THE BOARD OF DIRECTORS APPROVES

THE INTERIM MANAGEMENT REPORT AT 30 SEPTEMBER 2019

- ***Revenues: €223.5 million (+1.5% compared to €220.2 million at 30 September 2018[1])***
- ***Adjusted EBITDA: €60.4 million (+5.7% compared to €57.1 million at 30 September 2018)***
- ***EBIT: €29.4 million (€30.1 million at 30 September 2018)***
- ***Net profit: €24.5 million (€28.2 million at 30 September 2018)***

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NFP: cash of €32.3 million compared to net debt of €22.5 million at 31 December 2018[2].

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Milan, 14 November 2019 - The Board of Directors of FNM S.p.A. (" FNM "), which met today under the chairmanship of Mr. Andrea Gibelli, examined and approved the Interim Management Report of the FNM Group at 30 September 2019.

Italian Legislative Decree 25 of 15 February 2016 eliminated the obligation to publish Interim Reports on Operations, as previously provided for by paragraph 5 of Article 154-ter of the Consolidated Law on Finance, and Article 82-ter of the Issuers' Regulations has left the decision to publish additional voluntary periodic financial disclosures to the discretion of issuers. In addition to its disclosure obligations under Article 114 of Legislative Decree 58/98 and its annual and half-year financial reports, the Board of Directors wishes to publish voluntary quarterly financial disclosures (Interim Management Report) within

Changes were calculated on amounts expressed in thousands of euro.

[1] ***For a better understanding of the changes in the period, all of the comparisons relating to the items of the Group income statement were made based on a comparable scope of consolidation between the two periods, i.e., by consolidating the company ATV (subsidiary as from 12 February 2018) from 1 January 2018.***

[2] ***In the period 2019 the new accounting standard IFRS 16 was adopted, resulting in an increase in financial liabilities and net non-current assets. For a better understanding of the changes in the period, below follows the reclassified statement of financial position at 31 December 2018 to take into account the effect of the new standard.***

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CERTIFIED MANAGEMENT SYSTEM
ISO 9001 - ISO 37001

45 days of the end of the first and third quarters of the year to ensure continuity of information for the benefit of the financial community and the market.

ECONOMIC AND FINANCIAL HIGHLIGHTS

In the first nine months of 2019, the FNM Group confirmed its position as the leading integrated player in the transport and mobility sector in Lombardy and throughout northern Italy, operating in the field of local public transport by rail and road.

Consolidated revenues at 30 September 2019 amounted to €223.5 million, substantially stable compared to the same period of the previous year, with differences in trends in the three business segments:

(millions of euros)	**months 2019**	**9 months 2018 (PF ATV)**	***Change***	***Chg %***
Railway infrastructure management	87,0	86,9	*0,1*	*0,1%*
Road passenger transport	83,6	81,5	*2,1*	*2,6%*
Rosco & Services	52,8	51,8	*1,1*	*2,0%*
Total	**223,5**	**220,2**	***3,3***	***1,5%***

- as regards the **Railway infrastructure management** (39% of the Group's revenues) by FERROVIENORD (maintenance, network upgrading and traffic management), revenues showed a stable trend resulting, on the one hand, from the reduction in grants, in line with the efficiency provisions set out in the Service Contract with the Lombardy Region, which were offset, on the other, by higher revenues from planning and works management on the funded investments;
- revenues from **Road passenger transport** (37% of the total) increased by 2.6% due to increased services relating to train replacement services provided by FNM Autoservizi, on the routes managed by Trenord in Lombardy, as well as to the increase in demand for transport services in

the tourism sector, particularly during the summer in the Veneto area (ATV and La Linea); the E-Vai electric car-sharing service also recorded an increased performance (also net of the grant received from the Lombardy Region), in particular as a result of the launch of new services for municipal authorities and private businesses;

- in the business segment (24% of the consolidated total) in which the parent company operates directly and which includes the **leasing of rolling stock** to investees operating in local public transport (Trenord) and freight transport (DB Cargo) sectors, as well as centralised corporate services, revenues increased by 2% due to higher leases as a result of the average increase in the rolling stock fleet compared to the first nine months of the previous year.

Operating costs decreased by 1.5% (€1.1 million) mainly due to lower costs for the management of the railway infrastructure and fleets (partly due to the postponement of some network upgrading projects to the last quarter of the year).

Personnel costs increased by 1.3% (€1.2 million), due to the higher provision as an estimate of the costs for the renewal of the national collective labour agreement; the average headcount of the FNM Group at 30 September amounted to 2,266 employees, substantially unchanged compared to 2,267 at 30 September 2018.

Adjusted EBITDA (which excludes certain non-ordinary items, relating in particular to a capital gain recognised at 30 September 2018 from the sale of the areas adjacent to Milano Affori station for a total of €2.3 million) amounted to **€60.4 million**, **up by 5.7%,** mainly due to performance in the following segments:

- Passenger transport by road as a result of increased replacement runs carried out by FNM Autoservizi and the improved profitability of E-Vai;

- RoSco & Services due to the increase in leases and the reduction in some operating costs.

(millions of euros)	**months 2019**	**9 mesi 2018 (PF ATV)**	***Change***	***Chg %***
Railway infrastructure management	16,3	16,7	*(0,4)*	*-2,4%*
Road passenger transport	10,6	8,5	*2,1*	*24,4%*
Rosco & Services	33,5	31,9	*1,6*	*4,9%*
Total	**60,4**	**57,1**	***3,2***	***5,7%***

Depreciation, amortisation and provisions recorded a net increase of €1.3 million in the first nine months of 2019 compared to the comparative period 2018.

As a result, consolidated **EBIT**, which includes both the increase in amortisation and depreciation and the trend in non-recurring items, amounted to €29.8 million, compared to €30.1 million in 2018.

Consolidated EBT was positive at €31.9 million (€35.6 million at 30 September 2018) and comprises:

- net financial income was a negative by €1.6 million compared to €0.3 million in the comparative period 2018, due to higher interest expenses and non-use commissions on the syndicated loan signed by the company in August 2018;
- the profit/(loss) of associates (valued by the equity method) was positive by €3.7 million, compared to €5.8 million in the comparative period 2018, mainly due to the lower result of the investee Trenord, which recorded lower net profit compared to the previous year. In particular, with a substantially stable EBITDA generated thanks to higher revenues from traffic (despite a guided remodelling of production to ensure greater quality and more regular services), which make it possible to offset higher personnel costs and increase in operating costs linked to replacement runs, the company recorded an increase in amortisation and depreciation deriving from investments in improvements and cyclical maintenance of its owned rolling stock.

Income taxes for the period, amounting to €7.0 million, decreased by 5.5% compared to the first nine months of 2018 due to lower taxable income.

Consolidated net profit in the first nine months of 2019 amounted to €24.5 million compared to €28.3 million at 30 September 2018.

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The performance of the ***operating cash flow*** from operations, net of the trend in net working capital and cash outflows relating to tax and financial charges, **amounted to over €60 million**; including the investments made in the first nine months of the year—already net of grants on investments financed by the Lombardy Region for the modernisation of the railway infrastructure—amounting to approximately €37 million, the **cash generated** by the Group amounted to **€24 million**. Considering also the trend in dividends received and paid, this amount was equal to approximately €19 million.

(millions of euros)	**30/09/2019**
EBITDA	60,0
Change in Net Working Capital	5,0
Taxes	(3,2)
Financial expenses/income	(1,1)
Free cash flow from operations	***60,7***
Investments paid	(36,9)
Free cash flow	***23,8***
Dividends cash-out	(10,5)
Dividends cash-in	5,8
Cash flow generation	**19,1**
INITIAL NFP (Cash) 01/01	**22,5**
Cash flow generation	19,1
Reclassified Financial Receivables Finlombarda	(5,0)
Cash flow from timing in Rolling Stock capex refunds	40,7
Total change in NFP	***54,8***
FINAL NFP (Cash) 30/09	**(32,3)**

The **net financial position** at 30 September 2019—equal to cash of €32.3 million compared with net financial debt of €22.5 million at 31 December 2018—reflects the positive cash flow generated by the Group and was also positively affected by the early cash-in of grants on investments financed for the renewal of rolling stock, which were recorded in accordance with the requirements of IFRIC 12, and falling within the framework of the programme for the purchase of new trains—approved by the Regional Council in July 2017—totalling investments for €1.6 billion.

Consolidated **investments** for the first nine months of 2019 amounted to €90.6 million compared to 39.2 million EUR in the same period last year, in line with the trend already recorded in the first half of the period:

- investments with public funds were made for a total of €71.8 million (€12.3 million in the comparative period), relating to the renewal of rolling stock for €54.4 million and the modernisation and upgrading of infrastructure for €17.5 million;
- investments with own funds of €18.8 million were made (€26.9 million in the comparative period 2018) and mainly refer to the renewal of the owned fleet relating to both the rail transport business (purchase of new electric locomotives for approximately €12 million) and the road transport business (commissioning of new buses and minibuses for approximately €4 million).

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OUTLOOK

At present, in the absence of significant and currently unforeseeable events, the operating performance for the last quarter of the year, towards the previous one, is expected to be in line with the trend of the first three quarters. Therefore, for the full year it is reasonable to estimate an EBITDA substantially in line with 2018.

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SIGNIFICANT EVENTS DURING THE PERIOD

On 17 April 2019, the Shareholders' Meeting approved the proposal of the separate financial statements of the Parent and resulting consolidated financial statements of the Group for 2018, and resolved to allocate profit for the year as follows:

- €1,215,585 to the legal reserve;
- €9,785,308 as an ordinary dividend to Shareholders, to ensure a remuneration of €0.0225 for each ordinary share outstanding;
- €13,310,810 to the extraordinary reserve.

The dividend was paid on 5 June 2019, with coupon date of 3 June 2019 and record date of 4 June 2019.

On 17 May 2019, the Board of Directors of FERROVIENORD S.p.A. resolved to implement the programme for the purchase of railway rolling stock ("Supplementary Purchase Programme"). In particular, the resolution of the Regional Council no. XI/1619 of 15 May 2019 (DGR 2019) mandates FERROVIENORD to purchase 10 medium-capacity trainsets of the "Pop" type and 5 high-capacity trainsets of the "Rock" type - whose technical characteristics are detailed in the DGR 2019 - through the transfer to FERROVIENORD by TRENITALIA S.p.A. of supply application contracts resulting from framework agreements already signed by the latter. This Supplementary Purchase Programme, like the original purchase programme, approved by resolution of the Regional Council no. X/6932 of 24 July 2017, is covered by the Regional Budget within the total amount of resources provided for by Regional Law 22/2017, for a total of €1,607 million.

On 22 July 2019, FNM signed a non-binding letter of intent with its controlling shareholder Lombardy Region, describing what the parties are currently considering in connection with a potential transaction, currently under consideration, which would make it possible to create the first integrated hub for rail and road mobility in Lombardy. This potential transaction could take place through the sale to the Company of the entire equity investment held by the Lombardy Region in Milano Serravalle - Milano Tangenziali S.p.A.. The potential transaction, as well as the related valuation and financial aspects, will be defined in the ongoing negotiations between the parties, taking into account, inter alia, the outcome of the due diligence activities.

On 31 July 2019, the Board of Directors of FNM resolved the purpose to dispose of the equity investment held in Locoitalia S.r.l. (51%) and of the shareholding (49%) in FuoriMuro Servizi Portuali e Ferroviari S.r.l..

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SIGNIFICANT EVENTS AFTER 30 SEPTEMBER 2019

On 10 October 2019, the company Malpensa Distripark S.r.l., a wholly owned subsidiary of FNM, was incorporated. It will be dedicated to real estate development in the areas adjacent to the Sacconago Terminal, which are functional to the project for the management of intermodal connections in the cargo sector.

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The Interim Management Report at 30 September 2019 will be available to the public today at the Company's registered office, through the eMarket STORAGE authorised storage mechanism at www.emarketstorage.com and on the FNM website at www.fnmgroup.it.

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The Financial Reporting Officer, Mrs. Valentina Montanari, hereby declares, pursuant to Article 154-bis, paragraph 2 of the Consolidated Law on Finance, that the disclosures herein correspond to the data found in Company's documents, books and accounting records.

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The following schedules referring to the FNM Group are attached:

- Consolidated Income Statement at 30/09/2019
- Consolidated Balance Sheet at 30/09/2019
- Composition of the Group Net Financial Position at 30/09/2019

Annex 1 - Consolidated Income Statement

(millions of euros)	**9 months 2019**	**9 months 2018**	**9 months 2018 pro-forma ATV**	***Change***	***Chg %***
Revenues from sales and services	209,0	201,4	206,8	*2,2*	*1,1%*
Other revenues and income	14,4	13,2	13,4	*1,1*	*8,1%*
TOTAL REVENUES AND OTHER INCOME	***223,5***	***214,6***	***220,2***	***3,3***	***1,5%***
Operating costs	(72,6)	(72,0)	(73,7)	*1,1*	*-1,5%*
Personnel costs	(90,5)	(86,0)	(89,4)	*(1,2)*	*1,3%*
Adjusted EBITDA	***60,4***	***56,6***	***57,1***	***3,3***	***5,7%***
Percentage on revenues %	*27,0%*	*26,4%*	*25,9%*		
Non-ordinary income and expenses	(0,4)	2,3	2,3	*(2,7)*	*n.s.*
EBITDA	***60,0***	***58,9***	***59,4***	***0,5***	***0,9%***
Percentage on revenues %	*26,8%*	*27,5%*	*27,0%*		
Depreciation and Amortisation	(30,5)	(28,4)	(29,3)	*(1,3)*	*4,3%*
EBIT	***29,4***	***30,5***	***30,1***	***(0,7)***	***-2,4%***
Percentage on revenues %	*13,2%*	*14,2%*	*13,7%*		
Net financial income	(1,6)	(0,3)	(0,3)	*(1,3)*	*n.s.*
Result of companies accounted by equity method	3,7	5,6	5,8	*(2,0)*	*-35,5%*
EARNINGS BEFORE TAX	***31,5***	***36,0***	***35,6***	***(4,0)***	***-11,4%***
Income tax	(7,0)	(7,5)	(7,4)	*0,4*	*-5,5%*
NET RESULT FOR THE PERIOD	**24,5**	**28,4**	**28,2**	***(3,6)***	***-12,9%***

For a better understanding of the changes in the period, the consolidated income statement is also presented based on a consistent and comparable scope of consolidation between the two periods, i.e., by consolidating ATV as from the beginning of 2018.

Annex 2 - Consolidated Balance Sheet

(millions of euros)	30/09/2019	31/12/2018	31/12/2018 PRO-FORMA IFRS 16
Inventories	7,8	7,0	7,0
Current receivables	152,9	151,2	151,2
Current payables	(185,1)	(153,9)	(153,9)
Net Working Capital	*(24,4)*	*4,3*	*4,3*
Net non-current assets	426,1	452,8	460,8
Equity interests	80,3	83,4	83,4
Non-current receivables	19,5	26,8	26,8
Non-current provisions and payables	(87,4)	(117,7)	(117,7)
NET INVESTED CAPITAL	***414,1***	***449,6***	***457,7***
Equity	446,4	435,2	435,2
Net financial position	(32,3)	14,4	22,5
TOTAL SOURCES	***414,1***	***449,6***	***457,7***

On 1 January 2019 the new accounting standard IFRS 16 was adopted, which led to an increase in financial liabilities and net non-current assets. For a better understanding of the changes in the period, below follows the reclassified statement of financial position at 30 September 2019 compared with that at 31 December 2018 to take into account the effect of the new standard.

Annex 3 - Composition of the Group Net Financial Position

(millions of euros)	**30/09/2019**	**31/12/2018**	**31/12/2018 PRO-FORMA IFRS 16**	***Change***
Liquidity	(198,6)	(137,3)	(137,3)	*(61,3)*
Current financial receivables	(115,4)	(74,4)	(74,4)	*(41,0)*
Current financial debt	207,9	96,7	98,2	*109,7*
Net current financial position	**(106,1)**	**(115,0)**	**(113,5)**	***7,4***
Non-current financial debt	73,8	129,5	136,0	*(62,1)*
Net financial position (cash)	**(32,3)**	**14,4**	**22,5**	***(54,8)***

On 1 January 2019 the new accounting standard IFRS 16 was adopted, which led to an increase in financial liabilities and net non-current assets. For a better understanding of the changes in the period, below follows the composition of the Net Financial Position at 30 September 2019 compared also with that at 31 December 2018 to take into account the effect of the new standard.