THE BOARD OF DIRECTORS APPROVES

THE RESULTS AS AT 30 SEPTEMBER 2020

- ***Revenues: EUR 207.0 million (-7.3% compared to EUR 223.4 million at 30 September 2019)***
- ***Adjusted EBITDA: EUR 58.6 million (-2.8% compared to EUR 60.3 million at 30 September 2019)***
- ***EBIT: EUR 28.3 million (-3.7% compared to EUR 29.4 million at 30 September 2019)***
- ***Adjusted Net Profit: EUR 22.7 million (+9.1% compared to EUR 20.8 million at 30 September 2019[1])***

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Adjusted NFP negative for EUR 40.5 million (positive for EUR 39.9 million at 31 December 2019[2])

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Milan, 12 November 2020 – The Board of Directors of FNM S.p.A., which met today under the chairmanship of Mr. Andrea Gibelli, examined and approved the Interim Management Report of the FNM Group at 30 September 2020.

ECONOMIC AND FINANCIAL HIGHLIGHTS

[1] *Adjusted Net Profit excludes the result of jointly controlled and associated companies valued at equity.*
[2] *Adjusted NFP excludes the effects deriving from adoption of IFRIC 12 in relation to the advances on investments financed by the Lombardy Region.*

The period under review, in particular from the end of February, revealed the negative effects caused by the global pandemic of COVID-19, which had impacts on the national and regional production system, in particular on mobility and specifically on public transport. The complexity was even greater in the collective mobility sector due to the need to guarantee a continuous and safe service. As already mentioned, the Group implemented important actions and clear procedures aimed at safeguarding the health of its employees and users, as well as containing the economic repercussions.

The fewer restrictive measures adopted in May and June allowed the progressive growth 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.
Between April and October, three 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 and Law 13 October 2020, no. 126, art. 44, August Decree).

Following the rise in the contagion curve, with Decree of the President of the Council of Ministers (DPCM) of 3 November 2020, restrictive measures on mobility were again adopted to contain the spread and this will lead to new further economic repercussions on the regional and national production system, in particular on mobility, and specifically on local public transport.

Consolidated revenues at 30 September 2020 amounted to EUR 207.0 million, down by 7.3% compared to the comparative period of the previous year, with differences in trends in the three business segments:

Amounts in millions of euros	9 months 2020	9 months 2019	*Change*	*Chg %*
Railway infrastructure management	94,6	91,3	*3,3*	*3,6%*
Road passenger transport	68,3	88,0	*(19,7)*	*-22,4%*
Rosco & Services	61,5	62,0	*(0,5)*	*-0,8%*
Intercompany eliminations	(17,4)	(17,9)	*0,5*	*-2,8%*
Total	**207,0**	**223,4**	***(16,4)***	***-7,3%***

- as regards **Railway infrastructure management** (maintenance, network upgrading and traffic management), revenues showed growth of 4% mainly deriving from the higher revenues tied to design and project management on the investments financed by the Lombardy Region (provided for in the Planning Agreement) and on financing for the purchase of new trains, also financed by the Lombardy Region;
- **passenger road transport** revenues decreased by 22% due to the main effect of the drop in revenues from transport services (-47%), deriving from the significant reduction in mobility that occurred following the introduction of traffic bans; on the contrary, revenues from contributions envisaged in public contracts increased by about 12% compared to the previous year as a result of the Law of 24 April 2020, no. 27 (art. 92 paragraph 4-*bis*)[3] that provided for the recognition of fees on the basis of contractual programming, despite the remodulation of the offer implemented following the epidemiological emergency, and the economic effect of the offsetting measures introduced (amounting to approximately EUR 4.3 million, to partially offset the decline in revenues from ticketing outlined above) by the Law of 17 July 2020, no. 77 (art. 200, paragraph 1, Relaunch Decree), and the Law of 13 October 2020, no. 126 (art. 44, August Decree);
- in the business segment in which the Parent Company operates directly (**RoSCo & Services**) and which includes the leasing of rolling stock to investees operating in local

[3] "In order to contain the negative effects of the epidemiological emergency from COVID-19 and the measures to contrast the spread of the virus on operators of local and regional public transport services and school transport, reductions of fees, sanctions or penalties due to the reduced schedule or reduced travel from 23 February 2020 and until 31 December 2020 cannot be applied by the customers of the aforementioned services, also where negotiated…"

public transport and freight transport sectors, as well as centralised corporate services, revenues showed substantial stability compared to the previous year (-0.8%); in particular, revenues relating to the lease of rolling stock, equal to EUR 42.4 million, recorded a growth of 1.7% due to higher leases as a result of the new E494 fleet leased to DB Cargo Italia and DE520 locomotives leased to Trenord.

Operating costs decreased by 9.5% (EUR -6.9 million) mainly due to the lower costs related to fuel, the maintenance of buses deriving from the lower km travelled and to less subcontracting to third parties following the reduction in travel during the lock-down phase and by the relative provisions issued to contain the spread of contagion.

Personnel costs decreased by 8.6% (EUR -7.8 million), due to the combined effect of the use of residual holidays, income support tools (General Lay-off Fund and Public Transport Fund), reduced use of temporary workers and a reduction in the average workforce; the average number of Group **employees** at 30 September 2020 was 2,204, down by approximately 3% compared to an average figure of 2,266 recorded in the same period of 2019.

The **adjusted EBITDA** (which excludes some non-ordinary elements[4]) amounted to **EUR 58.6 million,** i.e. **28% of consolidated revenues**, down 2.8%, showing better performance than the trend in revenues, due to the reduction in the management costs of the mobility area fleets on road, as well as for the detection of a timing effect of lower costs, for the postponement of some infrastructural interventions envisaged by the Planning Agreement with the Lombardy Region following the health emergency, and is divided as follows between the three areas:

- **railway infrastructure management**: the increase in the period in question, amounting to EUR 0.5 million, is partly attributable to the aforementioned timing effect and partly to a lower average workforce;

[4] In the first nine months of 2020, as well as in the comparative period, non-ordinary costs for development projects were recorded.

- **passenger road transport:** the modest reduction in the margin from EUR 10.5 million in the first nine months of 2019 to EUR 9.5 million at 30 September 2020 was achieved through the significant reduction in the main cost items (primarily for fleet and personnel management) despite the decline in revenues deriving from the ongoing emergency, and through the compensatory effects introduced by the new regulations;
- **RoSCo & Services:** slight decrease in the margin due to higher personnel costs.

Amounts in millions of euros	**9 months 2020**	**9 months 2019**	***Change***	***Chg %***
Railway infrastructure management	9,4	8,9	*0,5*	*5,1%*
Road passenger transport	9,5	10,5	*(1,0)*	*-9,9%*
Rosco & Services	39,7	40,9	*(1,2)*	*2,8%*
Total	**58,6**	**60,3**	***(1,7)***	***2,8%***

Amortisation and depreciation were substantially stable compared to the comparative period 2019; consequently, consolidated **EBIT** is equal to EUR 28.3 million, compared to EUR 29.4 million in 2019.

Consolidated earnings before taxes were positive for EUR 28.6 million, an increase compared to EUR 27.8 million of the first nine months of 2019 due to the better result of **financial income,** positive for EUR 0.3 million compared to a negative figure of EUR 1.6 million in the same period of 2019; the 2020 figure includes a gain deriving from the sale of the investment in Locoitalia equal to EUR 1 million.

Income taxes, amounting to EUR 5.9 million, decreased by EUR 1.1 million compared to the same period of 2019 due to lower taxable income in the period.

Adjusted consolidated net profit of the Group at 30 September 2020, net of the result of associated companies valued at equity, amounted to EUR 22.7 million, **up by 9.1%** compared to EUR 20.8 million at 30 September 2019.

The result of **associated companies** (valued at equity) was negative for EUR 15.6 million, compared to a positive figure of EUR 3.7 million in 2019, due to the main effect of the lower result of the investee **Trenord** that recorded in the period under review the effects of the measures aimed at containing the contagion of COVID-19 and therefore, of the revision of the offer implemented from 24 February, and reformulated differently in the following months in relation to the evolution of the mobility limitation measures; in fact, in the first nine months of 2020, Trenord recorded a negative net profit of EUR 40.3 million compared to EUR +2.1 million in the previous year and recorded:

- a decrease in revenues of 19% equal to EUR 113.3 million, attributable to the decrease in revenues from ticketing (-51% compared to the comparative period of 2019) also following the reduction in the service offered; the revenues deriving from the fees for the service contract, on the other hand, increased by 7% thanks to the compensatory effects introduced by the "Cura Italia", "Relaunch" and "August" Decrees for a total of EUR 69 million;
- a decrease in EBITDA from EUR 49.6 to -13.7 million, partially offsetting the drop in revenues with the reduction in personnel costs of around EUR 12.6 million due to lower ancillary remuneration and lower average numbers of employees (-33 FTE) and some operating costs of about EUR 37.4 million mainly related to lower energy, toll and supervision costs and fewer replacement trips.

Group **total consolidated net profit** at 30 September 2020, after the result of associated companies valued at equity and minority interest, recorded a profit of EUR 6.2 million compared to EUR 23.9 million at 30 September 2019.

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To better represent the Net Financial Position of the Group and hence the Group's cash generating capability, an adjusted NFP was measured that excludes the effects deriving from adoption of IFRIC 12, i.e. the amount relating to the advances collected on the investments financed by the Lombardy Region relating to the modernisation of infrastructure and the renewal of rolling stock (amounting to approximately EUR 51 million at 30 September 2020).

The **Adjusted Net Financial Position** at 30 September 2020 was negative for EUR 40.5 million compared to EUR 39.9 million at 31 December 2019, mainly following the cash outflow, equal to EUR 78.3 million, relating to the first tranche paid for the purchase from the ASTM Group of 13.6% of the share capital of Milano Serravalle – Milano Tangenziali S.p.A. ("MISE"). The second tranche, equal to EUR 7.3 million, will be paid by 31 January 2021.

The **operating cash flow** performance deriving from income management, net of cash outflows relating to financial expenses, is negatively affected, as in the first half of the year, by the change in net working capital, mainly due to lower collections of trade receivables for EUR 19.8 million from related parties and from the Client of the Veneto LPT Service Contract, as well as the net decrease in trade payables for investments with funded funds. Investments were also paid in the period for around EUR 53.3 million, of which EUR 41.1 million pertaining to the previous year and EUR 12.2 million to the current one.

The negative cash flow generation for the period of EUR 42.3 million, deriving from operations and paid investments, increased by the aforementioned cash outflow relating to the purchase of 13.6% in the share capital held in MISE by the ASTM Group, equal to EUR 78.3 million, and is partially offset by the proceeds deriving from the sale of the investments in Locoitalia and Fuorimuro, equal to EUR 32.1 million.

Consequently, the Group's **free cash flow** at 30 September stands at a negative value of **EUR 83.8 million**.

Amounts in millions of euros	30/09/2020	30/09/2019
EBITDA	57,7	59,9
NET WORKING CAPITAL	(38,5)	5,1
Taxes	(7,2)	(3,2)
Financial expenses/income	(1,0)	(1,1)
Free cash flow from operations	***11,0***	***60,7***
Investments paid	(53,3)	(34,1)
Cash flow generation	***(42,3)***	***26,6***
Dividends cash-in	4,7	5,8
Investment purchase	(78,3)	
Divestments	32,1	-
Free cash flow	**(83,8)**	**32,4**
Dividends cash-out	-	(10,5)
Cash flow	**(83,8)**	**21,9**
Adjusted NFP (Debt/-Cash) INITIAL 01/01	**(39,9)**	**7,5**
Cash flow generation	83,8	(21,9)
Change in scope of consolidation	3,1	
IFRS 16 effect	(6,5)	-
Reclassification financial receivable Finlombarda		(5,0)
Total change in NFP	***80,4***	***(26,9)***
Adjusted NFP (Debt/-Cash) FINAL 30/09	**40,5**	**(19,4)**

The total **Net Financial Position** at 30 September 2020 was positive at EUR 10.8 million, compared to EUR 107.4 million at 31 December 2019.

Consolidated **investments** in the first nine months of the year amounted to EUR 68.8 million compared to EUR 75.3 million in the comparative period of the previous year:

- investments with **public funds** were made for a total of EUR 63.8 million (EUR 56.4 million in the comparative period of 2019), relating to the renewal of rolling stock for EUR 39.2 million and the modernisation and upgrading of infrastructure for EUR 24.6 million;
- investments financed with **own funds** were made for EUR 5 million (EUR 18.8 million in the comparative period of 2019) and mainly refer to the renewal of the owned fleet related to

the road transport business (commissioning of 9 new buses and minibuses), and the lease of rolling stock on rail (surrender of 8 DE520 diesel locomotives).

SIGNIFICANT EVENTS AFTER 30 SEPTEMBER 2020

On **7 October 2020,** the company FNMPAY joint-stock company – wholly owned by FNM – was established which, upon obtaining the necessary authorisation from the Bank of Italy, will provide the service of agreement of payment transactions pursuant to art. 1, paragraph 2, lett. h)-septies.1), number 5) of Legislative Decree 385/1993.
The company will play an active role in managing the acceptance of payments via POS (physical and virtual) by the companies of the FNM Group.
It is expected that the company, subject to obtaining the aforementioned authorisation from the Bank of Italy, will be able to start up its business during the first half of 2021.

On **3 November 2020**, the Company signed a purchase and sale contract with the Lombardy Region, which regulates the terms and conditions of a transaction aimed at creating a strategic holding company in the infrastructure sector in Lombardy.
In particular, the transaction involves the purchase by FNM of the entire equity investment, equal to 82.4% of the share capital, in Milano Serravalle – Milano Tangenziali S.p.A. (MISE) held by the Lombardy Region, for a total consideration of EUR 519.2 million.
The execution of the sale and purchase contract is subject to the fulfilment (or, as the case may be, the waiver in accordance with the terms and conditions set out in the contract) of certain conditions precedent, including obtaining the necessary authorisations in relation to the transaction in accordance with antitrust law and the golden power regulations (where applicable under the law), as well as authorisation by the Ministry of Infrastructure and Transport in accordance with the agreement to which MISE is a party.
Subject to the fulfilment (or, as the case may be, the waiver) of the conditions precedent provided for in the contract, the transaction is expected to be completed within the first months of 2021.
The transaction will be financed by a short-term credit line, entered into entirely by IMI-Intesa

SanPaolo, J.P. Morgan and BNP Paribas BNL for a maximum of EUR 650 million and mainly aimed at paying the acquisition price.

On **10 November 2020** was the publication of the "Information document relating to significant transactions with related parties" as the transaction of the MISE investment qualifies as a "significant" transaction between related parties - Lombardy Region holds an investment in the share capital of FNM representing 57.57% - pursuant to article 8, paragraph 1, of the Consob RPT Regulation and article 4.3 of the RPT Procedure, since all the materiality indices set out in Annex 3 of the Consob RPT Regulation and article 2 of the RPT Procedure are greater than 5%.
FNM has activated the controls and measures provided for in article 8 of the Consob RPT Regulation and article 4.3 of the RPT Procedure with regard to "significant" transactions with related parties. In particular, the Board of Directors of FNM approved the transaction on 26 October 2020, subject to the issuance on the same date, of a reasoned favourable opinion by the Control, Risks and Related Party Transactions Committee on the Company's interest in carrying out the transaction, as well as on the convenience and substantial fairness of the related conditions. The financial fairness of the purchase price was certified by Lazard S.r.l., which supported the Control, Risks and Related Party Transactions Committee as an independent, unrelated expert with no interest, even indirectly, in the transaction, which issued a specific opinion on 26 October 2020, as permitted by the Consob RPT Regulation and the RPT Procedure.

On **10 November 2020,** Fitch Ratings assigned FNM an Investment Grade BBB- rating with a stable outlook. The assignment of the rating will allow FNM to optimise its financial structure, also by diversifying the sources of funding, with *inter alia* possible access to the capital market.

OUTLOOK

The effects of the ongoing health emergency on the FNM Group, whose businesses relating to the leasing of rolling stock and to management of the railway infrastructure were not substantially impacted by the epidemiological emergency, pertain mainly to road transport and the Trenord investee.

For road transport activities in Lombardy and in Veneto, revenues from fees provided for by the service contracts in force for all of 2020 will be paid as required by the contractual programming, on the basis of the Law of 24 April 2020, no. 27 (art. 92, paragraph 4-bis).

The prohibitions on mobility and circulation, as well as the closure of school activities, provided for by the subsequent provisions issued over the months, have generated a significant reduction in the demand for transport and consequently in traffic revenues, the effect of which is estimated to persist even in the last quarter of the year, also taking into account the provisions of the Decree of the President of the Council of Ministers of 3 November 2020. To offset this decline in revenues, the Law of 17 July 2020, no. 77 (art. 200, paragraph 1, the "Relaunch Decree"), in order to sustain the local and regional public passenger transport service, established with the Ministry for Infrastructure and Transport a fund, subsequently integrated by Law 13 October 2020, no. 126 (article 44, the "August Decree") to offset the reduction of fee revenues from passengers in the period from 23 February 2020 to 31 December 2020 compared to the average fee revenues recorded in the same period of the previous two years.

All companies have also activated actions to contain the negative impacts of the emergency, by reducing the main cost items.

In light of these reflections, the previous scenario of recovery of the production of transport services at full capacity starting from September, together with the resumption of school activity and an estimate relating to the positive effects deriving from the reduction of the restrictions in May and June, seems weakened. In fact, it is reasonable to believe that in the last two months of the year, the demand for transport remains at significantly lower values than those recorded in the same period of the previous year, following the additional limitations introduced to school activities and the movement of people. However, taking into account the trend in the period July-October, as well as the greater allocations to the sector referred to in the aforementioned Law no. 126/2020, at present, it is reasonable to maintain the estimate – previously communicated – relating to the Group's revenues and adjusted Ebitda, and therefore to expect a high-single digit negative impact compared to the previous year.

With reference to the Group's Adjusted NFP, we note the postponement of part of the investments planned for the renewal of the fleets at the beginning of 2021, taking into account the updated delivery times of suppliers, with consequent lower cash requirements. As a result of the cash outflow relating to the purchase of the stake held in MISE by the ASTM Group, for EUR 78.3 million, the Group recorded a negative adjusted net financial position of approximately EUR 40.5 million at 30 September 2020, but has a significant liquidity headroom of EUR 50 million of committed lines and approximately EUR 140 million of uncommitted lines.

Trenord – valued at equity – proceeded, starting from 24 February 2020, to revise the railway service in accordance with the different regulatory provisions in force in the various months, which entailed a significant reduction in ticketing revenues. These effects were only partially mitigated by the regulatory interventions to support companies operating in the local public transport sector contained in the aforementioned Law no. 27/2020, Law no. 77/2020 and Law no. 126/2020, the compensatory effects of which on revenues were included in the interim management report as at 30 September 2020.

Trenord operates on the basis of a service contract, which requires to ensure maintenance of economic and financial balance – in accordance with the provisions of EC Regulation 1370/2007 – through a compensation mechanism that takes into account, in addition to the difference in outflows and inflows relating to the costs and revenues of public service operations, also adequate remuneration of the capital invested.

Although the economic trend, also considering the new provisions, may produce negative financial effects for all of 2020, Trenord believes that the liquidity currently available, the existing credit lines and the cash flow generated will allow it to operate in financial balance.

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The Interim Management Report at 30 September 2020 will be made available at the registered office, the authorised storage facility "eMarket Storage" at the address www.emarketstorage.com, as well as in the specific section's of the Company website (at www.fnmgroup.it, Investor/Financial statements and reports section) by today.

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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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For further information:

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Attached herewith are the following statements referred to the FNM Group, pointing out that the reported data is not subject to independent audit:

1. Consolidated Income Statement at 30.09.2020
2. Consolidated Balance Sheet at 30.09.2020
3. Composition of the Group Net Financial Position at 30.09.2020
4. Result of investee companies (valued with the equity method)
5. Glossary of terms and alternative performance indicators used

Annex 1 – Consolidated Income Statement

Amounts in millions of euros	**9 months 2020**	**9 months 2019**	***Change***	***Chg %***
Revenues from sales and services	191,0	209,0	(18,0)	*-8,6%*
Other revenues and income	16,0	14,4	1,6	*11,1%*
TOTAL REVENUES AND OTHER INCOME	***207,0***	***223,4***	***(16,4)***	***-7,3%***
Operating costs	(65,7)	(72,6)	6,9	*-9,5%*
Personnel costs	(82,7)	(90,5)	7,8	*-8,6%*
Adjusted EBITDA	***58,6***	***60,3***	***(1,7)***	***-2,8%***
Non-ordinary Income and Expenses	(0,7)	(0,4)	(0,3)	*N/A*
EBITDA	*57,9*	*59,9*	*(2,0)*	*-3,3%*
Depreciation and amortisation	(29,6)	(30,5)	0,9	*-3,0%*
EBIT	***28,3***	***29,4***	***(1,1)***	***-3,7%***
Net financial income	0,3	(1,6)	1,9	*N/A*
of which gains on divestments	*1,0*	-	*1,0*	*N/A*
EARNINGS BEFORE TAX	*28,6*	*27,8*	*0,8*	*2,9%*
Income tax	(5,9)	(7,0)	1,1	*-15,7%*
ADJUSTED COMPREHENSIVE INCOME	**22,7**	**20,8**	**1,9**	***9,1%***
Profit of companies measured with the equity method	(15,6)	3,7	(19,3)	*N/A*
COMPREHENSIVE INCOME	**7,1**	**24,5**	**(17,4)**	***N/A***
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTEREST	**0,9**	**0,6**	**0,3**	***N/A***
COMPREHENSIVE GROUP INCOME	**6,2**	**23,9**	**(17,7)**	***N/A***

Annex 2 – Consolidated Balance Sheet

Amounts in millions of euros	30/09/2020	31/12/2019	Change
Inventories	9,0	8,9	0,1
Trade receivables	84,4	64,6	19,8
Other current receivables	98,1	60,9	37,2
Trade payables	(142,5)	(175,7)	33,2
Other current payables and current provisions	(104,9)	(91,0)	(13,9)
Net Working Capital	***(55,9)***	***(132,3)***	***76,4***
Fixed assets	417,1	432,3	(15,2)
Equity interests	150,4	84,9	65,5
Non-current receivables	21,8	21,6	0,2
Non-current liabilities	(25,4)	(28,2)	2,8
Provisions	(58,9)	(60,9)	2,0
Assets and liabilities held for sale	0,0	29,5	(29,5)
NET INVESTED CAPITAL	***449,1***	***346,9***	***102,2***
Equity	*459,9*	*454,3*	*5,6*
Adjusted Net Financial Position (Debt / -Cash)	**40,5**	**(39,9)**	**80,4**
Net Financial Position for funded investments (cash)	(51,3)	(67,5)	16,2
Total net financial position (Debt / -Cash)	*(10,8)*	*(107,4)*	*96,6*
TOTAL SOURCES	***449,1***	***346,9***	***102,2***

Annex 3 – Composition of the Group Net Financial Position

Amounts in millions of euros	**30/09/2020**	**31/12/2019**	**Change**
Liquidity	(84,7)	(156,4)	71,7
Current financial receivables	(0,4)	(49,3)	48,9
Current financial debt	40,4	94,3	(53,9)
Current Net Financial Position (Debt / -Cash)	***(44,7)***	***(111,4)***	***66,7***
Non-current financial debt	85,2	71,5	13,7
Adjusted Net Financial Position (Debt / -Cash)	***40,5***	***(39,9)***	***80,4***
Net Financial Position for funded investments (Debt / -Cash)	(51,3)	(67,5)	16,2
Net Financial Position (Debt / -Cash)	***(10,8)***	***(107,4)***	***96,6***

Annex 4 – Result of investee companies (valued with the equity method)

Amounts in thousands of euros	9 months 2020	9 months 2019	*Change*
Trenord Srl *	(18.735)	520	*(19.255)*
NORD ENERGIA SpA **	1.724	2.484	*(760)*
DB Cargo Italia Srl	1.067	872	*195*
Omnibus Partecipazioni Srl ***	185	31	*154*
NordCom SpA	35	108	*(73)*
Conam Srl	30	47	*(17)*
SeMS Srl in liquidation	81	30	*51*
Fuorimuro Srl ****	-	(381)	*381*
Result of companies valued at equity	**(15.613)**	**3.711**	***(19.324)***

* 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.

Annex 5 – 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 period 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 operations;

(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 non-ordinary events and significant transactions as defined by Consob DEM6064293 communication of 28 July 2006.

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

a) non-ordinary expenses deriving from development projects, amounting to EUR 0.7 million.

In the comparative period of 2019, non-ordinary expenses deriving from development projects were recorded for EUR 0.4 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.

Adjusted comprehensive profit: represents the net result for the period before the result of the companies valued with the equity method.

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.