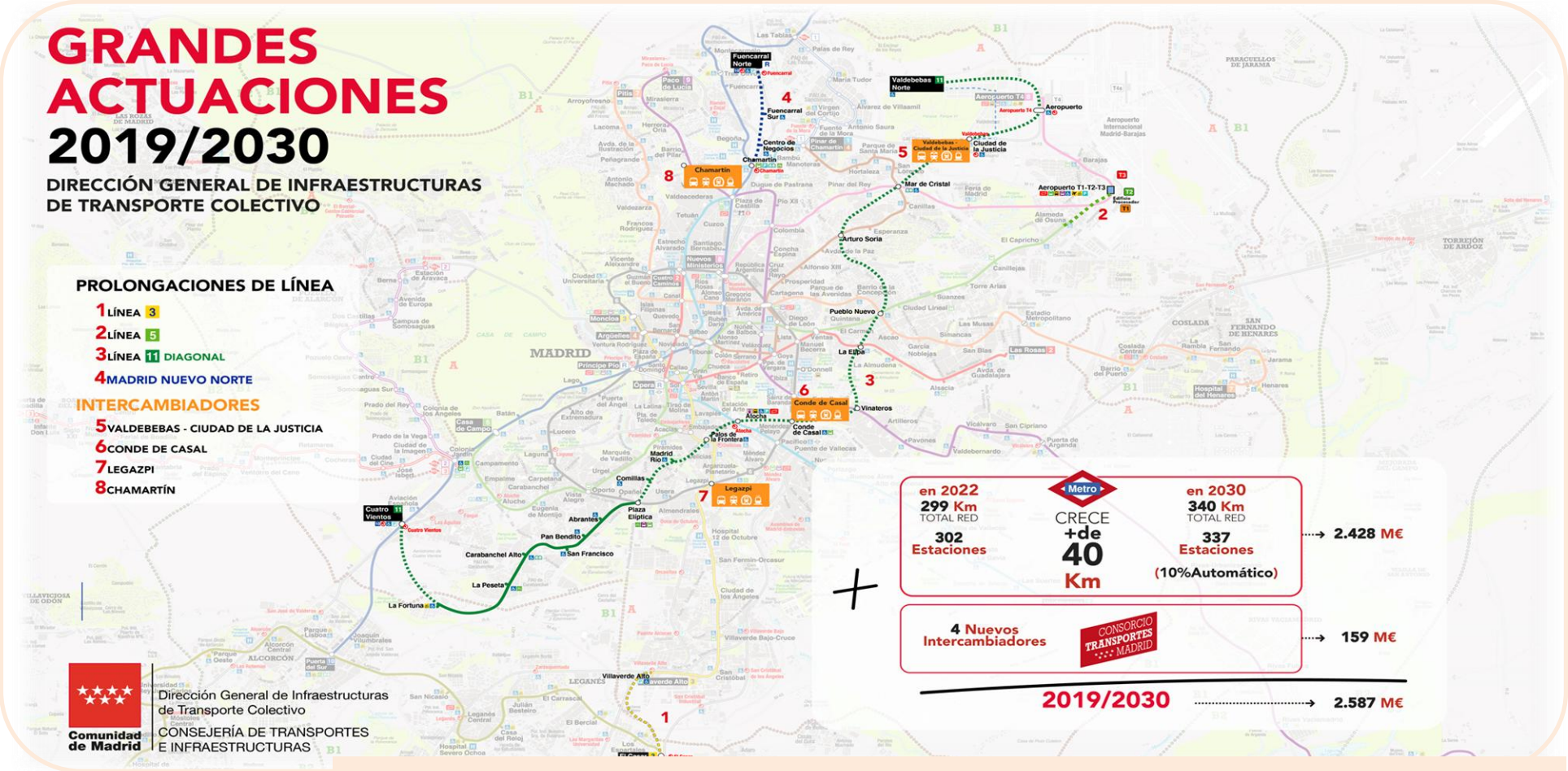
50. Training in Climate Change, Air Quality, and Energy
51. Promotion of R&D&I
52. Access to Information on Energy, Air Quality, and Climate Change for Citizens and Businesses
53. Awareness and **Sensitization of Society Regarding Decarbonization**
54. Maintain and Improve Information Networks Related to Air Quality and Climate Change
55. **Incorporation of the Climate Component in Regional Policies**
56. Green Public Procurement Based on the Promotion of Renewable Energies and Decarbonization
57. Review and Simplification of Administrative Procedures
58. **Leadership of the Regional Administration in Promoting and Supporting the Energy and Climate Transition**

2023-2030 Main Targets

- Increase the level of education of society in matters related to the strategy
- Maintain and improve **air quality networks** and climate change monitoring in the CM
- Incorporate the climate change variable into new plans and legal instruments
- Include sustainability, energy savings, and efficiency criteria in contracts of the CAM public administrations and entities
- **Reduce** the total cumulative **energy consumption** in all public buildings **by 18% by 2025 and by 50% by 2030**

CAM Sustainability Strategy 2030

Ambitious investments in subway line extensions and bus interchanges & terminals



4 new bus interchanges and more than 40 new Km in metro lines by 2030

Source: Comunidad de Madrid, Metro

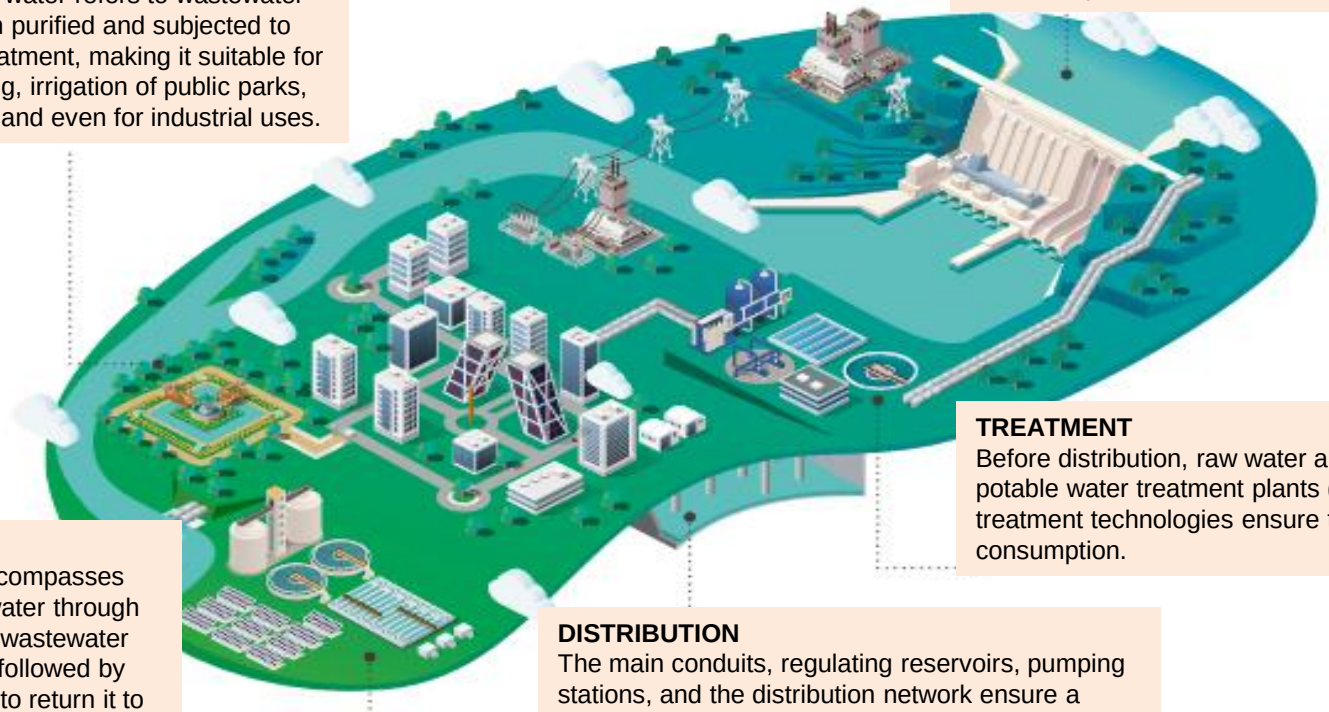
CAM Sustainability Strategy 2030

Comprehensive water cycle management

INTEGRATED WATER CYCLE

REGENERATION
Regenerated water refers to wastewater that has been purified and subjected to additional treatment, making it suitable for street cleaning, irrigation of public parks, golf courses, and even for industrial uses.

CAPTURE
Reservoirs, weirs, and groundwater wells make up the bulk of the water collected by the Canal for supplying the Community of Madrid.



TREATMENT
Before distribution, raw water arrives via large channels at the potable water treatment plants (WTPs), where the most modern treatment technologies ensure the highest water quality before consumption.

SANITATION
Sanitation management encompasses the transportation of wastewater through urban drainage networks to wastewater treatment plants (WWTPs), followed by the purification of this water to return it to rivers in optimal conditions.

DISTRIBUTION
The main conduits, regulating reservoirs, pumping stations, and the distribution network ensure a continuous service with the required pressure and quality.

Source: Comunidad de Madrid, Canal de Isabel II

Metro de Madrid – Sustainability Financing Framework

Metro de Madrid has developed a Sustainable Financing aligned to ICMA GSS Principles and LMA Principles to issue Green, Social, Sustainability and Sustainability Linked bonds and loans to finance and support activities that will contribute to the United Nations Sustainable Development Goals and the Company's Sustainability Strategy.

STRATEGIC AREAS

- ✓ Carbon neutrality
- ✓ Protection of the environment

- ✓ Commitment to people
- ✓ Inclusive mobility
- ✓ Sustainable performance

MAIN FEATURES of the SUSTAINABILITY FINANCING FRAMEWORK

1 USE OF PROCEEDS CATEGORIES

Green Eligible Categories

- Clean transportation
- Energy efficiency
- Renewable Energy

Social Eligible Categories

- Affordable basic infrastructure
- Access to essential services

2 KPI & SPTs

KPI - Total electric energy consumption (KWh) / metro car-kilometre produced. Total electric energy consumption is the sum of electric energy consumption for traction and auxiliary services.

SPT - Reduce total electric energy consumption (KWh) / metro car-kilometre produced to 2,8888 by 2028 coming from 2,9815 in year 2023 as baseline represents a reduction of 3,06% by 2028)
Intermediate targets set 2024-2028

SPO by DNV.GL

Source: Comunidad de Madrid

EMT – Sustainability Financing Framework

- EMT Madrid is a leading public transportation company in the city of Madrid .
- Operates a fleet of more than **2,000 buses**, averaging over 1.5 million trips daily. Manages the Madrid **Public Bicycle service** (BiciMad) which features over **3,500 bicycles, more than 250 stations**, and records more than 3 million uses
- Since its inception, **EMT Madrid has been committed to sustainability and reducing greenhouse gas emissions**. It has been a **pioneer** in incorporating **hybrid and electric buses** into its fleet and implementing measures to enhance energy efficiency, thereby reducing the environmental impact of all its operations.

STRATEGIC PILLARS

- ✓ Strategy, Management, and Transparency
- ✓ Good Governance and Ethics
- ✓ Customers and Society
- ✓ Environment
- ✓ Economically Sustainable Management

EMT MADRID

MAIN FEATURES OF THE SUSTAINABILITY FINANCING FRAMEWORK

1 USE OF PROCEEDS CATEGORIES

Green Eligible Categories

- Clean transportation
- Energy efficiency
- Renewable Energy

Social Eligible Categories

- Affordable basic infrastructure
- Access to essential services

2 KPI & SPTs

KPI

1. The percentage of electric fleet and zero-emission vehicles.
2. Nox emissions
3. Renewable energy generated by photovoltaic panels for self-consumption

SPT

1. Increase by 25% by 2025 of electric fleet and zero-emission vehicles
2. Decrease by 0.30 Kg/1,000Km Nox emissions by 2025
3. Increase to 6,000 MWh/year renewable energy generated by photovoltaic panels for self-consumption

Source: Comunidad de Madrid

II. EUROPEAN GREEN BOND 2025

Comunidad de Madrid Green Bonds: ICMA vs EuGB

	ICMA / The Green Bond Principles	Comunidad de Madrid ICMA Green Bond	European Commission / European Green Bonds	Comunidad de Madrid European Green Bond
Basis	**Green Bond Framework** 1. Use of Proceeds 2. Process for Project Evaluation and Selection 3. Management of Proceeds 4. Reporting	CAM Sustainable Finance Framework	**EUGBS Factsheet** 1. General information 2. Enviro. strategy & rationale 3. Intended allocation of bond proceeds 4. Impact of bond proceeds 5. Information on reporting	CAM EUGBS Factsheet
Use of Proceeds	**Alignment with ICMA GBP project categories**	ICMA GBP category: ***Clean Transportation*** Voluntary EU Taxonomy alignment (DNV assessment 2022)	**Mandatory EU Taxonomy alignment** 15% flexibility pocket (if needed)	**100% EU Taxonomy alignment** Allocation to the Bus & Metro systems of Madrid ***(6.3 Urban and suburban transport)***
Reporting	**Allocation and Impact report** ***recommended*** annually until full allocation	**Allocation**: at fiscal year end when the definitive budgetary amounts are approved **Impact**: annually until full allocation	**Allocation and Impact report** ***required*** annually until full allocation	**Allocation**: at fiscal year end when the definitive budgetary amounts are approved **Impact**: annually until full allocation
Verification	External Review ***recommended***	SUSTAINALYTICS Sustainalytics Second Party Opinion	Pre-issuance: **EUGBS Factsheet External Review** ***required*** Post-issuance: **Allocation Report External Review** ***required***	DNV EUGBS Factsheet External Review DNV **Allocation Report External Review[1]:** i. state auditor to confirm allocation of the proceeds ii. ESMA approved External Reviewer to confirm EU Taxonomy alignment

1 As per Article 13 of the EUGBS Regulation, given CAM's status as a 'sovereign'

Comunidad de Madrid EuGB – Factsheet Summary

Section	Comunidad de Madrid EuGB Factsheet	DNV
General Information	• Applicable for **multiple EuGB issuances**	✓
Environmental Strategy and Rationale	• EuGBs aim to support the Community of Madrid's action to combat climate change and **support the achievement of the EU goal of carbon neutrality by 2050** – as per the Air, Climate and Energy 2030 Horizon Strategy • Contribution to EU Environmental Objective: **Climate Change Mitigation**	✓
Intended Allocation of Bond Proceeds	• Proceeds allocated in accordance with the **Gradual Approach** (bond-by-bond approach) • **100% EU Taxonomy aligned allocation** to economic activity: *6.3 Urban and suburban transport, road passenger transport* **(Bus & Metro systems of Madrid)** • **Proceeds allocated to eligible activities in the General Budget of Comunidad de Madrid, corresponding to the fiscal year of the issuance** (and, in case necessary, the preceding fiscal year) • Internal Committee responsible for selecting eligible activities from the General Budget that comply with the EU Taxonomy criteria	✓
Environmental Impact of Bond Proceeds	• EuGB impact reporting is expected to be **aligned with CAM's latest Green Bond impact reporting** • Impact indicator: **Estimated Avoided Emissions (tCO2)** by Public Clean Transportation in the Region	✓

External Review: EuGB Factsheet - DNV

DNV has provided a pre-issuance External Review of CAM's Green Bond Factsheet

DNV was included on the ESMA list of External Reviewers in April 2025, under the transitional regime

DNV

EXTERNAL REVIEW
DNV
EU Green Bond

EU GREEN BOND STANDARD PRE-ISSUANCE FACTSHEET REVIEW

Comunidad de Madrid

Document Title: EU Green Bond Standard Factsheet External Review – Comunidad de Madrid, 2025.
Prepared By: DNV Business Assurance Denmark A/S
Location: Copenhagen, Denmark
Date: 22/05/2025
Project Number: PRJN-968376
Identification: DNV-2025-ASR-780073

DNV

EU Taxonomy Activity	Asset Eligibility	Substantial Contribution Criteria	Do No Significant Harm Criteria	Minimum Social Safeguards
6.3 Urban and suburban transport, road passenger transport	✓	✓	✓	✓

"Based on information provided by the CdM, DNV, in its capacity as External Reviewer, is of the opinion that ***the use of proceeds of the European Green Bond(s) is aligned with Regulation (EU) 2020/852 [EU Taxonomy Regulation]*** *and meets, or is expected to meet, where applicable,* ***the requirements of Regulation (EU) 2023/2631 [EU Green Bond Standard Regulation]****"*

III. GREEN FINANCING REPORT

CAM – Sustainable Finance Highlights

€10bn mark surpassed in Sustainable Bonds in 2026

6 Green Bonds issued amounting to **€3.4bn**

Only Spanish region issuing Green Bonds

10 Sustainable Bonds issued amounting to **€10.2bn**

Driving sustainable finance through **active engagement**

First EuGB from an European Sub- Sovereign

2017	2019	2020	2022	2025
Inaugural Sustainable Framework	Instrument expansion	Framework Update	EU Taxonomy Alignemnt	Inaugural EuGB
Inaugural Comunidad de Madrid Sustainability Bond Framework	Update of the framework to expand the instrument types that can be issued, switching from bonds only option to a broader approach	Framework updated including the option of issuing Green Bonds on top of Sustainable Bonds	In September 2022, the region took a further step in its sustainable finance leadership, aligning its green bonds with the EU Taxonomy	In May 2025, Comunidad de Madrid marked a key milestone with the publication of its inaugural EuGB Factsheet, shortly followed by its debut green bond issuance under this format

The Comunidad de Madrid is driving the **expansion of the ESG bond market** by establishing a **robust issuance Framework for Green, Social and Sustainable Bonds**, further strengthened by a **EuGB Factsheet** aligned with the highest market standards

CAM – 2025 European Green Bond – Selected Allocated Projects

Clean Transportation

- Comunidad de Madrid supports the **decarbonization of the Region's public transport**
- In 2025, EMT acquired **28 new electric buses,** bringing **the total number of electric buses in their fleet to 452, having a the 20,41% of their total fleet fully electrified.**
- During 2026-2027 period the regional bus company will onboard **a total of 120 new 100% electric buses**
- In 2025, nine additional new bus lines in Madrid were fully electrified, bringing the **total number of electric lines to 45**.

- Comunidad de Madrid supports the maintenance and development of the fully-electrified Madrid's metro
- In 2012, Metro de Madrid initiated an Energy Savings Plan, investing over 8.5 million euros. By 2023, the plan had achieved a **26% reduction in energy consumption from 2011 levels**. Additionally, Metro de Madrid continues to strive for increased efficiency. In 2024, it has worked on a new energy efficiency plan with a broad time horizon (2025-2030), as some of the proposed measures will be implemented in the medium term, so the savings generated will be obtained in the medium and long term.

Aligned to EU Taxonomy and standards

Source: Comunidad de Madrid

2025 Green Eligible Portfolio

Overview of the Green Eligible Expenditures 2025					
Eligible Category	**Eligible Expenditures**	**Budgetary Programme**	**Budget Code**	**UN SDGs**	**EU Environmental Objectives**
Climate change and environmental management	**Waste Management:** • Measures to implement the Waste Strategy of Comunidad de Madrid	16: Environment, Local administration and territorial planning	456N 456B	11 SUSTAINABLE CITIES AND COMMUNITIES	EU Objective 4: Circular economy
	Clean transportation: • Promote the manufacture and use of the electric vehicles and points of recharge • Promote public transport services and modal shift towards public transportation (e.g. railway, metro de Madrid, bus system) and soft mobility, support multimodal transport solutions and promote the use of bicycles	14: Transport, Social Housing & Infrastructure	453N 456B	11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION	EU Objective 1: Climate change mitigation
	Environmental conservation: • Management and restoration of Protected Natural Parks and other unique spaces with important conservation value	16: Environment, Local administration and territorial planning	456A	15 LIFE ON LAND	EU Objective 6: Protection and restoration of biodiversity and ecosystems

Source: Comunidad de Madrid

2025 Green Eligible Portfolio – Impact Indicators

Overview of the Green Use of Proceeds					Impact Indicators						
Eligible Expenditures	UN SDGs	Amount (EUR m)	Subcategories	Amount (EUR m)	Managed Waste (tn)	Data Samples Collected	Emissions Avoided (tCO2)	Vehicles Subsidized	Number of Programs	Intervened Surface (ha)	Projects Selected
Waste Management		8.79	• Domestic Waste Management	7.63	77,936	-	-	-	-	-	-
			• Maintenance of the Air Quality Network	1.16		3,135,853	-	-	-	-	-
Clean Transportation		1,450.04	• EMT Bus	168	-	-	21,379	-	-	-	-
			• Intercity Bus	674.80	-	-	228,210	-	-	-	-
			• Metro	472.10	-	-	563,576	-	-	-	-
			• Measures for the Promotion of Sustainable Mobility	6.54	-	-	-	5,311	-	-	-
			• Light Train	128.60	-	-	14,036	-	-	-	-
Environmental Conservation		15.3	• Environmental Education	2.8	-	-	-	-	14	-	-
			• Conservation of Protected Natural Areas	6,1	-	-	-	-	-	2,311,40	-
			• Connectivity through Green Infrastructure	5.9	-	-	-	-	-	806	-
			• Grants to NPOs with Environmental Purposes	0.5	-	-	-	-	-	-	16
		1,474,13		**1,474.13**	**77,936**	**3,135,853**	**827,201**	**5,311**	**14**	**3,117.40**	**16**

Source: Comunidad de Madrid

2025 European Green Bond – Allocation & Impact

Overview of the allocation of bond proceeds				Impact Indicators	EU Taxonomy - 6.3 Urban and suburban transport, road passenger transport			
Green category	**UN SDGs**	**Subcategories**	**AllocationAmount (EUR Mn)**	**Emissions Avoided (tCO2)**	**Primary EU Environmental Objective**	**EU Technical Screening Criteria**	**DNSH Criteria**	**Minimum Safeguards**
Clean Transportation	11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION	EMT Bus	34	21,155	EU Objective 1: Climate Mitigation	✓	✓	✓
		Metro	350	417,817		✓	✓	✓
		Light Train	74	8,077		✓	✓	✓
		Intercity Bus	42	29,255		✓	✓	✓
			500	**476,304**				

Emissions avoided by Clean Transportation initiatives funded by the 2025 European Green Bond proceeds are equivalent to in excess of those of **111,100 gasoline-powered passenger vehicles driven for one year***

* Calculated using: https://espanol.epa.gov/la-energia-y-el-medioambiente/calculador-de-equivalencias-de-gases-de-efecto-invernadero

Source: Comunidad de Madrid

2025 European Green Bond – Clean Transportation - Impact

Metro: the equivalent distance travelled by car would have caused 417,817 tCO_2 emissions

EMT bus: the equivalent distance travelled by car would have caused 27,863 tCO_2 emissions.

Intercity bus: the equivalent distance travelled by car would have caused 37,251 tCO_2 emissions.

Light trains: the equivalent distance travelled by car would have caused 8,077 tCO_2 emissions

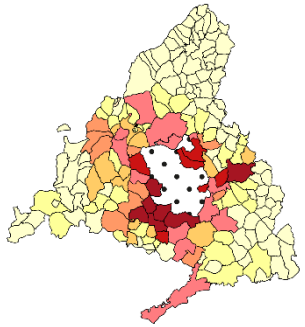
2025 Avoided Emissions by Public Clean Transportation in the Region (tCO_2): 476,125*

Source: Comunidad de Madrid

*** Calculated as: tCO_2 emissions that would have been produced by traveling by car minus tCO_2 emissions generated by electric buses (EMT & Intercity busses)***

2025 European Green Bond – Clean Transportation – Social Co Benefits - Madrid region (Excl. City of Madrid)

Users +65 years

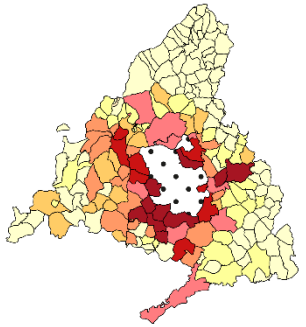


Top 5 municipalities

- **Móstoles**
- **Leganés**
- **Alcalá de Henares**
- **Fuenlabrada**
- **Alcorcón**

*Older residents (+65) show higher public transport usage in large, well-connected metropolitan municipalities, highlighting the role of public transport in **supporting active ageing and access to essential services.***

Users from 26 to 64 years

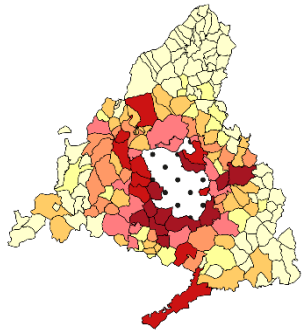


Top 5 municipalities

- **Móstoles**
- **Leganés**
- **Getafe**
- **Alcorcón**
- **Fuenlabrada**

*Higher usage reflects the historical development of these municipalities as **metropolitan expansion areas** built around rail and metro corridors, where **public transport has long been the backbone of access to jobs, services and daily activities.***

Users from 7 to 25 years

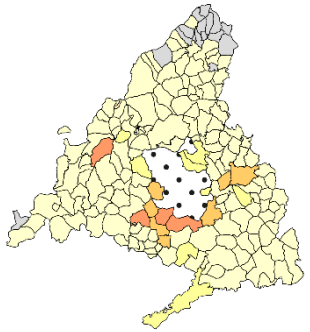


Top 5 municipalities

- **Getafe**
- **Leganés**
- **Fuenlabrada**
- **Pozuelo de Alarcón**
- **Móstoles**

*Higher usage among children and young people reflects the role of public transport in **enabling access to education, training and early employment**, particularly in municipalities hosting or closely connected to major educational institutions.*

Users under 7 years



Top 5 municipalities

- **Móstoles**
- **Getafe**
- **Leganés**
- **Fuenlabrada**
- **Alcorcón**

*Higher usage among children under 7 reflects family travel patterns in metropolitan areas, where **public transport supports daily "trip-chaining" linked to childcare, healthcare and commuting, making it an essential mobility tool for caregivers**.*

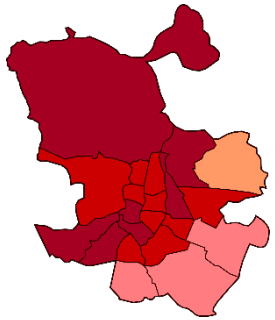
>20,000 | 10,000-20,000 | 5,000-10,000 | 2,000 - 5,000 | 1,000 -2,000 | 500-1,000 | <500 | No data

Source: Comunidad de Madrid

** Number of total users with subsidized movility cards per age group (EuGB accounts for 16% of the total budget of the year)*

2025 European Green Bond – Clean Transportation – Social Co Benefits – City of Madrid

Users +65 years

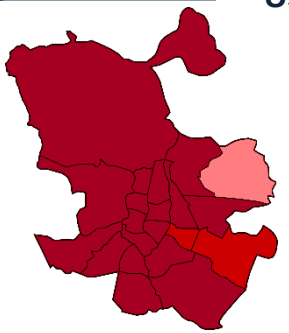


Top 5 districts

- **Fuencarral- El Pardo**
- **Latina**
- **Hortaleza**
- **Ciudad Lineal**
- **Centro**

*Higher usage among older residents reflects urban areas where public transport is essential to **maintaining independent living**. Accessible and reliable networks **enable continued mobility, supporting wellbeing, social participation and active ageing.***

Users from 26 to 64 years

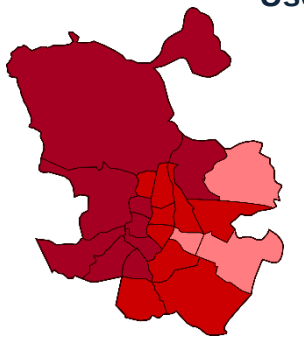


Top 5 districts

- **Chamberí**
- **Centro**
- **Carabanchel**
- **Latina**
- **Usera**

*Higher usage among **working-age residents** reflects well-connected urban districts where public transport efficiently supports **daily commuting, access to employment and essential mobility** across the city.*

Users from 7 to 25 years

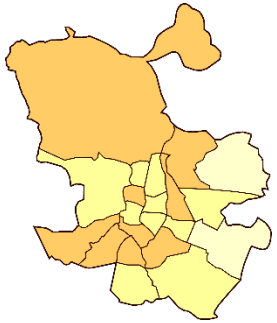


Top 5 districts

- **Chamberí**
- **Centro**
- **Fuencarral- El Pardo**
- **Hortaleza**
- **Latina**

*Higher usage among children and young people reflects districts that combine strong educational presence with well-connected public transport networks, enabling **daily access to schools, universities and early employment opportunities.***

Users under 7 years



Top 5 districts

- **Chamberí**
- **Fuencarral- El Pardo**
- **Carabanchel**
- **Hortaleza**
- **Latina**

*Public transport supports everyday family routines in well-connected urban districts, enabling **safe and reliable access to early-years education, healthcare and daily activities** for young children.*

>30,000 | 20,000-30,000 | 20,000-10,000 | 5,000 -10,000 | 5,000-2,000 | 1,000-2,000 | <1,000 | Sin datos

Source: Comunidad de Madrid

** Number of total users with subsidized movility cards per age group (EuGB accounts for 16% of the total budget of the year)*

2025 European Green Bond – Clean Transportation – Social Co Benefits

Category	Price
Children's card up to 7 years old (green)	FREE
Ages 7–14 card (red)	FREE
Over 65 years old	FREE
Youth	€ 10.00
Standard Zone A	€ 32.70
Standard Zone B1	€ 38.20
Standard Zone B2	€ 43.20
Standard Zone B3, C1, C2	€ 49.20
Inter-zone (B1–B2, B2–B3/C1/C2, etc.)	€ 28.70
10-trip ticket Zone A (Metro, EMT, ML1)	€ 7.30

Targeted fare structure supporting accessibility:

- **FREE** access for children and seniors
- **Descuentos tarifarios significativos** para los jóvenes
- **Estructura tarifaria asequible** en todas las zonas

- Reduces **cost barriers** to mobility
- Enhances **access to employment, education**
- Supports **lower- income and vulnerable populations**

Impact

Delivering equitable access to clean public transport and enabling inclusive urban mobility at scale

Social Reach of Public Transport by Income Quintile (Region of Madrid)

Income Quintile	< 7 years	7-14 years	15-25 years	26-64 years	>65 years
Quintile 1	3,129	17,322	43,024	54,308	35,003
Quintile 2	9,565	50,810	123,488	178,807	143,534
Quintile 3	6,768	38,096	105,451	133,106	111,425
Quintile 4	4,773	27,965	77,636	86,399	62,523
Quintile 5	7,874	48,651	155,096	159,105	119,494

Highest ridership volumes are concentrated in lower-income segments (notably Quintile 2), highlighting public transport's broad social reach and its role as **essential infrastructure for everyday mobility**.

2025 European Green Bond – Clean Transportation – Social Co Benefits – City of Madrid

	User % per population
Chamberí	192%
Centro	129%
Moncloa-Aravaca	91%
Usera	89%
Arganzuela	79%
Retiro	68%
Latina	67%
Hortaleza	66%
Fuencarral-El Pardo	65%
Tetuán	65%
Moratalaz	64%
Chamartín	60%
Barajas	59%
Vicálvaro	58%
Ciudad Lineal	57%
Villa de Vallecas	56%
Carabanchel	55%
San Blas-Canillejas	54%
Salamanca	49%
Villaverde	46%
Puente de Vallecas	45%

Urban Mobility Dynamics – Key Highlights

- User ratios >100% in central districts (up to 192%)
- Driven by **young populations, students and high daily inflows**
- Registered population (Padrón) understates actual users in these areas
- Across outer and southern districts:
  - **Strong usage in working-class and lower-income areas**
  - Reflects **structural dependence on public transport**
  - Lower car ownership and higher reliance for daily commuting
- Consistent utilization across the network highlights:
  - Territorial coverage and accessibility
  - Affordability supporting broad adoption across income groups

Capturing mobility demand beyond the registered resident base, reinforcing the role of public transport as a backbone of inclusive and accessible urban mobility in Madrid.

High utilization in **central districts driven by mobility intensity** & Sustained demand in **peripheral areas reflecting essential transport needs**

Social Reach of Public Transport by Income Quintile (City of Madrid)

Income Quintile	< 7 years	7-14 years	15-25 years	26-64 years	>65 years
Quintile 1	8,921	38,587	90,229	240,800	97,759
Quintile 2	6,975	32,484	76,005	172,756	89,383
Quintile 3	6,661	27,009	104,850	234,783	113,581
Quintile 4	8,505	38,854	94,707	180,854	129,883
Quintile 5	10,320	36,456	178,108	273,729	129,549

Source: Comunidad de Madrid

** Number of total users with subsidized movility cards per age group (EuGB accounts for 16% of the total budget of the year)*

2025 European Green Bond – Clean Transportation – Post Issuance Allocation Review

100% of net proceeds allocated within Year 1 to EU Taxonomy-aligned clean transportation projects, fully compliant with the European Green Bond Regulation.

Sustainable Fitch
a FitchSolutions Company

Autonomous Community of Madrid

Post-Issuance Review – European Green Bond Assessment

Key Debt Details

Instrument:	Green* 2.487% EUR500m due July 2030 (ISIN ES00001010R3)
Issuer Legal Name:	Comunidad Autónoma de Madrid
LEI:	959800KASH3LCM57Q344
Date of Publication of European Green Bond Factsheet	22 May 2025
Date of Publication of European Green Bond Annual Allocation Report	8 May 2026

*As defined by issuer.

Public Finance
Local and Regional Governments
Spain

European Green Bond Assessment

EU GREEN BOND

Date assigned	8 May 2026
European Green Bond Assessment	✓ Regulation (EU) 2023/2631 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds ✓ Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment

European Green Bond Methodology

UoP – Assessment Versus EU Taxonomy

The following table shows our assessment of the alignment of the projects financed within each UoP with the EU taxonomy.

Alignment with EU Taxonomy

UoP	Allocation (%)	E/T	Technical Screening Criteria												MS	Full Alignment
			SCC						DNSH							
			EO1	EO2	EO3	EO4	EO5	EO6	EO1	EO2	EO3	EO4	EO5	EO6		
Clean transportation	100	–	√	–	–	–	–	–	–	√	–	√	√	–	√	√

Overall Instrument Alignment	√
EU Taxonomy Aligned %	100
EU Taxonomy Aligned Amount	EUR500 million

Key

√ Fully aligned with the requirements
X Not aligned with the requirements
P Partially aligned with requirements
– No applicable requirements

UoP	Use of proceeds
E	Enabling, as per EU Taxonomy Compass
T	Transitional, as per EU Taxonomy Compass
SCC	Substantial contribution criteria
DNSH	Do no significant harm criteria
MS	Minimum safeguards

Source: Sustainable Fitch

Sustainable Fitch acted as independent external reviewer, providing the post-issuance European Green Bond allocation review.

(2025) Inaugural Issuance — EUROPEAN GREEN BONDS

(2026) Impac & Allocation report

(2026) Post Issuance Allocation Review

100% ALLOCATED
FULLY ALLOCATED WITHIN YEAR 1
100% TAXONOMY ALIGNED

Link to Fitch report: https://www.sustainablefitch.com/international-public-finance/autonomous-community-of-madrid-post-issuance-review-08-05-2026

Selected 2030 Targets for Energy, Climate, and Air Strategy (EECAM)

1.- METHODOLOGICAL BASES

To quantify the emissions avoided by the use of regular public passenger transport in relation to hybrid or electric buses and rail modes (metro and rail concessions), it is assumed that if these trips had not been made by public transport, they would have been made by using private vehicles.

In this way:
Emissions Avoided = Emissions generated by the private vehicle - Emissions generated by public transport

To calculate the emissions that would have been produced by the travel of passengers in private vehicles, the number of passenger-km(1) that have used public transport in electric or hybrid modes will be multiplied by an emission factor based on the circulating fleet of passenger cars in the Community of Madrid, according to data from the DGT for 2020 (latest available). To calculate the emissions generated by trips made by public transport users in electric or hybrid modes, the energy consumed in these trips is multiplied by the emission factors mentioned in section 5.

2.- YEAR OF CALCULATION: 2022

3.- SCOPE:
Road modes:
- EMT of Madrid (hybrid and pure electric vehicles)
- Road concessions in the rest of the Community of Madrid (hybrid and pure electric vehicles)

Railway modes:
- Metro de Madrid (Subway)
- Railway concessions (TFM, MLM, MLO, Parla Tramway)

4.- ACTIVITY DATA
Road modes:
- Vehicle characteristics (Euro standard, fuel type)
- Fuel/electrical energy consumption of vehicle fleets or, alternatively, kilometers traveled per year

Railway modes:
- Electricity consumption

5.- EMISSION FACTORS
CO2 emission factors for fossil fuels published by the Spanish Office of Climate Change (OECC), year 2022
- Diesel fuel B7: 2.519 gr CO2eq/liter
- CNG: 2.783 gr CO2eq/kg

Electricity emission factors year 2022. (Published by the CNMC):
- marketer without REC 2022: 273 gr CO2eq/kWh
- marketer with REC: 0 gr CO2eq/kWh

Average private vehicle emissions: Prepared by the authors based on the number of cars in circulation in the Community of Madrid, according to Dirección General de Trafico data for 2020 (latest available).
- Average private vehicle (occupancy 1.2 passengers): 146 g CO2eq/km

(1) Travelers-km = No. of trips x Average trip length

Thanks you for your attention

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Beatriz Mula Coso

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http://www.comunidad.madrid/inversion/relacion-inversores

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ANNEXES

Overview of outstanding Sustainable, Green and EuGB transactions

	Settlement	Maturity	Amount
SUSTAINABLE PLACEMENT			
Private Placement (Social)	2016	2031	48.000.000
Private Placement (Sustainable)	2018	2058	238.000.000
Private Placement (Sustainable)	2020	2050	265.000.000
Public Benchmark (Sustainable)	2018	2028	1.000.000.000
Public Benchmark (Sustainable)	2019	2029	1.250.000.000
Public Benchmark (Sustainable)	2020	2030	1.250.000.000
Public Benchmark (Sustainable)	2021	2031	1.000.000.000
Public Benchmark (Sustainable)	2022	2032	1.000.000.000
Public Benchmark (Sustainable)	2023	2033	1.000.000.000
Public Benchmark (Sustainable)	2024	2034	1.000.000.000
Private Placement (Sustainable)	2024	2032	25.000.000
Private Placement (Sustainable)	2024	2035	20.000.000
Public Benchmark (Sustainable)	2025	2035	1.000.000.000
Public Benchmark (Sustainable)	2026	2036	1.000.000.000
GREEN BOND			
Public Benchmark (Green)	2020	2027	700.000.000
Public Benchmark (Green)	2021	2028	500.000.000
Public Benchmark (Green)	2022	2029	500.000.000
Public Benchmark (Green)	2023	2028	600.000.000
Public Benchmark (Green)	2024	2029	600.000.000
EuGB			
Public Benchmark (EuGB)	2025	2030	500.000.000
Public Benchmark (EuGB)	2026	2031	500.000.000
TOTAL			**13.996.000.000**

	Settlement	Amount
BILATERAL LOANS		
Total Social Loan	2016	20.000.000
Total Sustainable Loan	2017	240.000.000
Total Sustainable Loan	2018	379.000.000
Total Sustainable Loan	2019	367.000.000
Total Sustainable Loan	2022	250.000.000
Total Green Loan	2022	400.000.000
Total Social Loan	2022	100.000.000
Total Sustainable Loan	2023	1.520.000.000
Total Green Loan	2023	175.000.000
Total Sustainable Loan	2024	1.740.000.000
Total Green Loan	2024	100.000.000
Total Sustainable Loan	2025	1.325.000.000
Total Green Loan	2025	50.000.000
Total Sustainable Loan	2026	1.280.000.000
Total Green Loan	2026	125.000.000
TOTAL		**8.071.000.000**

	Settlement	Amount
SUPRANATIONAL LOANS		
Sustainable Loan	2018	70.000.000
Sustainable Loan	2020	130.000.000
Health Social Loan	2020	791.000.000
Health Social Loan	2021	9.000.000
Sustainable Loan	2022	35.000.000
Health Social Loan	2022	400.000.000
Sustainable Loan	2023	165.000.000
TOTAL		**1.600.000.000**

TOTAL	**23.667.000.000**

Source: Comunidad de Madrid

Debt issuance Procedure: Public issue (I)

Authorizations

- Authorization from the Regional Government.
- Authorization from the Central Government.

Contact with Investors and Financial Institutions

- Continuous contact is maintained with investors and financial institutions, indicating deadlines, levels and amounts in which Comunidad de Madrid has more interest.
- Instructions to a group of institutions that are selected taking into account those which have realized higher amounts of private placements with Comunidad de Madrid, as well as those which have participated successfully in public issue of equivalent terms of the Treasury; FADE, ICO, FROB and even private companies. If market conditions are good the transaction will carry out.
- Range price formation. The syndicate, in communication with Comunidad de Madrid, sets a price range to trade the issue within the agreed timeframe with Comunidad de Madrid; the eventual commission to be received by the syndicate is discussed, and on the issue date, Comunidad de Madrid informs via email of the roles to be played by each one of the participants of the group and seeks the approval of the syndicate.
- On the scheduled issue date, the transaction is announced on the trading screens of Bloomberg and Reuters in order to capture the attention of investors.
- The order book is opened.
- The order book is closed.

Fixing of Issue Price

- Once the bonds have been allotted to the investors who have recorded orders in the book, a time is announced to fix the issue price; at the scheduled time, a joint call for fixing the price is made. Once Comunidad de Madrid and all banks are connected online with the screens of Bloomberg, the transaction is priced in accordance with the agreed terms in the Termsheet, based on the Treasury references. Fixing the issue price, coupon and IRR for the transaction. A first simulation of the relevant calculations is made.

Documentary Process

- Sending the final Termsheet, with the terms and conditions of the transaction that has just been established, to his approval. At this stage, a distribution by type of investor and nationality is requested. At this point, the institution that has been assigned this role, advises Bloomberg of the price, date, coupon, and ISIN code for the transaction.
- Preparation internal report to be signed by the Managing Director of Financial Policy, Treasury and Real Estate and then sent out to our Legal Services.
- Legal Service, in accordance with the terms of the report, applies for the corresponding ISIN code to the Bank of Spain and prepares the transaction authorization order to be signed by Regional Minister of Economy and Finance once it has been examined by the Intervención Delegada de Tesorería .
- The Orden is published in the BOCM at least two days before payment takes place, since during this period of time the Bank of Spain must be advised of the list of subscribers and the application for the credit of securities; this Order becomes the Prospectus for the public issue. Letters are also sent to the rating agencies in order to request an specific rating for the transaction in question, that is submited to the subscribing institution.
- At the same time, over this period, Legal Services, along with the Financial Institution, prepare the Contract which is signed the day before disbursement day and requires a preparatory report by Legal Sercices and by the Intervención Delegada de Tesorería. That Contract:
  - Is a suscription contract.
  - Is excluded from the scope of Law 30/2007, of 30 october, on Public Sector Contracts.

Disbursement :T+7

- Disbursement :T+7
- At this stage, the rating letters from the rating agencies are submitted to the subscribing institution.

Source: Comunidad de Madrid

Debt Issuance Procedure. Private placement or retap (II)

Authorizations

- Authorization from the Regional Government.
- Authorization from the Central Government.

Contact with Investors and Financial Institutions

- Continuous contact is maintained with investors and financial institutions, and the comunications indicate that Comunidad de Madrid has the necessary authorizations to execute financial transactions ,as well as the deadlines, levels and minimum, amounts that interest us.
- A specific offer is submitted by an investor o financial institution which should have been assigned a code by the Bank of Spain (Banco de España); for this reason, sometimes the operation is carried out through a bank that has been assigned such code and functions as an intermediary.
- The offer submitted is then studied by means of an indicative termsheet, in which key elements that must be included are:
  - Amount
  - Princing date
  - Date of disbursement
  - IRR all-in (including all commissions) ,indicating the Treasury reference levels.

Fixing of Issue Price

- Once the operation has been internally approved, taking into account the financial strategy of Comunidad de Madrid, the pricing time is fixing with the financial institution.
- On the day and agreed time for princing, the financial institution contacts by telephone with Comunidad de Madrid in order to establish the price.
- Connected online with the screens of Bloomberg, and in accordance with the terms established in the indicative Termsheet, a first simulation of the relevant calculations is made, and if the parties agree, the transaction is established in a real way.

Documentary Process

- The final Termsheet, with the terms and conditions of the transaction that has just been established, is submitted to the issuer for his approval. At this stage, a distribution by type of investor and nationality is requested. At this point, the financial institution advises Bloomberg of the amount, coupon, maturity date and ISIN code for the transaction.
- Preparation Internal Report to be signed by the Managing Director of Financial Policy, Treasury and Real Estate.
- Legal Services, in accordance with the terms of the Report, applies for the corresponding ISIN code to the Bank of Spain (provided that the transaction is not a reopening) and prepares the authorization order to be signed by the Regional Minister of Economy and Finance,once it has been examined by the Intervención Delegada de Tesorería.
- The Order is published in the BOCM at least two days befores payment takes place. Bank of Spain is advised of the list of subscribers and the application for the credit of securities.This Order becomes the Prospectus for the private placement. Letters are also sent to the rating agencies in orden to request an specific rating for the transaction in question, that is submited to the subscribing institution.
- At the same time, over this period, Legal Service, along with the Financial Institution, prepare the Contract which is signed the day before disbursement day and requires a preparatory report by Legal service and by the Intervención Delegada de Tesorería. Said Contract:
  - Is a subscription contract.
  - Is excluded from the scope of Law 30/2007, of 30 october, on Public Sector Contracts.

Disbursement (T+6)

- Disbursement: T+6
- At this stage, the rating letters from the rating agencies are submitted to the subscribing institution.

Source: Comunidad de Madrid

Affordable Housing

Use of proceeds: Proceeds of the Sustainable Finance Instruments will be allocated to projects aimed at **fighting against housing exclusion** by providing **affordable housing** and shelter to disadvantaged populations.

Eligible expenditures include:

- Development and **provision of social housing** in Comunidad de Madrid;
- Renovation, maintenance and **improvements of affordable housing projects**;
- Provide affordable housing with **adjusted rents to disadvantaged targeted populations**;
- Maintenance, adaptation and **modernization of shelters for at risk youth**, improving spaces for accommodation.

By financing affordable housing, Comunidad de Madrid directly supports Spain's State Housing Plan

Source: Comunidad de Madrid

Education

Use of proceeds : Proceeds of the Sustainable Finance Instruments will be allocated to projects aimed at providing **educational programs and vocational training to youth**, as well as allowing for a successful **integration of disadvantaged groups in the education system**, preparing them for future labor market opportunities.

Eligible expenditures include:

- Construction, rehabilitation and maintenance of **public education schools**;
- Construction, rehabilitation and maintenance of **public education centers**;
- **Acquisition of equipment** to ensure a quality education in public education schools;
- Financing expenses related to **home educational support service** (SAED), **hospital classrooms** (AAHH) **and therapeutic educational centers** (CET);
- Financing **educational programs and vocational training** for young people at **risk of exclusion or unemployed**;
- Collaboration to support the **integration of students** with **special educational needs**;
- Expenses related to **subsidized school transport services**;
- Financing the **development and maintenance of public universities**;
- Providing financial support to university students, based on **socioeconomic criteria such as income level and patrimony, or disabilities**.

Comunidad de Madrid finances public education for all, and devolves particular attention to allocate resources to guarantee access to education for disadvantaged students

Source: Comunidad de Madrid

Healthcare

Use of proceeds: Proceeds of the Sustainable Finance Instruments will be allocated to projects aimed at providing a **modern and sustainable public healthcare service system to the citizens of Madrid** (including, but not limited to, vulnerable groups).

Eligible expenditures include:

- Development, maintenance and modernization facilities integrated in the **public healthcare service system** (hospitals, health-care centers, mental health facilities, etc.);
- Provision of health care or social services in **underdeveloped areas or vulnerable populations**;
- Acquisition of **medical equipment** or **provision of diagnostic services**;
- Financing programs for the **promotion of health**;
- Financing activities to **prevent and treat drug addiction**.

Expenditures related financing to healthcare aimed at fighting COVID-19 in the Madrid's Region can be used for the purpose of the issuance of thematic social bonds.

The financing of the healthcare programme will facilitate the ongoing provision of quality healthcare services to the local population, including, but not solely, to the disadvantaged groups

Source: Comunidad de Madrid

Social Inclusion

Use of proceeds : Proceeds of the Sustainable Finance Instruments will be allocated to projects aimed at supporting, integrating and **providing basic services to several vulnerable population groups** (victims of domestic violence, the elderly, risk population and minorities, physically and/or disabled people, etc.) and to **integrate, education and employment programs** as well as financial assistance to vulnerable groups at risk of social exclusion.

Eligible expenditures include:

- Fighting against domestic violence and promotion of **equal opportunities**;
- Support integration of **families and individuals at risk** (social action and education);
- Provision of **financial assistance** (i.e minimum income) to people **at risk of social exclusion**;
- Ensure universal accessibility to the **public transportation system**;
- Support to **the elderly**;
- Support to **the mentally and/or physically disabled**.

Comunidad de Madrid supports social cohesion and inclusion, protection of children and women, and care for the elderly and incapacitated via its measures and policies

Source: Comunidad de Madrid

Economic Inclusion & SME Financing

Use of proceeds: Proceeds of the Sustainable Finance Instruments will be allocated to projects and programs aimed at **promoting labor market entry opportunities for long-term unemployed or people** with lower employment prospects, and **financing SMEs in the Comunidad de Madrid**. This activity will contribute to the growth and development of Madrid's economy, hence promoting employment creation and retention.

Eligible expenditures include:

- Supporting professional training directed at the **unemployed in the Comunidad of Madrid**;
- Conducting studies and labor market research to plan and **implement policies of employment**;
- Support in **orientation programs** for those distant to the labor market that allow for a direct contact with employment agencies and employers;
- Promote **integration in the labor market of persons with disabilities** and those who are in **risk of social exclusion**;
- Provide **finance to SMEs**, **including start-ups** in order to stimulate their competitiveness and job creation;
- Provide **training and advice to commercial SMEs** to help them improve their skills and business;
- Support SMEs in the **Handicraft and Artisan Market** to improve their competitiveness.

The support provided to Madrid's SMEs, will strengthen the competitiveness of SMEs and leading to the creation and preservation of jobs, and promote the integration of vulnerable people

Source: Comunidad de Madrid

Climate Change and Environmental Management

Use of proceeds: Proceeds of the Sustainable Finance Instrument will be allocated to financing the measures to promote the sustainable mobility solutions, financing of activities related to the 'Waste Strategy of the Comunidad de Madrid' and to the management and restoration of Protected Natural Parks and other unique spaces with important conservation value ('Zonas de Especial Conservacion').

Eligible expenditures include:

Clean Transportation

- Development, extension, improvement, promotion and maintenance of **public transport** including metro, low-carbon buses (such as hybrid and electric buses), including **new stations for electric buses only, rail-related infrastructure**;
- **Renewal of the most polluting fleets** (replacing vehicles with lower emission vehicles);
- Funding the installation of **charging points for electric vehicles**;
- **Urban planning and development** that leads to a reduction in the use of passenger cars.

Waste Management

- Measures to **decrease the volume of waste generated**;
- Treatment of **electrical and electronic equipment waste**;
- Programmes for **new uses of recycled materials** such as rubber from tires;
- Development of **research studies on contaminated soils** and financing necessary measures to ensure **decontamination** of identified sites.

Environmental conservation and biodiversity

- **Conservation and restorative activities** such as: repair of damaged areas to reconstruct distorted natural habitats, ongoing maintenance in the form of tree, plant and wildlife care and management and fire protection;
- Educational activities and facilities to enhance awareness and knowledge of the importance of the **National Parks** and other environmental spaces in the Comunidad de Madrid, encouraging the environmental care by local residents and visitors;
- Monitoring and development of the **Forestry Plan of the Comunidad de Madrid**

Comunidad de Madrid is heavily financing low carbon transportation and subsequently contributing to the reduction of greenhouse gas emissions in the Region

Source: Comunidad de Madrid