

PRESS RELEASE

THE BOARD OF DIRECTORS APPROVES THE 2024-2029 STRATEGIC PLAN

- *Plan focused on developing infrastructure and services for sustainable mobility, and on growth in renewable energy to support the Country's energy transition*
- *Evolution of Milano Serravalle – Milano Tangenziali concession as its expiration approaches, and related visibility on future cash flows, supporting debt refinancing*
- *Gross investments amounting to EUR 1.3 billion, with approximately 40% allocated to motorways and 20% to the development of photovoltaic and wind energy*
- *Adjusted EBITDA projected to grow to approximately EUR 320 million by 2029, with an average net profit of EUR 60-65 million per year*
- *Formal support from a leading financial institution to cover future financial needs in anticipation of bond refinancing and the implementation of the investment plan*
- *Dividend per share set at a minimum of EUR 2.3 cents up to a maximum of EUR 3.2 cents, which in terms of dividend yield falls in the range of 5.2% to 7.2%*
- *Presentation of the Plan to the market tomorrow 19 November 2024 at 3.30 pm*

Milan, 18 November 2024 – The Board of Directors of FNM S.p.A. ("FNM" or the "Company"), which met today under the chairmanship of Mr. Andrea Angelo Gibelli, examined and approved the Strategic Plan (the "Plan") of the FNM Group (the "Group") for the period 2024-2029.

"The FNM Group aims to be a driver of growth and competitiveness for the metropolitan and regional areas in which it operates, focusing on state-of-the-art, safe, and sustainable infrastructure and services. – commented Chairman Mr. Andrea Angelo Gibelli – With our vision, we aspire to contribute to the development of cities and communities by improving the quality of life for people and businesses in an accessible and inclusive manner, creating connections that generate value. Our mission is to develop and manage infrastructure and services for a world in motion and for the energy transition, guided by innovation, safety, and economic, social, and environmental sustainability.

We are fully aware of the importance of our role in supporting the country's ecological transition, within a context where the population is increasingly concentrated in large metropolitan areas and the national GDP is strongly rooted in the Lombardy region. In this scenario, the Group is committed to addressing these challenges by aligning its strategy with the key themes of sustainable collective mobility, ecological transition, and digitalisation.

Mobility infrastructure and services, as well as energy infrastructure, are fundamental levers for promoting the competitiveness of the Country. History teaches us that there is a strong correlation between investments in these sectors and economic growth. Our strategic plan, therefore, aims to provide clarity on the upcoming period, marked by the maturity of the EUR 650 million bond and the expiration of the Milano Serravalle-Milano Tangenziali concession. The objective is to ensure the refinancing of maturing debt, and the financial support required for future development, thereby securing a robust financial structure as the foundation for sustainable growth and supporting returns for our shareholders."

In recent years, the Group has experienced significant growth, continuing to invest in sustainable mobility, infrastructure development, fleets, and energy in line with the 2021-2025 Strategic Plan, while demonstrating resilience despite the turbulence that characterised the period. The 2024-2029 Strategic Plan builds on this trajectory, laying the foundation for the Group's future evolution and the strengthening of its financial structure.

The 2024-2029 Strategic Plan: sustainable growth targets

Over the next five years, the FNM Group aims to establish itself as a benchmark for promoting development and competitiveness of territories, strengthening its strategy around two fundamental pillars: Sustainable mobility and Renewable energy.

The FNM Group's primary objective in the context of **Sustainable mobility** is to consolidate its position as a hub for integrated and multimodal mobility, with a particular focus on Lombardy. The Group plans to expand and enhance its offering in rail and road public transport, while also strengthening its presence in motorway concessions. This Plan includes fleet renewal, infrastructure enhancement — also in its role as the implementing body for investments funded by Regione Lombardia — and the integration of innovative digital systems, supported by partnerships aligned with the Mobility as a Community approach.

The Group is committed to making the transport system more accessible, safe, technologically advanced, and sustainable, with the goal of improving the quality of public and private mobility while contributing to decarbonisation and the evolution of mobility models in Italy.

In the field of **Renewable energy**, the FNM Group aims to actively contribute to Italy's energy transition by becoming a key player in photovoltaic and wind energy production, as well as in developing hydrogen supply solutions to support transport networks.

The Strategic Plan thus configured aims by 2029 to achieve a 35% reduction in total CO₂ emissions generated by buses and corporate consumption, and to produce approximately 650 GWh of energy from renewable sources.

The investment plan and economic assumptions

In this context, the Plan outlines a pathway for industrial growth supported by total gross investments of EUR 1.3 billion (approximately EUR 1.1 billion net of grants), focused on sectors characterised by low volatility and high predictability, promoting a balanced redistribution of profitability and risk across different segments.

78% of the investments (approximately EUR 1 billion) will be allocated to Sustainable mobility, while the remaining 22% will be directed towards initiatives in the Energy sector.

The reallocation of investments towards higher-margin segments, such as motorways and energy, will drive revenue growth from EUR 618 million in 2023 to approximately EUR 850 million in 2029 (CAGR +5%). Additionally, EBITDA is expected to increase to about EUR 320 million in 2029 from EUR 211 million in 2023 (CAGR +7%).

The average net profit for the period is expected to be EUR 60-65 million (EUR 80.9 million in 2023 including the extraordinary positive income items recorded by Trenord), mainly due to increasing depreciation and amortisation and higher cost of funding following the refinancing of the bond maturing in October 2026.

Below are further details regarding the individual segments:

Sustainable mobility

Mobility infrastructure segment (motorways and railway infrastructure)

As far as the **Motorway** business is concerned, the Plan incorporates the provisions of Article 8 of the Addendum No. 2 to the Concession Agreement for the 2020-2024 regulatory period, signed on 5 November 2024. Specifically, the Addendum establishes that Milano Serravalle-Milano Tangenziali ("MISE") is entitled to a take-over value equal to the unamortised value of reversible assets upon the expiration of the concession in 2028. Moreover, in case the new tender is not awarded at concession expiry, MISE is obliged to continue ordinary management under a technical extension under the current conditions, with maintenance obligations for traffic safety¹.

From an economic and financial perspective, the Plan reflects the assumptions of the 2025-2028 Economic and Financial Plan (EFP), currently under approval. This includes gross investments for approximately EUR 550 million (EUR 450 million net of grants) for the period 2024-2029, as well as investments necessary to maintain high safety standards during the first year of the technical extension. Approximately 70% of these investments are already committed. With this investment plan, the take-over value at the end of the concession is currently estimated at EUR 400-450 million.

EBITDA is expected to grow from EUR 153.6 million in 2023 to about EUR 190 million (CAGR +4%) taking into account an average annual traffic increase of 1.1% and tariffs of 2.8%², assuming the technical extension in 2029 under the same conditions as the concession.

The Plan also includes additional investments of EUR 65 million in Railway infrastructure, with approximately 60% allocated to the development of the Sacconago logistics hub in Busto Arsizio. These investments, combined with the management of funds provided by Regione Lombardia, are expected to drive growth in EBITDA from EUR 6.3 million in 2023 to EUR 13 million in 2029 (CAGR +13%).

Ro.S.Co. segment

The Plan includes investments of approximately EUR 280 million, primarily allocated to the purchase of 13 electric trains for the renewal of the fleet serving Trenord and works on existing rolling stock. Investments in hydrogen trains are not included, as these will be procured on behalf of the Regione Lombardia using NRRP funds amounting to EUR 84.5 million. This funding will be used to purchase 7 hydrogen-powered units.

EBITDA is expected to see a slight increase from EUR 44.6³ million in 2023 to approximately EUR 46 million in 2029 (CAGR +1%). The trend takes into account a reduction, already occurred in 2024, in rolling stock

¹ As set out in Measure 29 of Annex A to ART Resolution No. 69/2019.

² 2023-2028 CAGR considering the assumption of tariff geometric progression as indicated by ART.

³ Amount at the same scope as the Plan assumptions: including Nordcom, acquired in 2024, and excluding the contribution of FNMPAY and FNMPOWER, now classified in Mobility & Services and Energy respectively.

leasing revenues following the new framework agreement with Trenord characterized by a longer tenor, offset by the impact of new investments. The lease remuneration for rolling stock agreements with Trenord is assumed to remain at 5.5%.

Mobility and Services segment

The Plan assumes the continuation of existing concessions and service contracts under a technical extension regime, maintaining the current terms and conditions.

Gross investments in this segment for the period 2024-2029 are projected at approximately EUR 115 million (EUR 40 million net of grants), dedicated to the renewal of fleets with low environmental impact vehicles.

EBITDA is expected to grow from EUR 6.6⁴ million in 2023 to about EUR 18 million in 2029 (CAGR +19%), taking into consideration the remuneration expected on the investments according to the sector regulatory framework, driven by an estimated 1.2% increase in the number of passengers transported and the positive contribution of payment services reaching full operational capacity.

Renewable energy

The Plan envisions a significant expansion of installed photovoltaic and wind capacity, increasing from 38 MW at the end of 2023 to 350 MW by 2029. This development aims to support the Country's energy transition and will involve investments of approximately EUR 290 million.

The target EBITDA for 2029 is estimated at approximately EUR 53 million, in line with the growth in generation capacity. This projection assumes participation in GSE auctions to secure fixed-price sales contracts (FER1 and FERX) through contracts for difference. In light of this, the expected average project return rate is above 10%.

The segment's EBITDA also includes contributions from the activation of hydrogen production and sales activities, mainly aimed at rail transport.

Financial structure and financial needs coverage

The Strategic Plan anticipates that operating cash flows will fund a significant portion of the planned investments, thereby keeping debt exposure under control. Based on this forecast, the Adjusted Net Financial Position ("Adjusted NFP") is expected to increase from EUR 642.8 million as of 31 December 2023 to approximately EUR 1 billion by the end of 2029, with an Adjusted NFP/EBITDA ratio which nevertheless remains in the range of 3.0–3.5x. The Plan thus confirms the Group's solid financial structure, supported by visible and resilient cash flows, even without factoring in the positive effect from the valorization of the take-over value of the MISE concession.

The Plan identifies a financial need to support the investment program and refinance the bond issue maturing in October 2026. To ensure the coverage of these requirements and reaffirm its commitment to maintaining an investment-grade rating, FNM has secured formal support from a leading financial institution,

⁴ Amount at the same scope as the Plan assumptions: including FNMPAY, previously categorized in the Ro.S.Co. & Services segment, and excluding La Linea/Martini slod at the beginning of 2023.

demonstrating confidence in the robustness of the Strategic Plan and its assumptions regarding the MISE concession.

Dividend policy

In light of the economic and financial dynamics outlined above, the Plan aims to reward shareholders with a minimum expected dividend per share of EUR 2.3 cents, consistent with the dividend paid over the past two years. There is potential for a progressive increase up to a maximum of EUR 3.2 cents, depending on the successful implementation of the Plan. The corresponding dividend yield falls in the range between 5.2% and 7.2%⁵.

In addition to the above, FNM will continue to monitor additional investment opportunities to ensure development aligned with the Plan's long-term goals in the areas of Renewable energy and Sustainable mobility. Specifically, the Group aims to maintain its presence in the motorway concession sector and strengthen its position in public transport, both rail and road.

The 2024-2029 Strategic Plan will be presented tomorrow 19 November at 3:30 pm (Milan time) to financial analysts and institutional investors. It will be possible to follow the event in presence, in conference call or through the web, by accessing the Company's website www.fnmgroup.it in the Investors/Presentations section. Supporting materials for the event will be made available on the website in conjunction with the start of the meeting itself. The presentation will also be made available on the EMARKET STORAGE facility at www.emarketstorage.com.

This press release is available on the Company's website at the address www.fnmgroup.it, and on the authorised storage mechanism EMARKET STORAGE at www.emarketstorage.com.

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⁵ Calculated based on the average daily closing price of FNM share from 15 May 2024 to 15 November 2024.