



Euronext | FNM Group Sustainability Week and Infrastructure & Energy Day

9 - 12 September 2024



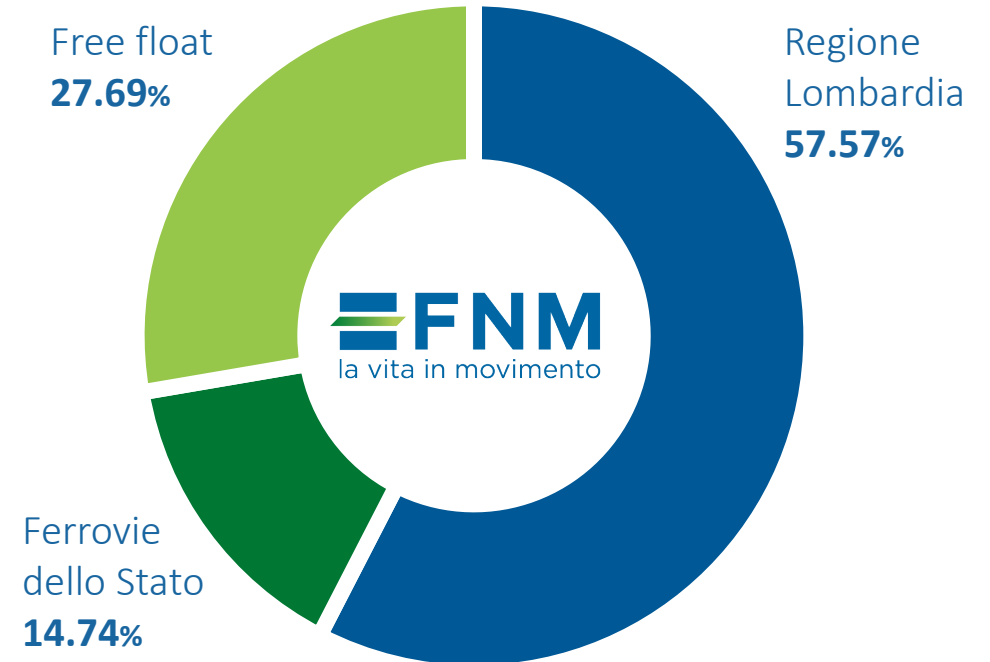
Group Overview

- Established in 1877, FNM is the leading **integrated sustainable mobility Group in Lombardy**
- It is the first organization in Italy to **combine Railway Infrastructure Management, Road Transport and Motorways**
- The aim of the Group is to propose an innovative model to manage mobility supply and demand, designed to support optimization of flows as well as environmental and economical sustainability
- The Group's activities are divided into **five main segments:**



- FNM S.p.A. is a public company, listed on the Italian Stock Exchange since 1926
- It is one of Italy's **leading investors in the sector**
- The reference shareholder is Regione Lombardia, which holds a 57.6% stake

Shareholders' structure



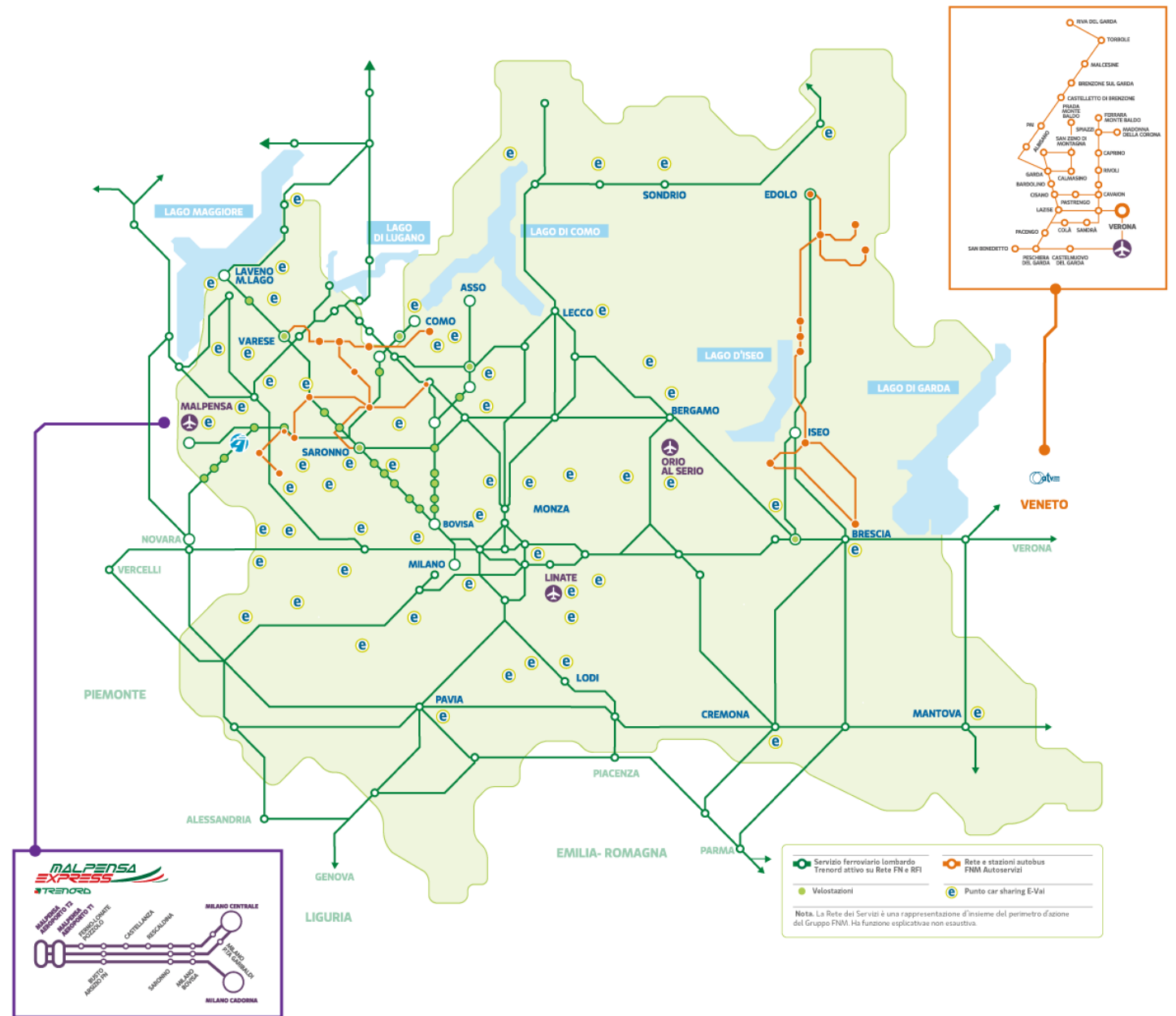
Geographical presence

Presence in Italy's most prosperous region

- GDP per capita among the highest in the EU, about 35% higher than the Italian average and 27% higher than the EU average¹
- Regional unemployment rate at 4.0%, far below the Italian and European average (7.7% and 6.1% respectively)¹
- One of the most developed production systems in Europe with more than 800K companies and one of the highest rates of entrepreneurship
















Integrated multimodal mobility player:

- 1 Interconnected with major national and international hubs
- 2 Centered around the densely populated area of Milan
- 3 Diversified revenues, income profile and regulatory risk

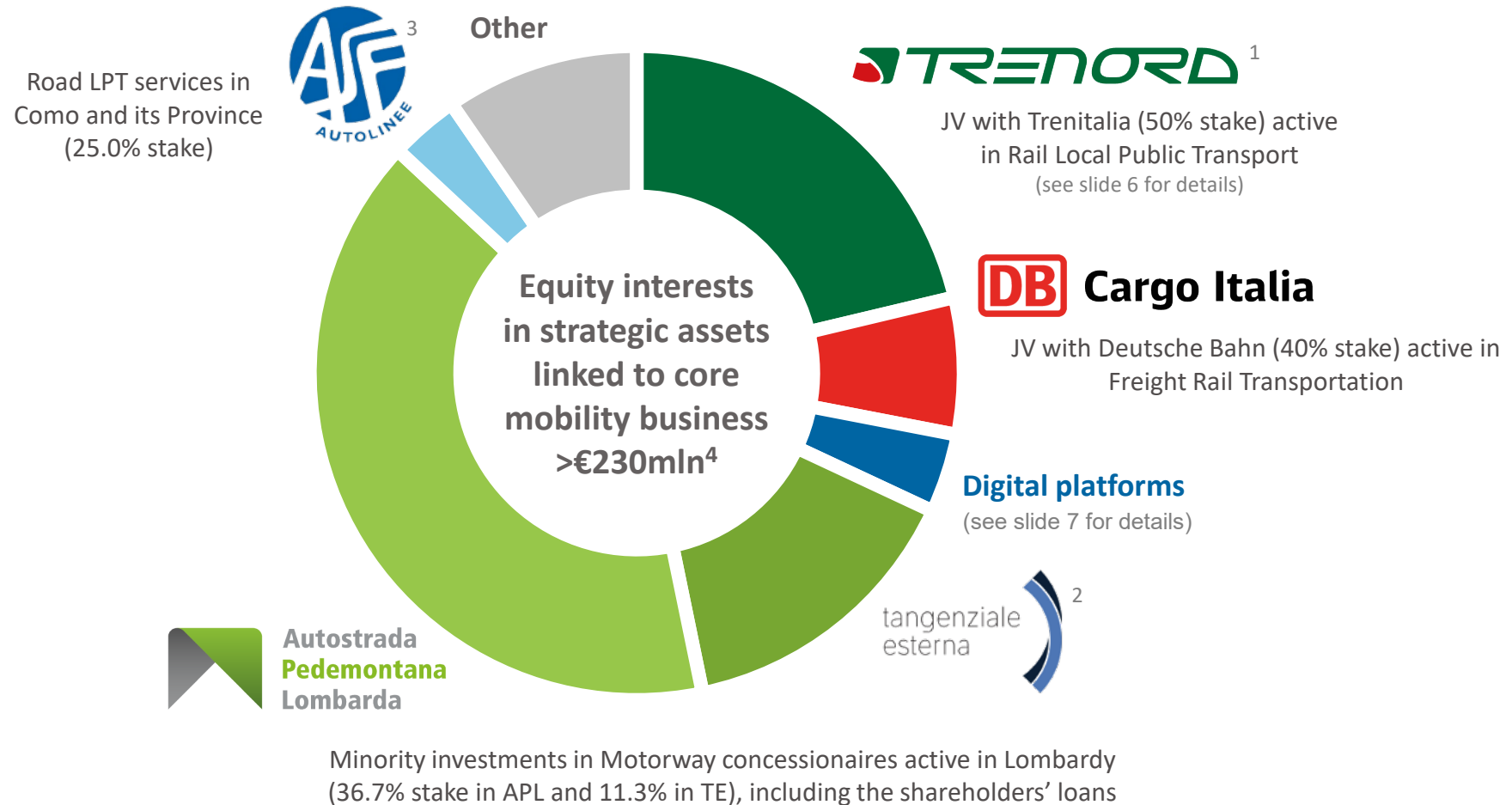


1 –Source: Eurostat. Gross domestic product (GDP) at current market prices by NUTS 2 regions by Eurostat, last update 19/02/2024 Unemployment rates NUTS 2 regions from 15 to 74 years by Eurostat, last update 24/04/2024

An integrated player in transportation and mobility in Northern Italy

 <h2>Motorways</h2>	<p>Management of motorway infrastructure through a concession expiring in 2028</p> <ul style="list-style-type: none"> Highway from Milan to Serravalle Scrivia (A7 86Km) Milan West, East and North ring roads (A50 33Km, A51 29Km, A52 19Km) Pavia West ring road (A54 9Km) and Bereguardo-Pavia motorway link (A53 8Km) 	 <p>185 Km Motorway Network</p>	
 <h2>Ro.S.Co & Services</h2>	<p>Leasing of rolling stock in the local public transport (LPT) and freight logistics sector (mainly to Trenord and DB Cargo Italia)</p> <p>Corporate and ICT services to subsidiaries and management of its real estate assets</p> <p>Development of complementary digital platforms according to MaaC paradigm</p>	 <p>98 Owned trains</p>	
 <h2>Railway Infrastructure</h2>	<p>Management of railway infrastructure in Lombardy on the basis of the concession expiring on 31 October 2060</p> <p>Intermodal terminal management and real estate development in freight logistic sector</p>	 <p>330 Km Railway Network</p>	
 <h2>Road Passenger Mobility</h2>	<p>LPT road transport in Lombardy (Province of Varese, Brescia and Como) and Veneto (Province of Verona)</p> <p>Train replacement services for Trenord</p> <p>Electric car-sharing service</p>	 <p>728 Buses into service</p>	
 <h2>Energy</h2>	<p>Renewable energy production with 26 operational plants</p> <p>Multiple initiatives for photovoltaic and wind power plants in different stages of implementation</p> <p>Structure with established expertise capable of managing all major stages of the value chain</p>	 <p>48 MW Installed capacity</p>	 <p>NEW</p>

Key investments in Associates and Joint Ventures



1 – includes the indirect participation in TILO SA (50% controlled by Trenord and 50% by Swiss Federal Railways SBB); 2 – FNM owns 22.55% of Tangenziali Esterne di Milano S.p.A. which holds a single shareholding equal to 48.4% of the highway concessionaire Tangenziale Esterna S.p.A., and directly 0.386% of the concessionaire; 3 – FNM owns 50% of Omnibus Partecipazioni S.r.l. with Arriva Italia, holding company which in turn owns about 50% of ASF Autolinee. The remaining 50% is held by S.P.T. Holding S.p.A. whose shareholders are local public entities; 4 – the total value of >€230m is composed as follows: 70% represent the value of equity investments and 30% consist of shareholder loans, which can be considered as quasi-equity

Among the most important LPT railway players in Europe excluding the National train operators

Around

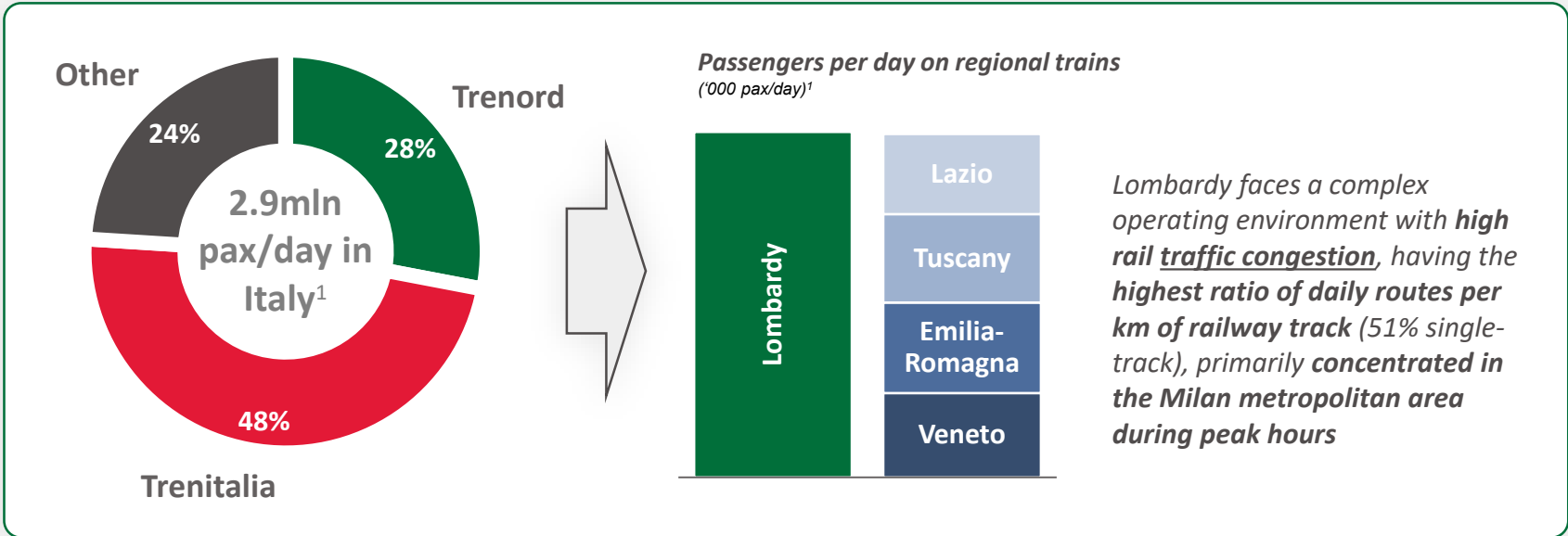
700,000

Pax/day

Almost

2,200

Routes/day



- Trenord is a **50:50 JV between Trenitalia and FNM Group** and operates passengers rail services in Lombardy region
- Trenord, established in 2011, is a leading suburban and regional rail operator in Europe, servicing 460 stations over 2,000 km of network. It covers 77% of Lombardy's municipalities, benefiting 92% of its citizens. Additionally, Trenord manages the Milan rail link (Passante Milanese), the connections to the Canton of Ticino (in partnership with Swiss Federal Railways), and the Malpensa Express to Malpensa International Airport
- Trenord operates **467 trains** leased from FNM Group, Trenitalia and Regione Lombardia with a production for LPT services of 40.7mln trains-km in 2023

1 – Legambinete, Rapporto Pendolaria 2022 (Pre-Covid figures: data refer to 2019)

Digital platforms | A new approach to mobility built around existing services but tailored to the needs of specific communities

Improve accessibility to services and related transportation according to the **Mobility as a Community (MaaC)** approach, delivering an integrated transport framework based on existing services mixed with customized services



- The first online platforms to custom-build mobility services to reach and visit a location
- Services: **LARGE EVENTS** (B2C services and B2B services for accredited users with dedicated login area) + **CORPORATE** (mobility solutions for home-to-work travel)



- invested €1.0mIn for a 40% stake in **BusForFun** in 2020/2021
- Provider of alternative mobility through the FlexyMob model, targeted mainly to companies (B2B) through a web platform that offers tailor-made event packages that can be booked and purchased on the platform



- invested €2.5mIn for a 33% stake in **Sportit** in 2021
- Active in the Winter Tourism sector, targeting communities of sports enthusiasts through digital platforms that allow fans to plan and purchase a vacation with all services related to winter sports and the mountains. The company operates mainly under the Snowit and Bikeit brands



- invested €1.0mIn for a 30.8% stake in **Mbility** in 2023
- Facilitates the availability and increases the provision of transportation services, including accompanied transportation, for frail or disabled people through its proprietary digital platform

A strategic infrastructure for Lombardy's road system

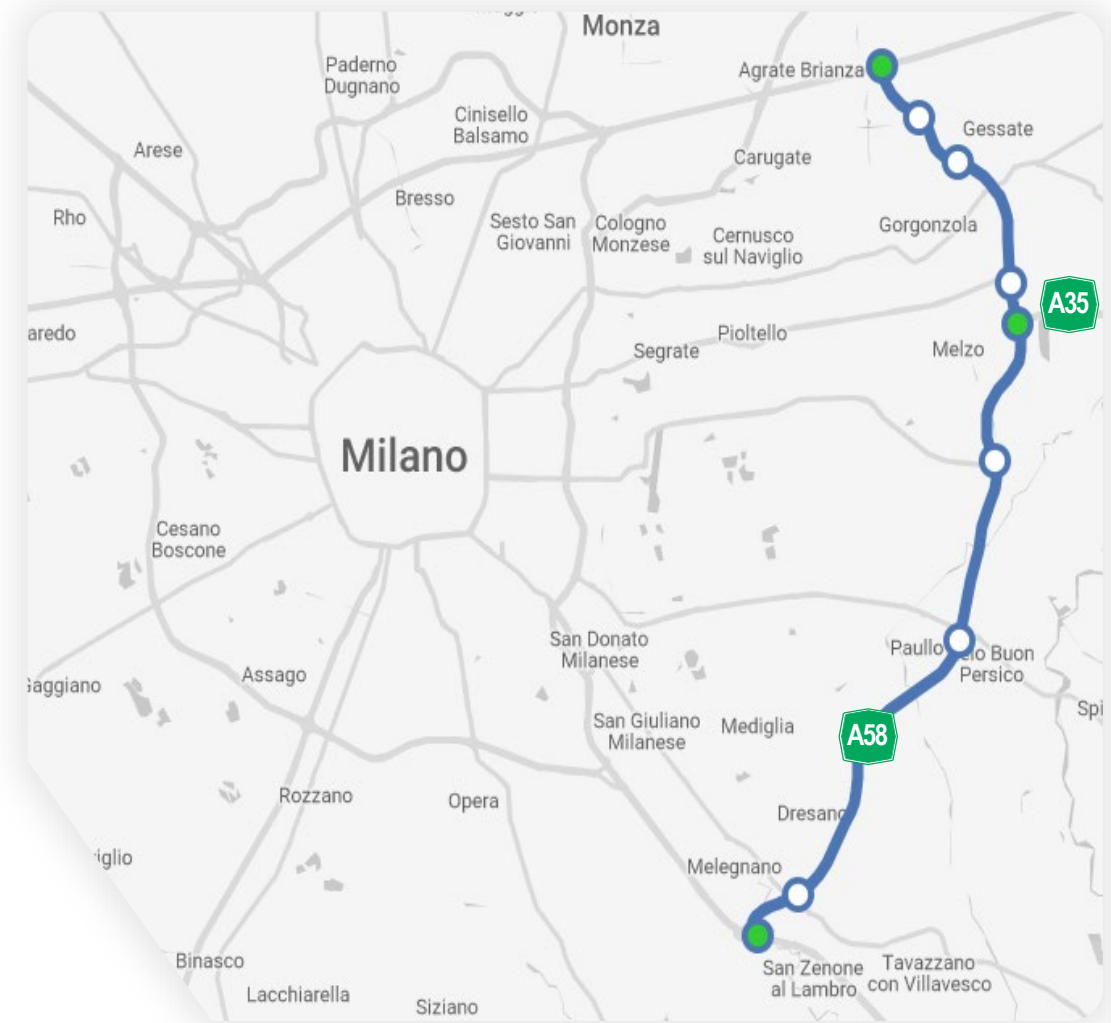


- FNM holds through MISE a **36.7% stake** in APL (Regione Lombardia controls the remaining 63.3%) + a **shareholder loan of nominal €150mIn** (€61.1mIn NBV at 30 June 2024)
- **Total length of ≈130km**, of which **62km in operation since 2015** (A, B1, A59, A60)
- Concession of **30 years starting from the completion of the project** (section B2 and C estimated by 2026, section D by 2031), with total remaining investment of €3.0bIn
- **Strong commitment from Regione Lombardia** to improve mobility and reduce travel time in a densely urbanized area, currently not served appropriately → **capex plan fully backed by recently approved EFP and by extraordinary support of RL**

Source: APL, Sustainability Report 2023

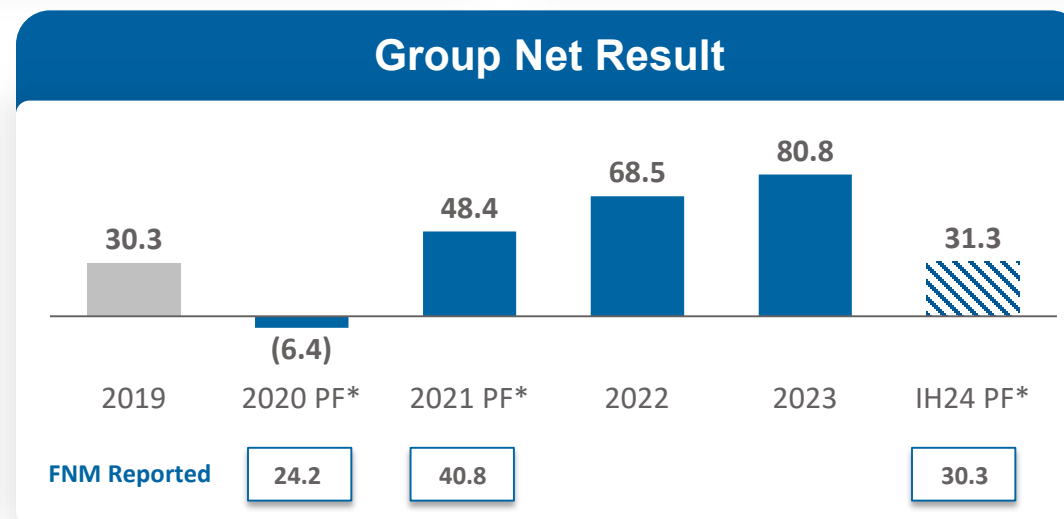
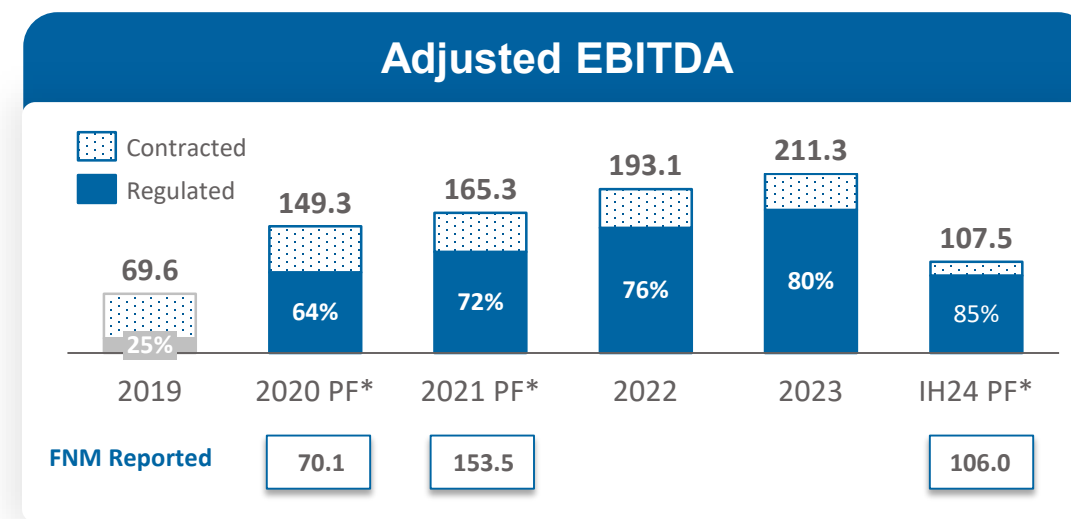
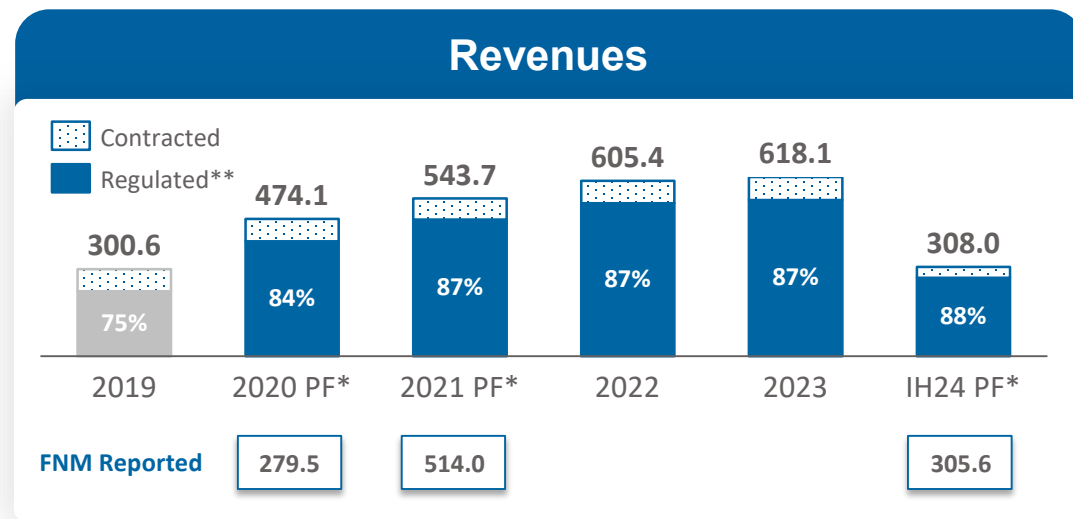
The new outer road system in Milan

- FNM holds through MISE a **11.3% stake in TE¹** (ASTM controls the remaining 88.7%)
- The new outer ring road system was needed to improve traffic flow:
 - ✓ **rationalize the congested mobility following significant urban expansion**, especially towards the east, integrating the route of the existing ring roads
 - ✓ geographical area with a **strong industrial vocation**, connecting the A35 – BreBeMi with the existing Milan ring road system (East, West and North) managed by MISE
- **Total length of 32km**, as well as 38km of interchanges and related works
- Concession is set at **50 years starting from the entry into operation of the entire motorway link in May 2015**



Source: TE, Charter of Services 2024

Main financial highlights



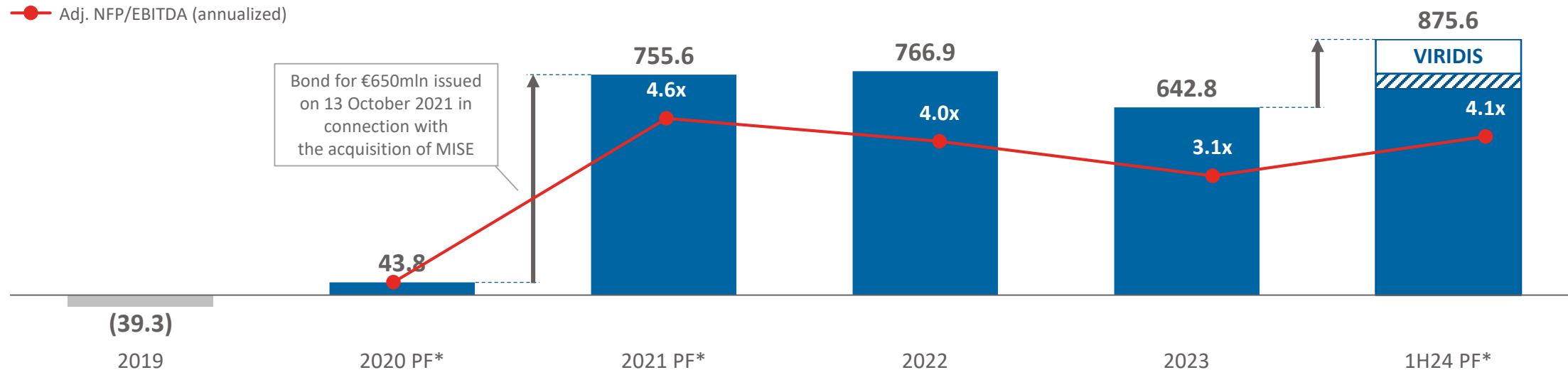
* MISE is fully consolidated in the FNM Group's financial statements starting on 26 February 2021. The values for 2021 consider the consolidation of MISE from 1 January 2021, 2020 was similarly restated as if MISE's consolidation had occurred on 1 January 2020. Viridis and its subsidiaries are fully consolidated from 23 February 2024; pro forma figures, consider the consolidation of MISE as if the company had been acquired since 1 January 2024

** excluding intercompany elisions

Financial sustainability

Adjusted Net Financial Position

—●— Adj. NFP/EBITDA (annualized)



See slide 34 / 45 for details

Long term credit ratings

	MOODY'S INVESTORS SERVICE	FitchRatings
Rating	Baa3	BBB
Outlook	Negative	Stable

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The FNM Group

Acquisition of Viridis

Sustainability initiatives

1H 2024 Economic & Financial Results

Strategic Plan & Targets

Appendix

The rationale of the acquisition

BUSINESS OBJECTIVES

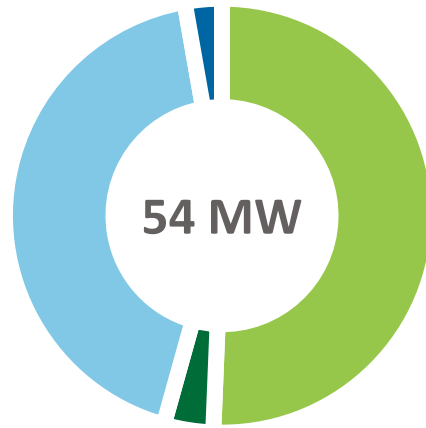
- **Strengthen the core mobility infrastructure business**
 - strategic path that leads FNM to become a producer of electricity from renewable sources
- **Structure in place with established expertise**
 - 38 FTE capable of managing all the main stages of value chain
 - successful track record in developing and managing investments over time (≈150 MW already sold)
- **Already operational and favorable long-term economics**
 - accretive IRR, higher than traditional regulated business
 - stable cash flows and good margins with visibility over 20+ years
- **Well-diversified pipeline**
 - allows flexible growth based on context conditions and financial availability

ESG

- **Reinforcing the Group's environmental objectives**
 - investments in innovative energy projects part of the 2021-2025 Strategic Plan
 - achieve medium and long-term decarbonisation targets and securing energy needs
- **Facilitate Italy's broader energy transition**
 - contribute more actively to achieving the goals of Agenda 2030

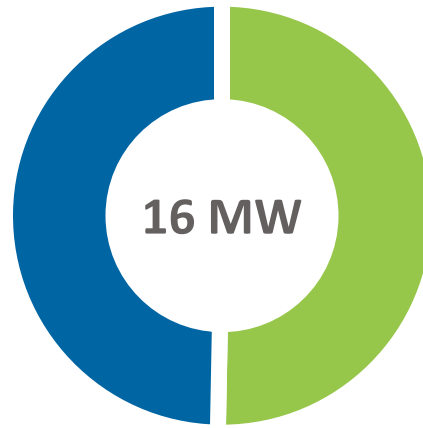
Acquired operational facilities with geographical diversification and limited market exposure, flexible development of pipeline

Installed capacity + under construction



■ F.I.T. ■ All-inclusive ■ F.I.P. ■ Market

Ready to Build



- **Installed capacity + under construction: ≈20% of plan revenues by 2025 will be subject to market price fluctuation risk**
- **RtB capacity + Pipeline: possibility of accessing new incentive mechanisms (including FER-X)**
- Shareholder agreements provide **safeguard mechanism for development of new capacity** conditional on certain profitability constraints (min. IRR in low double digits) and required Capex



- = Regions with pipeline projects
- = Regions with operational and pipeline projects

Plants overview as of June 2024

Commissioning of 4 solar PV plants expected in 2H24 reaching c. 83 MW of installed capacity

	Technology	Route to Market	Tariff	Capacity (MW)	COD ¹	Expiration	
	PV-Solar	Conto Energia 2	Feed-in premium	346 €/MW	5.7	4Q 2010	4Q 2030
	PV-Solar	Conto Energia 4	Feed-in premium	avg. 257 €/MW	14.1	3Q 2011	3Q 2031
	PV-Solar	Conto Energia 4	Feed-in premium	189 €/MW	1.1	1Q 2012	1Q 2032
	PV-Solar	Conto Energia 4	Feed-in premium	avg. 180 €/MW	2.4	4Q 2012	4Q 2032
	PV-Solar	FER	Feed-in tariff	65 €/MW	10.0	Dec. 2022	Dec. 2042
	PV-Solar	Market	Market price	-	1.5	June 2021	-
	PV-Solar	FER ²	Feed-in tariff	65 €/MW	10.3	Dec. 2023	Dec. 2043
	PV-Solar	Conto Energia 2	Feed-in premium	318 €/MW	1.0	June 2011	June 2031
	Biogas	Bio	All-inclusive tariff	280 €/MW	2.0	1Q 2013	1Q 2028
	Installed capacity at 30/06/2024				48.1		
Under construction	PV-Solar	FER	Feed-in tariff	65 €/MW	7.0	est. 2H 2024	
	PV-Solar ⁴	FER	Feed-in tariff	65 €/MW	8.3	est. 2H 2024	
	PV-Solar ⁴	Market ³	Market price	-	8.2	est. 2H 2024	
	PV-Solar	FER ²	Feed-in tariff	74 €/MW	12.0	est. 2H 2024	
	TOTAL PLANTS OPERATING + UNDER CONSTRUCTION				82.6		

Incentive mechanisms PV 2007 - 2022

	2005 - 2007	2007 - 2010	2010 - 2011	2011 - 2012	2012 - 2013	2019 - today
Incentive	Conto Energia I	Conto Energia II	Conto Energia III	Conto Energia IV	Conto Energia V	Decreto FER 1
Target	Only energy produced and consumed on site	All the energy produced	All the energy produced	All the energy produced	All the energy produced	All the energy produced
Term	20	20	20	20	20	20
Limitations	< 1 MW	-	-	-	-	> 20 KW
Type	Feed-in premium	Feed-in premium	Feed-in premium	Feed-in premium	self-consumption: Feed-in premium; into the network: Feed-in tariff	Feed-in tariff (PPA "like" con GSE)
Amount of incentive	EUR 0,49 KWh self-consumption/ EUR 0,07 KWh into the network	EUR 0,36 - 0,44 KWh ²⁾ for plants with P > 20 KW	EUR 0,25 - 0,31 KWh ²⁾ for ground-based plants and P>1MW	EUR 0,13 - 0,25 KWh ²⁾ for ground-based plants and P>1MW	self-consumption: EUR 0,02 - 0,06 KWh ²⁾ for ground-based plants and P>1MW into the network: EUR 0,11 - 0,14 KWh ²⁾ for ground-based plants and P>1MW	Basic incentive tariff (downward auction from EUR 70 MWh with P>1MW) - hourly zonal energy price

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Introducing hydrogen into a path of energy transition is a strategic development area for the FNM Group



- A **sustainable mobility system in Val Camonica** along the Brescia-Iseo-Edolo non-electrified railway line, gateway to the Milano-Cortina 2026 Winter Olympic Games, for an overall investment of €392.4mIn
 - 1) **14 new hydrogen-powered trains** to replace the current diesel-powered trains
 - 2) **3 hydrogen production plants** in Brescia, Iseo, and Edolo
 - 3) several **infrastructural adjustments to the railway** – including hydrogen storage and distribution facilities and a new maintenance depot in Rovato
 - 4) **40 hydrogen-powered buses** to replace the entire fleet currently used by FNMA in the area
- The infrastructure part is mostly managed by FERROVIENORD through the Programme Agreement, whereas the construction of the hydrogen production facilities is managed through the subsidiary **FNM POWER**
- Commercial service of the 8 trains already ordered is scheduled at the latest by the end of 2026



- The **first hydrogen refueling highway network in Italy** through the creation of a highway corridor with 5 hydrogen refueling station, organic and systemic to the H2iseO project, for the area served by MISE:
- Realize **5 Hydrogen Refueling Stations (HRS)** along the A7 Milan-Genoa highway and A50-A51 ring roads, built in areas under concession to MISE (3 sites decommissioned Service Areas, 2 sites former Toll Booths), for an overall investment of €55.4mIn
 - 1) urban distribution serving the entire metropolitan area of Milan
 - 2) flows related to Port of Genoa/Milan Logistics Region/Po Valley
 - 3) part of the Genoa-Switzerland/Austria/Germany freight corridor (Port of Genoa as a European gateway)
- Commercial service is scheduled to start in the second half of 2025

FILI is one of the largest regeneration projects in Europe



- P.01 MILANO CADORNA RAIL STATION**
O₂F OXYGEN FACTORY
Construction of a **railway tracks' cover of about 60,000 sqm**, including 30,000 sqm of green areas with the presence of **Oxygen Factory**, a synthetic forestable to absorb CO₂ aimed at improving the air quality
- P.02 MILANO BOVISA RAIL STATION**
RAIL CITY
Infrastructural development and urban regeneration of the "Bovisa Interchange Node" promoted by **Team Mo.Le.Co.La.** in partnership with the Municipality of Milan, in the context of the project Reinventing Cities
- P.03 SARONNO HUB**
URBAN REDESIGN
Reorganisation of the **technological/maintenance hub**, regeneration of the station area, new location of the museum area
- P.04 BUSTO ARSIZIO RAIL STATION**
NEW NEIGHBOUTHOOD UR.BA.MI.
Urban regeneration to connect the north and the south of the city through a new urban center with large green areas equipped for collective activities
- P.05 FERROVIENORD RAILWAY NETWORK**
PIANTALALI
An intervention of planting and reforestation of thousands of trees in Lombardy municipalities crossed by the railway network of FERROVIENORD. The first phase covers an area of about 41,000 acres crossing 24 municipalities in two provinces of Lombardy.
- P.06 FROM MILANO CODORNA TO MALPENSA**
SUPER CYCLE TRACK
The cycle superhighway runs for **54 km** between **Milano Cadorna** and **Malpensa Airport** without interruption.

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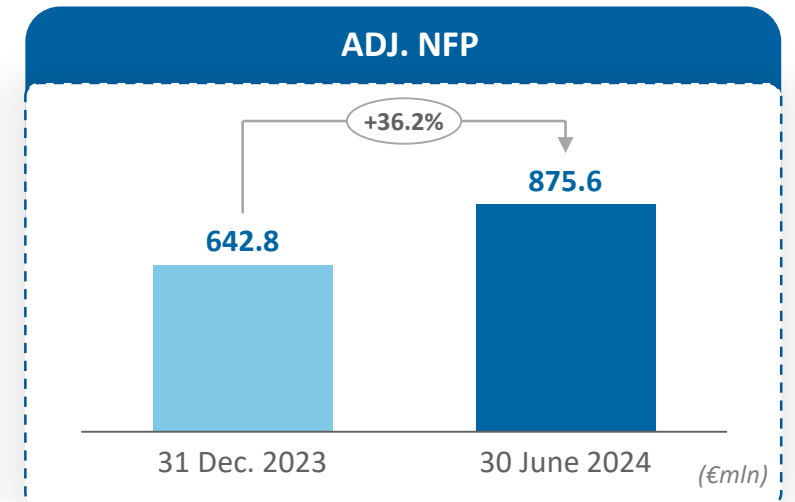
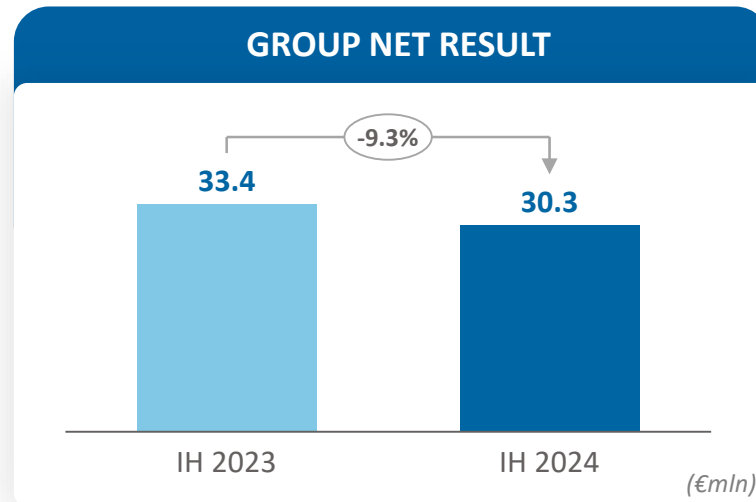
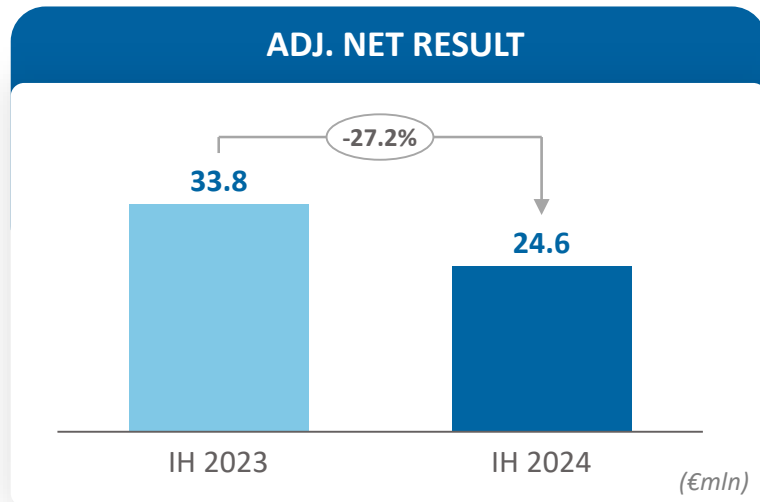
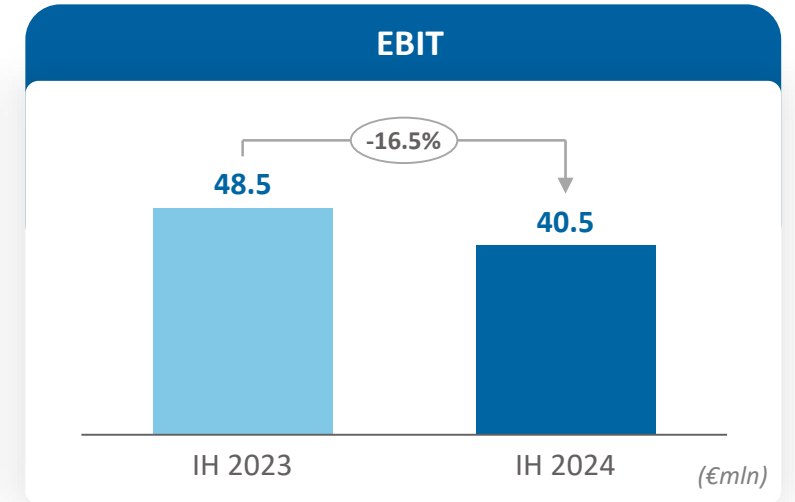
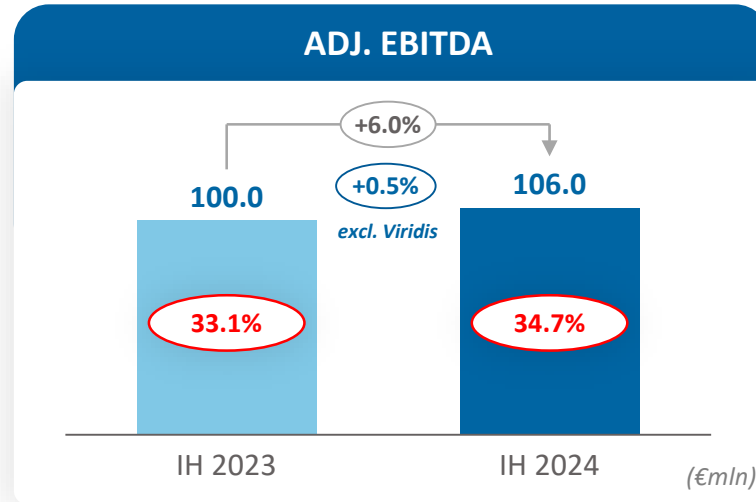
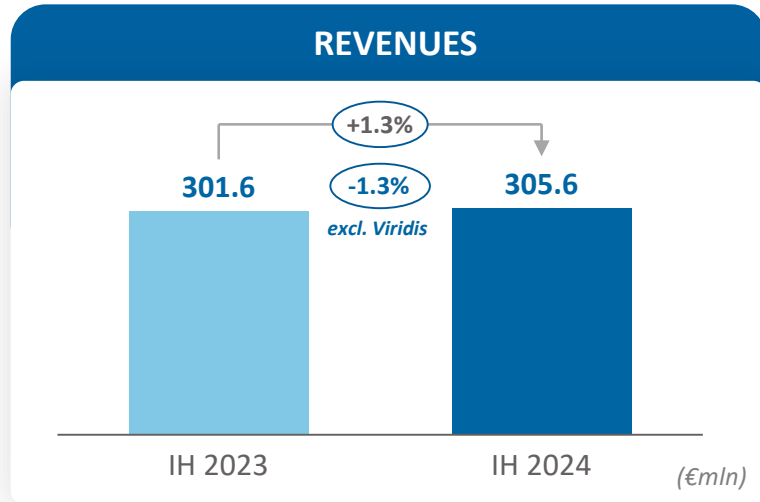
Sustainability initiatives

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Appendix

IH 2024 Financial Highlights – REPORTED¹

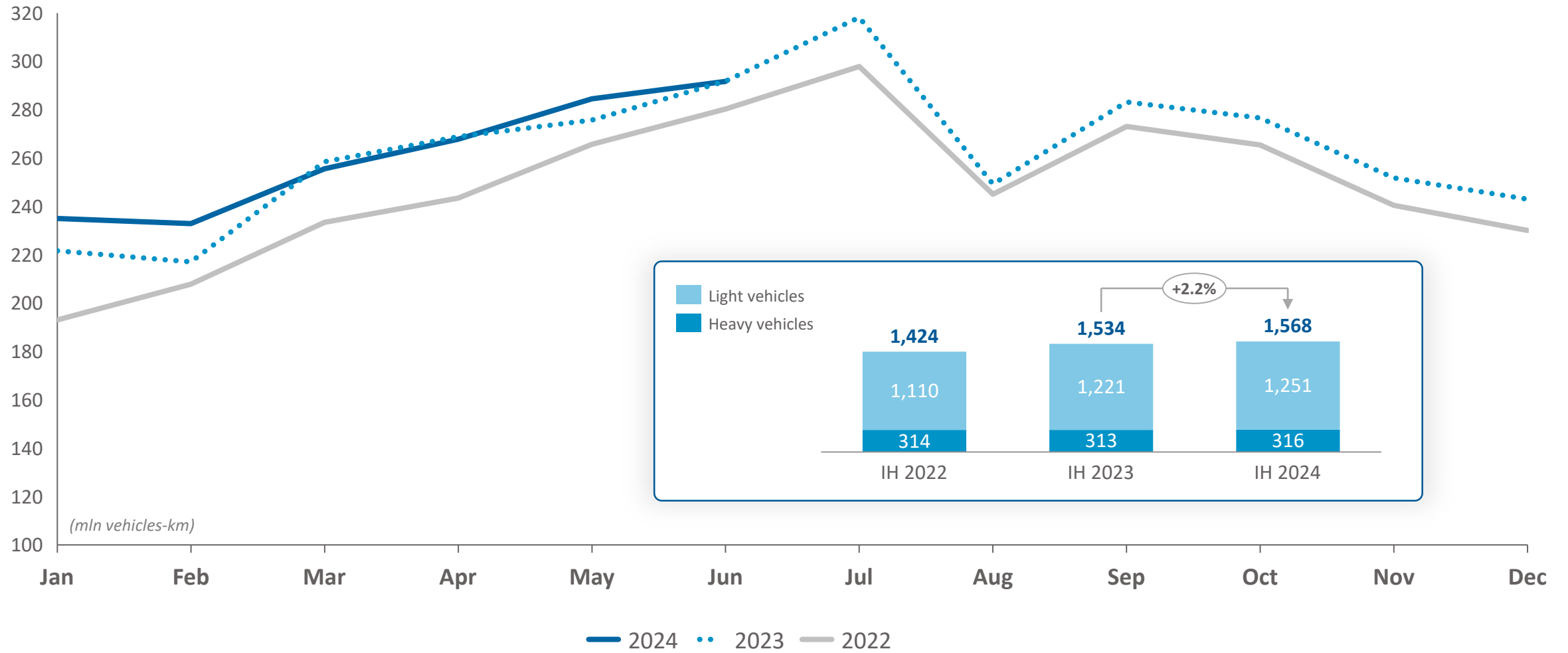


% = EBITDA Margin

¹ – Including the effects of the consolidation of Viridis and its subsidiaries from 23 February 2024. Pro forma figures, including the effects of Viridis results fully consolidated as if the company had been acquired since January 1, 2023, are provided on slide 25.

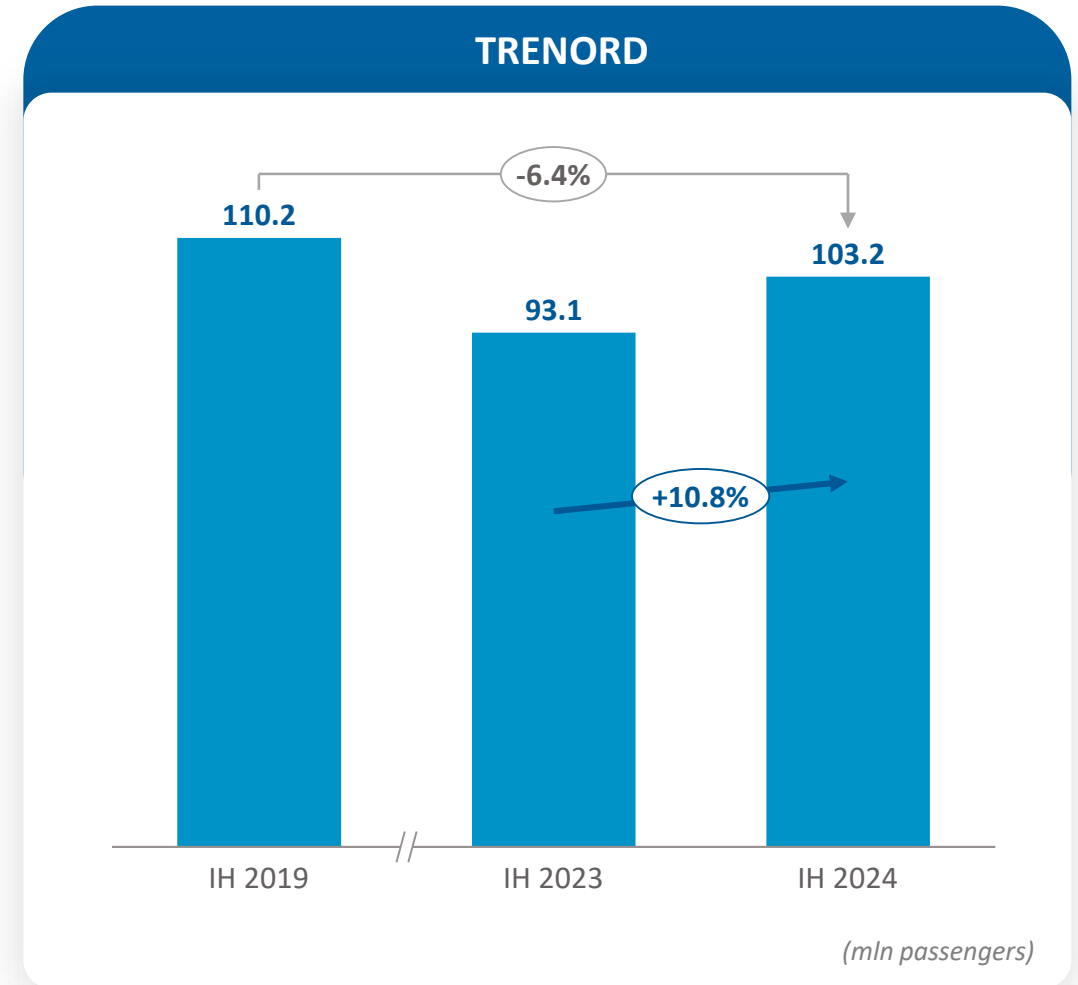
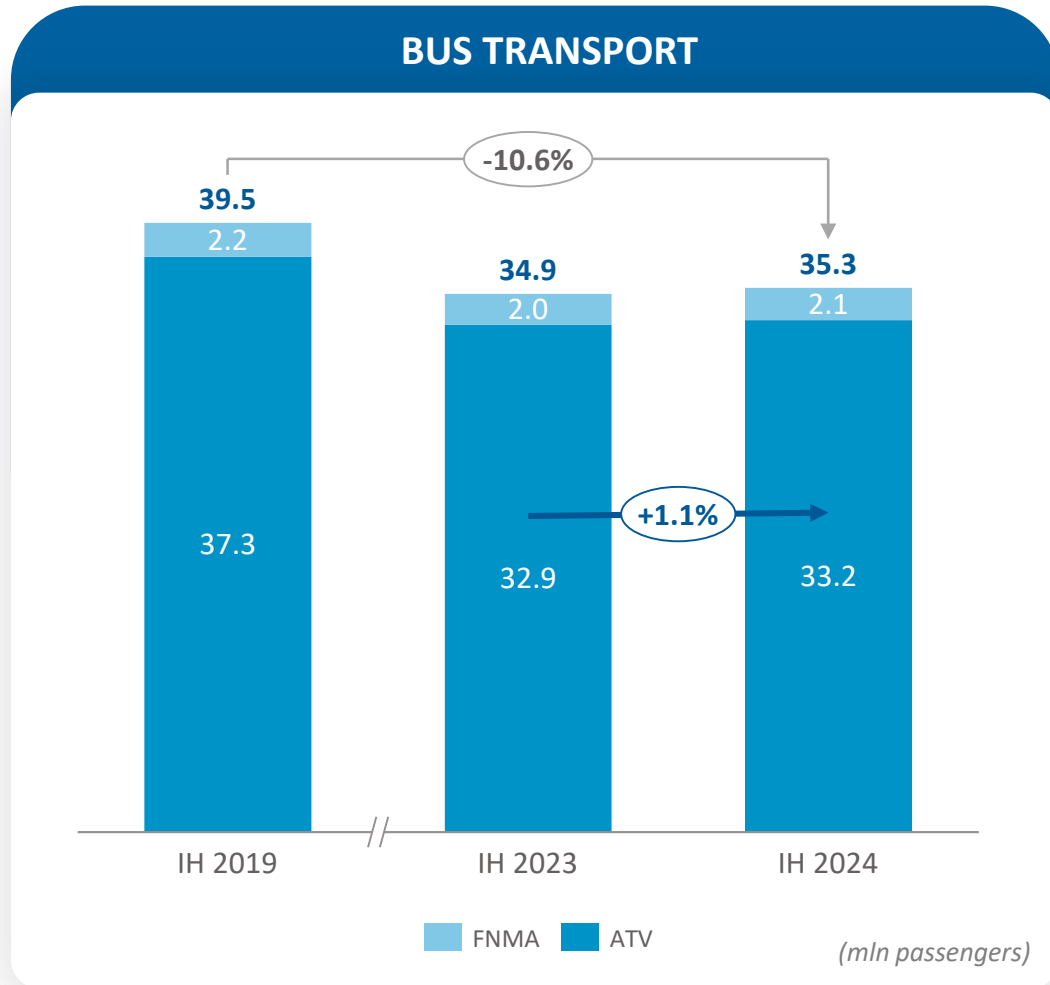
Motorways - traffic trend on MISE network (vehicles-km)

Traffic performance benefits from the adjustment of the conventional mileage of the Northern Ring Road from March 2023



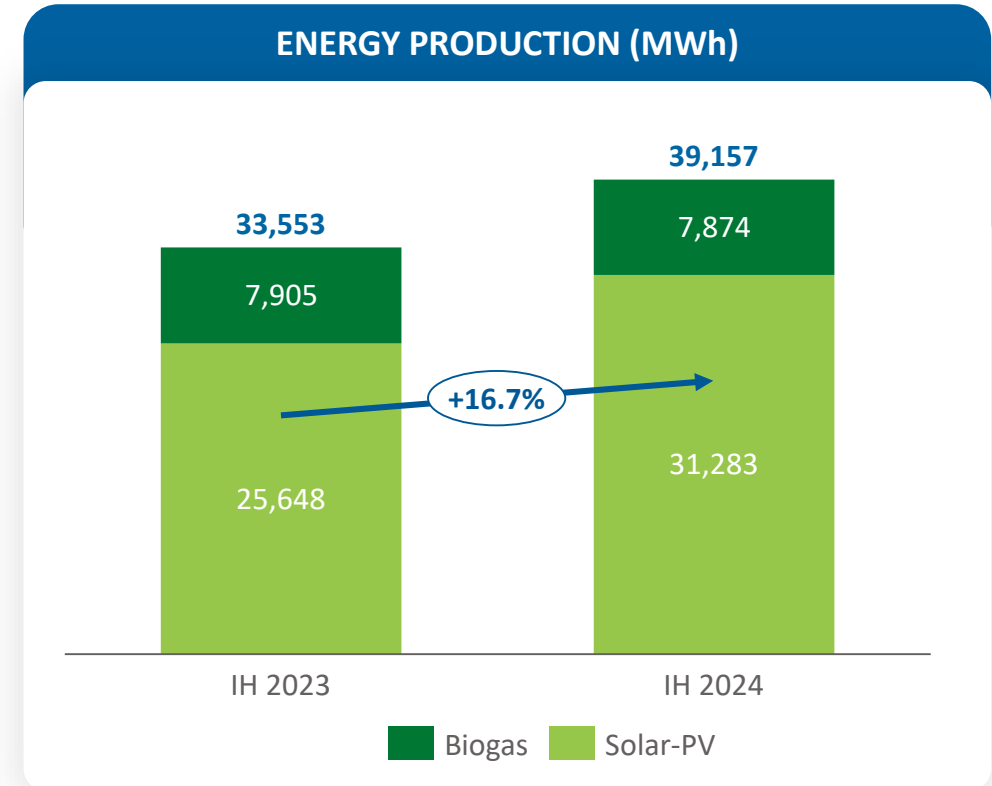
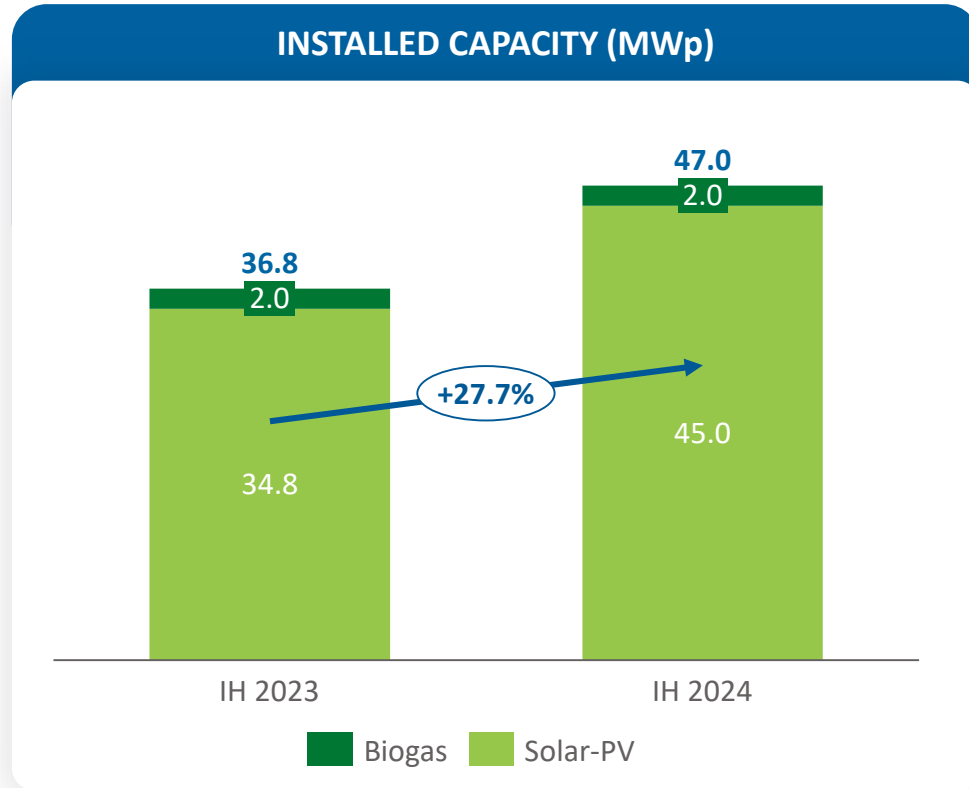
LPT - mobility demand for bus and rail transport (n. pax)

Recovery of demand across all segments but overall LPT traffic still below pre pandemic levels, especially for urban transportation



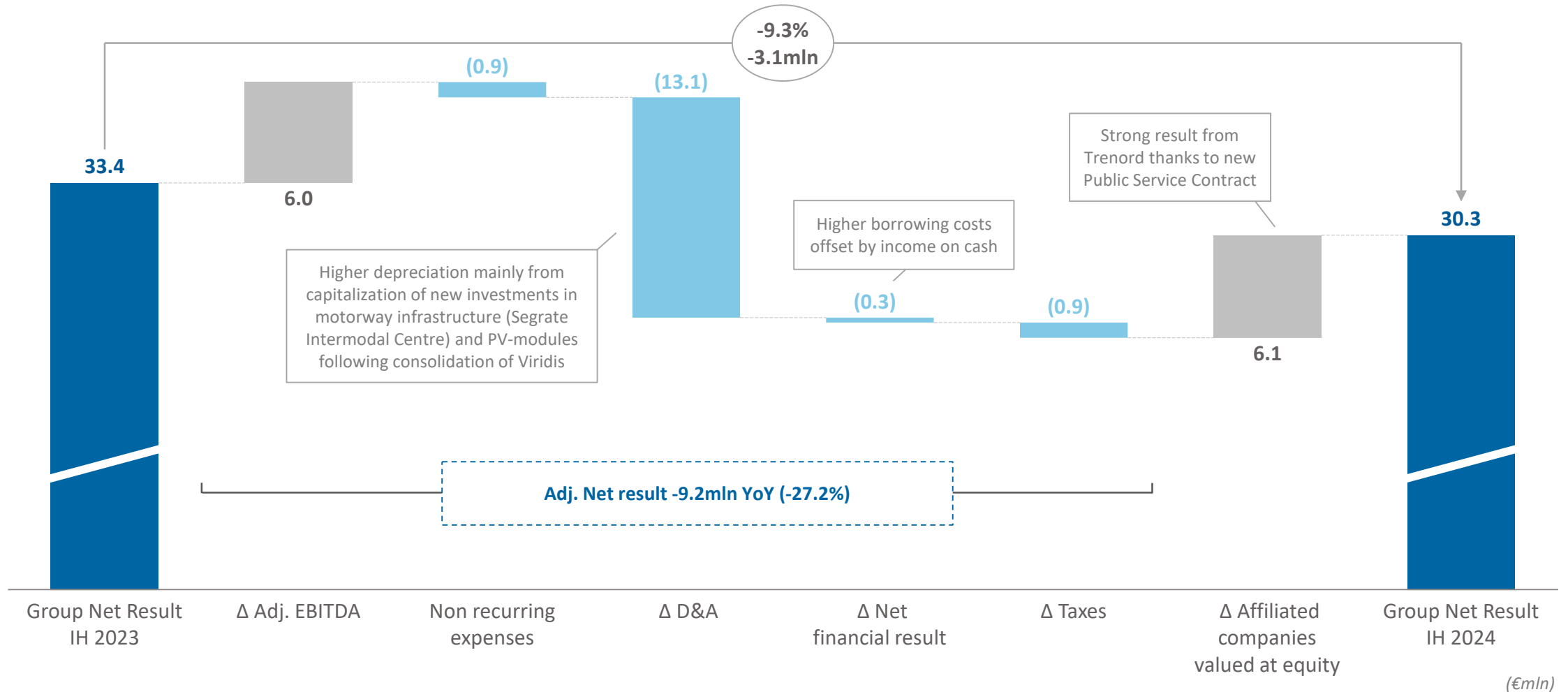
Renewable energy production

Commissioning of 2 solar-PV plants from Dec.'23 drives production up despite low irradiance and full capacity only from March '24



IH 2024 Group net result – REPORTED

Positive operating performance impacted by higher D&A, strong rebound of companies consolidated at equity



Adj. EBITDA evolution

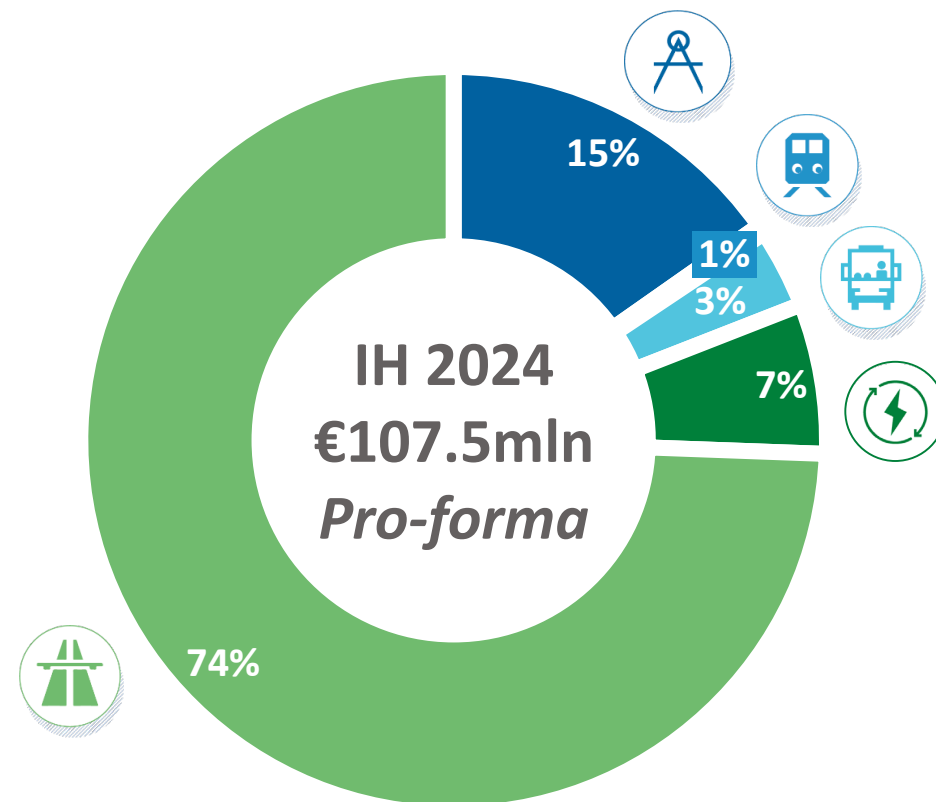
Growth driven by good performance of motorways and Viridis acquisition

REPORTED

Adj. EBITDA (€ mln)	IH 2023	IH 2024	Δ€	Δ%
Motorways	70.0	80.0	10.0	+14.3%
Ro.S.Co. & Services	22.1	16.4	(5.7)	-25.8%
Railway infrastructure	4.8	0.4	(4.4)	-91.7%
Road passenger mobility	3.1	3.7	0.6	+19.4%
Energy	0.0	5.5	5.5	n.m.
Total	100.0	106.0	6.0	+6.0%

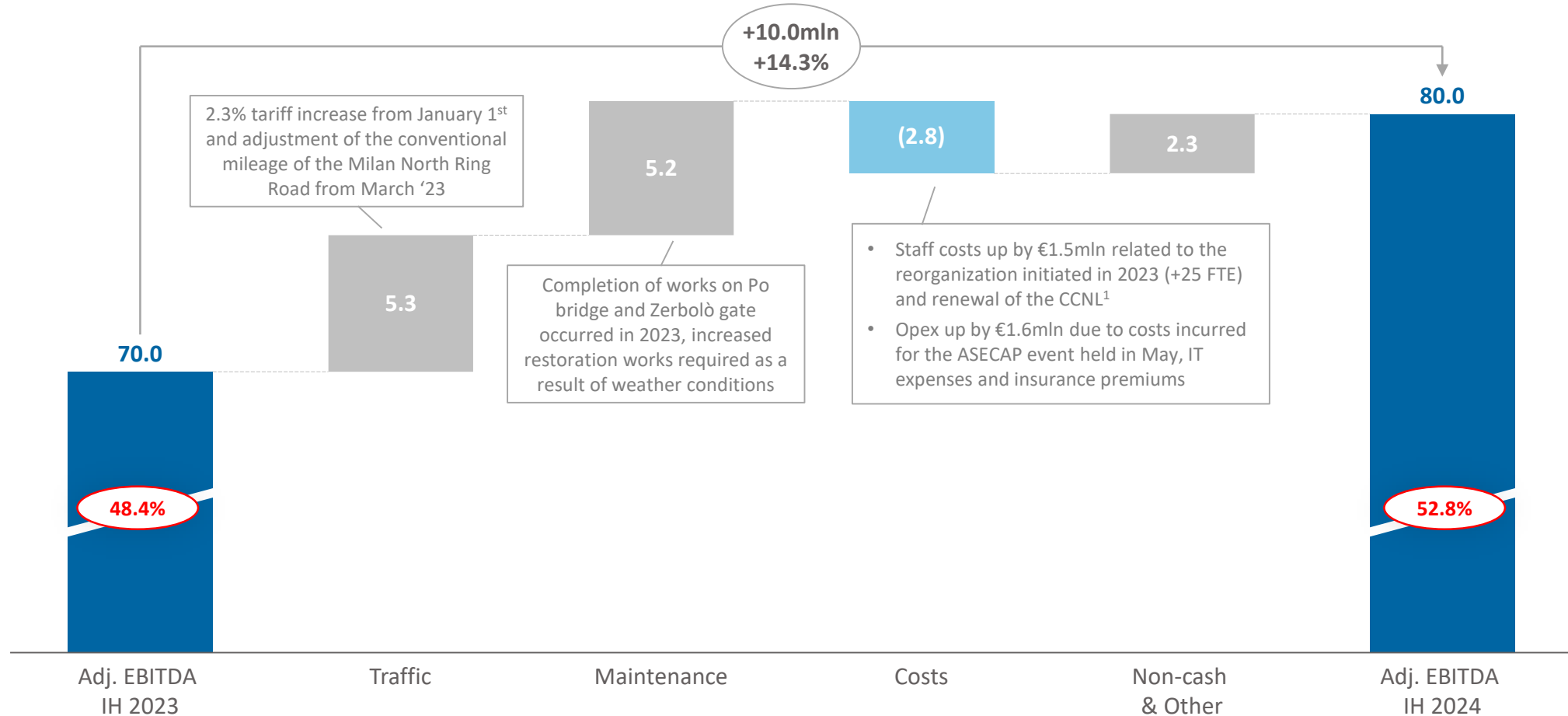
PRO FORMA¹

Adj. EBITDA (€ mln)	IH 2023	IH 2024	Δ€	Δ%
Motorways	70.0	80.0	10.0	+14.3%
Ro.S.Co. & Services	22.1	16.4	(5.7)	-25.8%
Railway infrastructure	4.8	0.4	(4.4)	-91.7%
Road passenger mobility	3.1	3.7	0.6	+19.4%
Energy	5.1	7.0	1.9	+37.3%
Total	105.1	107.5	2.4	+2.3%



1 – Considering the consolidation of Viridis from 1 January 2024. The 1H 2023 was similarly pro-formed as if the consolidation of Viridis had occurred on 1 January 2023

Adj. EBITDA by segment – Motorways

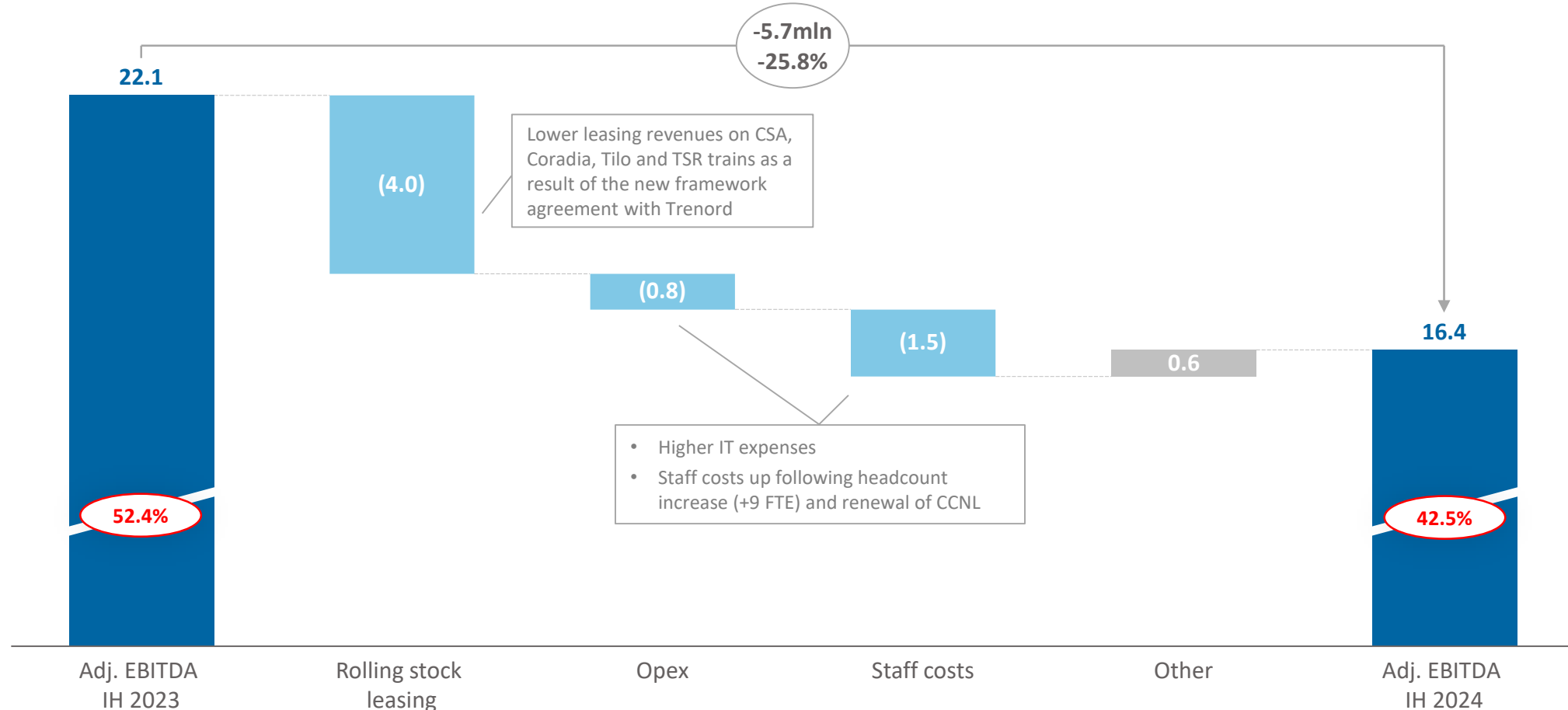


(€m)

% = EBITDA Margin

1 – National Collective Labor Agreement

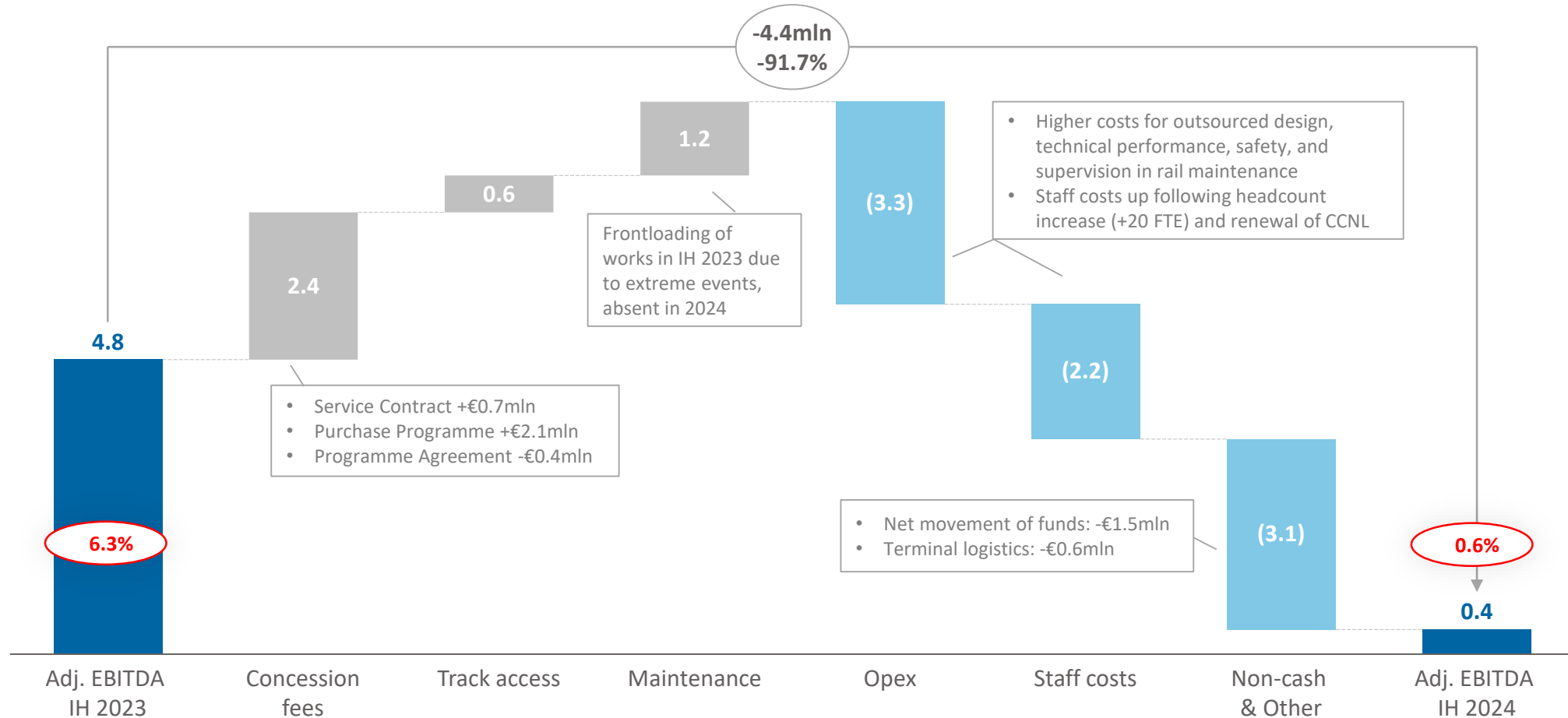
Adj. EBITDA by segment – Ro.S.Co. & Services



(€m)

% = EBITDA Margin

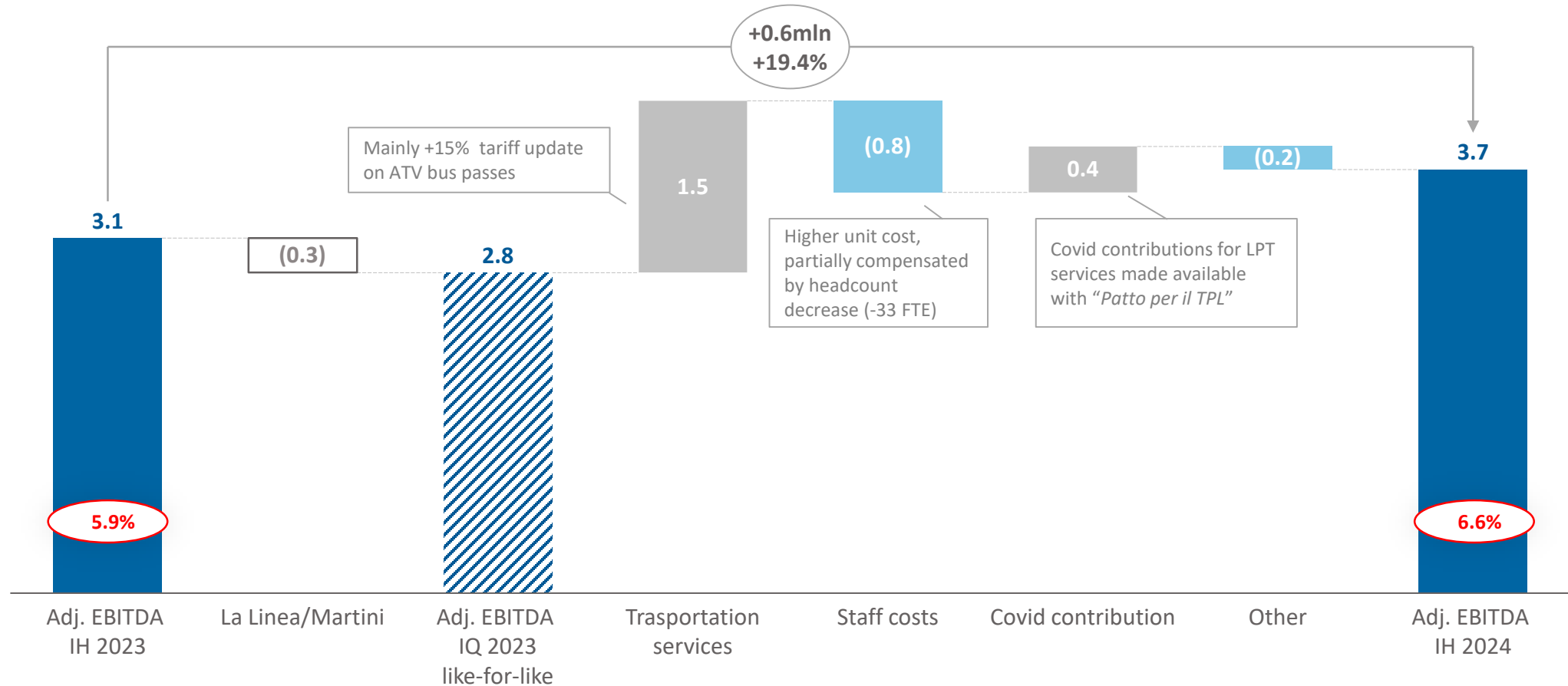
Adj. EBITDA by segment – Railway infrastructure



(€m)

% = EBITDA Margin

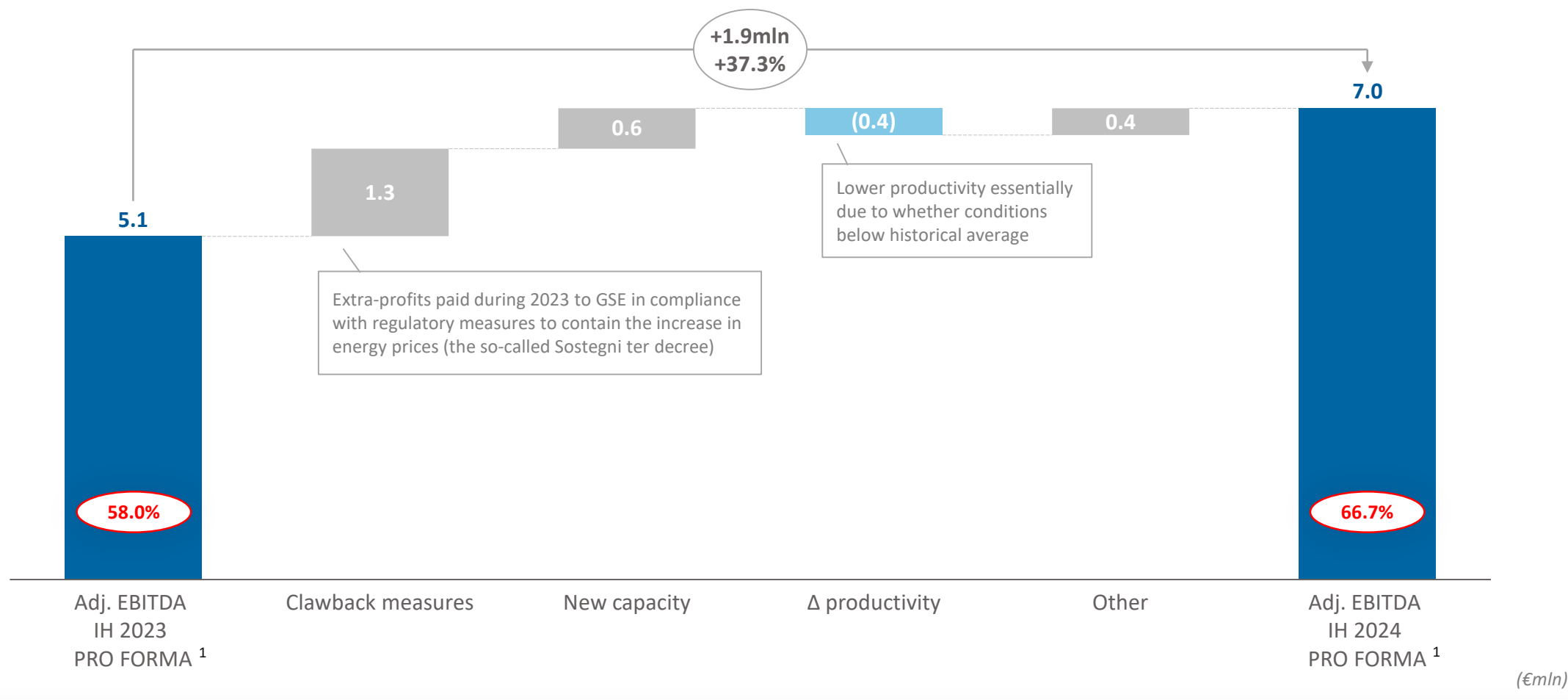
Adj. EBITDA by segment – Road passenger mobility



(€mIn)

% = EBITDA Margin

Adj. EBITDA by segment – Energy



% = EBITDA Margin

¹ – Considering the consolidation of Viridis from 1 January 2024. The 1H 2023 was similarly pro-formed as if the consolidation of Viridis had occurred on 1 January 2023

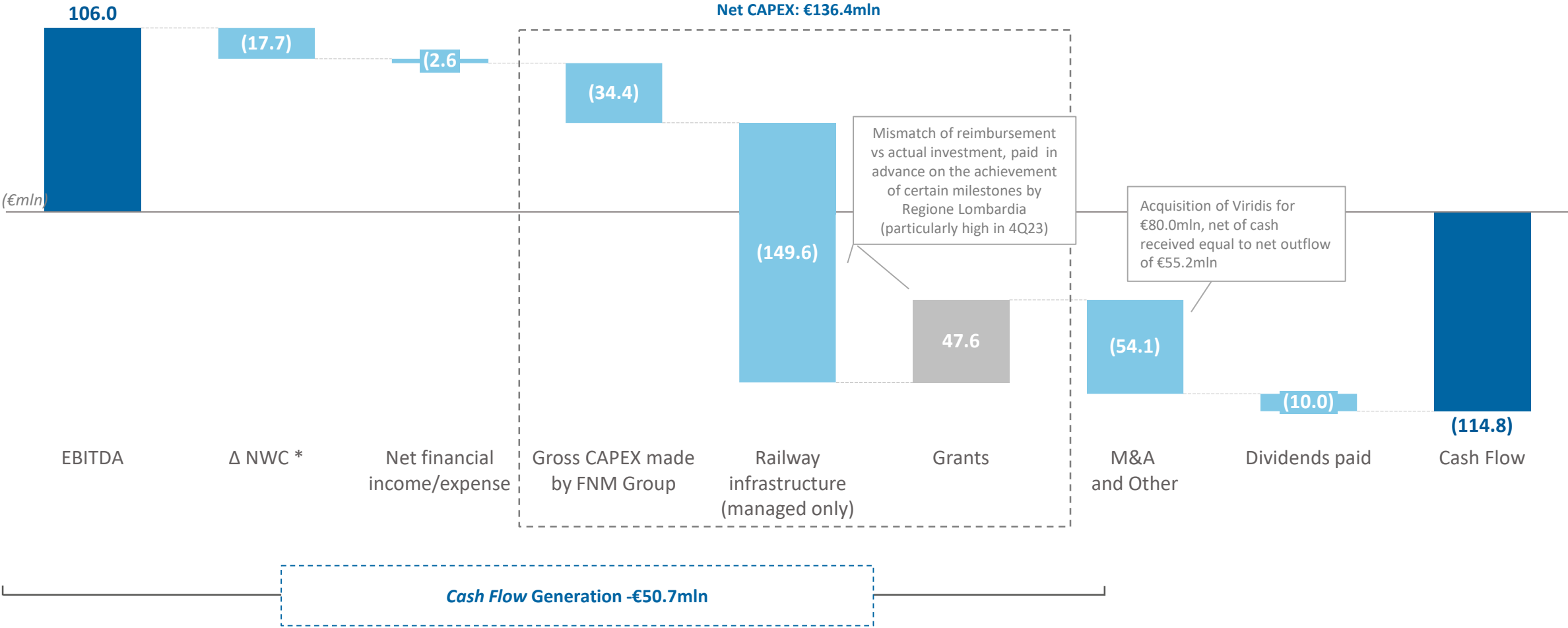
IH 2024 Capex analysis

Investments mainly driven by rescheduling of works on motorway and delay in rolling stock deliveries/revamping of TAF trains

<i>€ mln</i>	IH 2023	IH 2024	Δ€
Motorways	16.2	6.5	(9.7)
Ro.S.Co. & Services	7.8	5.4	(2.4)
Railway infrastructure	3.0	10.8	7.8
Road passenger mobility	17.4	2.0	(15.4)
Energy	0.0	9.7	9.7
Gross CAPEX made by FNM Group	44.4	34.4	(10.0)

Consolidated Cash Flow

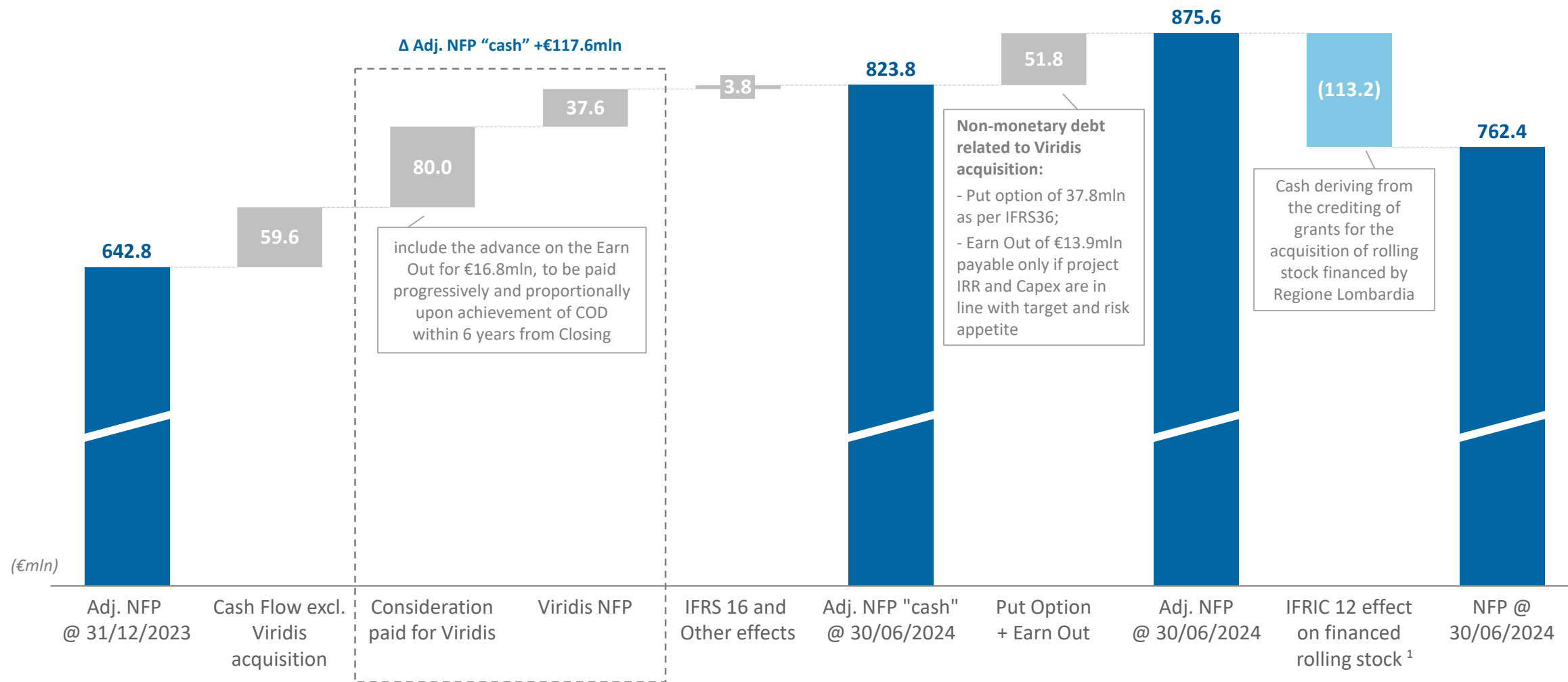
Cash flow impacted by Viridis acquisition, NWC and seasonality on crediting of grants on railway infrastructure



* Include: (i) negative ΔNWC from operations for €19.0mln, (ii) negative ΔNWC from investments with own funds for €7.5mln and (iii) positive ΔNWC from investments in railway infrastructure for €8.8mln

Net Financial Position evolution

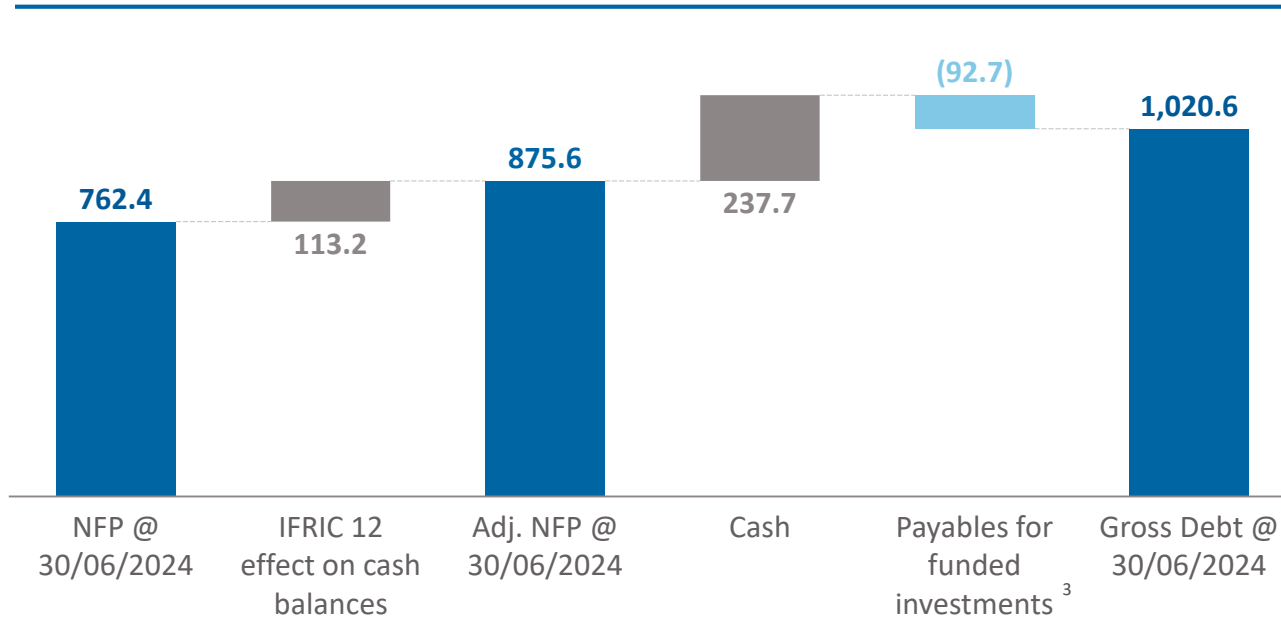
Adj. NFP impacted by Viridis acquisition and accounting of the related non-monetary financial debt



1 – Fully available, intended only for the purchase of trains related to the "2017-2032 Rolling Stock Purchase Programme".

Gross debt composition at 30 June 2024

Gross debt (€mln)

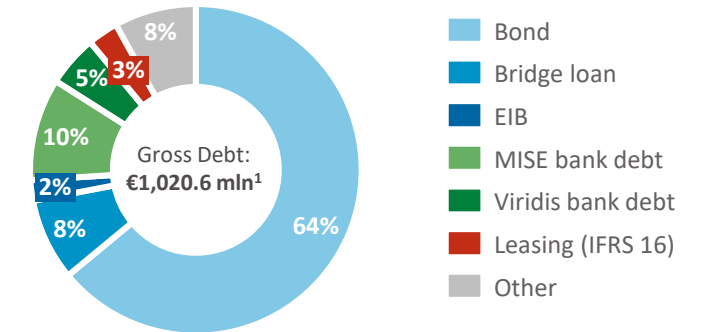


LIQUIDITY HEADROOM: available uncommitted credit lines of €140mln

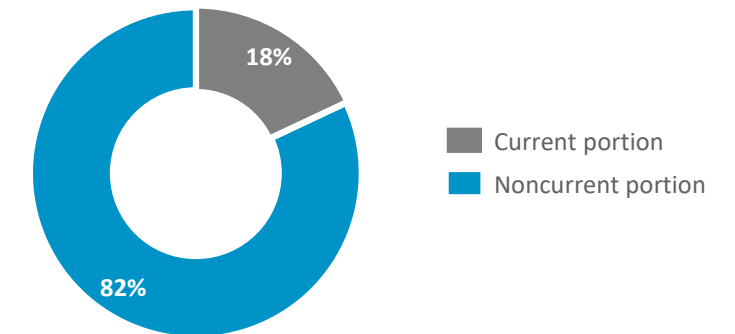
Long term credit ratings

	MOODY'S INVESTORS SERVICE	FitchRatings
Rating	Baa3	BBB
Outlook	Negative	Stable

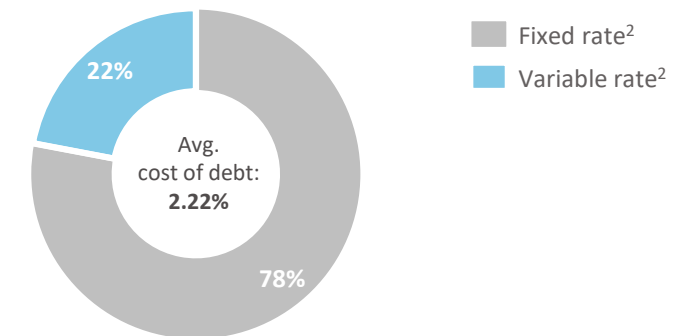
Gross debt structure by instrument



Gross debt maturity



Interest rate composition

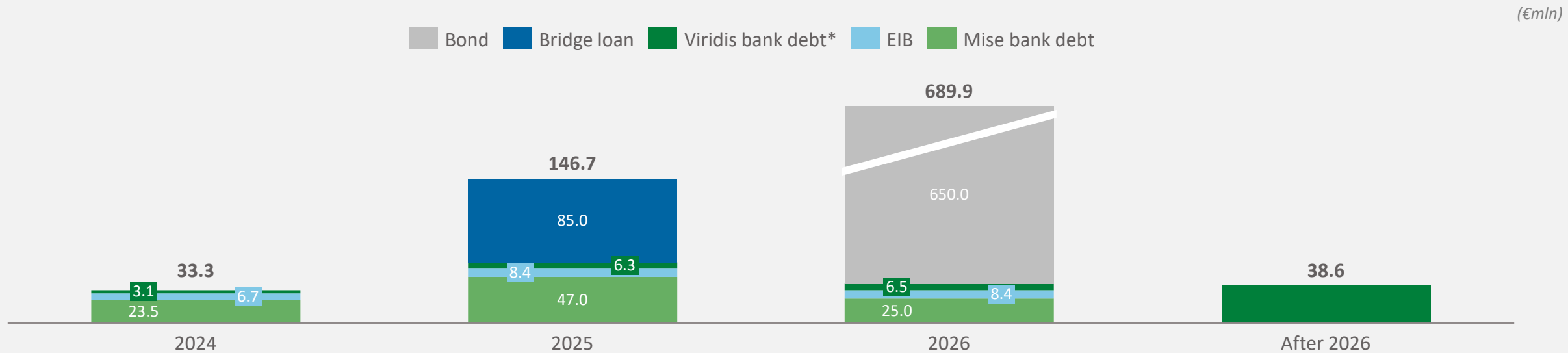


1 – Excluding debt for funded investments for €92.7 million 2 – Only on bank debt and bond

3 – Include the surplus of grants for funded investments in railway infrastructure, rolling stock other than the «2017 – 2032 Programme» and motorway infrastructure collected ahead of the State of Work Progress accrued on such investments

Maturity structure at 30 June 2024

Debt average life 2.3 years, in line with total assets structure



* Values include the portion of debt that has not yet been utilized but is expected to be drawn down. This expectation is based on existing financing agreements and future liquidity analysis.

The FNM Group

Acquisition of Viridis

Sustainability initiatives

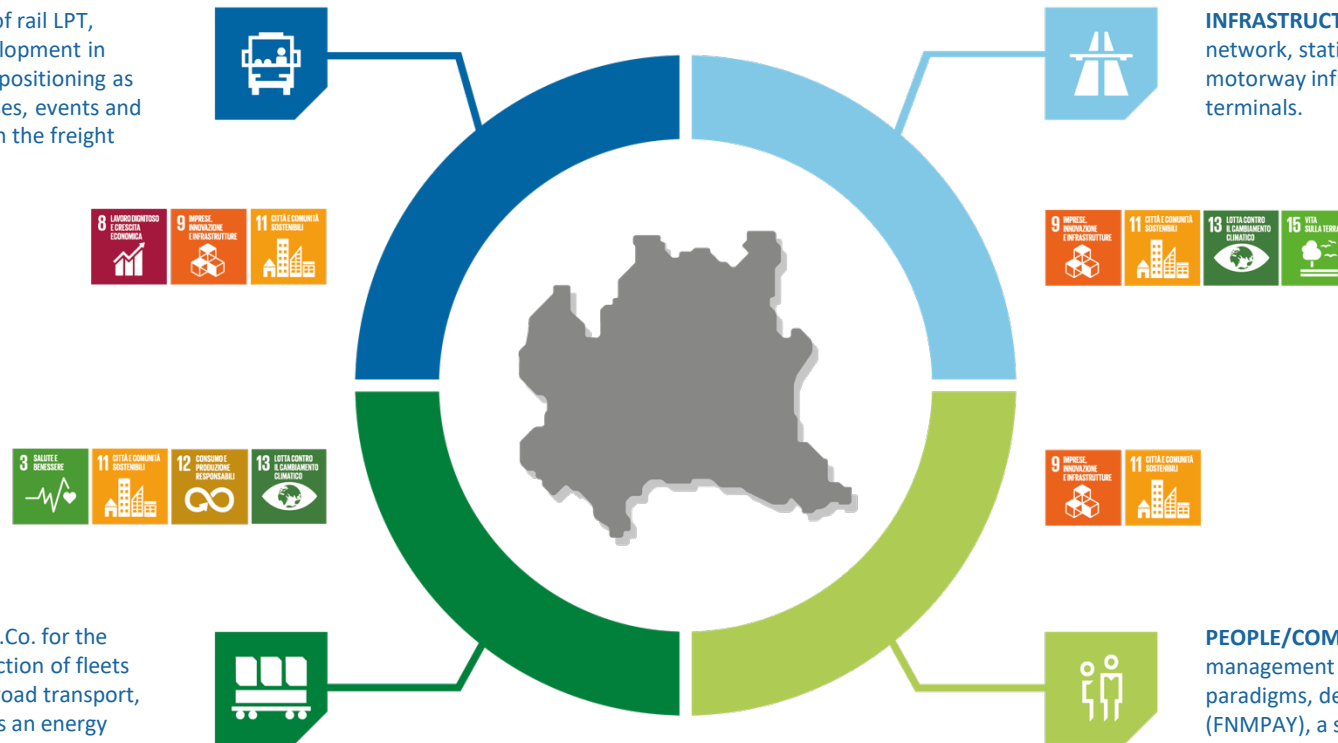
1H 2024 Economic & Financial Results

Strategic Plan & Targets

Appendix

Strategic Plan

MOBILITY – Confirmation of the central role of rail LPT, strengthening of positioning in road LPT, development in integrated multimodal and last mile mobility, positioning as the Mobility Partner of communities, businesses, events and major projects, confirmation of its presence in the freight transport sector.

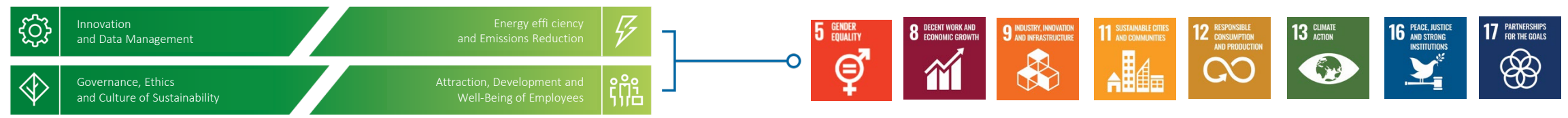


INFRASTRUCTURE - Management and development of the rail network, stations and interchange hubs, consolidation in the motorway infrastructure business, development of logistics terminals.

FLEETS - Confirmation of the centrality of Ro.S.Co. for the passenger and freight railway market, introduction of fleets with lower environmental impact for rail and road transport, electrification of fleets (including hydrogen as an energy carrier).

PEOPLE/COMMUNITIES - Development of supply and demand management platforms consistent with MaaS/MaaC paradigms, development of FNM's payment institution (FNMPAY), a start-up launched in 2020.

THE 4 ENABLING ELEMENTS



Strategic plan targets across the sustainability pillars

	Targets	Metrics	2022	2023	Target 2025
Mobility	Entry in the motorway business	Vehicles-km driven on the motorway/year	3.0 bln vkm	3.2 bln vkm	3.1 bln vkm ✓
	Strengthening of road LPT	Passengers transported by bus services/year	59.09 mln pax	69.9 mln pax	80 mln pax
	Central role of rail LPT	Passengers transported by Trenord/year	151 mln pax	189 mln pax	>180 mln pax ✓
	Integrated mobility and last mile	Car sharing rentals (hours/year)	286,428	247,505	250,000
Infrastructure	Rail infrastructure, nodes and stations	Managed investments on rail infrastructure and for stations refurbishment	cum. €121 mln (o/w 63 mln in 2023)	cum. €284.8 mln (o/w 128.8 mln in 2023)	~€700 mln (cum 21-25) ¹
	Rail infrastructure, nodes and stations	Areas interested by urban regeneration (FILL project)	22,000 m ²	86,000 m ²	2 mln m ²
Fleets	Central role of RoSCo in the rail sector	New trains in operation	cum. 13 (o/w 4 new TILO)	cum. 13	22 ² (cum 21-25)
	Bus fleets	% of the bus fleet fuelled by gas, hydrogen, electricity or Euro 6 diesel fuel and higher o/w electrified (including hydrogen)	49.5% 3%	56.3% 2%	58% 13%
People/Community	Mobility partner (MaaC ³)	Communities/projects/entities served with B2B and B2C criteria; communities cross fertilization	8	16	>15 (cum 21-25) ✓

1 – estimates, including optimization assumptions 2 – plus 4 additional trains being supplied and related to previous orders

3 – Mobility as a Service (MaaS) and Mobility as a Community (MaaC)

Strategic plan targets across the sustainability enablers

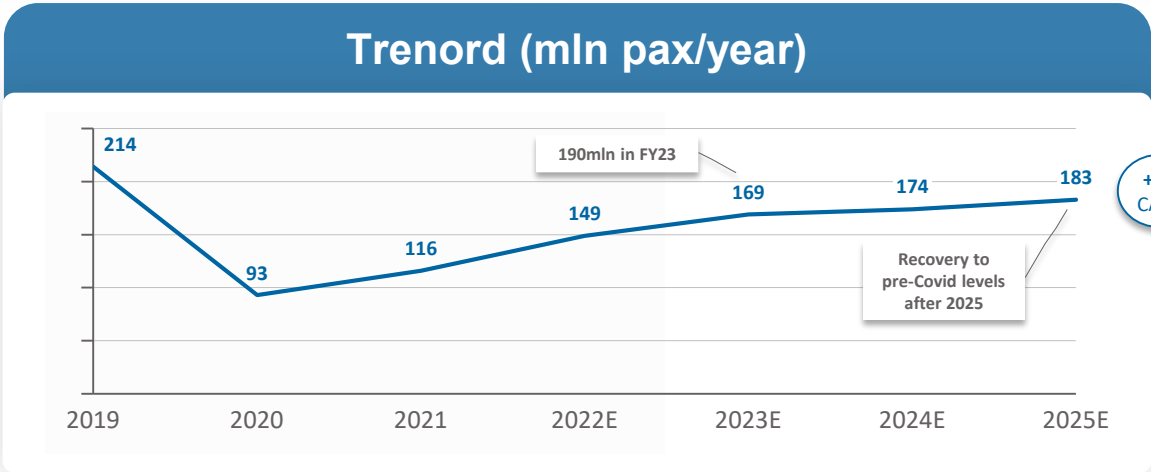
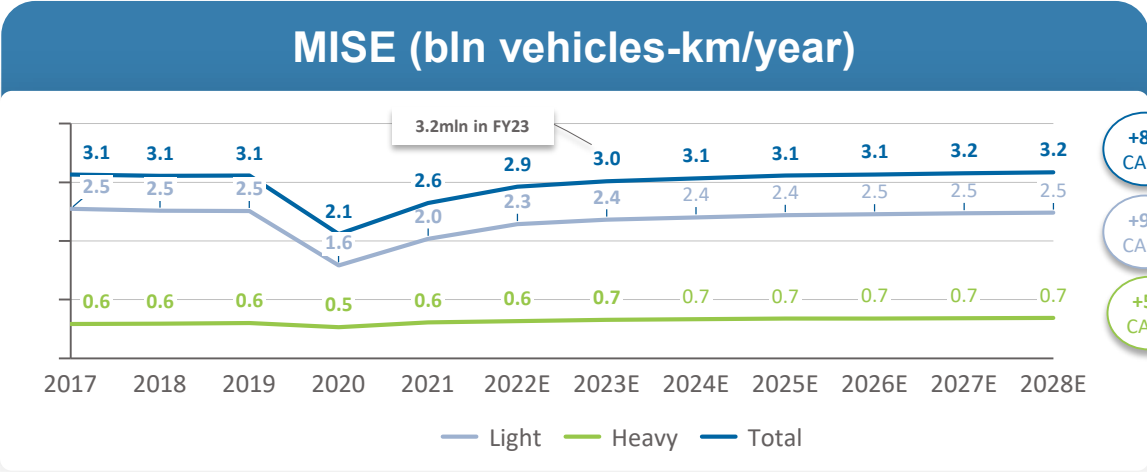
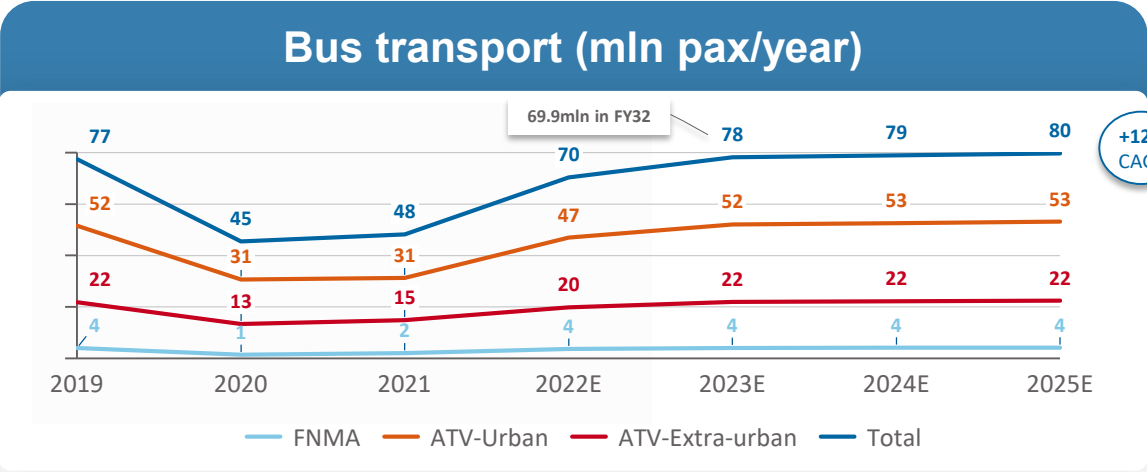
	Targets	Metrics	2022	2023	Target 2025
Innovation and data management	Continuous innovation	Resources for technological/digital R&D projects	cum. €5.1 mln	cum. €8.1 mln	€ 11 mln (cum 21-25)
Energy efficiency and emissions reduction	Emissions and consumption reduction	CO2 emissions Scope 1 and 2 / revenues	69.6 ton Co2 eq/€ ¹	54.7 ton Co2 eq/€	48 ton Co2 eq/€
	Emissions and consumption reduction	Energy from green sources utilized for corporate consumption and services along the infrastructure managed by the Group	64.0% ²	69.0%	100%
Governance, ethics and sustainability culture	MBO definition	% of directors with sustainability linked MBOs	100.0%	100.0%	51% ✓
	Corporate culture	Whistleblowing tool	Designed and finalized web-based tool, with activation scheduled for first quarter 2023	Active from 2023, compliant with Whistleblowing Decree (DL 24/2023)	By IH22 ✓
	Tax risk control and Tax control framework	Activation and maintenance of a control and transparency tool for tax risk management	Prepared the Tax Strategy and the Tax Compliance Model. In the process of defining the roles and responsibilities for voluntary adherence to the "Cooperative compliance" institution	Implemented Tax Strategy and the Tax Compliance Model ³	By 2022
Attraction, valorisation and wellbeing of employees	Competencies development	Business continuity plan introduction	Regulations for crisis communication management drafted. Dedicated information and training sessions are being planned	Design in progress. Concluded crisis communication management. Started supply chain risk analysis project on railway infrastructure	By 2025

¹ The indicator for the year 2022 has been restated following a refinement in the methodologies for calculating CO2 emissions ² – The figure has been updated following a more timely valuation of energy from renewable sources

³ – Voluntary adherence to the institution of "Cooperative compliance" has been postponed pending the implementing regulations of the Fiscal Proxy (Law 9/08/2023 No. 11), which introduced significant innovations regarding the Scheme. During 2024, the scope of application, roles and responsibilities will be defined

Strategic plan assumptions: mobility demand evolution

Compared to strategic plan assumptions, MISE is well on track, bus transport is showing a slower recovery and Trenord is over performing



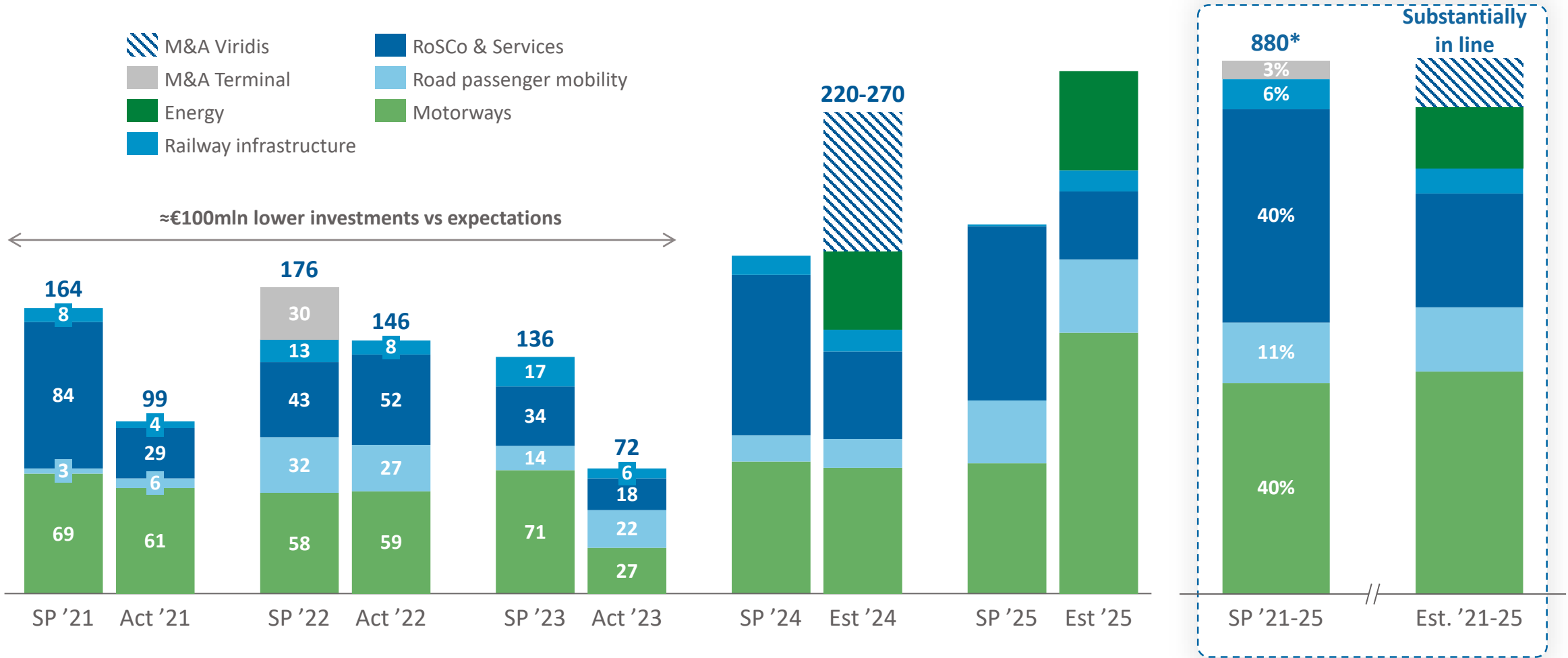
FY 2024 Outlook

Guidance confirmed, with slightly lower Adj. NFP and investments

Financial Targets FY24 vs FY23	Revenues	+1% - 5% YoY overall in line YoY excluding the acquisition of Viridis
	Adj. EBITDA	+5% - 10% YoY overall in line YoY excluding the acquisition of Viridis
	Adj. EBITDA Margin	Slightly improving vs 2023
	Adj. NFP	at the bottom of the range €850-900mln Gross CAPEX with FNM funds in the range of €140-180mln
	Adj. NFP / EBITDA	3.5x – 4.0x

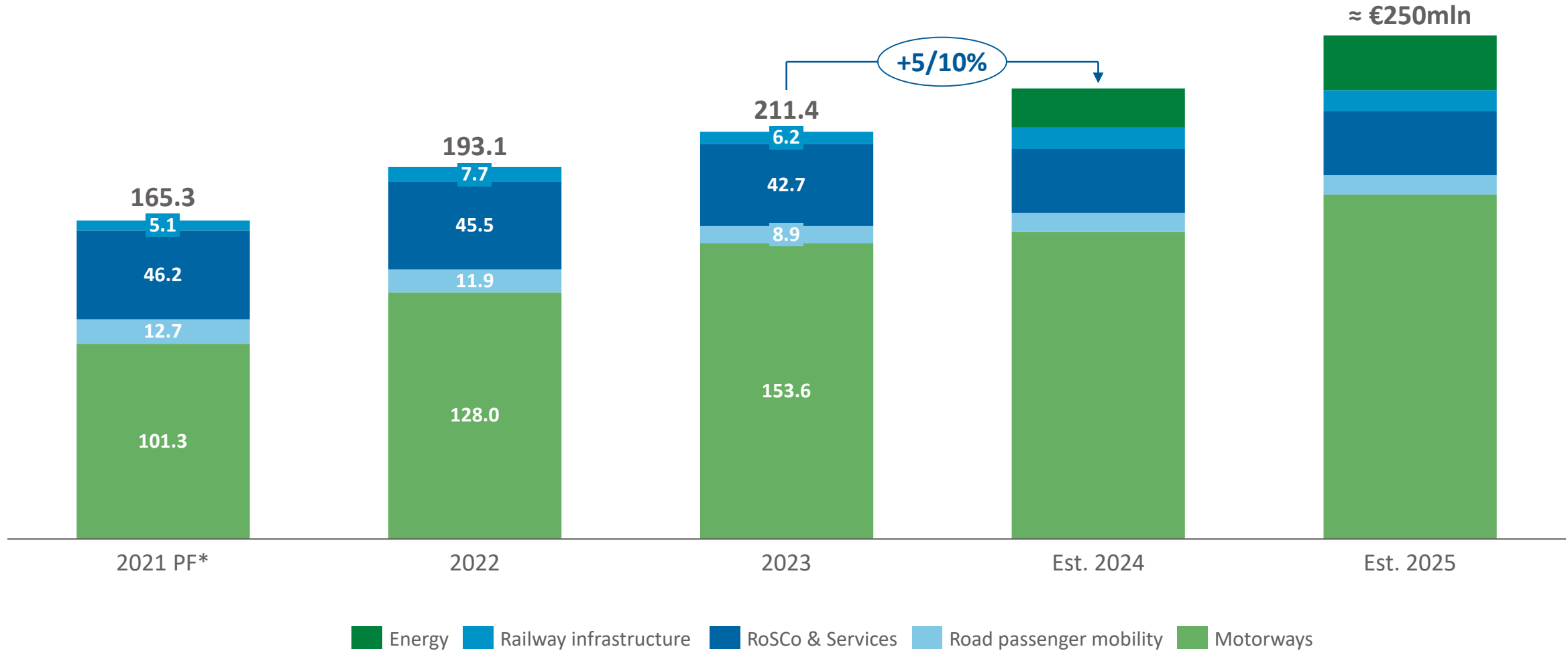
Rescheduling of investments vs Strategic Plan...

The acquisition and development of Viridis is expected to offset the lower capex realized in '21-23 and the effects of reprogramming investments in rolling stock and road passenger mobility compared to the original forecasts for '24-25



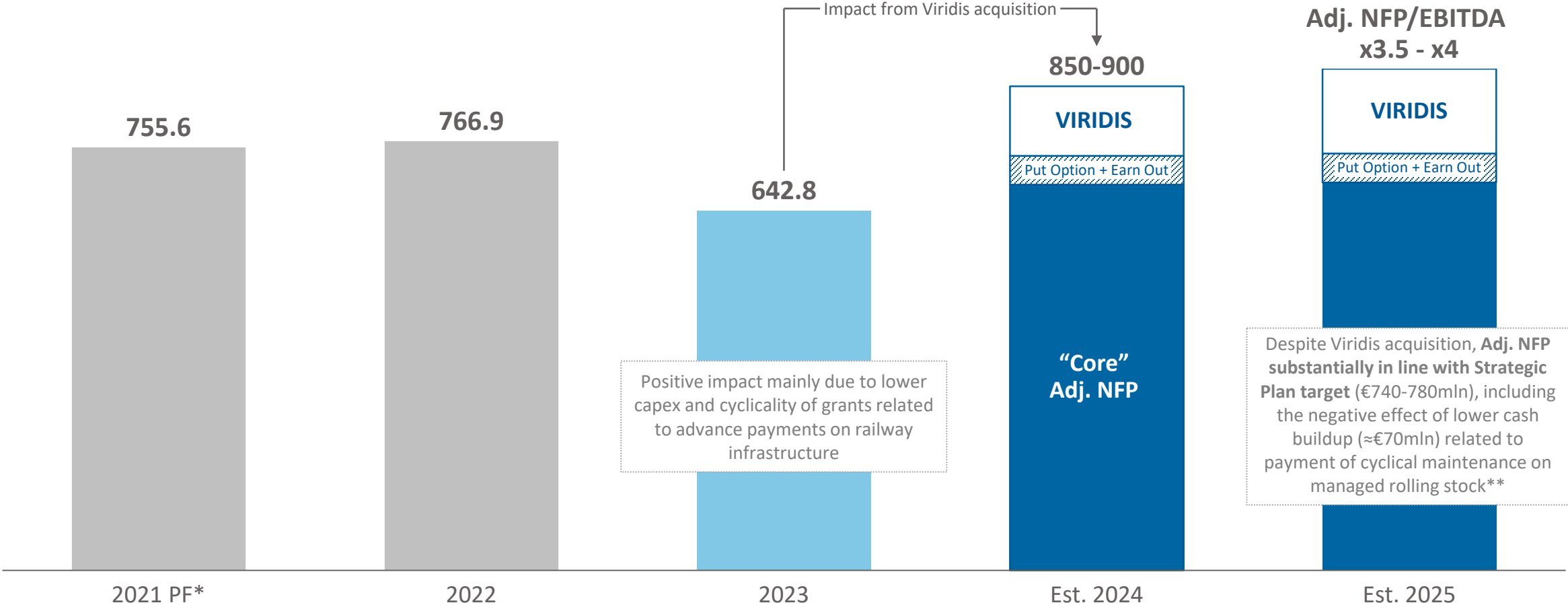
* 2021-2025 capex guidance €850mIn + forecast logistic terminal acquisition that was not completed

... leads to EBITDA generation in line with Strategic Plan targets but with a different mix



* MISE is fully consolidated in the FNM Group's financial statements starting on 26 February 2021. The values for 2021 consider the consolidation of MISE from 1 January 2021, 2020 was similarly restated as if MISE's consolidation had occurred on 1 January 2020.

Adj. NFP evolution takes into account Viridis acquisition and the renewal of Ferrovienord's Service Contract



* MISE is fully consolidated in the FNM Group's financial statements starting on 26 February 2021. The values for 2021 consider the consolidation of MISE from 1 January 2021, 2020 was similarly restated as if MISE's consolidation had occurred on 1 January 2020. ** see press releases of 2 December 2022 and 28 December 2023 for details

The FNM Group

Acquisition of Viridis

Sustainability initiatives

1H 2024 Economic & Financial Results

Strategic Plan & Targets

Appendix



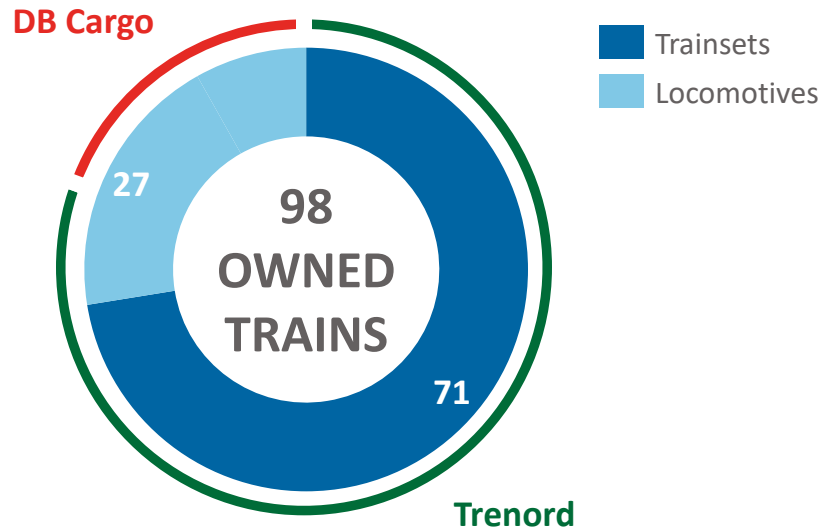
Ro.S.Co. & Services

Ro.S.Co. & Services

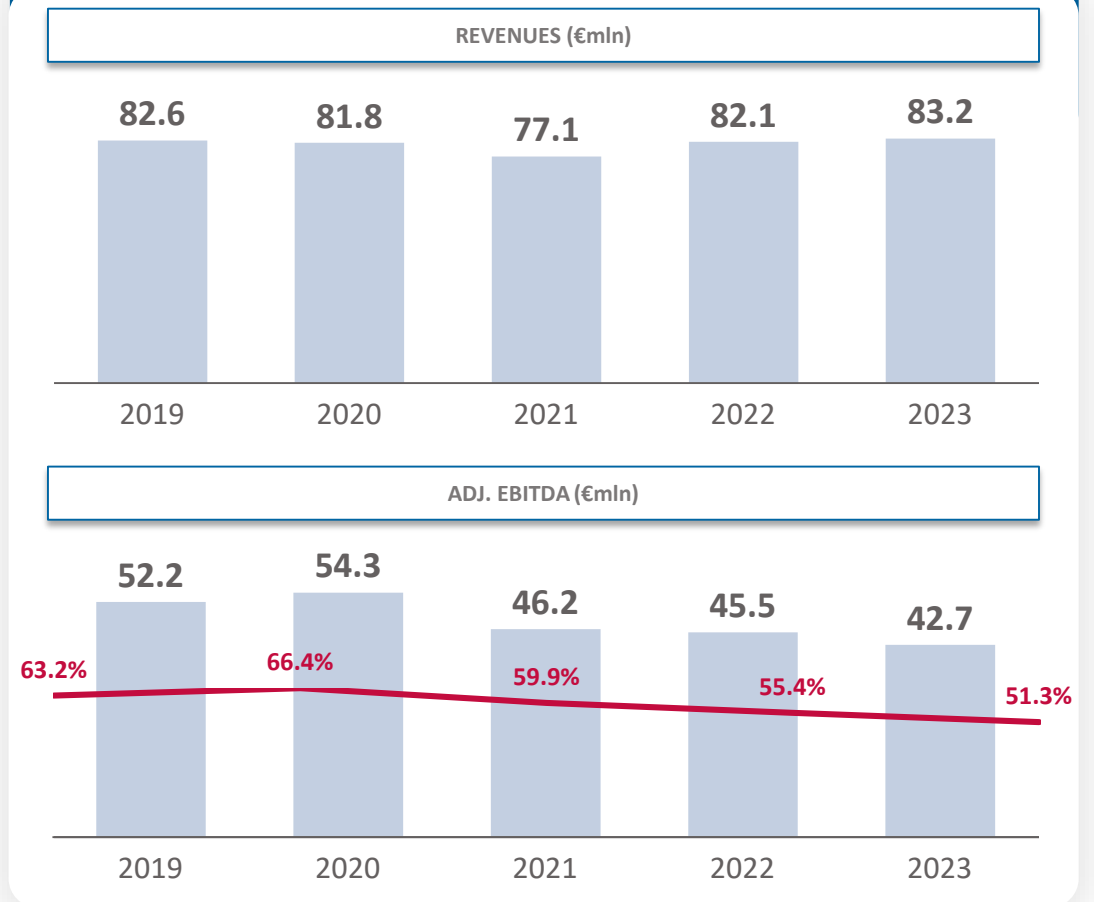


ROLLING STOCK COMPANY & CORPORATE SERVICES

- **Purchasing and leasing of rolling stock** to its investees, primarily Trenord and DB Cargo Italia (DBCI);
- Providing **administrative and ICT services** to its subsidiaries
- **Managing FNM Spa's real estate assets**, including the Fili project
- Promoting the **H2iseO project**, for the development of a Hydrogen Valley in Valcamonica starting from the use of hydrogen in local public transport
- Developing **complementary digital platforms according to MaaC paradigm** both through internal development and equity shareholdings in start-ups



Financial Highlights



Ro.S.Co. & Services – Fleet composition

Rolling Stock	Lessee	Nr.	NAV @31/12/2023
TAF	Trenord	25	23.4
TSR	Trenord	19	142.6
CSA	Trenord	8	22.7
CORADIA	Trenord	10	51.7
TILO	Trenord	9	82.2
Train sets		71	322.6
E 483	DBCI	8	10.8
DE 520	DBCI (10) Trenord (4)	14	2.7
E 474	DBCI	1	1.0
EFFISHUNTER 1000	Trenord	4	6.8
Locomotives		27	21.3
Total trains	¹	98	343.9

1 – And additional 4 E 494 Traxx F140 DC3 locomotives in sub leasing for a total net value €4.0mln



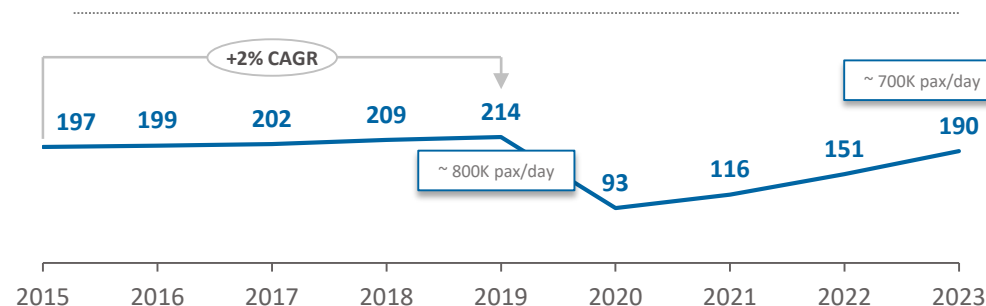
LOCAL RAIL PUBLIC TRANSPORT IN LOMBARDY

- Incorporated in 2011, Trenord is one of the most important operators of suburban and **regional local public rail transport** in Europe, both in terms of size and in terms of service capillarity: 460 stations, 2.000 kilometers of rail network, 77% of Lombardy's municipalities within a 5-km radius serving 92% of citizens. Trenord also operates passenger services on the Milan rail link (**Passante Milanese**) as well as the connections with Canton of Ticino (CH), through **TILO** (50% owned jointly with the Swiss Federal Railways) and operates the **Malpensa Express** airport connection to the Malpensa International Airport
- The activity is regulated through a **Public Service Contract (PSC)** with Regione Lombardia, recently renewed for the 10 years period starting from 2023 (see next slide)
- Trenord operates more than 400 trains leased from FNM Group, Trenitalia and Regione Lombardia with a production for LPT services of 38.8mln trains-km in 2022

Highlights

€mln (post-IFRS)	2019	2020	2021	2022	2023
Revenues	831.7	703.0	760.1	831.9	897.1
<i>o/w Covid contributions</i>		80.4	98.3	38.8	11.2
EBITDA	202.1	153.2	145.8	159.8	200.8
<i>EBITDA Margin%</i>	24.3 %	21.8 %	19.2 %	19.2 %	22.4 %
EBIT	10.0	(33.0)	(26.0)	(15.1)	35.2
<i>EBIT Margin %</i>	1.2%	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>	3.9 %
Net Result	3.7	(7.0)	0.1	(9.5)	19.0

Traffic Performance



OLD

- Three consecutive contracts with a heterogeneous overall structure since the establishment of a single railway company operated in Lombardy:
 - I. PSC 2009-2011: Trenitalia and LeNORD contracts remained separate
 - II. PSC 2012-2014: first "single contract" negotiated after the creation of Trenord
 - III. PSC 2015-2020 + PSC 2008-2017 for Linea S5 (both extended until November 2023)
- Compensation was calculated based on a "**Catalogue of services**" model, using a unit fee (EUR/train-km) calculated considering effective production and number of seats offered
- The model envisaged a **reimbursement for infrastructure access, electricity costs and leasing of rolling stock**
- Focus on maintaining the **economic-financial equilibrium** of the contract and guaranteeing the **continuity of services**



NEW 2023-2033

- Regione Lombardia (RL) is the competent authority for the entrustment of a comprehensive PSC in which scheduling, pricing and planning of the services are set → **total PSC compensation currently estimated equal to €5,362mln**
- ART regulation¹ defines eligible costs in terms of operational expenses, depreciation charges and **adequate capital investments returns**
- Model envisages a **RAB based regime** on which to apply the WACC for the calculation of **reasonable profit**, including leased rolling stock as by IFRS16
- Remuneration of operating costs incurred in the fulfillment of Public Service Obligation, not covered by market revenues, determine PSC compensation (i.e. **net-cost methodology**)
- PSC compensation guarantees **economic-financial equilibrium**
- Ticket sales are linked to a **price-cap yearly dynamic based on actual inflation and quality indicators** defined in the PSC
- Inflation, traffic, WACC and other **relevant parameters are updated at the beginning of each regulatory period**
- The **Risk Matrix** provides the contractual obligations associated with the risks identified and their allocation to each party



Railway Infrastructure

Railway Infrastructure



INFRASTRUCTURE AND TRAFFIC MANAGEMENT

Key infrastructural operator in Lombardy, under a PSC in charge of the management, maintenance and modernization of **330 km of railway network** and **115 stations serving passengers¹** in the provinces of Milano, Varese, Como, Novara, Monza and Brescia, enabling the circulation of **800 trains/day**, corresponding to **10.0mln trains-km** and **230.000 passengers/day**



NETWORK DEVELOPMENT AND PROCUREMENT AGENT

Infrastructure renovation and development activities under a “**Programme Agreement**” which regulates capex planning, remuneration and extraordinary maintenance activities (see details on slide 49)

Procurement agent of rolling stock on behalf of Regione Lombardia (see details on slide 49/50)

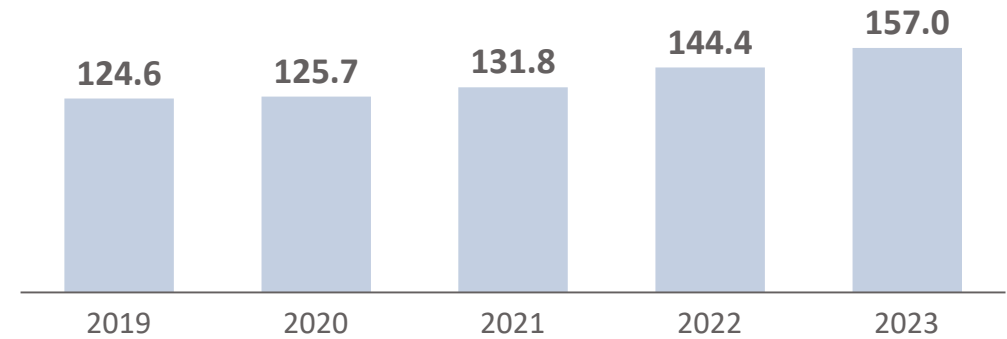


FREIGHT LOGISTICS AND TERMINAL MANAGEMENT

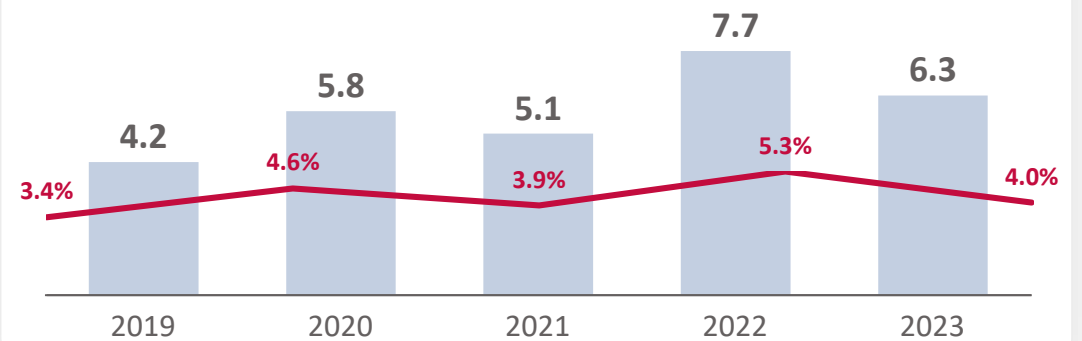
The segment includes freight logistics activities operated by **Malpensa Intermodale** and **Malpensa Distripark** (in development phase), respectively involved in the management of the Sacconago Terminal and in the real estate development of the areas adjacent to the Terminal

Financial Highlights

REVENUES (€mln)

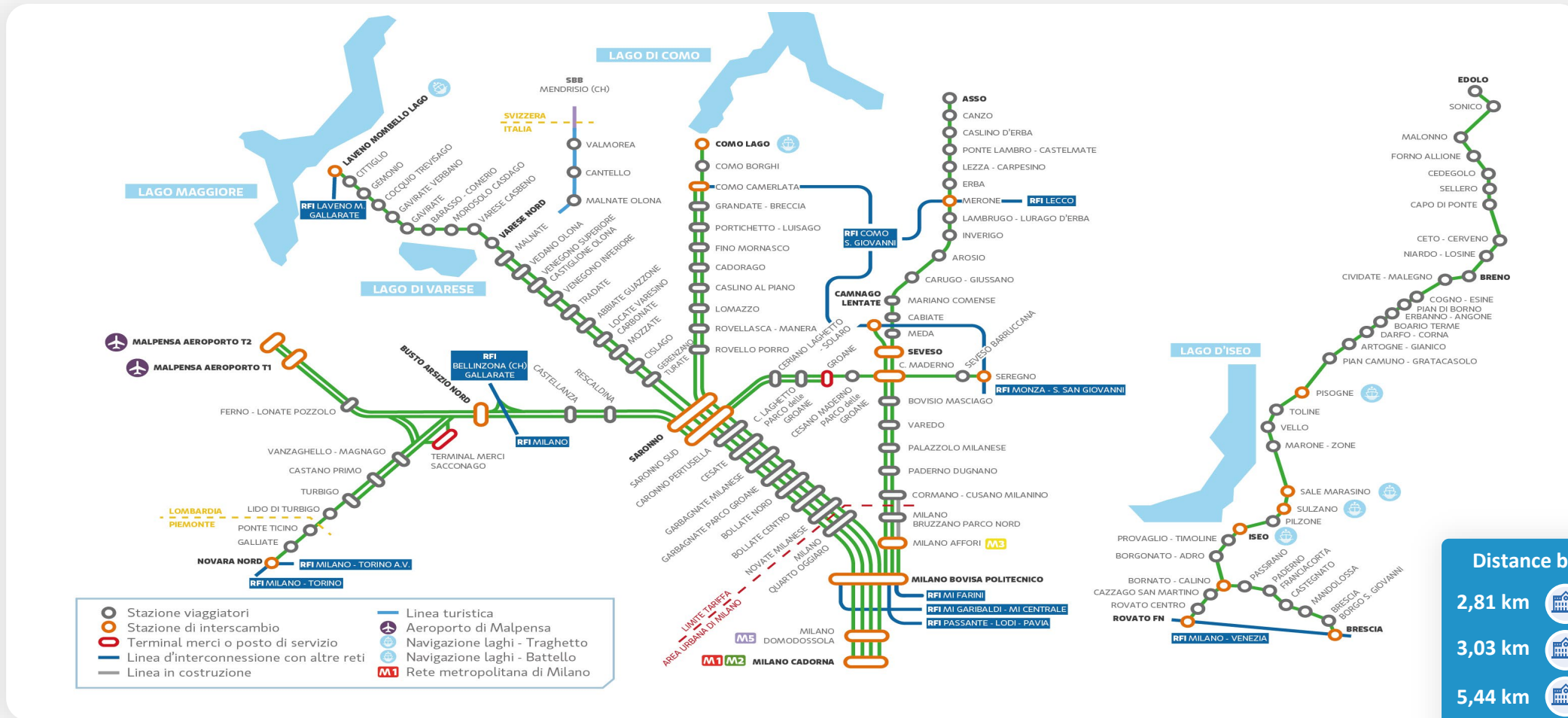


ADJ. EBITDA (€mln)



¹ – With the aim of favouring intermodal mobility to LPT passengers, the stations are connected to 92 bus stops, 5 ferry navigation lanes and are equipped with 24 car sharing stations, 76 car parking areas (corresponding to 3,600 parking spaces) and 26 bike parking areas (corresponding to 2,101 parking spaces)

An infrastructure serving densely populated metropolitan areas



FN's managed network sustain the highest traffic density in Italy (~30,000 trains-km/network km), with up to 1 train every 1.5 minutes from/to Milano Cadorna during peak hours

Railway infrastructure – Contractual framework

Concession

Ferrovienord is granted the right to: (i) use, **manage and operate specific parts of the regional railway network**; (ii) manage the **acquisition of the fleet** (on a non-exclusive basis) **required for the regional train services on behalf of Regione Lombardia**, which provide the relevant instructions and funds for the purchase.

NORD_ING is in charge for the network maintenance and development works.

Regione Lombardia may request the **early termination** in the event of serious and persistent violations of the obligation deriving from the concession.

The concessionaire is in any case required to guarantee continuity of the service for 36 months with recognition of the expenses incurred.

At expiration date, Ferrovienord will have to give back to Regione Lombardia all the assets and the rolling stocks purchased with Regione Lombardia grants.

Approval law: R.L. n° X/4823 of 15 February 2016

Expiry date: 31 October 2060



Programme Agreement

The **Programme Agreement ("PA")** defines the activities to be carried out for i) the railway infrastructure renovation / development and ii) the extraordinary and ordinary maintenance. The Agreement also defines the funding needs, primarily based on a medium term investment plan.

The financial coverage of the activities in question derives for the most part from EU, State and Regional resources, provided by RL through the **reimbursement of all costs incurred, consistently with milestones achieved, and a flat-rate reimbursement** of the so-called "**technical expenses**" and "**general expenses**" calculated on a percentage basis of the value of the works completed.

At 31 December 2023, the total financial resources allocated to the PA were equal to €1,503mln.

Approval law: R.L. n° X/5476 of 25 July 2016 and n° XI/5589 of 23 November 2021

Expiry date: 31 December 2027

Service Contract

The **Public Service Contract ("PSC")** governs the specific conditions and terms, to carry out the **management and ordinary maintenance of the railway infrastructure**, as well as of the activities concerning the **purchase and management of the rolling stock** (see "Purchase Programme") made available to Trenord on behalf of RL, in line with the principles and obligations established in the Concession.

The PSC **regulates the contribution due to FN by RL for the services provided**, aimed at offsetting the cost items that the law does not intend to be covered by the **fees paid by the railway operator** for the use of the infrastructure or by other commercial revenues.

Renewed for the period 1 January 2023 - 31 December 2027 (conditions described in paragraph 9.2 of the 2022 Annual Report).

At 31 December 2023, the total residual PSC financial resources equal to **€262.9mln**

Approval law: R.L. n° XI/7543 of 15 December 2022 and DGR n° XII/1694 of 28 Dec. 2023

Expiry date: 31 December 2027

Purchase Programme

Regione Lombardia (RL) has authorized FN to purchase, manage, maintain and store new rolling stock on behalf of the Region, to be allocated to railway companies holding a service contract with the Region, with a commitment to complete the supplies by 2025.

The program envisages the **purchase of 214 trains for a total amount of €1,740mln, fully covered by the Regional budget.**

The **services are provided against payment of a fee set at 1% of the amount of the train supply contracts as remuneration of the charges for general contract management expenses.**

Approval law: R.L. n° X/6932 of 24 July 2017; n° XI/1619 of 15 May 2019; n° XI/3531 of 5 August 2020; n° XI/6841 of 2 August 2022; DGR n° XI/7767 of 28 December 2022 and n° XII/219 of 3 May 2023

Rolling Stock Purchase Programme for Regione Lombardia¹



123 High-capacity suburban trains "Caravaggio/Rock" - **Hitachi**



61 Medium capacity regional trains "Donizetti/Pop" - **Alstom**



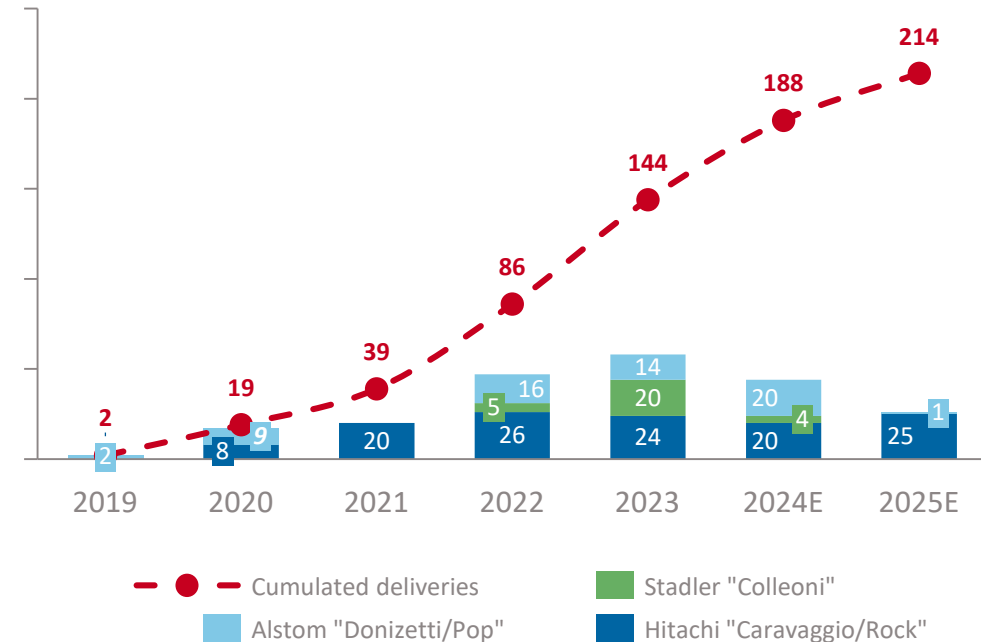
30 Regional trains diesel "Colleoni" - **Stadler**

Regione Lombardia has launched an **investment program to purchase 214 new trains by 2025 for a total of €1.7bln**. The program is broken down as follows:

- Investment Plan 2017-2024 worth €1,389mln for the purchase of 153 new trains for rail service to which an additional 15 trains have been added, thanks to the optimization of the procurement process. The plan thus includes 168 new trains, divided into three types: 97 high-capacity "Caravaggio/Rock," 41 medium-capacity "Donizetti/Pop" and 30 "Colleoni". Tenders were announced in late 2017 and awarded in 2018. 168 trains have been delivered according to current schedule at 30 June 2024;
- Purchase of an additional 46 trains for €351mln (a.k.a. the "Marshall Plan"): additional 26 Caravaggio trains and 20 Donizetti trains, to enhance service on the Milan/Sondrio/Tirano and Milan/Airport routes ahead of the 2026 Winter Olympics. Entry into service will be around 2024-2025.

Fleet evolution²

- Increase in the average number pax/day from 800k in 2019 to 1mln by 2031
- Reduction in the fleet average age from 19 to 11 years → Improved quality of the service and comfort for passengers + Reduction of energy consumption and use of recyclable material



¹ – On behalf of Regione Lombardia Ferrovienord is engaged in purchasing, managing, maintaining and storing new rolling stock, to be allocated to railway companies holding a service contract with the Region, with a commitment to complete the supplies by 2025 (see slide 48 for additional details). ² – Delivery programme updated at 15 June 2023. Pursuant to the combined provisions of DGR n° XI/7767 of 12/28/2022 and n° XII/219 of 05/03/2023, Regione Lombardia authorized Ferrovienord to: (a) reduce by 8 units the total number of Caravaggio trains to meet the increase in supply costs, (b) acquire 8 airport trains reducing to 8 trains those to be acquired on the subsequent sixth application contract to be signed.

The Sacconago Terminal



Malpensa Intermodale – company established at the end 2018, involved in the development and management of the freight terminal in Sacconago, close Malpensa airport.



Malpensa Distripark – company established in 2019, involved in the real estate development of the terminal areas owned by the Group

Area

- Total 48.000 sqm, of which:
- 74% intermodal area
 - 26% offices, maintenance and access area

Development

200.000 sqm of area potentially available for further development of the services and logistic activities

Handling

900+ containers/week

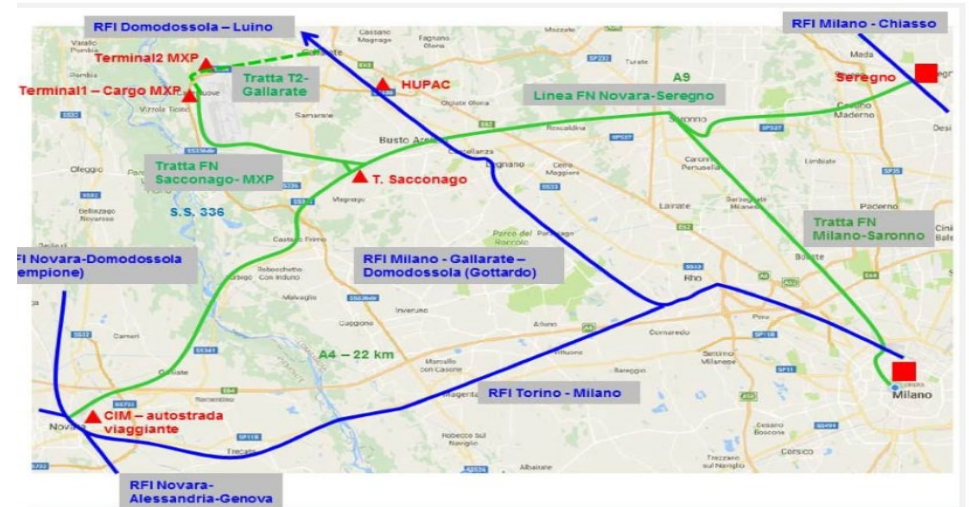
Main interconnections

Rhine-Alps (Sempione and Gottardo)

Management

Freight trains (#2 operating tracks of 600m; #1 arrival and departure track of 695m; #2 electrified pick-up and delivery tracks of 625m; an entirely electrified shunt line with a length of 650m)

Railways



Highway





Road Passenger Mobility

Road passenger mobility



ROAD LPT AND TRAIN REPLACEMENTS

FNMA Autoservizi (FNMA) performs extra-urban public road transport services in Lombardy, in particular in the provinces of Varese, Brescia and Como. FNMA also operates, train replacement services on behalf of Trenord. The fleet consists of **158 buses** (of which 83% new generation¹) with an average age of 10.3 years

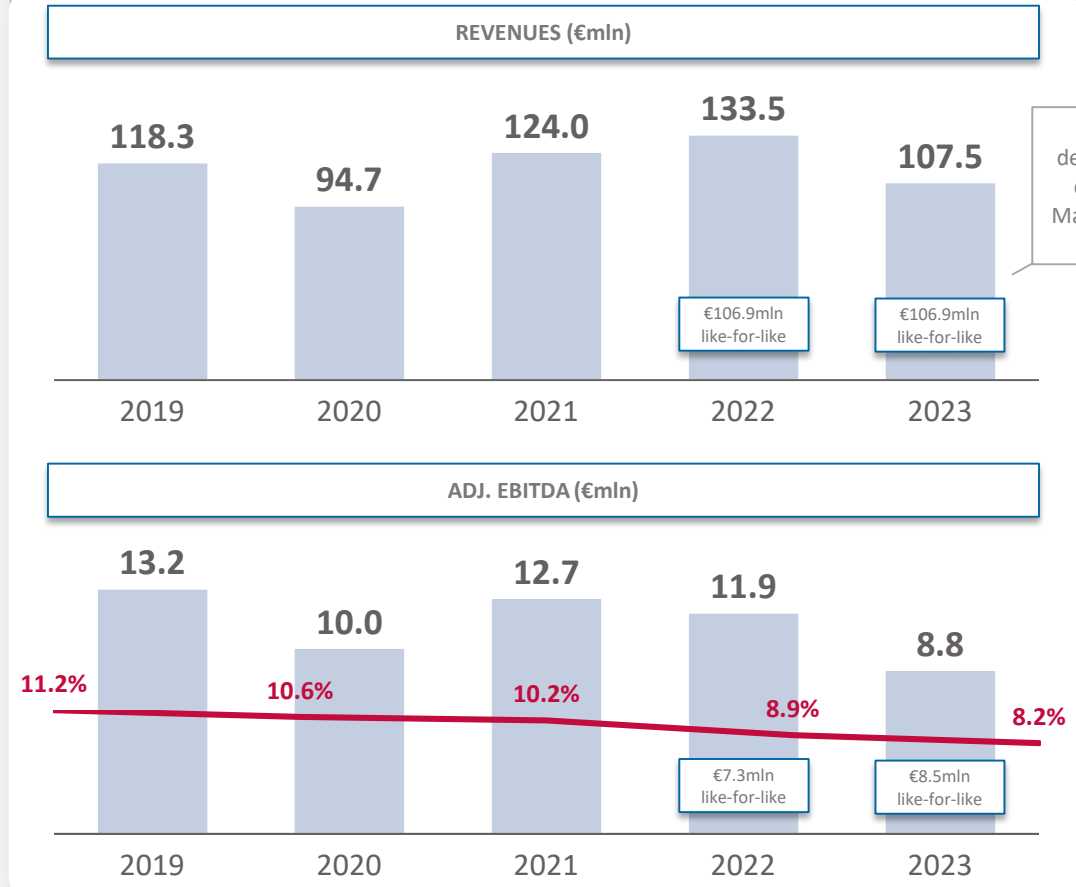
ATV provides urban public transport in the Municipalities of Verona and Legnago and extra-urban services throughout the Province of Verona. The fleet consists of **544 buses** (of which 54% new generation¹) with an average age of 13.8 years



ELECTRIC CAR SHARING

E-Vai manages the first region-wide electric car-sharing service integrated with rail transport. The fleet consists of **392 cars** suitable for the transport of 4/5 people, featuring latest-generation vehicles with a low environmental impact, almost all of which are electric. Thanks to the **307 E-Vai Points**, the cars can be found in strategic places (3 airports, 46 rail stations) in 106 municipalities in Lombardy. E-Vai offers services not only for citizens, but also for private and public companies, as a tool for improvement and reduction of the costs of corporate mobility

Financial Highlights



1 – Euro5, Euro6, EEV engines

Road passenger mobility - Regulatory framework

EU and Italian regulatory framework

- **EU Regulation n° 1370/2007** (amended by EU Regulation n° 2016/2338) sets the rules national and international operation of public passenger transport services by rail and road, including award of public service contracts (PSC) and “reasonable profit” principle;
- **Decree-law n° 422/1997, n° 50/2017 (Art. 27 - 48)** regulate LPT transportation at national level, transferring all the competencies at regional authorities: established “*Bacini di mobilità*” based on socio-economic characteristics of the territory;
- New tender procedures to be finalized by the relevant authorities for the awarding of the services, as required under Regulation n° 1370/2007;
- Draft and structure of new PSC subject to Transportation Regulation Authority (ART): Deliberation n° 48/2017, n° 120/2018 and n° 154/2019. Remuneration for road transportation set by the ART currently at a nominal pre-tax **WACC of 7.26%** (Deliberation n° 49/2023)

Lombardy

- **Regional Law 6/2012**
- **Identified six catchment areas** (“*Bacini di mobilità*”): Bergamo; Brescia; Como, Lecco e Varese; Cremona e Mantova; Città metropolitana di Milano, Monza e Brianza, Lodi e Pavia; Sondrio
- **Remuneration of public service obligations of outstanding contracts**: different provisions about public contributions depending on catchment area + tariffs updated annually based on inflation (Regional Regulation n° 4 of 10 June 2014)

Veneto

- **Regional Law 25/1998**
- **Each Province is a catchment area** (“*Bacini di mobilità*”)
- **Remuneration of public service obligations of outstanding contracts**: public contribution linked to the level of minimum services provided (€/km per effective production) + tariffs based on increasing kilometer classes (no provision for automatic update linked to inflation)

Road passenger mobility – Contractual framework

Entity	Awarding Body	Contractual structure	Remuneration system	Contractual expiration	LPT network extension
FNMA (Varese)	LPT Agency of Como - Lecco - Varese	Concession	Net Cost + regulated Tariff	31/12/2025	223 Km
FNMA (Brescia)	LPT Agency of Brescia	Concession	Net Cost + regulated Tariff	31/12/2024	331 Km
FNMA (Como, ATI with ASF)	LPT Agency of Como - Lecco - Varese	PSC	Net Cost + regulated Tariff	31/12/2025	196 Km
ATV (Bacino di Verona)	Province of Verona	PSC	Net Cost + regulated Tariff	31/12/2026	3,828 Km
ATV (Verona)	Municipality of Verona	PSC	Net Cost + regulated Tariff	31/12/2026	417 Km
ATV (Legnano)	Municipality of Legnago (VR)	PSC	Net Cost + regulated Tariff	31/12/2026	32 Km

Heterogeneous contractual framework with services awarded before current EU regulation
(see 2023 Annual Report for details)

At the moment, the existing contracts have expired and ATV/FNMA are currently operating thanks to contract extensions



Motorways

Motorways



MOTORWAY INFRASTRUCTURE MANAGEMENT

- On 26 February 2021 FNM acquired from Regione Lombardia an 82.4% stake in Milano Serravalle Milano Tangenziali S.p.A. (MISE). From July 2022, FNM owns 100% of MISE,
- Established in 1951 in Assago, MISE is the concessionaire until 2028 of the A7 motorway from Milano to Serravalle Scrivia and of the three Milanese ring roads A50, A51, A52 (West, East, North), Pavia ring road (A54) and of Pavia-Beregardo junction (A53), for a total of about 185 km (o/w 124 km three lanes), in one of the wealthiest areas in Europe
- Activities also include managing the 19 service areas sub-concessions (new contracts in place from 2021 provides a variable fee calculated on the sales of fuel/food as well as a maintenance fee in favor of MISE)

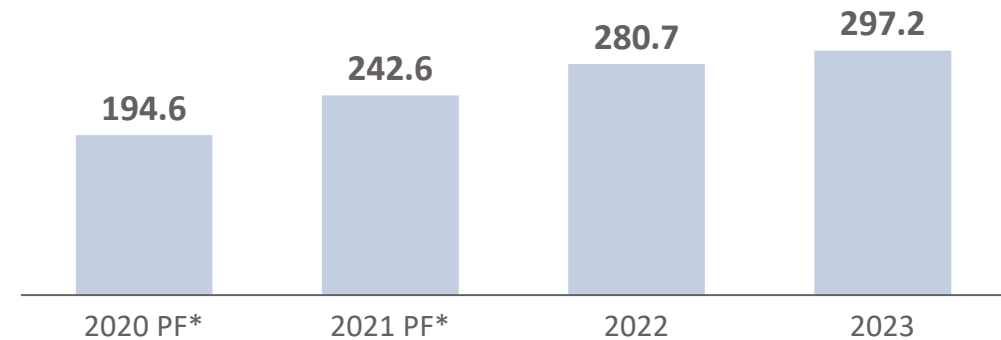


DESIGN AND ENGINEERING

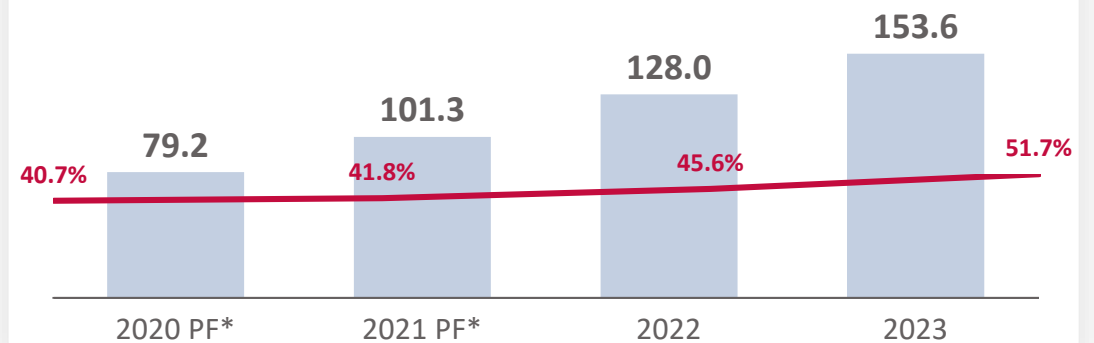
- MISE provides design activities as well as technical and administrative support for the infrastructure investments on the highway network through Milano Serravalle Engineering ("MISE Engineering"), in which it holds 100% of the share capital.

Financial Highlights

REVENUES (€mln)

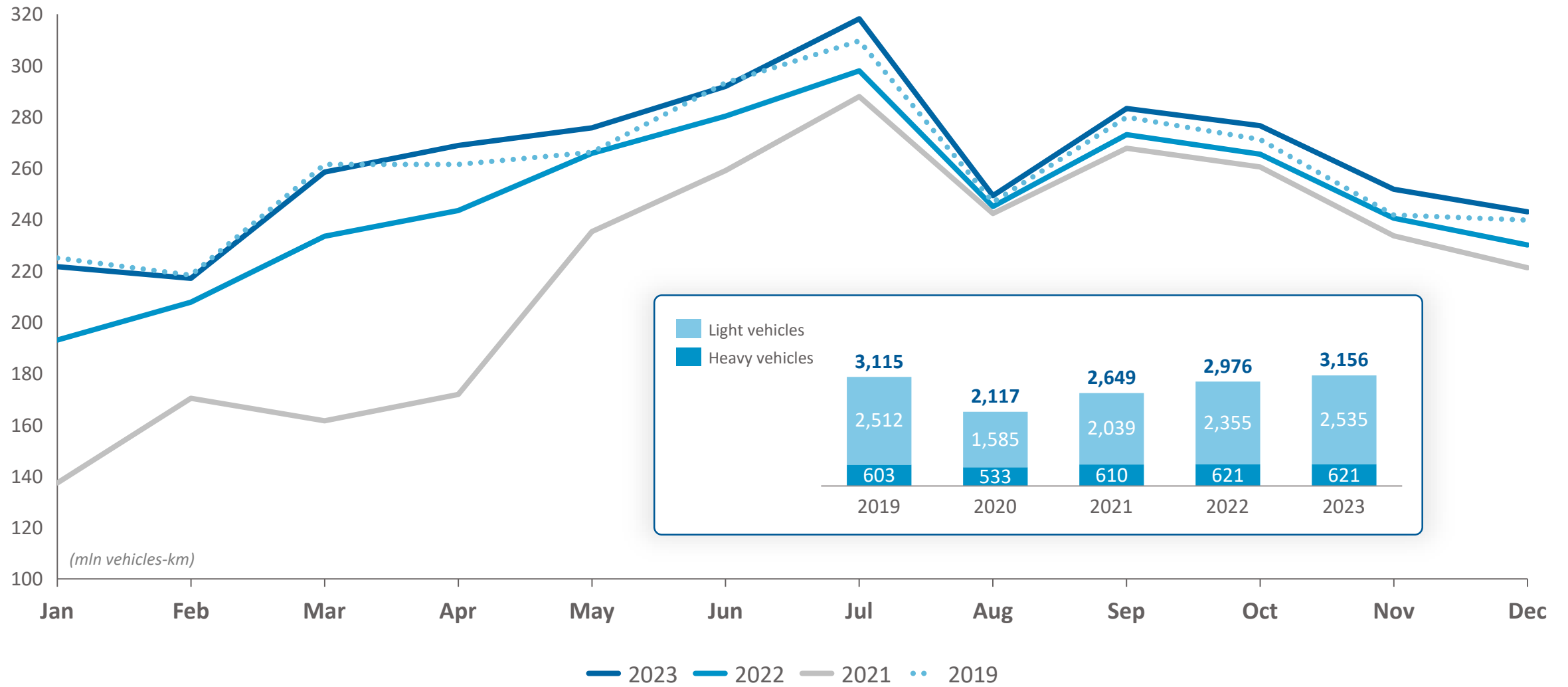


ADJ. EBITDA (€mln)



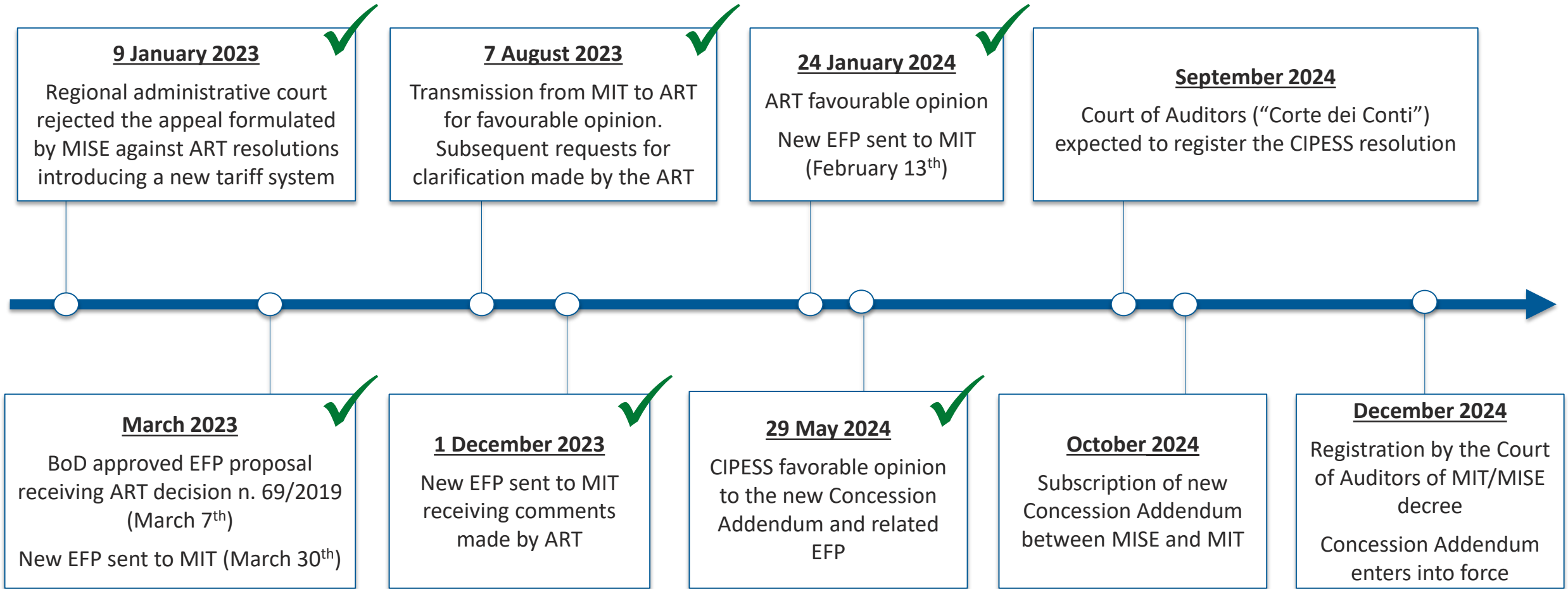
* MISE is fully consolidated in the FNM Group's financial statements starting on 26 February 2021. The values for 2021 consider the consolidation of MISE from 1 January 2021, 2020 was similarly restated as if MISE's consolidation had occurred on 1 January 2020.

Motorways – MISE traffic evolution (vehicles-km)



Motorways – Update of 2020-2024 Economic Financial Plan

Timeline paced by several regulatory steps: expected final approval of EFP and Addendum to Concession by end of 2024



Motorways – Regulatory framework (1/2)

Key Players

- **Ministry of Infrastructures and Transportation (MIT)** – ex ANAS – is the Grantor of the Concession¹;
- **Ministry of Economy and Finance (MEF)** reviews and approves the Economic Financial Plan (EFP) and the yearly tariff increases requests together with the MIT through the publication of an interministerial decree;
- **Transport Regulation Authority (ART)** is the independent regulatory authority;
- **Interministerial Committee for Economic Planning and Sustainable Developments (CIPESS)** approves the Final Design (“Progetto Definitivo”) and provides opinions on EFP updates, including the Concession Addendum (“Atto Aggiuntivo”) to the Single Concession Agreement (“Convenzione Unica”) of motorway concessionaires.

Deed of Concession

- The **Deed of Concession** was signed on 7 November 2007 between MISE as Concessionaire and ANAS S.p.A. as Grantor, replaced in 2012 by the MIT. On 10 March 2017, the Concession Addendum n.1 (“Atto Aggiuntivo”) relating to the second regulatory period 2013-2017 became effective . The Concession Agreement expiration date is set on **31 October 2028**;
- The scope of the Concession is the design, construction and management of the A7 Serravalle-Milan Motorway connecting Genova to Milan, the West (A50), East (A51) and North (A52) Milan Ring Roads. The company also manages the Bereguardo-Pavia (A53) and the West Pavia (A54) Ring Roads;
- Implementation of the contents of ART 69/2019 resolution on tariff matters.
- On expiration date, the concessionaire has to continue ordinary business administration until transfer of the operation management to another concessionaire. The grantor has to start a new tender procedure to select the new concessionaire well in advance of the Concession Agreement termination in order to avoid discontinuity in the management of the assets;
- Concession Agreement sets that, if the hand over to the new concessionaire is not completed within 24 months from the Concession Agreement expiration date, the Grantor will hand over the Concession.

¹ – In case of motorways of regional interest, the grantor role is exercised by a mixed company with public and private participation (Concessioni Autostradali Lombarde S.p.A. or CAL)

Motorways – Regulatory framework (2/2)

EFP 2020-2024 main financial elements (ex. ART decision n.69/2019)

- MISE's new regulatory framework will be composed of the **Concession Addendum n.2** to the 2007 Single Concession Agreement and the **2020-2024 EFP** that will set new CAPEX, maintenance and efficiency standards;
- Tariff setting mechanism based on 3 building blocks: (i) a **"management tariff"** allowing the recovery of efficient operating costs and ordinary maintenance, evaluated with reference to the base year costs for each regulatory period and a price-cap yearly dynamic; (ii) a **"construction tariff"** allowing the recovery of capital costs related to assets reversible upon expiration of the Concession; (iii) an **"additional charge"** aimed at recovering specific other charges (including the recovery of lost revenues and additional costs related to the Covid-19 pandemic) not subject to the price-cap dynamics;
- The new model envisages a RAB-based tariff regime which distinguishes between existing/authorized investments (**RAB ante**) and new investments (**RAB post**) remunerated at a fixed IRR and WACC respectively;
- **Inflation, traffic, WACC and other relevant parameters are updated at the beginning of each 5-year regulatory period;**
- **Financial adjustments** ("Poste Figurative") may be applied in order to smooth tariff increases with a neutral effect from a financial standpoint → included into the RAB and remunerated at a blended regulated rate;
- **Recovery of increases of construction costs on future investments** → price increases to be included in the RAB and recovered through amortization.

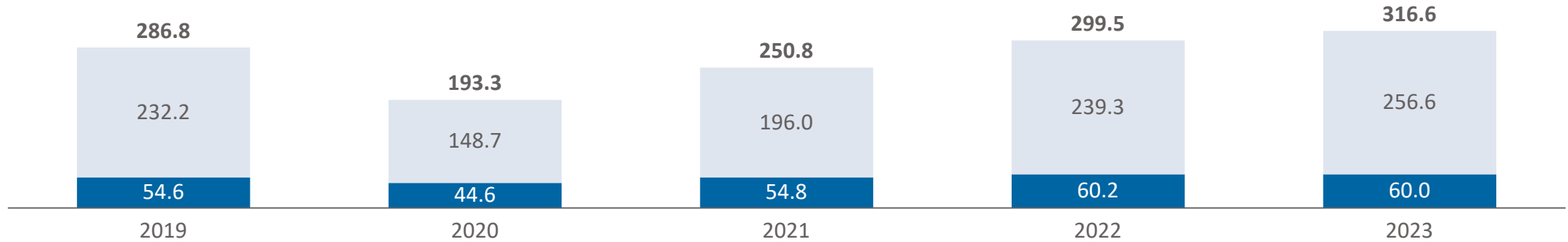
Current estimate of capitalization of the "inflationary effect" and "Covid effect" (≈ €450mln)

- The new remuneration criteria provides a strong safeguard on returns blending historical rate of returns on existing assets with a WACC approach on new investments → principle of **using a weighted average rate between IRR and WACC for discounting the balance of figurative items in order to ensure financial equilibrium¹**
- Remuneration of existing assets and already agreed upon investments equal to the **implied IRR** (so-called *"safeguard mechanism"*)
- Remuneration of new investments is equal to the WACC as determined by ART → **for the first regulatory period the WACC is equal to 7.09% (nominal pre-tax), to be updated every 5 years according to market conditions**

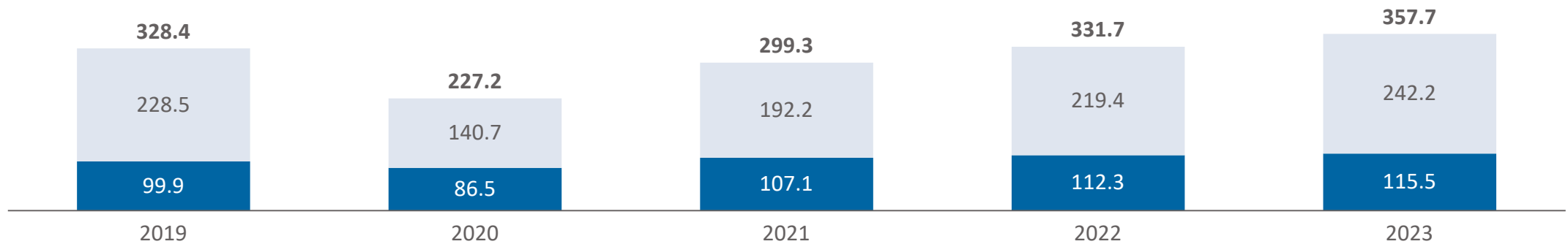
1 – Resolution ART 29/2020 – Inquiry "Conclusione del procedimento avviato con delibera n. 176/2019 del 19 dicembre 2019"

Motorways – APL & TE traffic evolution (vehicles-km)

APL



TE



Glossary

- **Adjusted EBITDA:** it is represented by EBITDA (earnings for the year before income taxes, of the other financial income and expenses, of depreciation, amortization and impairments of fixed assets), excluding non-ordinary expenses and income, such as: (i) income and expenses deriving from restructuring, reorganization and business combination; (ii) clearly identified income/expenses not directly referred to the ordinary performance of the business; (iii) in addition to any income/expenses deriving from significant non-ordinary events and transactions as defined by Consob communication DEM6064293 of 28/07/2006.
- **Adjusted EBITDA Margin:** the percentage of Adjusted EBITDA over total revenues.
- **Adjusted Net Result:** Net Profit (Loss) before recognition of the result of companies consolidated using the equity method
- **Adjusted NFP:** it is represented by the Net Financial Position (NFP) including cash and cash equivalents and all financial liabilities, restated excluding only cash and current payables related to financial investments made in accordance with Regione Lombardia's "*Rolling Stock purchase programme 2017-2032*", with the aim of sterilizing the timing effects of contributions collection and payments made to suppliers, recognized in accordance with IFRIC 12.
- **Rolling Stock Purchase Programme 2017-2032:** On behalf of Regione Lombardia Ferrovienord is engaged in purchasing, managing, maintaining and storing new rolling stock, to be allocated to railway companies holding a service contract with the Region, with a commitment to complete the supplies by 2025. The rolling stock supply programme is covered with funds allocated by Regione Lombardia, including charges to be corresponded to Ferrovienord for the anticipation and general management costs of the order set to 1% of the train supply contract amounts (see FNM 2022 Annual Report for further details).
- **Gross CAPEX made by FNM:** fixed asset and software additions, excluding investments on railway infrastructure managed on behalf on Regione Lombardia as by Programme Agreement. The balance between cash capital investments shown in the Financial Statements and Gross CAPEX is mainly represented by changes in account payables/advances to suppliers, which are reconciled under net working capital for purposes of this presentation.
- **Net CAPEX:** Gross CAPEX after deducting public contributions related to the acquired assets, including investments on railway infrastructure managed on behalf on Regione Lombardia as by Programme Agreement. Capital grants - received mainly from Regione Lombardia, Regione Veneto and Ministry of Transport (MIT) - typically relate to the funding of capital investments managed by the Group for third parties or in conjunction with regulated activities. These cash flows are classified as investing activities, and accordingly reduce the overall cash outflow.

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