PRESS RELEASE

THE BOARD OF DIRECTORS APPROVES THE RESULTS AS AT 31 DECEMBER 2020 AND THE REMUNERATION REPORT. 2021 ORDINARY SHAREHOLDERS' MEETING CALLED

- ***Revenues: EUR 281.3 million (-6.4% compared to EUR 300.6 million at 31 December 2019)***
- ***Adjusted EBITDA: EUR 70.1 million (+0.7% compared to EUR 69.6 million at 31 December 2019)***
- ***EBIT: EUR 26.4 million (-12.9% compared to EUR 30.3 million at 31 December 2019)***
- ***Adjusted Net Profit: EUR 22.7 million (-0.9% compared to EUR 22.9 million at 31 December 2019)***

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Adjusted NFP negative for EUR 43.7 million (positive for EUR 39.9 million at 31 December 2019)

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Proposed dividend of Euro 0.022 per share, for a total amount of EUR 9.6 million

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Approval of the Non-Financial Statement

Milan, 18 March 2021 - The Board of Directors of FNM S.p.A., which met today under the chairmanship of Mr Andrea Gibelli, examined and approved the draft separate Financial Statements of FNM and the Consolidated Financial Statements of the Group for the year ended 31 December 2020.

Consolidated economic and financial highlights

The pandemic brought about by the global spread of COVID-19 throughout 2020 has had unprecedented repercussions on the macroeconomic scenario and people's way of life.

The mobility segment, and public transport in particular, has been significantly affected by travel restrictions and measures to safeguard public health imposed by the authorities during the various phases of the outbreak.

Despite the serious situation, the Group has proved to be resilient and flexible in progressively adapting the service to demand, health regulations and travel bans ensuring continuity of service under safe conditions. The Group in fact implemented important actions and clear procedures aimed at safeguarding the health of its employees and users, as well as containing the economic repercussions.

Despite expectations, the Group maintained a strong financial profile and closed 2020 with slightly higher adjusted EBITDA and only marginally lower adjusted net profit compared to the previous year. This was also due to the diversification of the segments in which the group operates - impacted in different ways by the effects of the epidemic -, to the measures put in place to contain costs and to government support offered for the segments most affected by the pandemic, including public transport.

The fewer restrictive measures progressively adopted during Summer months allowed a recovery of the Group's activities compared to the values recorded in the period March-May, in particular of the activities on local public transport in the period June-September. Since November, as the infection curve has risen, the tightening of mobility restrictions to contain the spread of the second wave of the pandemic has affected transport demand through the end of 2020 and into the early months of 2021.

In 2020, four regulatory interventions were approved in order to support the local and regional public passenger transport sector, both as regards the guarantee of payment of the fees for service contracts (Law 24 April 2020, no. 27, art. 92 paragraph 4-bis, "Cura Italia Decree"), and as partial compensation of the decrease in revenues deriving from the reduction in traffic (Law 17 July 2020, no. 77, art. 200 paragraph 1, "Relaunch Decree", Law 13 October 2020, no. 126, art. 44, "August Decree" and Law 18 December 2020, no. 176, art. 22 ter, "Ristori Bis Decree").

The uncertainty present today as to how and when the pandemic will come to an end, together with the possible permanent effects it will have on people's travel habits, suggest that demand will gradually recover over the next few years.

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In this context, the **consolidated revenues** of FY 2020 amounted to EUR 281.3 million, down by EUR 19.3 million (-6.4%) compared to 2019, with differences in trends of the three business segments:

Amounts in millions of euros	**2020**	**2019**	***Change***	***Chg %***
Railway infrastructure management	126,9	124,6	*2,3*	*1,8%*
Road passenger transport	94,7	118,3	*(23,6)*	*-19,9%*
Rosco & Services	84,0	82,6	*1,4*	*1,7%*
Intercompany eliminations	(24,3)	(24,9)	*0,6*	*-2,4%*
Total consolidated revenues	**281,3**	**300,6**	***(19,3)***	***-6,4%***

- in the field of **railway infrastructure management** (relating to traffic management, maintenance, and network upgrading) revenues grew by EUR 2.3 million (+ 1.8%). The higher income related to the activities and works on the investments financed by Regione Lombardia, provided for by the Programme Contract, offset a slight reduction in the price deriving from the infrastructure management Service Contract, following the rescheduling of the railway programming and the efficiency improvement mechanism provided for by the same Service Contract. Revenues from leasing of rolling stock also increased due to the entry into service of new rolling stock and growth in terminal operations;

- the **road passenger transport** segment was particularly affected by the epidemiological emergency: revenues decreased by EUR 23.6 million (-19.9%) compared to FY 2019 due to the drop in revenues from transport services (EUR -27.0 million), as a result of the significant reduction in mobility demand that occurred following the introduction of traffic bans. On the other hand, revenues from public contracts and grants increased by EUR 1.2 million compared to the previous year, mainly due to the effect of the Cura Italia Decree, which provided for the recognition of fees on the basis of contractual programming, despite the reshaping of the offer implemented following the epidemiological emergency, and the economic effect of the compensatory measures (amounting to approximately EUR 4.1 million, to offset the loss of revenues from ticketing) introduced by the Relaunch Decree, the August Decree and the Ristori bis Decree;
- In the business segment in which the Parent Company operates directly (**RoSCo & Services**) and which includes the leasing of rolling stock to the subsidiaries operating in local public transport and freight transport sectors, as well as centralised Corporate services, revenues showed slight growth compared to the previous year (EUR +1.4 million), in particular due to higher leases as a result of the new fleets leased to Trenord and DB Cargo Italia. These higher revenues offset the absence of revenues from Locoitalia, which was sold in 2020, the absence of advertising revenues in 2020 and the income recognised in 2019 for the sale of the contract to purchase 5 Stadler trainsets.

Operating costs showed a net decrease of EUR 7.8 million (-7.4%) mainly due to lower costs related to fuel, the subcontracting of buses to third parties and employee expenses. Finally, commercial expenses and commissions to third parties also decreased due to lower sales of tickets during the year.

Personnel costs decreased by EUR 12 million (-9.6%), as a result of the combined effect of use of residual leave, of income supporting schemes (General Lay-off Fund and Public Transport Fund) and of the lesser employment of temporary workers and the reduction of the average workforce. In fact, the average number of employees of the Group as at 31 December 2020 stood at 2,230, down approximately 1.7% compared to an average figure of 2,268 recorded in the same period of FY 2019.

As a result of the significant reduction in costs described above, **adjusted EBITDA** (which excludes non-recurring items) of EUR 70.1 million was up by EUR 0.5 million (+0.8%), outperforming revenue drop. The Adjusted EBITDA % indicator also improved, going from 23.2% in FY 2019 to 24.9% in FY 2020. **Adjusted EBITDA** is broken down as follows into the three business areas:

Amounts in millions of euros	**2020**	**2019**	***Change***	***Chg %***
Railway infrastructure management	5,8	4,1	*1,7*	*41,5%*
Road passenger transport	10,0	13,2	*(3,2)*	*-24,2%*
Rosco & Services	54,3	52,3	*2,0*	*3,8%*
Total adjusted EBITDA	**70,1**	**69,6**	***0,5***	***0,8%***

- **Railway infrastructure management**: the increase of EUR 1.7 million in the period takes into account the lower labour costs resulting from the reduction in the average workforce (-14 employees), the average cost being the same, against higher costs for maintenance carried out in particular during the lock-down period and for terminal management, following its development.
- **Road passenger transport**: thanks to the actions taken to limit the main cost items in the face of the negative impact of the emergency, the effect of the reduction in revenues on margins was contained. Adjusted EBITDA therefore decreased by EUR 3.2 million to EUR 10.0 million from EUR 13.2 million in FY 2019.
- **RoSCo & Services**: EBITDA increased by EUR 2.0 million, mainly due to the containment of personnel costs, partially offset by higher service costs.

Non-ordinary costs amount to EUR 1.9 million and relate to costs for development projects, while last year the item was positive (revenues of EUR 1.4 million) and expressed the net value between a contingent asset deriving from the closure of a dispute and costs for development projects.

Depreciation and amortisation show a net increase of EUR 1.1 million, due to the impairment of two wrecked TAF bodies that can no longer be used (EUR 0.5 million) and the writedown of goodwill assigned to La Linea S.p.A. (EUR 2.0 million), following the impairment test.

Comprehensive operating income consequently decreased to EUR 26.4 million compared to EUR 30.3 million in FY 2019 (EUR -3.9 million).

Consolidated earnings before tax was a positive EUR 26.3 million, down EUR 1.6 million, on the EUR 27.9 million booked in 2019 due to lower **net financial charges**, a negative EUR 0.1 million compared to EUR -2.4 million in 2019. The 2020 figure includes a capital gain from the sale of the investment in Locoitalia of EUR 1 million and benefits from the capital gain recognised on closure of the financial receivable due from Finlombarda for treasury management, repaid in July, as well as lower interest expense.

Income taxes, amounting to EUR 3.6 million, decreased by EUR 1.4 million compared to FY 2019, in relation to the lower taxable income recorded in the period as well as the benefit deriving from lesser IRAP for the year, as provided for by Article 24 of the Relaunch Decree (Decree Law 34/2020).

Adjusted consolidated net profit of the Group at 31 December 2020, net of the result of associated companies valued at equity, amounted to EUR 22.7 million, **essentially in line** with the EUR 22.9 million of FY 2019.

The result of **the investments accounted for using the equity method** was a positive EUR 2.0 million, down from the EUR 8.0 million at 31 December 2019, mainly due to the result of the subsidiary **Trenord.** In fact, in the period under review the company was affected by the measures aimed at containing the spread of COVID-19 and, accordingly, by the review of the offer implemented starting 24 February and reshaped in different ways over the following months, in connection with the evolution of the measures to limit mobility.

In 2020, Trenord recorded a loss of EUR 7.0 million compared with a profit of EUR 3.7 million in the previous year. In particular:

- **revenues** decreased to EUR 703.1 million from EUR 831.7 million in FY 2019, down EUR 128.6 million (-15.0%), as a result of the decrease in ticketing revenues (EUR -197.8 million compared to FY 2019) mainly as a result of the reduction in the volume of passengers carried due to the spread of COVID-19, which especially affected the airport segment. The decline in ticketing revenues was, however, partially offset by the compensatory effects introduced by the Cura Italia, Relaunch, August and Ristori bis Decrees, for a total of EUR 80.4 million.
- **EBITDA** stood at EUR 153.3 million, down EUR 48.9 million on 2019, partially offsetting the decline in revenue with cost containment. Personnel costs decreased by EUR 24.9 million due to lower accessory remuneration and the lower average number of employees (-34 FTEs); operating costs decreased by EUR 54.8 million mainly due to lower energy and toll costs, lower raw material and consumable costs, and lower commissions payable and replacement runs.

Group total consolidated net profit at 31 December 2020, after the result of associated companies valued at equity and minority interest, recorded a result of EUR 24.2 million compared to EUR 30.3 million in FY 2019.

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The **Adjusted Net Financial Position** at 31 December 2020 was negative by EUR 43.7 million compared to a positive balance of EUR 39.9 million at 31 December 2019, worsening by EUR 83.6 million, mainly due to the payment of the first tranche on the purchase of the 13.6% equity investment in Milano Serravalle - Milano Tangenziali S.p.A. ("MISE") from the ASTM Group. The second tranche, amounting to EUR 7.3 million, was paid in January 2021.

Amounts in millions of euros	**31/12/2020**	**31/12/2019**
EBITDA	68,2	71,0
NET WORKING CAPITAL	(34,4)	11,8
Tax paid	(14,0)	(3,0)
Financial expenses/income	(0,9)	(1,4)
Free cash flow from operations	***18,9***	***78,4***
Net investments paid	(64,9)	(35,2)
Cash flow generation	***(46,0)***	***43,2***
Dividends cash-in	4,7	5,8
Investment purchase	(78,7)	
Divestments	32,1	-
Free cash flow	**(87,9)**	**49,0**
Dividends cash-out	-	(10,5)
Cash flow	**(87,9)**	**38,5**
Adjusted NFP (Debt/-Cash) OPENING 01/01/2020	**(39,9)**	**7,5**
Cash flow generation	87,9	(38,5)
Change in scope of consolidation	3,1	(3,9)
IFRS 16 Effect	(7,4)	-
Reclassification financial receivable Finlombarda		(5,0)
Total change in NFP	***83,6***	***(47,4)***
Adjusted NFP (Debt/-Cash) CLOSING 31/12/2020	**43,7**	**(39,9)**

Operating cash flow in FY 2020 (EUR 18.9 million compared to EUR 78.4 million generated the previous year) was negatively impacted by the change in net working capital, mainly due to lower collections of trade receivables from related parties and the payment of maintenance of rolling stock to Trenord; the combined effect of these changes was partially compensated by the residual debt for the acquisition of 13.6% stake in Mise, paid on January 28, 2021. Operating cash flow also includes financial expenses and cash outflows related to tax paid, amounting to EUR 14 million - compared to EUR 3 million the previous year - due to higher taxes paid in 2020 (IRES and the Robin Tax) and a refund received in 2019.

Investments of approximately EUR 64.9 million were paid in the year 2020, compared to EUR 35.2 million paid in 2019. Period cash flow generation was therefore a negative EUR 46.0 million, compared to a positive EUR 43.2 million at the end of 2019.

FY 2020 showed a negative cash flow of EUR 87.9 million, compared to a positive value of EUR 38.5 million at 31 December 2019, and was affected, in addition to the working capital dynamics mentioned above, by the payment of tax and investments, as well as by the cash outflow relating to the purchase of the stake held in MISE by the ASTM Group, amounting to EUR 78.3 million, partially offset by the proceeds from the sale of the equity investments held in Locoitalia and Fuorimuro, amounting to EUR 32.1 million.

The total **Net Financial Position** at 31 December 2020 was negative at EUR 40.2 million, compared to EUR 107.4 million at 31 December 2019.

Investments in 2020 amounted to a total of EUR 173.3 million compared to the EUR 194.1 million of the previous year. In particular:

- investments with **public funds** were made for a total of EUR 105.1 million (EUR 153.6 million in the comparative year), relating to the renewal of rolling stock for EUR 69.7 million and the modernisation and upgrading of infrastructure for EUR 35.4 million;
- investments financed **with own funds** pertaining to FY 2020 were made for EUR 68.2 million (EUR 40.4 million in 2019), mainly referring to the renewal of the owned fleet relating to both rail transport (purchase of 4 TILO trainsets for EUR 38.0 million, 2 E744 Effishunter locomotives for EUR 3.8 million) and road transport (commissioning of 5 new methane-fuelled city buses and 3 new diesel-fuelled suburban buses for a total of EUR 1.8 million). Investments also include advances paid for the supply of hydrogen trains (EUR 14.1 million), the revamping of TAF rolling stock (EUR 3.8 million) and an additional 4 TILO trainsets (EUR 1.9 million).

Significant events after the closing of FY 2020

Moody's assigns an issuer rating of Baa3 with stable outlook

25 January 2021: FNM obtains a Baa3 long term issuer rating from Moody’s, which takes into account the company’s business prospects following the MISE acquisition and its balanced financial policy.

FNM’s Baa3 rating incorporates the increase of one notch to reflect the ties with Regione Lombardia, its majority shareholder.

FNM has obtained investment grade ratings from Fitch Ratings (BBB- with stable outlook) and Moody's (Baa3 with stable outlook), which offers the company the possibility of defining its medium/long-term financial structure in the most efficient way to support future strategic development, also through access to the capital market.

Acquisition of 82.4% of Milano Serravalle – Milano Tangenziali

26 February 2021: FNM has completed the acquisition of 82.4% of the share capital of MISE[1] from the Regione Lombardia in execution of the sale and purchase agreement signed and disclosed to the market on 03 November 2020. In consideration of the 13.6% shareholding of the share capital already acquired by FNM in 2020[2], FNM has a shareholding representing 96% of the MISE share capital.

The acquisition will enable FNM to strengthen its presence in Lombardy and in areas at higher transport demand, diversify its regulatory risk and improve the Group's profitability profile.

At the same time as the acquisition was completed, Autostrada Pedemontana Lombarda S.p.A. (APL)[3] exited the MISE scope of consolidation as a result of the subscription and release, that same date, by the Regione Lombardia of a share capital increase of APL for a total of EUR 350 million and the consequent dilution to 36.7% of the share capital of the shareholding held by MISE in APL[4].

The amount for the acquisition of the 82.4% shareholding in MISE, amounting to EUR 519.2 million (or EUR 3.5 per share), was fully settled in cash, using a short-term credit line signed on 28 January 2021 with a pool of banks, drawn down for EUR 620 million.

At the same time as the signing of the aforementioned short-term credit line, on 29 January 2020, FNM fully settled the loan signed on 7 August 2018, repaying in advance the entire amount used of EUR 50 million.

MISE will be fully consolidated in the FNM financial statements starting **26 February 2021**.

The following is **MISE's summary data** as at 31 December 2020[5]:

[1] Concessionaire for the design, construction and management of the A7 Serravalle-Milan Motorway and the North, East and West Milan Ring Roads pursuant to the concession agreement signed on 7 November 2007 (as amended by the additional deed of 15 June 2016) between MISE, as concessionaire, and ANAS S.p.A. (subsequently replaced by the Ministry of Infrastructure and Transport), as the grantor.

[2] This shareholding was sold to FNM by ASTM S.p.A. and other companies controlled by it.

[3] The concessionaire company for the design, construction and management of the motorway between Dalmine, Como, Varese, Valico di Gaggiolo and related works

4 Previously 79.3% owned by MISE.

[5] IAS / IFRS adjusted data, with legal auditing activities in progress on the basis of a preliminary activity - it is not possible to exclude that further differences could emerge in the future when the aforementioned preliminary homogenization activity has been finalised.

Amounts in millions of euros	31/12/2020 - IAS adjusted data
Revenues from sales and services	200,3
EBITDA	79,7
EBIT	25,2
Period profit	15,6
Net Financial Position	140,9
Net Invested Capital	517,2

Management outlook

Recent developments in the COVID-19 pandemic, the spread of new variants and uncertainty surrounding the timing of vaccinations, limit visibility over the coming months and require a continued cautious approach for 2021, especially with regard to the local public transport sector.

In particular, it is expected that traffic revenues in the road passenger transport segment will continue to be penalised by weak demand due to travel restrictions resulting from lock-downs, which may be envisaged from time to time depending on the evolution of the epidemiological emergency. On the other hand, it is assumed that production will be reduced less than in the first half of 2020 with, therefore, an accordingly lesser reduction in direct operating costs. On the basis of the government support measures known to date, the segment's revenues and margins are therefore expected to contract compared to a pre-pandemic scenario and to 2020, a year that has benefited from important compensatory measures by the government. The introduction of additional relief would mitigate the negative effects on revenues and margins resulting from the pandemic.

By contrast, rolling stock rental (RoSCo) and rail infrastructure management activities will continue to be less exposed to the effects of the epidemic; however, even in 2021, advertising revenues and revenues related to commercial real estate leases could be reduced compared to a pre-pandemic scenario.

Again for 2021, all companies will continue to implement actions to contain the negative impacts of the emergency, by reducing the main cost items.

In light of these considerations, on a like-for-like basis with 2020, it is reasonable to expect that the Group's revenues will be in line with 2020, while, on the other hand, EBITDA is expected to fall by more than 20% with respect to 2020, in the absence of additional government support measures.

However, 2021 will be a turning point for the FNM Group: the acquisition of 96% of MISE sanctions the Group’s transformation into an integrated mobility operator through rail transport, local public transport by road and motorway infrastructure.

The full consolidation of MISE, starting 26 February 2021, will result in a significant increase in the FNM Group's assets size and economic performance, which will benefit from more diversified revenues and an improved earnings profile, with the simultaneous diversification of regulatory risk.

Therefore, including MISE in the FNM Group’s scope of consolidation, it is expected that, compared to 2020, in 2021 revenues will increase by approximately 70% while Adjusted EBITDA is expected to double, with a positive effect on the Adjusted EBITDA margin ratio which should increase by up to approximately 7 percentage points.

Also in the case of motorway infrastructure management, the current epidemiological situation calls for conservative forecasts of motorway demand, which is nevertheless expected to grow slightly in 2021 compared to 2020, also in view of the greater resilience of heavy vehicle transport and the faster recovery of light vehicle traffic during periods of relaxation of anti-contagion measures, as demonstrated in 2020. On the other hand, it should be noted that, at present, as in 2020, there are no government measures planned in 2021 to support the contraction of revenues due to lower motorway traffic compared to the pre-COVID-19 period.

At present, the comparison on a like-for-like basis (i.e. considering MISE consolidated in FNM for the whole of 2020 and for the whole of 2021), shows for 2021 revenues in line with 2020 and a slightly growing EBITDA (low single digit). The Adjusted EBITDA margin ratio is expected to remain constant.

From a financial point of view, the payment of the purchase price (a total of EUR 604 million - of which EUR 78.3 million paid in 2020), combined with the consolidation of MISE’s net financial position and the investments planned for the renewal of the fleets will result in an increase in the Group’s debt, which in turn will determine an increase in the Adjusted NFP/Adjusted EBITDA ratio, compatible with the parameters set for the current rating levels (Baa3 by Moody’s and BBB- by Fitch, both with stable outlook) and the financial covenants provided for in the existing loan agreements.

To date, the Group has liquidity headroom of around EUR 90 million in uncommitted lines, thereby offering sufficient financial flexibility.

During the course of the year, the Company reserves the right to potentially define its medium/long-term financial structure as it sees fit, to increase efficiency in offering support to future strategic development, including through access to the capital market.

At present, for Trenord - valued using the equity method - 2021 looks very much like 2020. The persistence of the current situation of continuous variability of the overall conditions, however complex and difficult, leads to the hypothesis of a progressive recovery of volumes over a period of a few years. The subsidiary continues to constantly monitor all the main KPIs, regarding the performance of the service, attendance, receipts and the cost-revenue ratio.

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Separate financial statements of the parent company FNM S.p.A.

The Board of Directors also approved the 2020 Financial Statements of the Parent Company FNM S.p.A.

The revenues, deriving from the lease of rolling stock and from centralised Corporate services provided to the investee companies, amounted to EUR 83.5 million, EUR 4.1 million higher than the EUR 80.2 million recorded in 2019. The positive performance is mainly attributable to higher rentals for the operating lease of 4 new E494 ETRAXX DC locomotives to DB Cargo Italia, as well as DE 520 locomotives and new TILO trainsets to Trenord, partially offset by the absence of advertising revenues and the income recognised in 2019 for the sale of the contract for the purchase of 5 Stadler trainsets. FY 2020 revenues also include the collection of insurance indemnity in the amount of EUR 1.3 million.

The increase in revenues is almost entirely reflected in EBITDA, which rose from EUR 51.2 million to EUR 54.6 million (EUR +3.4 million). EBIT increased to EUR 28.5 million from EUR 25 million in the previous year and took into account stable depreciation and amortisation.

Net financial income amounted to a total of EUR 1.9 million, down EUR 2.8 million on 2019's EUR 4.7 million, due to lower dividends of EUR 4.7 million compared to EUR 6.6 million at 31 December 2019. This effect is partially offset by lower net financial expenses of EUR 0.6 million compared to EUR 1.5 million at 31 December 2019. The impairment of equity investments, amounting to EUR 2.3 million, refer to La Linea, E-Vai and ATV, following impairment testing; in the previous year the amount, of EUR 0.4 million, related to the impairment of the equity investment held in Fuorimuro.

Income tax of EUR 6.5 million increased by EUR 0.7 million due to higher taxable income.

The net profit for the year amounted to EUR 23.9 million, in line with the result for FY 2019.

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Proposed allocation of profit

The Board of Directors resolved to propose to the Shareholders' Meeting the payment of a dividend, relating to 2020, of EUR 0.022 per share, totalling EUR 9.6 million, with a pay-out ratio of approximately 40% on the net profit of the Parent Company. The dividend shall be released for payment following the Shareholders' Meeting for approval of the 2020 Financial Statements, scheduled for 30 April 2021.

The dividend, coupon no. 14, will be made available for payment on 9 June 2021, with coupon detachment date 7 June 2021 and record date on 8 June 2021.

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Consolidated Non-Financial Statement

In accordance with the provisions of Legislative Decree no. 254/2016, the Board of Directors of FNM S.p.A. today examined and approved the Consolidated Non-Financial Statement (“NFS”) of 2020, prepared as a distinct document with respect to the Financial Statements.

In the NFS, FNM reports its sustainability performance in accordance with the "GRI Sustainability Reporting Standards"; in 2020 the NFS was structured based on the principles of the Integrated Report.
The first part of the document illustrates how the organization's strategy, governance, performance and perspectives allow it to create value in the short, medium and long term in the context in which it operates.
The second part is focused on the presentation of the capitals, the tangible and intangible "resources" that are increased, reduced or transformed by the organization's activity and output, which determine the creation of value. The main capitals (Economic-Financial Capital, Production and Intellectual Capital, Human Capital, Natural Capital, Social and Relational Capital) are related to the achievement of the Sustainable Development Goals (SDGs). The capitals contributed to the achievement of 10 SDGs envisaged by the 2030 Agenda.
In addition, starting from 2020 and in continuity with the path undertaken, FNM has decided to identify and quantify the impacts that are generated through its business not only from an economic point of view, but also from an environmental and social point of view. Therefore, in order to provide a complete representation of the value generated, FNM has decided to use KPMG's True Value methodology, to measure the "true value" that the Group returns to the community.
During 2020, the value generated by the FNM Group amounts to approximately 2 billion euros, considering both the direct impacts generated, but also the indirect ones; about 65% is attributable to direct and indirect economic impacts.

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FURTHER RESOLUTIONS

During today's meeting, the FNM Board of Directors also examined and approved:

- the Annual Report on Corporate Governance and Ownership Structure pursuant to art. 123-bis of the Consolidated Law on Finance (“TUF”);
- the report on the remuneration policy and on the compensation paid pursuant to art. 123-ter of Legislative Decree no. 58 of 24 February 1998 and art. 84-quater of CONSOB Regulation no. 11971/1999;
- the Directors’ Explanatory Report on the items on the agenda of the Shareholders’ Meeting of the Company convened, in ordinary session, at first call for 11:00 a.m. on 30 April 2021 and, if necessary,

at second call for the same time on 03 May 2021. The Shareholders' Meeting will be called to resolve on:

- the approval of the Company’s financial statements for the year ended 31 December 2020 and the allocation of period profit;
- the approval of the Report on the remuneration policy and compensation paid pursuant to art. 123-ter of Legislative Decree no. 58/1998;
- the appointment of the Board of Directors and the Chairman for the three-year period 2021-2023, after determining the number of members and their term of office, and the determination of their remuneration;
- the appointment of the Board of Statutory Auditors for the three-year period 2021-2023 and the determination of their remuneration;
- the authorisation of the purchase and disposal of treasury shares, subject to revocation of the authorisation granted by the Shareholders’ Meeting on 27 May 2020.

In respect of this latter point, the Board of Directors will propose to the next Shareholders’ Meeting the authorisation to acquire and dispose of treasury shares, in line with the resolutions taken by the Shareholders’ Meeting, held on 27 May 2020, in order to take advantage of any opportunities for investment and/or transactions on treasury shares.

Below are the main elements of the authorisation of the purchase and disposal of treasury shares:

- **Justification**

The acquisition and sale of treasury shares is a tool for operational and strategic flexibility which would enable the Company to (i) perform possible interventions in the market to support the liquidity of the security and the regularity of trading trends and prices, so as to favour their regular performance outside of normal changes linked to market trends in compliance with provisions in force, (ii) use the shares in the portfolio as consideration for any extraordinary or acquisition transactions or (iii) convert any debt instruments into shares. The request for authorisation also includes the right for the Board of Directors to carry out repeated and subsequent acquisition and sale transactions (or other disposal transactions) on treasury shares on a revolving basis, including for fractions of the maximum authorised quantity, so that, at any time, the quantity of shares owned by the Company will not exceed the limits established by the Shareholders’ Meeting authorisation.

- **Duration**

The authorisation for the acquisition of treasury shares is established for the maximum duration permitted by art. 2357, paragraph two, of the Italian Civil Code, and therefore for a period of 18 (eighteen) months as of the date of approval of the proposal by the Shareholders’ Meeting. The duration of the authorisation to dispose of treasury shares is requested with no time limits due to the absence of regulatory restraints in this regard pursuant to provisions in force and the opportunity to enable the Board of Directors to rely on the maximum flexibility, including in temporal terms, for any disposal of such treasury shares.

- **Maximum number of shares that may be acquired**

The authorisation will allow for the acquisition, possibly in multiple tranches, of ordinary shares of FNM, up to a maximum number of shares which - also taking into account the ordinary shares held over time, directly and indirectly, in the portfolio - does not overall exceed 5% of the share capital, namely 21,745,128 treasury shares.

- **Methods for performing transactions and indication of the minimum and maximum price**

The acquisitions will be carried out in compliance with the principle of equal shareholder treatment as set forth in art. 132 of TUF, according to the methods identified by article 144-bis, paragraph 1, of the Issuer Regulation, and any other regulation in force, as well as, when applicable, permitted market practices in force over time. As regards the disposal transactions, the Board of Directors proposes that the authorisation permit the adoption of the method that it itself will deem most appropriate in light of the purpose to be pursued, including sales outside the regulated market.

The unit consideration for the acquisition of shares will be established from time to time for each individual transaction, without prejudice to the fact that it shall not be either 20% higher or 20% lower than the reference price recorded by the FNM security during the trading session on the day prior to that on which each individual acquisition transaction will take place. As regards the consideration for the disposal of the treasury shares acquired, the Board of Directors proposes that the Shareholders' Meeting determine only the minimum consideration, vesting the Board itself with the power to determine, from time to time, all additional conditions, methods and terms of the disposal. Such minimum consideration shall be no lower than 80% of the reference price recorded by the FNM security in the trading session prior to each individual disposal transaction. This consideration limit shall not apply to the execution of transactions in relation to which it is appropriate to proceed with the exchange or transfer of stakes to be performed through exchange or contribution. The acquisitions will be carried out - in compliance with the provisions of art. 2357, paragraphs 1 and 3, of the Italian Civil Code - within the limits of the distributable profits and the available reserves set forth in the most recent financial statements of the Company approved at the time of the performance of each transaction.

As of today's date, FNM does not hold treasury shares in the portfolio and no subsidiary of FNM holds its shares.

For all additional information concerning the proposed authorisation to purchase and dispose of treasury shares, please refer to the illustrative report of the directors, which will be published within the terms and according to the methods set forth by regulations in force.

It should be noted that due to the epidemiological emergency caused by COVID-19, and therefore in compliance with the fundamental principles of health protection for shareholders, employees, representatives and consultants of the Company, as well as, most recently, with Legislative Decree no. 18 of 17 March 2020, as subsequently amended and supplemented, the meeting will be attended, for directors, statutory auditors, designated representative and representatives of the auditing company, by conference call; the share capital may only attend through the Designated Representative pursuant to art. 135-undecies of TUF, to whom powers or sub-delegations may also be conferred pursuant to article 135-novies of the TUF.

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All documents approved today will be made available to the public, in accordance with the law, at the registered office, the authorised storage mechanism EMARKET STORAGE at www.emarketstorage.com, as well as in the dedicated section of the Company's Website (at www.fnmgroup.it, Governance/Assemblea degli azionisti section and Investor/Bilanci e relazioni section).

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

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FNM is the leading integrated sustainable mobility Group in Lombardy. It is the first hub in Italy to combine railway infrastructure management with road transport and motorway infrastructure management in order to offer an innovative model for managing mobility supply and demand that optimises flows and that is environmentally and economically sustainable. It is one of Italy’s leading non-state investors in the sector. FNM S.p.A. is a public company that has been listed on the Italian Stock Exchange since 1926. The majority shareholder is the Regione Lombardia, which holds a 57.57% stake.

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Attached herewith are the following statements referred to the FNM Group, pointing out that, with regard to the reported data, the independent audit has not yet been completed:

1. 2020 Consolidated Income Statement
2. Consolidated Balance Sheet at 31.12.2020
3. Composition of the Group Net Financial Position at 31.12.2020
4. Result of the investments accounted for using the equity method
5. FNM S.p.A. Income Statement 2020
6. Balance Sheet of FNM S.p.A. at 31.12.2020
7. Glossary of terms and alternative performance indicators used

Attachment 1: 2020 Consolidated Income Statement

Amounts in millions of euros	**2020**	**2019**	**Change**	**Change %**
Revenues from sales and services	258,8	279,2	(20,4)	*-7,3%*
Other revenues and income	22,5	21,4	1,1	*5,1%*
TOTAL REVENUES AND OTHER INCOME	***281,3***	***300,6***	***(19,3)***	***-6,4%***
Operating costs	(97,7)	(105,5)	7,8	*-7,4%*
Personnel costs	(113,5)	(125,5)	12,0	*-9,6%*
ADJUSTED EBITDA	***70,1***	***69,6***	***0,5***	***0,7%***
Non-ordinary Income and Expenses	(1,9)	1,4	(3,3)	*N/A*
EBITDA	*68,2*	*71,0*	*(2,8)*	*-3,9%*
Depreciation, amortisation and write-downs	(41,8)	(40,7)	(1,1)	*2,7%*
EBIT	***26,4***	***30,3***	***(3,9)***	***-12,9%***
Net financial income	(0,1)	(2,4)	2,3	*-95,8%*
of which gains on divestments	*1,0*	-	*1,0*	*N/A*
EARNINGS BEFORE TAX	*26,3*	*27,9*	*(1,6)*	*-5,7%*
Income tax	(3,6)	(5,0)	1,4	*-28,0%*
ADJUSTED COMPREHENSIVE INCOME	**22,7**	**22,9**	**(0,2)**	***-0,9%***
Profit of companies measured with the Equity method	2,0	8,0	(6,0)	*-75,0%*
COMPREHENSIVE INCOME	**24,7**	**30,9**	**(6,2)**	***-20,1%***
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERE	**0,5**	**0,6**	**(0,1)**	***-16,7%***
COMPREHENSIVE GROUP INCOME	**24,2**	**30,3**	**(6,1)**	***-20,1%***

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Attachment 2: Consolidated Balance Sheet at 31.12.2020

Amounts in millions of euros	31/12/2020	31/12/2019	Change
Inventories	8,7	8,9	(0,2)
Trade receivables	82,6	64,6	18,0
Other current receivables	99,0	60,9	38,1
Trade payables	(177,5)	(175,7)	(1,8)
Other current payables and current provisions	(70,7)	(91,0)	20,3
Net Working Capital	***(57,9)***	***(132,3)***	***74,4***
Fixed assets	468,3	432,3	36,0
Equity investments	168,0	84,9	83,1
Non-current receivables	24,2	21,6	2,6
Non-current liabilities	(24,4)	(28,2)	3,8
Provisions	(60,9)	(60,9)	0,0
Assets and liabilities held for sale	0,0	29,5	(29,5)
NET INVESTED CAPITAL	***517,3***	***346,9***	***170,4***
Equity	*477,1*	*454,3*	*22,8*
Adjusted Net Financial Position (Debt / -Cash)	**43,7**	**(39,9)**	**83,6**
Net Financial Position for funded investments (cash)	(3,5)	(67,6)	64,1
Total net financial position (Debt / -Cash)	*40,2*	*(107,5)*	*147,7*
TOTAL SOURCES	***517,3***	***346,8***	***170,5***

Attachment 3: Composition of the Group Net Financial Position at 31.12.2020

Amounts in millions of euros	**31/12/2020**	**31/12/2019**	**Change**
Liquidity	(126,1)	(156,4)	30,3
Current financial receivables	(0,1)	(49,3)	49,2
Current financial debt	101,2	94,3	6,9
Current Net Financial Position (Debt / -Cash)	***(25,0)***	***(111,4)***	***86,4***
Non-current financial debt	68,7	71,5	(2,8)
Adjusted Net Financial Position (Debt / -Cash)	***43,7***	***(39,9)***	***83,6***
Net Financial Position for funded investments (Debt / -Cash)	(3,5)	(67,6)	64,1
Net Financial Position (Debt / -Cash)	***40,2***	***(107,5)***	***147,7***

Attachment 4: Result of the investments accounted for using the the equity method

Amounts in thousands of euros	2020	2019	*Change*
Trenord Srl *	(3.796)	1.598	*(5.394)*
NORD ENERGIA SpA **	2.567	3.377	*(810)*
DB Cargo Italia Srl	1.813	1.722	*91*
Omnibus Partecipazioni Srl ***	1.052	1.192	*(140)*
NordCom SpA	283	460	*(177)*
Conam Srl	44	55	*(11)*
SeMS Srl in liquidation	81	34	*47*
Fuorimuro Srl****	-	(391)	*391*
Result of companies valued at equity	**2.044**	**8.047**	***(6.003)***

* includes the result of TILO SA

** includes the result of CMC MeSta SA

*** includes the result of ASF Autolinee Srl

**** The result of the equity investment in Fuorimuro is down to zero as a result of the sale completed on 10 March 2020, adjusted to fair value as at 31 December 2019.

Attachment 5: FNM S.p.A. Income Statement 2020

Amounts in millions of euros	**2020**	**2019**	***Change***	***Change %***
Revenues from sales and services	78,0	76,5	*1,5*	*1,9%*
Other revenues and income	5,5	3,7	*1,8*	*48,0%*
TOTAL REVENUES	*83,5*	*80,2*	*3,3*	*4,1%*
EBITDA	*54,6*	*51,2*	*3,4*	*6,7%*
EBIT	*28,5*	*25,0*	*3,5*	*14,0%*
COMPREHENSIVE INCOME	**23,9**	**23,9**	***(0,0)***	***-0,2%***

Attachment 6: Balance Sheet of FNM S.p.A. at 31.12.2020

Amounts in millions of euros	**31/12/2020**	**31/12/2019**	***Change***
Current receivables	62,1	43,0	*19,1*
Current payables	(97,6)	(37,9)	*(59,7)*
Net Working Capital	*(35,5)*	*5,1*	*(40,6)*
Fixed assets	388,2	344,9	*43,3*
Equity investments	181,4	97,0	*84,4*
Non-current receivables	7,8	7,2	*0,6*
Non-current provisions and payables	(10,0)	(11,9)	*1,9*
NET INVESTED CAPITAL	***531,9***	***442,3***	***89,6***

Equity	399,6	375,7	*23,9*
Net financial position (Debt/-Cash)	132,3	66,6	*65,7*
TOTAL SOURCES	***531,9***	***442,3***	***89,6***

Attachment 7: Glossary of terms and alternative performance indicators used

The present document, in addition to the conventional financial statements and indicators prescribed by IFRS, presents some reclassified statements and some alternative performance indicators in order to allow a better assessment of the economic-financial performance of the Group. These statements and indicators should not be deemed to be replacements for the conventional ones prescribed by IFRS. For these quantities, the descriptions of the criteria adopted in their preparation and the appropriate notes referring to the items contained in the mandatory statements are provided in accordance with the indications of Consob Communication no. 6064293 of 28 July 2006, in Consob Communication no. 0092543 of 3 December 2015 and of the ESMA 2015/1415 guidelines for alternative performance indicators ("Non GAAP Measures").

In particular, among the alternative indicators used, the following are pointed out:

EBITDA: it represents the earnings for the year before income taxes, of the other financial income and expenses, of depreciation, amortisation and impairments of non-current assets. The Group also provides an indication of the incidence of EBITDA on net sales. The calculation of EBITDA carried out by the Group allows to compare the operating results with those of other companies, excluding any effects deriving from financial and tax components and from depreciation and amortisation, which may vary from company to company for reasons not correlated with the general operating performance.

EBITDA %: it represents the percentage of EBITDA over total revenues.

Adjusted EBITDA: it is represented by EBITDA as identified above, excluding non-ordinary expenses and income, such as:

i. income and expenses deriving from restructuring, reorganisation and business combination;
ii. income and expenses not directly referred to the ordinary performance of the business, clearly identified;
iii. in addition to any income and expenses deriving from significant non-ordinary events and transactions as defined by Consob communication DEM6064293 of 28/07/2006.

With reference to the adjusted EBITDA of 2020, the following components were excluded from EBITDA:

a) non-ordinary expenses deriving from development projects, amounting to EUR 1.9 million.

With reference to the adjusted EBITDA of 2019, the following components were excluded from EBITDA:

a) non-recurring income deriving from the closure of a dispute with third parties, amounting to EUR 2.6 million;
b) non-ordinary expenses deriving from development projects, amounting to EUR 1.2 million.

Adjusted EBITDA %: it represents the percentage of Adjusted EBITDA over total revenues.

EBIT: it represents the earnings for the year before the income deriving from sold/disposed assets, income taxes, financial income and expenses and the result of the companies measured at equity.

Net Working Capital: it includes current assets (excluding cash and cash equivalents and the current financial assets included in the net financial position), and current liabilities (excluding the current financial liabilities included in the net financial position).

Net Invested Capital: it is equal to the algebraic sum of fixed capital, which includes non-current assets and non-current liabilities (excluding the non-current financial liabilities included in the net financial position) and of net working capital.

NFP (Net Financial Position): it includes cash and cash equivalents, current financial assets and current financial liabilities.

Adjusted NFP: it is represented by the net financial position as identified above, excluding the impacts of the timeline of the collections of the contributions on financial investments for the renewal of the railway rolling stock and of the related payments made to suppliers, recognised in accordance with IFRIC 12.