



Acquisition of Milano Serravalle – Milano Tangenziali

- The acquisition

- Post deal key figures

The rationale

A transformational deal for FNM

- Creation of a **unique integrated infrastructure operator in Italy** which will allow:
 - An **integrated management of the ever-growing demand for mobility**, with optimization of flows, reduction of polluting emissions and development of sustainable mobility
 - A **new approach to the offer of transport services** through the **synergic integration of nodes and networks**: from single services to an integrated and converging model
 - **System synergies** (strategy, planning, management, monitoring and control, innovation and technological know-how)
- Improvement of FNM Group's revenues, **enhancing the income profile and providing regulatory risk diversification**
- **Strengthening of geographical presence** in the Lombardy territory and in the areas with higher transportation demand
- **Further developments of infrastructures** in the Lombardy territory

Physical integration

Digital integration

Economic and organizational efficiency

Milano Serravalle Milano Tangenziali («MiSe») key elements

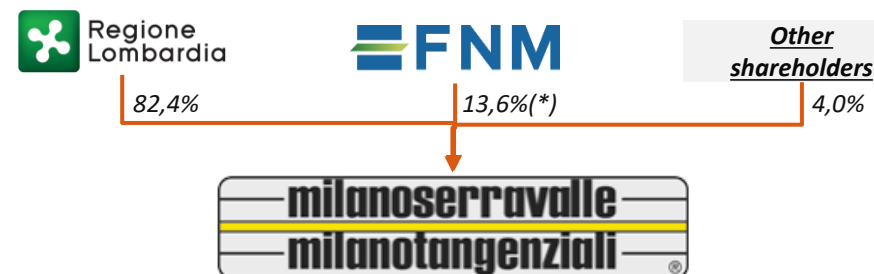
Business Overview

- Milano Serravalle Milano Tangenziali S.p.A. («MiSe») was founded in 1951 in Assago.
- MiSe is the concessionaire company until 2028 of the A7 motorway from Milano to Serravalle Scrivia and of the three Milanese ring roads A50, A51, A52 (West, East, North) for a total of 179 km and approximately 3,115 million vehicle-km in 2019.
- MiSe also holds a 79% stake in Autostrada Pedemontana Lombarda S.p.A. («APL»), which is the concessionaire company of approximately 84 km toll roads as of 30/06/2018 and which should exceed 157 km of overall roads once the project is completed.

MiSe equity participations

Companies	% shares	Participation value
Milano Serravalle Engineering S.r.l.	100,0%	€ 4,0 mln
Autostrada Pedemontana Lombarda S.p.A.	79,0%	€ 188,8 mln
Tangenziali Esterne di Milano S.p.A.	18,8%	€ 43,6 mln
S.A.Bro.M. S.p.A.	13,0%	€ 3,4 mln
CIV S.p.A.	5,0%	€ 0,7 mln
Autostrade Lombarde S.p.A.	2,8%	€ 13,3 mln
Consorzio Autostrade Italiane Energia	1,4%	€ 0,0 mln
Società di progetto Brebemi S.p.A.	0,4%	€ 0,2 mln
Tangenziale Esterna S.p.A.	0,4%	€ 1,8 mln
Confederazione Autostrade S.p.A. (*)	16,7%	-

Shareholders' structure



(*) 29 July: FNM has purchased Gruppo Gavio 13,6% stake in Milano Serravalle.

Key Financials (ITA GAAP)

Key Financials (€ mln)	2018	2019
Tolls	234,6	234,8
Other revenues	14,3	14,1
Total Revenues	248,8	248,9
EBITDA adj	148,4	149,4
EBITDA adj%	59,6%	60,0%
EBIT	85,8	88,2
Net income	57,8	57,8
Net debt (cash)	195,2	134,8
Net debt/EBITDA(x)	1,4x	0,9x

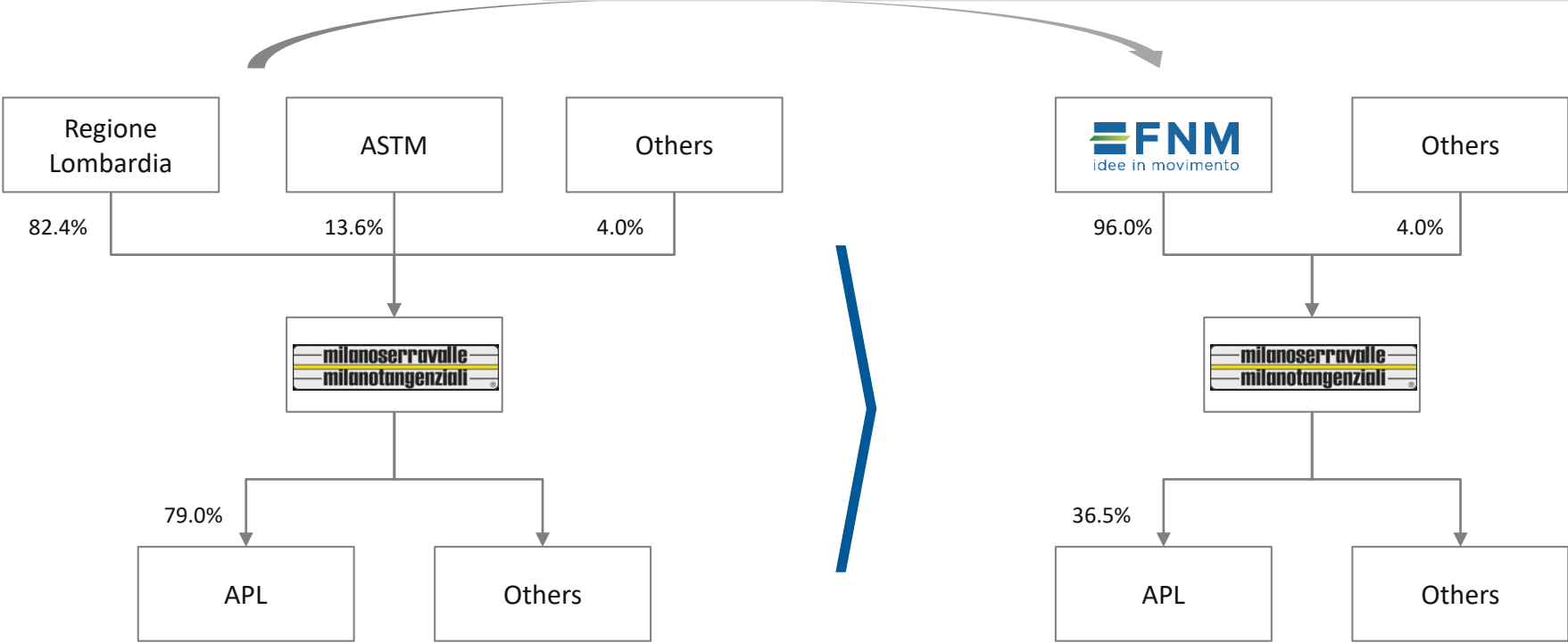
Acquisition terms (1/3)

Milano Serravalle – Milano Tangenziali	<ul style="list-style-type: none">➤ 28/30 July: binding offer for the purchase of a stake equal to 82.4% of MiSe’s share capital was accepted by Regione Lombardia➤ 29 July: acquisition of a stake equal to 13.6% of MiSe’s share capital directly or indirectly owned by ASTM
Prezzo	<ul style="list-style-type: none">➤ Equity Value (100%) of Euro 630 million (price per share Euro 3,5)➤ Total consideration of Euro 604.8 million (of which: 519.2 to Regione Lombardia; 85.6 to ASTM)➤ With reference to the deal with ASTM: price of Euro 3.2 per share paid in cash on 29 July; price of Euro 0.3 per share to be paid by 31 January 2021➤ Financed by an unsecured short-term credit line
Timeline	<ul style="list-style-type: none">➤ Exclusivity agreement signed with Regione Lombardia on 30 July 2020 for a period of 4 months➤ Closing of the transaction between FNM and Regione Lombardia within the first months of 2021
APL	<ul style="list-style-type: none">➤ Irrevocable commitment of Regione Lombardia to subscribe a capital increase in Autostrada Pedemontana Lombarda (APL) to allow the deconsolidation of APL by MiSe

Acquisition terms (2/2)

MiSe Shareholding pre and post acquisition

Acquisition by FNM of the shares owned by Regione Lombardia and ASTM at a price of 604,8 M€



Capital increase in APL of 350M€ subscribed by Regione Lombardia and consequent dilution of the stake held by MiSe to 36.5%

Acquisition terms (3/3)

Leakage

- Consideration determined on the basis of MISE and APL's balance sheets at 30 June 2020
- Regione Lombardia undertook to pay to FNM the amount of any leakage (other than the permitted leakages) occurred between 30 June 2020 and the closing date of the acquisition

Conditions Precedent

- Lack, between the signing date and the closing date, of any acts or operations (other than the ones permitted pursuant to the agreement) executed by the companies belonging to the MiSe Group and/or APL exceeding the ordinary course of business of the companies and not in line with the past operative and commercial practice of such companies
- Clearance from the Antitrust authority
- Clearance pursuant to the «golden power» regulation (if required by applicable law)
- Approval by the Ministry of Infrastructure and Transports pursuant to the concession agreement to which MiSe is a party
- Signing of the «warranty & indemnities» insurance

- The acquisition

- **Post deal key figures**

Key figures

2019 combined pro-forma, IAS (M€)

		FNM (stand alone)	MiSe (stand alone)	Combined (pro-forma)
Revenues		301	270	571
EBITDA (*)		70	140	209
EBITDA %		23%	52%	37%
PFN		194	34	228